Dubai Islamic Bank Pakistan Limited
Capital Adequacy, Leverage Ratio & Liquidity Requirements Disclosures
As at December 31, 2024

1 Capital Adequacy

1.1 Capital Management

Capital Management aims to safeguard the Bank's ability to continue as a going concern so that it could continue to provide adequate returns to shareholders by pricing products and services commensurately with the level of risk. For this the Bank ensures strong capital position and efficient use of capital as determined by the underlying business strategy i.e. maximizing growth on continuing basis. The Bank maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders’ return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The State Bank of Pakistan (SBP) has prescribed guidelines with respect to disclosure of capital adequacy related information in the financial statements of banks. These guidelines are based on the requirements of Basel III which were introduced earlier by the SBP in August 2013 for implementation by banks in Pakistan. The SBP has specified a transitional period till 2018 for implementation of Basel III. The disclosures below have been prepared on the basis of the SBP's guidelines.

1.2 Goals of Managing Capital

The goals of managing capital of the Bank are as follows:

- To be an appropriately capitalised institution, considering the requirements set by the regulators of the banking markets where the Bank operates;

- Maintain strong ratings and to protect the Bank against unexpected events; and

- Ensure availability of adequate capital at a reasonable cost so as to enable the Bank to operate adequately and provide reasonable value addition for the shareholders and other stakeholders.

1.3 Statutory Minimum Capital requirement and Management of Capital

The State Bank of Pakistan (SBP) vide circular no.7 dated April 15, 2009 had set the Minimum Capital Requirement (MCR) for banks of Rs 10 billion to be achieved in a phased manner by December 31, 2013. The paid up capital of the Bank for the year ended December 31, 2024 stands at Rs. 11.65 billion (2023: Rs. 11.65 billion) and is in compliance with the SBP requirement for the said year. The Bank has met its minimum caital requirement by conversion of FCY sub-ordinated debt from the sponsors placed in non-remunerative deposit account with SBP to paid up capital.The capital adequacy ratio (CAR) of the Bank is subject to the Basel III capital adequacy guidelines stipulated by the State Bank of Pakistan through its BPRD Circular No. 06 of 2013 dated August 15, 2013.The Capital Adequacy Ratio (CAR) requirement as of December 31, 2024 is 11.50% whereas DIBPL's CAR stood at 22.20%

1.4 Capital Structure

Under Basel III framework, the Bank's regulatory capital has been analysed into two tiers as follows:

- Tier 1 capital (going concern capital) which is sub divided into:

a) Common Equity Tier 1 (CET1), which includes fully paid up capital, reserve for bonus issue, general reserves and un-appropriated profits (net of losses), etc after deductions for investments in the equity of subsidiary companies engaged in banking and financial activities (to the extent of 50%), reciprocal crossholdings and deficit on revaluation of available for sale investments and deduction for book value of intangibles.

b) Additional Tier 1 capital (AT1), which includes instruments issued by the Bank which meet the specified criteria after deduction of remaining 50% investment in the equity of subsidiary companies engaged in banking and financial activities and other specified deductions.

- Tier II capital, which includes general provisions for loan losses (upto a maximum of 1.25% of credit risk weighted assets), reserves on revaluation of fixed assets and available for sale investments after deduction of deficit on available for sale

Banking operations are categorised in either the trading book or the banking book and risk weighted assets are determined according to the specified requirements that seek to reflect the varying levels of risk attached to assets and off balance sheet exposures.

1.5 Capital adequacy ratio

The capital to risk weighted assets ratio, calculated in accordance with the SBP guidelines on capital adequacy, under Basel III and Pre-Basel III treatment using Standardised Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk is presented below:

	2024	2023
	----------- (Rupees in '000) -----------	
Common Equity Tier 1 capital (CET1): Instruments and reserves		
Fully Paid-up Capital/ Capital deposited with SBP	**11,652,288**	11,652,288
Balance in Share Premium Account	**-**	-
Reserve for issue of Bonus Shares	**-**	-
Discount on Issue of shares	**-**	-
General / Statutory Reserves	**6,553,983**	5,219,664
Gain / (Losses) on derivatives held as Cash Flow Hedge	**-**	-
Unappropriated profits	**26,088,673**	20,607,283
Minority Interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	**-**	-
CET 1 before Regulatory Adjustments	**44,294,944**	37,479,235
Total regulatory adjustments applied to CET1 (Note 39.5.1)	**2,076,093**	2,396,856
Common Equity Tier 1 (a)	**42,218,851**	35,082,379
Additional Tier 1 (AT 1) Capital		
Qualifying Additional Tier-1 instruments plus any related share premium	**3,120,000**	3,120,000
of which:		
- *classified as equity*	**-**	-
- *classified as liabilities*	**3,120,000**	3,120,000
Additional Tier-1 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group AT 1)	**-**	-
- *of which: instrument issued by subsidiaries subject to phase out*	**-**	-
AT1 before regulatory adjustments	**3,120,000**	3,120,000
Total of Regulatory Adjustment applied to AT1 capital (Note 39.5.2)	**-**	-
Additional Tier 1 capital after regulatory adjustments	**3,120,000**	3,120,000
Additional Tier 1 capital recognised for capital adequacy (b)	**3,120,000**	3,120,000
Tier 1 Capital (CET1 + admissible AT1) (c=a+b)	**45,338,851**	38,202,379
Tier 2 Capital		
Qualifying Tier 2 capital instruments under Basel III plus any related share premium	**4,000,000**	4,000,000
Tier 2 capital instruments subject to phase out arrangement issued under pre-Basel III rules		
Tier 2 capital instruments issued to third parties by consolidated subsidiaries	**-**	-
(amount allowed in group tier 2)		
- *of which: instruments issued by subsidiaries subject to phase out*	**-**	-
General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	**2,211,147**	2,542,922
Revaluation Reserves (net of taxes)		
of which:	**651,615**	-
- *Revaluation reserves on property*	**-**	-
- *Unrealized gains/losses on AFS*	**651,615**	-
Foreign Exchange Translation Reserves	**-**	-
Undisclosed / Other Reserves (if any)	**-**	-
T2 before regulatory adjustments	**6,862,762**	6,542,922
Total regulatory adjustment applied to T2 capital (note 39.5.3)	**-**	-
Tier 2 capital (T2) after regulatory adjustments	**6,862,762**	6,542,922
Tier 2 capital recognised for capital adequacy	**6,862,762**	6,542,922
Portion of Additional Tier 1 capital recognized in Tier 2 capital	**-**	-
Total Tier 2 capital admissible for capital adequacy (d)	**6,862,762**	6,542,922
TOTAL CAPITAL (T1 + admissible T2) (e=c+d)	**52,201,613**	44,745,301
Total Risk Weighted Assets (RWA) (i) [Note 39.9]	**235,095,778**	248,751,437

	2024	2023
	----------- (Rupees in '000) -----------	
Capital Ratios and buffers (in percentage of risk weighted assets)		
CET1 to total RWA (a/i)	**17.96%**	14.10%
Tier-1 capital to total RWA (c/i)	**19.29%**	15.36%
Total capital to total RWA (e/i)	**22.20%**	17.99%
Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement) of which:	**7.50%**	7.50%
- *capital conservation buffer requirement*	**1.50%**	1.50%
- *countercyclical buffer requirement*	**0%**	0%
- *D-SIB or G-SIB buffer requirement*	**0%**	0%
CET1 available to meet buffers (as a percentage of risk weighted assets)	**10.46%**	**6.60%**
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	**6.00%**	6.00%
Tier 1 minimum ratio	**7.50%**	7.50%
Total capital minimum ratio	**11.50%**	11.50%

1.5.1 Common Equity Tier 1 capital: Regulatory adjustments

	2024		2023	
	Amount	**Pre-Basel III treatment***	Amount	Pre-Basel III treatment*
	------------------------- (Rupees in '000) -------------------------			
Goodwill (net of related deferred tax liability)	-	-	-	-
All other intangibles (net of any associated deferred tax liability)	**898,559**	-	1,191,472	-
Shortfall of provisions against classified assets (Note 39.6.2.1)	-	-	-	-
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	-	-
Defined-benefit pension fund net assets	-	-	-	-
Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities	-	-	-	-
Cash flow hedge reserve	-	-	-	-
Investment in own shares / CET1 instruments	-	-	-	-
Securitization gain on sale	-	-	-	-
Capital shortfall of regulated subsidiaries	-	-	-	-
Deficit on account of revaluation from bank's holdings of property / AFS	-	-	314,350	-
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-	-
Significant investments in the common stocks of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	-	-
Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	**1,177,534**	-	891,034	-
Amount exceeding 15% threshold of which:				
- *significant investments in the common stocks of financial entities*	-	-	-	-
- *deferred tax assets arising from temporary differences*	-	-	-	-
National specific regulatory adjustments applied to CET1 capital	-	-	-	-
Investment in TFCs of other banks exceeding the prescribed limit	-	-	-	-
Any other deduction specified by SBP	-	-	-	-
Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-	-	-	-
Total regulatory adjustments applied to CET1	**2,076,093**	-	2,396,856	-

***** This column highlights items that are still subject to Pre Basel III treatment during the transitional period

	2024		2023	
	Amount	**Pre-Basel III treatment***	Amount	Pre-Basel III treatment*
	------------------------- **(Rupees in '000)** -------------------------			
1.5.2 Additional Tier 1 Capital: regulatory adjustments				
Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	-	-	-	-
Investment in own AT1 capital instruments	-	-	-	-
Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities	-	-	-	-
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-	-
Significant investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-	-
Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from additional tier-1 capital	-	-	-	-
Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-	-
Total of Regulatory Adjustment applied to AT1 capital	-	-	-	-
1.5.3 Tier 2 Capital: regulatory adjustments				
Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	-	-	-	-
Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	-	-	-	-
Investment in own Tier 2 capital instrument	-	-	-	-
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-	-
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-	-
Total regulatory adjustment applied to T2 capital	-	-	-	-

* This column highlights items that are still subject to Pre Basel III treatment during the transitional period

	2024	2023
1.5.4 Risk Weighted Assets subject to pre-Basel III treatment	----------- **(Rupees in '000)** -----------	
Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-Basel III Treatment) of which:	-	-
- *Deferred tax assets*	-	-
- *Defined-benefit pension fund net assets*	-	-
- Recognized portion of investment in capital of banking, financial and insurance entities where holding is less than 10% of the issued common share capital of the entity	-	-
Recognized portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity	-	-
Amounts below the thresholds for deduction (before risk weighting)		
Non-significant investments in the capital of other financial entities	-	-
Significant investments in the common stock of financial entities	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Applicable caps on the inclusion of provisions in Tier 2		
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	**2,586,889**	3,173,171
Cap on inclusion of provisions in Tier 2 under standardized approach	**2,211,147**	2,542,922
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-
Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-

2 Leverage ratio

According to Basel III instructions issued by State Bank of Pakistan (BPRD circular # 06 dated August 15, 2013), it is mandatory for all the banks to calculate and report the Leverage Ratio on a quarterly basis with the minimum benchmark of 3%.

The leverage ratio of the Bank for the year ended December 31, 2024 stood at 8.78% (2023: 7.49%) above the minimum requirement set by SBP.

		2024	2023
		---------- (Rupees in '000) ----------	
	On balance sheet exposures		
1	On-balance sheet items (excluding derivatives but including collateral)	**435,174,033**	418,302,538
2	Derivatives	**237,013**	329,109
3	**Total On balance sheet exposures**	**435,411,046**	418,631,647
	Off balance sheet exposures		
4	Off-balance sheet items (excluding derivatives)	**80,899,125**	91,099,408
5	Commitment in respect of derivatives (derivatives having negative fair value are also included)	**62,460**	560,351
6	**Total Off balance sheet exposures**	**80,961,585**	91,659,759
	Capital and total exposures		
7	**Tier 1 capital (Note 39.5)**	**45,338,851**	38,202,379
8	**Total exposures (sum of lines 3 and 6)**	**516,372,631**	510,291,406
	Basel III leverage ratio	**8.78%**	7.49%

3 Capital Structure Reconciliation

3.1 Reconciliation of each financial statement line item to item under regulatory scope of reporting - Step 1

	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	------------(Rupees in '000)----------	
Assets		
Cash and balances with treasury banks	30,433,179	30,433,179
Balances with other banks	1,354,671	1,354,671
Due from financial institutions	41,494,389	41,494,389
Investments	143,838,506	143,838,506
Islamic financing and related assets	203,608,460	203,608,460
Property and equipment	2,180,568	2,180,568
Right-of-use assets	5,588,241	5,588,241
Intangible assets	615,657	615,657
Deferred tax assets	5,517,172	5,517,172
Other assets	18,258,858	18,258,858
Total assets	**452,889,701**	**452,889,701**
Liabilities and Equity		
Bills payable	7,103,423	7,103,423
Due to financial institutions	24,008,644	24,008,644
Deposits and other accounts	346,872,762	346,872,762
Lease Liabilities	6,347,022	6,347,022
Sub-ordinated loans	7,120,000	7,120,000
Deferred tax liabilities	-	-
Other liabilities	16,491,291	16,491,291
Total liabilities	**407,943,142**	**407,943,142**
Share capital	11,652,288	11,652,288
Reserves	6,553,983	6,553,983
Unappropriated/ Unremitted profit/ (losses)	26,088,673	26,088,673
Minority Interest	-	-
Surplus/(Deficit) on revaluation of assets	651,615	651,615
Total liabilities and equity	**452,889,701**	**452,889,701**

3.2 Reconciliation of balance sheet to eligible regulatory capital - Step 2

	Reference	Balance sheet as in published financial statements	Under regulatory scope of consolidation
		------------(Rupees in '000)----------	
Assets			
Cash and balances with treasury banks		30,433,179	30,433,179
Balances with other banks		1,354,671	1,354,671
Due from financial institutions		41,494,389	41,494,389
Investments		143,838,506	143,838,506
of which:			
- *non-significant capital investments in capital of banking, financial and insurance entities exceeding 10% threshold*	a	-	-
- *significant capital investments in capital instruments issued by banking, financial and insurance entities exceeding regulatory threshold*	b	-	-
- *mutual Funds exceeding regulatory threshold*	c	-	-
- *reciprocal crossholding of capital instrument (separate for CET1, AT1, T2)*	d	-	-
- *others*	e	-	-
Islamic financing and related assets		203,608,460	203,608,460
- *shortfall in provisions / excess of total EL amount over eligible provisions under IRB (Note 39.6.2.1)*	f	-	-
- *general provisions reflected in Tier 2 capital*	g	2,586,889	2,586,889
Operating fixed assets		8,384,466	8,384,466
- *of which: Intangibles*	k	615,657	615,657
Deferred tax assets		5,517,172	5,517,172
of which:			
- *DTAs that rely on future profitability excluding those arising from temporary differenc*	h	-	-
- *DTAs arising from temporary differences exceeding regulatory threshold*	i	1,177,534	1,177,534
Other assets		18,258,858	18,258,858
of which:			
- *goodwill*	j	-	-
- *defined-benefit pension fund net assets*	l	-	-
Total assets		**452,889,701**	**452,889,701**
Liabilities and Equity			
Bills payable		7,103,423	7,103,423
Due from financial institutions		24,008,644	24,008,644
Deposits and other accounts		346,872,762	346,872,762
Sub-ordinated loans of which:		7,120,000	7,120,000
- *eligible for inclusion in AT1*	m	3,120,000	3,120,000
- *eligible for inclusion in Tier 2*	n	4,000,000	4,000,000
Liabilities against assets subject to finance lease		6,347,022	6,347,022
Deferred tax liabilities of which:		-	-
- *DTLs related to goodwill*	o	-	-
- *DTLs related to intangible assets*	p	-	-
- *DTLs related to defined pension fund net assets*	q	-	-
- *other deferred tax liabilities*	r	-	-
Other liabilities		16,491,291	16,491,291
Total liabilities		**407,943,142**	**407,943,142**
Share capital		11,652,288	11,652,288
- *of which: amount eligible for CET1*	s	11,652,288	11,652,288
- *of which: amount eligible for AT1*	t	-	-
Reserves of which:		6,553,983	6,553,983
- *portion eligible for inclusion in CET1 - Statutory reserve*	u	6,553,983	6,553,983
- *portion eligible for inclusion in CET1 - General reserve*		-	-
- *portion eligible for inclusion in Tier 2*	v	-	-
Unappropriated profit	w	26,088,673	26,088,673
Minority Interest of which:		-	-
- *portion eligible for inclusion in CET1*	x	-	-
- *portion eligible for inclusion in AT1*	y	-	-
- *portion eligible for inclusion in Tier 2*	z	-	-
Surplus on revaluation of assets of which:		651,615	651,615
- *Revaluation reserves on Property*	aa	-	-
- *Unrealized Gains/Losses on AFS*		651,615	651,615
- *In case of Deficit on revaluation (deduction from CET1)*	ab	-	-
Total liabilities and Equity		**452,889,701**	**452,889,701**

3.3 Basel III Disclosure (with added column) - Step 3

		Source based on reference number from step 2	Component of regulatory capital reported by bank (Rupees in '000)
	Common Equity Tier 1 capital (CET1): Instruments and reserves		
1	Fully Paid-up Capital/ Capital deposited with SBP	(s)	11,652,288
2	Balance in Share Premium Account		-
3	Reserve for issue of Bonus Shares		-
4	General / Statutory Reserves	(u)	6,553,983
5	Gain / (Losses) on derivatives held as Cash Flow Hedge		-
6	Unappropriated / unremitted profits	(w)	26,088,673
7	Minority Interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	(x)	-
8	**CET 1 before Regulatory Adjustments**		**44,294,944**
	Common Equity Tier 1 capital: Regulatory adjustments		
9	Goodwill (net of related deferred tax liability)	(j) - (o)	-
10	All other intangibles (net of any associated deferred tax liability)	(k) - (p)	898,559
11	Shortfall of provisions against classified assets (Note 39.6.2.1)	(f)	-
12	Deferred tax assets that rely on future profitability excluding those arising		-
	from temporary differences (net of related tax liability)	{(h) - (r)} * x%	-
13	Defined-benefit pension fund net assets	{(l) - (q)} * x%	-
14	Reciprocal cross holdings in CET1 capital instruments	(d)	-
15	Cash flow hedge reserve		-
16	Investment in own shares / CET1 instruments		-
17	Securitization gain on sale		-
18	Capital shortfall of regulated subsidiaries		-
19	Deficit on account of revaluation from bank's holdings of property / AFS	(ab)	-
20	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	(a) - (ac) - (ae)	-
21	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	(b) - (ad) - (af)	-
22	Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	(i)	1,177,534
23	Amount exceeding 15% threshold of which:		-
	- significant investments in the common stocks of financial entities		
	- deferred tax assets arising from temporary differences		-
24	National specific regulatory adjustments applied to CET1 capital of which:		-
	- *Investment in TFCs of other banks exceeding the prescribed limit*		-
	- *Any other deduction specified by SBP (mention details)*		-
25	Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions		-
26	**Total regulatory adjustments applied to CET1 (Sum 9 to 25)**		**2,076,093**
27	**Common Equity Tier 1**		**42,218,851**
	Additional Tier 1 (AT 1) Capital		
28	Qualifying Additional Tier-1 instruments plus any related share premium		3,120,000
	of which:		
29	- *Classified as equity*	(t)	-
30	- *Classified as liabilities*	(m)	3,120,000
31	Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	(y)	-
32	- *of which: instrument issued by subsidiaries subject to phase out*		-
33	**AT1 before regulatory adjustments**		**3,120,000**

		Source based on reference number from step 2	Component of regulatory capital reported by bank (Rupees in '000)
	Additional Tier 1 Capital: regulatory adjustments		
34	Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)		-
35	Investment in own AT1 capital instruments		-
36	Reciprocal cross holdings in Additional Tier 1 capital instruments		-
37	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	(ac)	-
38	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	(ad)	-
39	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-1 capital		-
40	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		-
41	Total of Regulatory Adjustment applied to AT1 capital (Sum 34 to 40)		-
42	Additional Tier 1 capital		-
43	**Additional Tier 1 capital recognised for capital adequacy**		3,120,000
44	**Tier 1 Capital (CET1 + admissible AT1) (27 + 43)**		**45,338,851**
	Tier 2 Capital		
45	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	(n)	4,000,000
46	Capital instruments subject to phase out arrangement from Tier 2 (Pre-Basel III instruments)		-
47	Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)		
	- *of which: instruments issued by subsidiaries subject to phase out*	(z)	-
48	General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	(g)	2,211,147
49	Revaluation Reserves of which:		
50	- *Revaluation reserves on property*	(aa)	-
51	- *Unrealized Gains/Losses on AFS*		651,615
52	Foreign Exchange Translation Reserves	(v)	-
53	Undisclosed / Other Reserves (if any)		-
54	**T2 before regulatory adjustments**		-
			6,862,762
	Tier 2 Capital: regulatory adjustments		
55	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital		-
56	Reciprocal cross holdings in Tier 2 instruments		-
57	Investment in own Tier 2 capital instrument		-
58	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	(ae)	-
59	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	(af)	-
60	Amount of Regulatory Adjustment applied to T2 capital		-
61	Tier 2 capital (T2)		6,862,762
62	Tier 2 capital recognised for capital adequacy		6,862,762
63	Excess Additional Tier 1 capital recognised in Tier 2 capital		-
64	Total Tier 2 capital admissible for capital adequacy		6,862,762
	TOTAL CAPITAL (T1 + admissible T2) (44 + 64)		**52,201,613**

4 Main features of Regulatory Capital Instruments

	Main Features	Common Shares	Additional Tier I Sukuk	Tier II Sukuk
1	Issuer	Dubai Islamic Bank Pakistan Limited	Dubai Islamic Bank Pakistan Limited	Dubai Islamic Bank Pakistan Limited
2	Unique identifier (eg KSE Symbol or Bloomberg identifier etc.)	DIBPL - CDC Symbol	DIBPL - Additional Tier I Sukuk	DIBPL - Tier II Mudaraba Sukuk
3	Governing law(s) of the instrument	Banking Companies Ordinance, 1962 and the Directives issued by SBP	Banking Companies Ordinance, 1962 and the Directives issued by SBP	Banking Companies Ordinance, 1962 and the Directives issued by SBP
	Regulatory treatment			
4	Transitional Basel III rules	Common Equity Tier 1	Additional Tier I	Tier II
5	Post-transitional Basel III rules	Common Equity Tier 1	Additional Tier I	Tier II
6	Eligible at solo/ group/ group&solo	Solo	Solo	Solo
7	Instrument type	Ordinary shares	Subordinated debt	Subordinated debt
8	Amount recognised in regulatory capital (Currency in PKR thousands, as of reporting date)	Rs. 11,652,288	Rs. 3,120,000	Rs. 4,000,000
9	Par value of instrument	Rs. 10	Rs. 5,000	Rs. 1,000,000
10	Accounting classification	Shareholders' equity	Liability - Subordinated Sukuk	Liability - Subordinated Sukuk
11	Original date of issuance	March 21, 2006	December 24, 2018	December 2, 2022
12	Perpetual or dated	Perpetual	Perpetual	Dated
13	Original maturity date	N/A	N/A	December 2032
14	Issuer call subject to prior supervisory approval	No	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	Callable with prior approval of SBP on or after five years from the date of issue	Callable with prior approval of SBP on or after five years from the date of issue
16	Subsequent call dates, if applicable	N/A	N/A	N/A
	Coupons / dividends			
17	Fixed or floating dividend/ coupon	N/A	Floating coupon	Floating coupon
18	coupon rate and any related index/ benchmark	N/A	Last profit rate on the Sukuk is 18.56% per annum	Last profit rate on the sukuk is 14.22% per annum.
19	Existence of a dividend stopper	No	N/A	N/A
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Partially discretionary	Partially discretionary
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Noncumulative	Non-Cumulative	Cumulative
23	Convertible or non-convertible	Nonconvertible	Convertible	Convertible
24	If convertible, conversion trigger (s)	N/A	Occurrence of a non-viability trigger event (the "PONV")	Occurrence of a non-viability trigger event (the "PONV")
25	If convertible, fully or partially	N/A	Fully/partially	Fully
26	If convertible, conversion rate	N/A	It will be converted into ordinary shares of the Bank and the number of shares to be issued to Sukuk holders at the time of conversion will be equal to the 'Outstanding value of the Sukuk' (Face value minus attributable profit/loss) divided by the market value per share of the Bank's common share on the date of PONV as declared by SBP	As per SBP BPRD circular 6 of 2013 the conversion pricing formula is linked to the Fair Value per share of the common shares on the day preceding the date of PONV trigger event or, incase where market price is not available, the break up value of share duly certified by the independent auditor and the fair value of the sukuk.
27	If convertible, mandatory or optional conversion	N/A	Option of SBP	Option of SBP
28	If convertible, specify instrument type convertible into	N/A	Ordinary Shares	Common Shares
29	If convertible, specify issuer of instrument it converts into	N/A	DIBPL	DIBPL
30	Write-down feature	No	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument	Residual interest	Residual interest	Residual interest
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

5 Risk-weighted Exposures

	Capital requirements		Risk weighted assets	
	2024	2023	**2024**	2023
Credit Risk	--------------------------(Rupees in '000)--------------------------			
Portfolios subject to on-balance sheet exposure (Simple Approach)				
Cash and cash equivalents	**-**	-	**-**	-
Sovereign	**397,135**	1,109,704	**3,453,344**	9,649,596
Banks	**1,405,017**	981,434	**12,217,543**	8,534,211
Public sector entities	**41,045**	36,528	**356,916**	317,632
Corporate	**11,260,984**	14,045,472	**97,921,603**	122,134,536
Retail	**2,010,196**	2,497,064	**17,479,961**	21,713,597
Residential mortgage	**710,507**	736,744	**6,178,319**	6,406,468
Past due loans	**158,849**	56,160	**1,381,294**	488,351
Deferred Tax Assets	**1,247,646**	1,034,236	**10,849,096**	8,993,353
Operating fixed assets	**893,413**	738,367	**7,768,809**	6,420,580
All other assets	**348,317**	154,318	**3,028,847**	1,341,895
Portfolios subject to off-balance sheet exposure - non market related (Simple approach)				
Financial guarantees	**112**	280	**975**	2,437
Acceptances	**812,100**	845,987	**7,061,737**	7,356,410
Performance related commitments	**583,400**	581,126	**5,073,041**	5,053,273
Trade related commitments	**401,692**	516,602	**3,492,977**	4,492,194
Commitments in respect of asset	**46,868**	29,488	**407,549**	256,420
Other Commitments	**-**	-	**-**	-
Portfolios subject to off-balance sheet exposures - market related (Current exposure method)				
Banks	**19,710**	27,309	**171,396**	237,469
Customers	**5,561**	4,065	**48,355**	35,351
Market Risk				
Interest rate risk	**50,092**	12,320	**626,150**	153,996
Equity position risk	**-**	-	**-**	-
Foreign Exchange risk	**36,932**	5,216	**461,650**	65,196
Market risk-weighted exposures	**87,024**	17,535	**1,087,802**	219,191
Capital Requirement for portfolios subject to Standardised Approach				
Operational Risk				
Capital requirement for operational risk	**4,569,297**	3,607,878	**57,116,214**	45,098,472
TOTAL	**24,998,873**	27,020,297	**235,095,778**	248,751,436

	December 31, 2024		December 31, 2023	
Capital Adequacy Ratio	**Required**	**Actual**	Required	Actual
CET1 to total RWA	**6.00%**	**17.96%**	6.00%	14.10%
Tier-1 capital to total RWA	**7.50%**	**19.29%**	7.50%	15.36%
Total capital to total RWA	**11.50%**	**22.20%**	11.50%	17.99%
Leverage ratio	**3.00%**	**8.78%**	3.00%	7.49%

6 Risk Management

The Bank was granted a certificate to commence business in March 2006. The Bank is progressively implementing the guidelines issued by the SBP on risk management while keeping in sight the current and future scale and scope of its activities. Today, for the Bank, Risk Management is a structured approach to manage uncertainty related to an outcome. It is a sequence of activities including: risk assessment, policies, procedures and strategies development which are put in place to identify, measure, monitor and control the risk faced and mitigation of risk using adequate and relevant resources.

In the currently competitive banking market the Bank’s rate of return is greatly influenced by its risk management capabilities as “Banking is about managing risk and return”. Success in the banking business is not to eliminate or avoid risk altogether but to proactively assess and manage risks for the organization’s strategic advantage.

Risk Framework

The Bank's Risk management framework is based on three pillars; (a) Risk Principles and strategies, (b) Organizational Structures and Procedures and (c) Prudent Risk Measurement and Monitoring Processes which are closely aligned with the activities of the Bank so as to give maximum value to the shareholders while ensuring that risks are kept within an acceptable level / risk appetite.

The Board determines the overall risk appetite and philosophy for the Bank. The overall risk is monitored by the Board Risk Monitoring Committee (BRMC). The terms of reference of BRMC have been approved by the Board. Various Management Committees such as Risk Management Committee (RMC), Operational Risk Management Committee (ORMC), Management Credit Committee (MCC) and Asset and Liability Committee (ALCO) support these goals.

The Chief Executive Officer (CEO) and Chief Risk Officer (CRO), in close coordination with all business / support functions, ensure that the Risk Management Framework approved by the Board is implemented in true spirit and risk limits are communicated and adhered for quantifiable risks by those who accept risks on behalf of the organization. Further, they also ensure that the non-quantifiable risks are communicated as guidelines and adhered to in management business decisions.

7.1 Risk Appetite

Risk management across the Bank is based on the risk appetite and philosophy set by the Board and the associated risk committees. The Board establishes the parameters for risk appetite for the Bank through:

- Setting strategic direction;
- Contributing to, and ultimately approving plans for each division; and
- Regularly reviewing and monitoring the Bank's performance in relation to risk through related reports.

It is to be ensured that the risk remains within the acceptable level and sufficient capital is available as a buffer to absorb all the risks. It forms the basis of strategies and policies for managing risks and establishing adequate systems and controls to ensure that overall risk remain within acceptable level.

7.2 Risk Organization

The nature of the Bank's businesses requires it to identify, measure and manage risks effectively. The Bank manages these risks through a framework of risk vision, mission, strategy, policies, principles, organizational structures, infrastructures and risk measurement and monitoring processes that are closely aligned with the activities of the Bank. The Bank Risk Management function is independent of the business areas.

In line with best practices, the Bank exercises adequate oversight through the Risk Monitoring Committee and the Bank's Risk Management Group and has developed an elaborate risk identification measurement and management framework.

Along with the above, business heads are also specifically responsible for the management of risk within their respective businesses. As such, they are responsible for ensuring that they are in compliance with appropriate risk management frameworks in line with the standards set by the Bank.

Business heads are supported by the Risk Management Group and the Finance Department. An important element that underpins the Bank's approach to the management of all risk is independence, where the risk monitoring function is independent of the risk taking function.

The Bank also has credit risk, market risk, liquidity risk, operational risk, and investment policies in place.

7.3 Credit Risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the Bank. The credit risk arises mainly from both direct financing activities as well as contingent liabilities. The objective of credit risk management framework / policies for the Bank is to achieve sustainable and superior risk versus reward performance whilst maintaining credit risk exposure in line with the approved risk appetite.

The Bank has adopted Standardised Approach for calculation of capital charge against credit risk. Therefore, risk weights for the credit risk related assets (on-balance sheet and off-balance sheet - market and non-market related exposures) are assigned taking into consideration external rating(s) of counterparty(s) for the purpose of calculating Risk Weighted Assets.

The Bank has its own credit rating system (Credit Lens) in place which takes into account both quantitative and qualitative aspects. In addition, pro-active credit risk management is undertaken through risk concentration, counterparty limits, counterparty group limits and industry concentration limits, defining minimum risk acceptance criteria for each industry. Periodic review process and risk asset review coupled with policies on internal watch listing are capable of identifying problem financings at an early stage. In addition a full-fledged Special assets management (SAM) department has also been set up for dealing with problem accounts.

The Bank also uses various Management Information System generated on regular basis to monitor and control past dues, irregularities, shortfalls etc., and also to view the composition of the portfolio and address any concentration issues in terms of segment, risk ratings, tenor, geography etc.

8 Liquidity Risk

Liquidity risk is defined as the potential loss arising from the Bank's inability to meet in an orderly way its contractual obligations when due. Liquidity risk arises in the general funding of the Bank's activities and in the management of its assets. The Bank maintains sufficient liquidity to fund its day-to-day operations, meet customer deposit withdrawals either on demand or at contractual maturity, meet customers' demand for new financings, participate in new investments when opportunities arise, and to meet any other commitments. Hence, liquidity is managed to meet known as well as unanticipated cash funding needs.

Liquidity risk is managed within a framework of liquidity policies, controls and limits. These policies, controls and limits ensure that the Bank maintains well diversified sources of funding, as well as sufficient liquidity to meet all its contractual obligations when due. The management of liquidity is carried out using a prudent strategic approach to manage the Bank's funding requirements.

It is the policy of the Bank to maintain adequate liquidity at all times and for all currencies and hence to be in a position, in the normal course of business, to meet all its obligations, to repay depositors, to fulfill commitments, to finance and to meet any other commitments made.

The management of liquidity risk within the Bank is undertaken within limits and other policy parameters set by ALCO, which meets monthly and reviews compliance with policy parameters. Day to day monitoring is done by the treasury while overall compliance is monitored and coordinated by the ALCO and includes reviewing the actual and planned strategic growth of the business and its impact on the statement of financial position from a statement of financial position integrity and sustainability perspective and monitoring the Bank’s liquidity profile and associated activities.

8.1 Liquidity Coverage Ratio

The Bank calculates the Liquidity Coverage Ratio (LCR) on monthly basis as per Basel III Liquidity Standards issued under BPRD Circular No.08 dated June 23, 2016. The objective of the LCR is to promote the short-term resilience of the liquidity risk profile of the Bank and this standard requires Bank to maintain sufficient High Quality Liquid Assets (HQLA) to meet stressed cash outflows over a prospective 30-calendar days period.

Main drivers of LCR results are High Quality Liquid Assets and Net Cash outlfows. Outflows are mainly deposit outflow net of cash inflows which consist of inflows from financing and money market placements upto 1 month. The inputs for calculation of LCR are as prescribed by the regulator.

High Quality Liquid Assets composed of Level-1 Assets which can be included in the stock of liquid assets at 100% of their market value and Bank has taken Cash & treasury balances and Investments GoP Ijara Sukuk. Furthermore, Level 2A and 2B assets have been taken by the Bank which can meet the SBP criteria.

Liquidity Coverage Ratio				
	2024		**2023**	
	Total Unweighteda Value (Average)	**Total Weightedb Value (Average)**	**Total Unweighteda Value (Average)**	**Total Weightedb Value (Average)**
	---(Rupees in '000)---	---(Rupees in '000)---	---(Rupees in '000)---	---(Rupees in '000)---
High Quality Liquid Assets				
1 Total high quality liquid assets (HQLA)	163,914,265	159,391,700	122,331,906	121,023,376
Cash Outflows			-	-
2 Retail deposits and deposits from small business cusmtomers of which:	**183,969,885**	**17,186,983**	**171,541,213**	**16,435,448**
2.1 stable deposit	24,200,119	1,210,006	16,096,693	812,057
2.2 Less stable deposit	159,769,766	15,976,977	155,444,520	15,623,392
3 Unsecured wholesale funding of which:	**113,350,214**	**58,798,844**	**106,355,258**	**60,722,298**
3.1 Operational deposits (all counterparties)	-	-	-	-
3.2 Non-operational deposits (all counterparties)	90,918,950	36,367,580	70,747,066	28,400,435
3.3 Unsecured debt	22,431,264	22,431,264	35,608,192	32,321,863
4 Secured wholesale funding	**532,932**	**-**	**2,494,331**	**-**
5 Additional requirements of which:	**521,221,548**	**35,258,619**	**322,427,497**	**27,338,365**
5.1 Outflows related to derivative exposures & other collateral requirements	31,798,679	31,798,679	20,923,645	24,042,765
5.2 Outflows related to loss of funding on debt products	-	-	-	-
5.3 Credit and Liquidity facilities	489,422,869	3,459,940	301,503,852	3,295,600
6 Other contractual funding obligations	**1,537,274**	**153,727**	**6,179,034**	**571,969**
7 Other contingent funding obligations	**1,603,821**	**1,603,821**	**2,125,347**	**2,178,966**
8 **Total Cash Outflows**		**113,001,994**		**107,247,047**
Cash Inflows	-	-	-	-
9 Secured lending	-	-	-	-
10 Inflows from fully performing exposures	54,174,733	**47,849,179**	25,374,789	**15,131,583**
11 Other Cash inflows	33,141,000	**31,786,329**	23,803,846	**24,471,896**
12 **Total Cash Inflows**		**79,635,508**		**39,603,479**
Total High Quality Liquid Assets (HQLA)		**159,391,700**		**121,023,376**
Total Net Cash Outflows		**33,366,486**		**67,643,567**
Liquidity Coverage Ratio		**477.70%**		**178.91%**

a. Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

b. Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

8.2 Net Stable Funding Ratio

The objective of Net Stable Funding Ratio (NSFR) is to reduce funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress.

		2024				
		Unweighted Value by Residual Maturity				**Weighted Value**
		No Maturity	**< 6 months**	**6 months to < 1 yr**	**≥ 1 yr**	
		-------------------------- (Rupees in '000) --------------------------				
Available Stable Funding						
1	Capital:					
2	Regulatory capital	44,294,944				44,294,944
3	Other capital instruments	9,982,762				9,982,762
4	Retail deposits & deposit from small business customers:					
5	Stable deposits	24,200,119				22,990,113
6	Less stable deposits	142,895,523	13,133,683	3,447,448	293,112	143,822,101
7	Wholesale funding:					
8	Operational deposits					-
9	Other wholesale funding	87,791,865	22,675,177	8,912,376	20,538,798	80,228,506.77
10	Other liabilities:					
11	NSFR derivative liabilities				188,180	-
12	All other liabilities & equity not included in other categories	70,281,151	-	371,007	13,402,884	13,588,387.72
13	**Total ASF**					**314,906,814**
Required Stable Funding						
14	Total NSFR high-quality liquid assets (HQLA)					6,410,202
15	Deposits held at other financial institutions for operational purposes		1,354,671			677,336
16	Performing loans and securities:					
17	Performing loans to financial institutions secured by Level 1 HQLA		-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financail institutions		41,494,389	-	-	6,224,158
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:		72,856,362	12,722,306	54,436,749	89,060,570.24
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		5,028,892	5,789,381	52,693,861	39,660,145.84
21	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.		2,382,419	-	7,975,001	7,969,960.32
22	Other assets:					
23	Physical traded commodities, including gold					
24	Assets posted as initial margin for derivative contracts					
25	NSFR derivative assets				13,589	13,589.09
26	NSFR derivative liabilities before deduction of variation margin posted				37,636	37,636
27	All other assets not included in the above categories	28,114,864	1,360,399	2,766,144	-	30,178,135
28	Off-balance sheet items		54,419,671	13,027,354	3,270,066	24,548,007
29	Total RSF					**204,779,739**
30	Net Stable Funding Ratio (%)					**153.78%**

		2023				
		Unweighted Value by Residual Maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
		------------------------- (Rupees in '000) -------------------------				
Available Stable Funding						
1	Capital:					
2	Regulatory capital	37,479,235				37,479,235
3	Other capital instruments	9,662,922				9,662,922
4	Retail deposits & deposit from small business customers:					
5	Stable deposits	17,830,020				16,938,519
6	Less stable deposits	141,285,651	15,355,419	2,935,371	418,425	144,037,223
7	Wholesale funding:					
8	Operational deposits					-
9	Other wholesale funding	71,099,239	17,500,285	13,445,506	23,029,814	74,052,329.02
10	Other liabilities:					
11	NSFR derivative liabilities				785,559	-
12	All other liabilities & equity not included in other categories	71,334,451	-	192,000	18,853,519	18,949,518.96
13	**Total ASF**					**301,119,747**
Required Stable Funding						
14	Total NSFR high-quality liquid assets (HQLA)					6,384,651
15	Deposits held at other financial institutions for operational purposes		3,985,034			1,992,517
16	Performing loans and securities:					
17	Performing loans to financial institutions secured by Level 1 HQLA		-	-	-	-
18	Performing loans to financial institutions secured by non- Level 1 HQLA and unsecured performing loans to financail institutions		2,900,000	-	-	435,000
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:		92,240,057	18,987,812	65,908,318	111,636,004.52
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		6,037,018	9,466,570	53,084,361	42,256,628.81
21	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.		4,453,044	-	8,482,401	9,436,563.07
22	Other assets:					
23	Physical traded commodities, including gold					
24	Assets posted as initial margin for derivative contracts					
25	NSFR derivative assets				-	-
26	NSFR derivative liabilities before deduction of variation margin posted				157,112	157,112
27	All other assets not included in the above categories	24,762,657	1,106,723	2,250,336	-	26,441,186
28	Off-balance sheet items		57,447,299	7,155,849	3,686,448	16,148,770
29	Total RSF					**214,888,432**
30	Net Stable Funding Ratio (%)					**140.13%**