



Islamic International Rating Agency (IIRA) maintains Shari'a Quality Rating of AA (SQR) for Dawood Islamic Bank Limited (DIBL)

Karachi / Manama

Islamic International Rating Agency (IIRA) has maintained Shari'a Quality Rating of AA (SQR) for Dawood Islamic Bank Ltd. The rating reflects IIRA's opinion that the DIBL confirms to very high standards of Shari'a requirements in all aspects of Shari'a quality analysis.

DIBL commenced operations in April 2007 with the vision to provide Shari'ah compliant financial solutions to all segments of an increasing Shari'ah conscious business and consumer society.

The rating is supported by the fact that Dawood Islamic Bank Ltd (DIBL) has an effective Shari'ah Supervisory Structure consisting of a Shari'ah Supervisory Committee (SSC) and is headed by a well known and highly respected Shari'a scholar Professor Mufti Munib-ur-Rehman. Mr. Mufti Munib-ur-Rehman has post graduate level education in Tafsir, Fiqeh, Arabic and other Islamic banking subjects and has more than 40 years of Fatawaas experience. The other two members of SSC are also well qualified.

DIBL has approved procedures and a manual for Shari'ah compliance, audit and control. The SSC enjoys close working relationship with the shareholders, Board of Directors and the executives of the bank. Since the bank operations are growing, we recommend that an independent Shari'a audit department be established with proper staffing and the role of SSC members should be confined to supervision.

The DIBL also has a formal training program for all new inductees and for the existing staff. The SSC members also participate in the program. Overall the training program was found to be effective and reflects the management commitment towards this important aspect of human resource development. IIRA recommends that the SSC be given more structured role in the induction of employees particularly at more senior levels.

The DIBL gives Zakat according to Central Bank regulation but does not help clients to calculate Zakat and its distribution. The bank has been following a program of benevolent funding to fulfill its social responsibility. A number of institutions have benefitted from this program.

While the bank has decent share of more desirable participatory modes of financing, IIRA recommends that a written policy may be adopted in this aspect.

For further information on this rating announcement, please contact or Mr. Nasir Ali Merchant (Acting CEO) at +973-17211606 or fax +973 17211605.