Profit Distribution Mechanism in Islamic Banking Sector: Evidence from Pakistan

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ISSN (P):2708-6577
ISSN (E):2709-6157

Abstract

The aim of this study is to examine the issue of Profit distribution mechanism in Islamic banks and determine whether or not Profit distribution mechanism in such banks complies with Shari'ah standards. It focuses on the profit distribution process in Islamic banks as well as the Fiqh modality of contracts used to solicit deposits at Islamic banks. Further, the aim of this article is to see if Islamic banks are capable of managing profit distributions, and if so, what elements are needed to complement this profit distribution management. This article also aimed to explain the phenomenon of profit distribution management, a voluntary initiative spearheaded by Islamic banks that has no immediate counterparts in conventional banks. The evidence gathered in this investigation suggests that Islamic banks may oversee profit distribution. The profits allocated to ordinary saving accountholders should be considered by scholars and Shari'ah advisors at banks. This is accomplished by establishing a separate pool from fixed deposits and other rate-sensitive deposits. As a result, we will determine the real profit gained by these deposits; otherwise, profit from these tiers is passed on to higher tiers in order to please rate-sensitive depositors. The current study also find that in an ongoing or operating Mudarabah, the Islamic bank has the authority to make the necessary adjustments by crediting the depositor's account with any surplus profit, if any, and by debiting the account if the actual gain is less than the amount already paid to the depositor on account of profit. In order to do this, the depositor must agree to provide the necessary funds in his account in response to the bank's demand. It shows that, while the current profit distribution mechanism in Islamic banks is in line with general Shari'ah principles and has been accepted by contemporary jurists, there are some loopholes that need to be filled in order to further improve the profit distribution mechanism in Islamic banks. The purpose of this study is to examine the origins and repercussions of the concept of "divine sovereignty," which was central to the narrative and understanding of certain Islamic movements' political aspirations. The study provides insights on the concept of divine sovereignty, which has been used to justify the militancy of a number of Islamist revivalist groups. The scholar investigates the primary concepts utilized by contemporary radical groups, identifying both theoretical underpinnings and conceptual problems in the literature of these movements in their current context. The study traces the origins and intellectual sources of Islamic fundamentalism, while also exposing new flaws in the intellectual tradition of these extreme movements through an analytical and historical lens, presenting texts from proponents and opponents of the concept of divine sovereignty, as well as tracing the concept's evolution throughout Islamic history.

Keywords: Deposit Management, Islamic Banking, Profit Distribution, Mudharabh. Shari'ah

Introduction:

Islamic banking is not the same as traditional banking. Not only is it different regarding funds development but also in respect of funds mobilization as Islamic banking strictly prohibits activities based on interest or Riba. Islamic banking aims to develop a society that is just in its financial operations by implementing the applications of Shari'ah. To ensure that financial institutions are following the Shari'ah applications, Islamic banks depend on Shari'ah-compliant religious boards.[1]

In other words, we can relate Islamic banking to the ethical investment of funds, ethical and interest-free lending. Knowing that any activity involving gambling or production/consumption of alcohol is prohibited, Islamic banking would never invest in such business. Between radical capitalism and extreme communism, Islamic values provide a healthy balance. It allows individual consumers to build wealth in a world that is driven by divine guidance rather than by humans. These concepts, which place a strong emphasis on moral and ethical ideals in all of their interactions, have a wide universal approach.[2]

Islamic banking serves the same function as traditional banking, but it follows Shariah guidelines which is also termed as Fiqh al-Muamlat, whose principle source is Al-Quran followed by Ahadith Mubarakah of Hazrat Muhammad (P.B.U.H). If these two sources fail to provide answers, decisions are taken based on the consensus of community scholars.

Islamic banking was once thought to be just an interest-free financial structure, but it is in fact a comprehensive scheme of social justice and equality. The expression "Islamic Banking" is a generally new idea that is still in its early stages, including a little piece of the whole financial industry in the world. Its foundations can be followed back just to a couple of decades prior when the main Islamic bank and Islamic financial organizations were built up to take into account the need of a feasible option in contrast to a conventional premium based banking which could give Shari'ah agreeable financial services to the Muslims and the Muslim communities present worldwide.[3]

By virtue of the way that the center business of banking lies in requesting deposits and financings, the Islamic banks simply like their ordinary partners expected to assemble reserves and contribute these assets to produce benefit for themselves and their clients/investors.

For the most part, partnerships that integrates Mudarabah is the favored strategy affirmed by Shari'ah for the authentic generation of wealth. This disposition for Mudarabah is a result of the way that other than accomplishing financial development, the Mudarabah agreement would consolidate the advantages of the wealthy (who are in any case unequipped for contributing their capital) with the aptitude and skill of capable agents or speculation specialists (who need adequate capital).[4]

The classical muslim scholars have understood this intrinsic quality of such organization contracts, hence Al Marghinani, the creator of Al Hidayah, when discussing the lawfulness of Mudarabah, has contended that the individuals are left abandoned between the well-off, who are unfit to contribute or build up a business, and the experts who are empty handed who have the capacity to contribute or to work together. In this manner, this need has brought about admissibility of this sort of business, to deal with the interests of both poor people and the rich.[5]

Allamah al Kasani, while talking about the proof on the authenticity of Mudarabah, has said that the requirement for it required its reasonability. A man may have cash, yet may not realize how to contribute it, or he may have adequate involvement with trading, yet he might not have the cash to contribute, consequently, the explanation for the establishing of this agreement was a need to determine the issues of the rich and poor people and Allah Almighty has not authorized agreements however as answers for the issues of individuals and for the welfare of individuals.[6]

Mudarabah is one of the principal and center agreements for the activation of deposits, shaping the center movement of Islamic banks and Islamic venture foundations. It is the ideal agreement for the advancement of capital. Jurists have arrived at an accord on its authenticity, talked about its issues, and proposed various perspectives on a large number of its angles.[7]

Plus, this is the most established partnership known in the world history. Arabs had realized it even before the appearance of Islam. Keeping in view the multidimensional idea of this contract, Islam has additionally subsequent to exposing it to essential refinement and filtering of its standards endorsed it. In the establishment of Mudarabah as well as in the authorization of every single other principle, Shari'ah has already stressed on the protection of the general enthusiasm of the individuals. Because of this contract, unemployment is naturally decreased and the exercises of speculation of unutilized capital and work are created and promoted among the individuals.[8]

It may not be wrong to state that Mudarabah has become the establishment stone in building the Islamic economy. Accordingly, Muslim researchers have been depending on it and alluding to it in their examination concentrates as an Islamic option in contrast to the instruments or items utilized in the preparation of assets by the monetary foundations. Mudarabah will be trailed by further turn of events and development which will cover other Shari'ah transactions.[9]

Muslim researchers and scholars have attempted broad examination on Mudarabah and on the implementations of its provisions in organizations and Islamic banks.[10] Since the rise of Islamic banks, pulling in deposits, and putting the equivalent in new activities in the Muslim world, required the need to discover the underlying foundations of the deposit contracts and guarantee their similarity with the standards of Shari'ah. The explanation behind this is to support the proprietors of the capital and rich individuals, who are hesitant to deposit in ordinary banks because of dread of disregarding the denial of Riba, to deposit their funds and put them in Islamic banks through Shari'ah-consistent monetary contracts. This will thus bring about keeping them from discouraging the stream/dispersion of cash or restraining infrastructure.

It is notable to the scholars of Shari'ah and Fiqh that the structure of deposits and the type of work influences the all-out income of the bank, in this manner affecting the profits to be conveyed among the contributors. In this way, this examination features the available resources to deal with these deposits and the idea of the arrival on such deposits. In this examination, an endeavor has been made to address the issues (referenced in the accompanying passage) which are the subject of contradiction among the researchers. Some of researchers articulated them as passable while others appear to view them as impermissible.[11]

A significant issue in Islamic banking is the manner by which to deal with the deposits significantly. Researchers have given various perspectives with respect to the management of deposits. Some of the topics related to management of deposits are: common Mudarabah, profit distribution mechanism, profit distribution of continued Mudarabah, the utilization of various weightages for appropriation of profit, execution or consistence with rules and guidelines of national banks which are offensive to Shari'ah and so on and their Shari'ah decisions.[12]

In the meantime, central banks, foundations giving information on Islamic financial aspects, and Islamic monetary organizations have a critical state in any progressions that are made to these standards and guidelines or on the off chance that they are refreshed. These progressions might be founded on any new guidelines relating to profit dispersion or potentially strategies for assessment of banks' advantages as a rule and Islamic banks specifically.[13]

Factors Associated with Profit Sharing:

While Islamic banks are committed to share profits to their investors on a basic level, they may face authoritative situations which constrain them in managing depositor's contributions. These authoritative conditions can essentially be portrayed as the market for depositors/ventures.[14]

A significant portion of Islamic banks' target market is likely to be responsive to market-based price forecasts, for example, loan fees, especially if these banks compete contractually with other Islamic and customary banks and deposit-taking organization. Resultantly, Islamic banks might be compelled in varying extents to give disseminations like other organizations or hazard losing their depositor base. The degree to which Islamic banks really oversee dispersions to their depositors towards market based intrigue benchmarks won't as it were to be related with the weights on the bank through its contractual condition, named demand side components, yet in addition by the bank's own qualities which characterize its connections with this authoritative natural, named supply side components. This is on the grounds that the Islamic bank is likely to situate itself in the market dependent on its comparative advantage and this positioning will be reflected in its product or services characteristics.[15]

The Demand Side Analysis:

There are two major interconnected factors that influence the degree to which Islamic banks are unable to allocate profits to depositors. The factors include; the statistics of the Muslim populace, and the characteristics of rivalry in the market for interest bearing deposits.[16]

Religious Commitment:

On the basis of the fact that Islamic banks' customers are Muslims, this extent to the cumulative religious commitment will impact the behavior of the bank. The higher the proportion of consumers falling under category of Shari'ah supporters, the more they will be concerned about Islamic lawfulness rather than being price insensitive.[17] Therefore, easing the burden on Islamic banks to comply with such requirements. Hence, a negative relation will be developed among the amount of Islamic religious commitment and the proportion of depositor profit distributions to Riba that Islamic banks handle.[18]

Competition in the Depositors Market:

The vast majority of countries in which Islamic banks operate, Conventional banking system also exists. Both the banks compete with each other on the basis of deposit shares. When it comes to the Shariah Supporter segment of the industry, Islamic banks have a competitive edge. The other markets, on the other hand, are price sensitive. Islamic banks will face competition from other Islamic banks and even traditional banks in these market segments, particularly if they are competing solely on price terms.[19]

Therefore, In order to compete for market share, Islamic banks would be forced to align their interest rates. Yet, the degree to which this weight is applied and the degree to which Islamic banks value this weight by overseeing profit circulations will be determined by the market's fair and square orientation, with Islamic banks holding a significant portion of a fragmented market having less need to oversee investor distributions. Henceforth, the degree of bank fixation in and the degree of benefit appropriation management by Islamic banks are expected to have an inverse relationship.[20]

Economic Situation:

The repeated uncertainties of the economy will cause poor monetary conditions, for example, a downturn could result in an increase in unemployment and a reduction in business growth. The two organizations and people may, thus, not be able to support their credit commitments to Islamic banks. Provisions would almost certainly be reduced or increased as a result of these future defaults.21Therefore, Islamic banks should balance such losses to IAH by giving up their own profits and maybe even the investors' capital and holds. Subsequently, an opposite relationship is anticipated between monetary conditions as estimated by GDP development and the degree of profit dissemination the board by Islamic banks.[22]

The Supply Side Analysis:

The Supply side of the profit distribution discusses the implications of bank features on profit distribution management. Especially, the bank's exposure to loan assets, the collective depositors' effect on the bank, and the existence of reserves.[23]

Influence of Depositors:

Islamic banks are dependent in differing degrees on investors to create income. Since Traditional Loyalists and the Floating business sector fragments are sensitive to interest rate, individual Islamic banks will feel forced to deal with their dispersions to their investors if their dependence on contributor subsidizing for income is considerable, every other thing being equivalent. Then again, Islamic bank saves money with a moderately littler investor base contrasted with investors subsidizes won't be so disposed to oversee profit circulations as the danger of crumbling because of enormous scope of contributor withdrawal isn't as high.[24]

These banks are less inclined to take part in benefit dissemination the executives to fulfill the requests of the contributors. They are bound to furnish dispersions that are predictable with their advantage returns. This is on the grounds that investors are not completely dependent on contributors' assets for their own profits. Subsequently, the level of dependence on contributors' subsidizes will be related with the degree to which investors profit disseminations are overseen.[25]

Confidence of New Banks:

Since startups up costs related with introducing activities are huge, it is uncommon for new organizations to make benefits in the primer long periods of their activities. On account of banks, it might be aggravated in light of the fact that they will be unable to completely use the capital kept by financial specialists. In this circumstance, banks may have low total incomes comparative with their capital base. Since Islamic bank contributors share their benefits with the investors and brace all misfortunes, this would imply that contributors would have to accept low returns for the first few years, from a certain perspective [26]

This in truth might be in opposition to the interests of the Islamic bank, as it might lead the venture investors to pull back their stores and spot them in banks that give better returns. To relieve this hazard, Islamic banks will oversee dispersions to investors to impart trust in them, despite the fact that it might bring about prompt loss for the bank. Consequently, it is anticipated that there is a negative connection between the general age of an Islamic bank and the degree of benefit conveyance the board.[27]

Basis of Profit Distribution

A) **Profit Distribution on the basis Minimum Balance:**

Profit distribution on the basis of minimum balance means that the Mudarib or the bank will calculate the deposits of Rabb al Mal from the date of deposit till the date of profit distribution. If the Rabb al Ma has withdrawn a portion of his Mudarabah funds during profit distribution period, then the bank will consider the minimum balance of the Rabb al Mal during the period as a base for distribution of profit. For example, if a Rabb al Mal deposits \$1000 in a bank for Mudarabah on 1st of the month, then it withdraws \$300 on 15th of the month and deposits another \$500 on 27th of the month. At the end of the month although the balance of the Rabb al Mal is \$ 1,200 but the Islamic bank while calculating the profit considers \$ 700 as the Mudarabah capital of the Rabb al Mal, because this amount was available with the Mudarib for all the time during the Mudarabah period. Consequently, the Rabb al Mal will be deprived of the profit of \$ 300 for the first 16 days and \$ 500 for the remaining 5 days of the month.[28]

The contemporary jurists have two different points of view on this issue; supporters and opponents. Some of them support this idea and see that there is no issue if a Mudarib distributes profit on the basis of minimum balance of the Rabb al Mal, based on the following reasons:

It is pre-agreed condition between the parties whereby the Mudarib discourages the Rabb al Mal to withdraw his fund before maturity and the Muslims are on (i.e. stick to) their conditions.[29] Generally, such conditions are stipulated to enable the Mudarib to plan for better and long term investments and consequently to earn better profit for the Mudarabah. Since such withdrawals will disturb the smooth activity of Mudarib and its (bank’s) business therefore there is no issue if such a condition is accepted by Rabb al Mal in anticipation.[30]

It may be considered as Rabb al Mal’s waiver from a portion of his share in the profit, because the Mudarib can deny any withdrawal during the business tenor and similarly the Rabb al Mal has the right to waive any portion of his profit.[31]

It is a principle of Mudarabah that in case the Rabb al Mal refunds portion of his capital in Mudarabah, the Mudarabah will remain valid and continue for the remaining capital.[32]

It is also possible to consider the capital provided by the Rabb al Mal as trust with the Mudarib and only the portion remained with him till the end will be considered as Mudarabah capital.[33]

B) Profit Distribution on the basis Monthly Average Balance:

Profit distribution on the basis of average balance means the bank will calculate the profit of the deposits on the basis of monthly average balance deposited by the depositor in his investment account. For example, if a person deposits $ 1000 on the 1st of the month, followed by $ 400 in 16th of the month and another $ 200 on the 23rd of the month, the bank will calculate the profit by the following method:

$$a + b + c \div d = x$$

A= 1st deposit,

B= 2nd deposit,

C= 3rd deposit,

D= number of days in a month

and “x” shows monthly average balance.

On basis of above mentioned formula the calculation of monthly average balance will be:

1,000×15=15,000 (where first deposit is multiplied with the number of days)

1400×7=9,800 (where the first and second deposits are multiplied with the number of days)

1600×8=12,800 (where all first, second and third deposits are multiplied with the number of days)

$$(15{,}000 + 9{,}800 + 12{,}800) \div 30 = \ 1253.33$$
$$x = 1{,}253.33$$

It means that the bank will distribute the profit on the basis of $ 1,253.33 (average balance of the month), although the statement of the depositor starts with $ 1,000 and ends with a balance of $ 1,600. However, this average balance was not available for the whole of the month but the bank calculated the profit on the basis of average balance.

As it is a contemporary issue, there are no specific provisions in the books of jurists as to its permissibility or impermissibility. However, the basic discussion on the issue of profit calculation and its conditions such as certainty of the profit, undivided share of the parties in the profit, sharing of the profit between the parties with the details mentioned in the previous chapters are mentioned by the jurists. These discussions, in addition to the issue of partial withdrawal of capital by the Rabb al Mal, show that the Mudarib will be entitled to profit as per the agreement of the parties and on basis of the capital remaining with the Mudarib during the Mudarabah period. Therefore, the method of profit calculation on the basis of average balance may be justified.[34]

Also, the above mentioned method seems to be just taking into consideration the principles of equity between the parties. Apparently this method safeguards interest of both the parties, where the Rabb al Mal is not prevented from the profit of deposits made by him during the Mudarabah period and the Mudarib is not being asked to distribute the profit on basis of last statement of the depositor, although the total amount was not handed over to him to conduct business.[35]

On the basis of the above mentioned reasons, the profit distribution on basis of monthly average balance is clearly distinguished from profit distribution on the basis of minimum balance. We have also come to know that the latter is declared unjust by the scholars. Therefore, some institutions (such as State Bank of Pakistan) have adopted the monthly average method and instructed all the Islamic banks and Islamic windows operating under conventional banks to distribute the profit on the basis of average balance.[36]

C) Profit Distribution on the basis Daily Product:

Profit distribution on daily product basis in Musharakah and Mudarabah means that at the end of each distribution period, the total profit of all investments should be determined and then divided on the funds invested and the total days of the distribution period. This type of profit distribution is done for determining the profit earned by each unit of capital (say each rupee) on each day. After calculation, the partners or the accountholders are paid the profit of each rupee based on the number of days the rupees was used or remained in the investment account.[37]

A rupee remained for longer time in the account, will reap greater profit than the rupee which remained for shorter period in the account.[38] In this way, the accountholders will withdraw and deposit in their accounts during the investment period. Their investment will be entitled to profit on the basis of the number of the days their funds remained in the account. For example, assume that an Islamic bank has earned rupees 1,750 during the distribution period and there are five investors who have invested Rs. 1,000, Rs. 2000, Rs. 3000, Rs. 4000 and Rs. 5000 for 5, 4, 3, 2 and one month respectively. The profit will be distributed amongst them on the basis of the numbers of days their rupees remained in investment, as the table below shows;[39]

It is legitimated from Shari‘ah point of view that if an investor’s funds in one investment pool have contributed to the achievement of profit (with amount and duration of stay in the account), the investor’s entitlement to a proportionate share (with regard to the amount and the time based on daily product) is the fairest way to deliver the outcomes of the invested funds to their holders. It is allowed because the contribution of investors on the basis of daily product necessitates “Mubdaraah” (mutual relief from commitments) from what cannot be achieved by this method. Further, it is agreed principle that much more exemptions can be allowed in partnership-based dealings than in exchange-based dealings, and that division (Qismah) through approximation of shares is based on forgiveness.[40]

Table 1: Accounts Details

Account Holder	Amount Invested (AI)	Investment Period (IP)	AI+IP = Numbers Earned	Nos +Total Profit / Total Number
One	1,000	5 Months	5,000	200
Two	2,000	4 Months	8,000	400
Three	3,000	3 Months	9,000	450
Four	4,000	2 Months	8,000	400
Five	5,000	1 Months	5,000	250
Total			35,000	1,750

Most of the Islamic Banks use this method of calculation.

D) Profit Distribution on the Basis of Weightages:

In Islamic banks, weightages can be identified as granting values to different types of deposits in order to find a proper solution for profit distribution in a common Mudarabah, where more than one type of deposit is mixed.[41]The basic rationale behind assigning weightages to deposits for calculation and distribution of profit by Islamic financial institutions is that bigger the size and longer the tenure of the fund, the higher the chances of it being used in more successful ventures.[42]

As a result, savings deposits receive lower weightages because Islamic banks must hold some of their savings deposits idle or invest them in short-term, low-yield investments to meet the bank's liquidity needs. Furthermore, if the profit is distributed among depositors on a regular basis, only the principal amount is invested for the next year. However, if a profit is paid out at maturity or after several profit distribution dates (quarterly or annually, for example), the declared profit remains in the pool and is added to the principal theoretically, so such deposits deserve a higher weighting.[43]

Parameters for Assigning Weightages:

The aforementioned discussion does not mean to allow the Islamic financial institutions to assign the weightage as per their desires or for protection of their own interests. Therefore, some attempts have been made by the scholars to lay down some parameters for the assignment of weightages by Islamic financial institutions.[44]

For example, some scholars have laid the following parameters for assigning weightages:

Between the bank and the depositors, there should be an established, clear, and agreed-upon formula that reflects logic and justice. Since allocating a higher weightage to any tier ensures that a higher percentage or share of profit would go to that tier, automatically decreasing the profit share of other tiers. Hence a method should be adopted that does not deprive any depositor or tier of a share in the generated profit.[45]

The weightages should not be allocated in an arbitrary manner. It is also important that higher or lower weightages are not allocated for any reason other than the above-mentioned objective criteria. Deposits for children and the elderly, as well as staff deposits, cannot be assigned a specific weighting. Similarly, giving smaller funds a higher weighting should not be permitted.[46]

Since prior knowledge and agreement of the depositors on the weightage formula is required, weightages cannot be modified without the depositors' knowledge and consent. The depositors can be informed of the new weightages by an announcement made well before the onset of the profit distribution period in which the new weightages would be applied. Meanwhile the depositors should be provided with an opportunity to withdraw their funds without any penalty or downgrading the profit, if they do not agree with the new weightages.[47]

4. Any modification in the weightages should be focused on a thorough examination and analysis of market dynamics and availability of funds in the market, and it should only be implemented after the Shari‘ah board of the Islamic bank has reviewed and approved it.[48]

Issues in Assigning Weightages:

It is observed from the above discussions that:

Normally deposit size, tenure and profit payout option is used for assigning of weightages to different tiers of the deposits. Further, this also appears in the policy of Dubai Islamic Bank Pakistan Limited which says that weightages approved by the Shari‘ah board will be allocated to the deposits considering the following factors:

Size of deposit amount

Tenure of deposit

Profit distribution frequency (i.e. monthly, quarterly, semiannually or at maturity).[49]

There is no specific formula to be adopted or agreed upon by the bank and depositors for assigning of weightages, rather the bank will assign the weightages as it deems appropriate.

In assigning of weightages, although the above-mentioned factors have been taken into account, the moral aspect of the issue is completely ignored and some of the tiers have been assigned very low weightages just because they are not rate-sensitive tiers or the depositors fall in the category of those who do not demand more profits.

Although there are minor differences between the weightages assigned for different tiers, the logical reason for assigning of the weightages has not been observed.[50]

Conclusion:

This article is an endeavor to comprehend the phenomenon of profit distribution management, an optional movement led by Islamic banks which has no immediate equals for ordinary banks. Because of the benefit imparting relationship to their investment contributors, Islamic banks can deal with the degree of profit imparted to their contributor's dependent on advertise conditions. The proof accumulated in this examination proposes that Islamic banks may conceivably be overseeing benefit disseminations. The scholars and the Shari'ah advisors of the banks should think about the profits distributed to the normal saving accountholders. This can be done by creating independent and separate pool from the fixed deposits or other rate sensitive deposits. As a result, we can find the actual profit earned by these deposits, otherwise, in current practice the profit of these tiers are passed to the higher tiers to satisfy the rate- sensitive depositors.

The present research has also revealed that in the ongoing or running Mudarabah, the Islamic bank shall be empowered to make the required changes by crediting the depositors' account with the excess profit, if any. Additionally, if the real benefit is less than the sum already paid to the depositor on account of profit, the account may be debited. For this purpose, on the banks' demand for such adjustments, the depositor should agree to provide the required funds in his account.

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were assigned to Saving Account Tier 1 (up to 100k) while equity of the Bank was assigned a weightage of 1.83 which was equal to COII – 5 years' maturity. It is apparent that the COII and Bank's own equity were assigned with these highest weightages due to their rate sensitivity and Bank's own interest respectively, and Dubai Islamic Bank prior to the Instructions" had assigned 60% weightages to its own equity from April 2007 till January 2008, which is three points lesser than the five years' maturity against 18% assigned to second Tier of Normal Savings (over Rs. 25,000 up to Rs., 99,999). The situation was worst from February to June 2008 whereby the weightages of the mentioned Tier of Normal Savings came down to 10% from December 2012 till February 2013.