

We are **Saving** Humanity From **Riba**

BankIslami

■ Serving You the Right Way



Corporate Briefing June 2021

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Introduction to the Bank, its Vision and Values, Sponsors, Network Size, Range of Services and Products, Credit Rating, Key Differentiating Factors

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SINCE

2004

October 2004 Incorporated as Public Limited Company to carry out business of an Islamic Commercial Bank

March 2005 Granted ‘Scheduled Islamic Commercial Bank’ license by Central Bank

April 2006 Commencement of Operations as an Islamic Bank listed on Stock Exchange

PRODUCTS & SERVICES

The Bank offers a full range of financial services in corporate, commercial, consumer, retail banking and investment banking activities.

BRANCH NETWORK

The Bank now operates 343 branches including 80 sub branches in 120 plus cities of Pakistan

CREDIT RATING

The Pakistan **Credit Rating Agency Limited (PACRA)** has assigned **BankIslami's** long-term entity **rating** at A+ and short term **rating** at A1 with a **Positive Outlook**. The **ratings** reflect **BankIslami's** sustained risk profile.

LISTING INFORMATION

Listed on Pakistan Stock Exchange on April 17, 2006 as BIPL ticker post IPO.

OUR VISION

The Vision of BankIslami is to be recognized as the leading Authentic Islamic Bank.



OUR MISSION

To create value for our stakeholders by offering Authentic, Shariah Compliant and Technologically advanced products and services. We differentiate ourselves through:



- Authenticity
- Understanding our client's needs
- Fast, efficient and seamless delivery of solutions.
- Innovation
- Commitment to excellence, and

OUR CORE VALUES

- Product authenticity
- Customer focus
- Meritocracy
- Integrity
- Team work
- Humility
- Innovation



As a growing institution, the foundation for our performance lies on our human capital and BankIslami remains committed to becoming an employer of choice, attracting, nurturing and developing talent in a transparent and performance driven culture.

MAJOR SPONSORS & SHAREHOLDERS



Mr. Ali Hussain & SAJ Capital Management Limited (24.37%)

Mr. Hussain is the founder and Managing Director of SAJ Capital Management Limited, BVI, a family office based in Singapore having strategic investments in Pakistan, Europe & North America. He has overall 38 years of professional experience and specialized in incubating, acquiring and managing technology companies and converting them into growth champions in Singapore, USA, Germany, UK and Canada.



Jahangir Siddiqui & Company Limited (21.26%)

JSCL which was established in 1991, is the holding company of JS Group which is one of the largest and most diversified financial services Groups in Pakistan. The Group interests are spread over various sectors including asset management, commercial banking, insurance, stock brokerage, consumer credit rating, media and transport. JSCL also owns controlling shares in a Conventional Bank, JS Bank Limited.



Randeree Family of DCD Group (14.25%)

The Group, established in 1975 is a Family Investment Office with over 30 years of experience in Real Estate and Banking. The Group has its investments primarily in UK, USA, South Africa, India and Pakistan. They are one of the pioneer sponsors of AlBaraka Islamic Bank, South Africa, Islamic Bank of Britain, European Islamic Investment Bank and the Islamic Bank of Asia.

Dubai Bank PJSC (a subsidiary company of Emirates NBD) (13.01%)

Dubai Bank PJSC was an Islamic bank based in Dubai, U.A.E. It commenced operations in September 2002 as a conventional Bank. However, on January 1, 2007, it converted into Sharia'h compliant financial institution with a focus on the UAE's Islamic banking sector. In October 2011, it was acquired by Emirates NBD and subsequently merged with Emirates Islamic Bank, the Islamic subsidiary of Emirates NBD. The joint entity is the 3rd largest Islamic bank in the U.A.E.



REGULATORS, MEMBERSHIP & LICENSES



SERVICE OFFERINGS

PERSONAL BANKING

BankIslami offers a wide variety of accounts fulfilling all the financial needs of its diverse customer base.

CONSUMER FINANCE

BankIslami offers a range of home financing, auto financing, takaful and remittance products to its customers.

CORPORATE BANKING

BankIslami offers a world class Shariah compliant financing solutions to its corporate customers. Various products and services are offered to help its clients' business objectives

INVESTMENT BANKING

Investment Banking is a high Economic Value-Added franchise of the Bank, specialized in tailoring and structuring varied complex deals in an innovative and Shariah Compliant manner to meet the on-going critical needs of large corporate clientele. Such deals may range from short-term to long-term syndicated deals, raising of redeemable capital through Islamic debt instruments i.e. Islamic Commercial Paper (ICP) and Sukuk, offering of securities to raise equity or typical project & structured financing.

SME FINANCING

Small and Medium-sized Enterprises (SMEs) drive economic growth by stimulating innovation, acting as a competitive spur to existing businesses to increase their productivity and making a disproportionately large contribution to job creation. BankIslami is dedicated in supporting SME business with all the products and services available through its branch banking network. The products and services are offered to SME clients strictly under Shariah modes.

AGRI FINANCING

BankIslami provides solution where farmers can purchase tractors & equipment for their farm, based on Diminishing Musharakah under Shirkat-ul-Milk arrangement.

SPECIALIZED PRODUCTS



Islamic Auto Loans



One Touch Banking



Takaful / Home Remittance



Shariah Compliant Investment Solutions

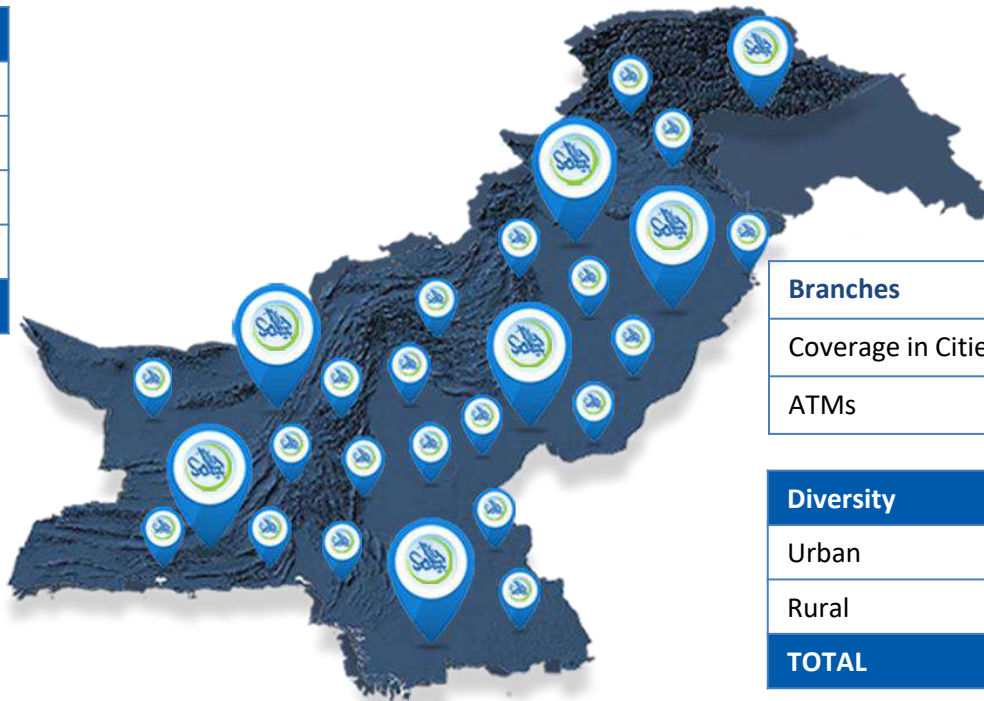


Digital Delivery Channel



BankIslami is the market leader in HOUSING FINANCE in Pakistan.

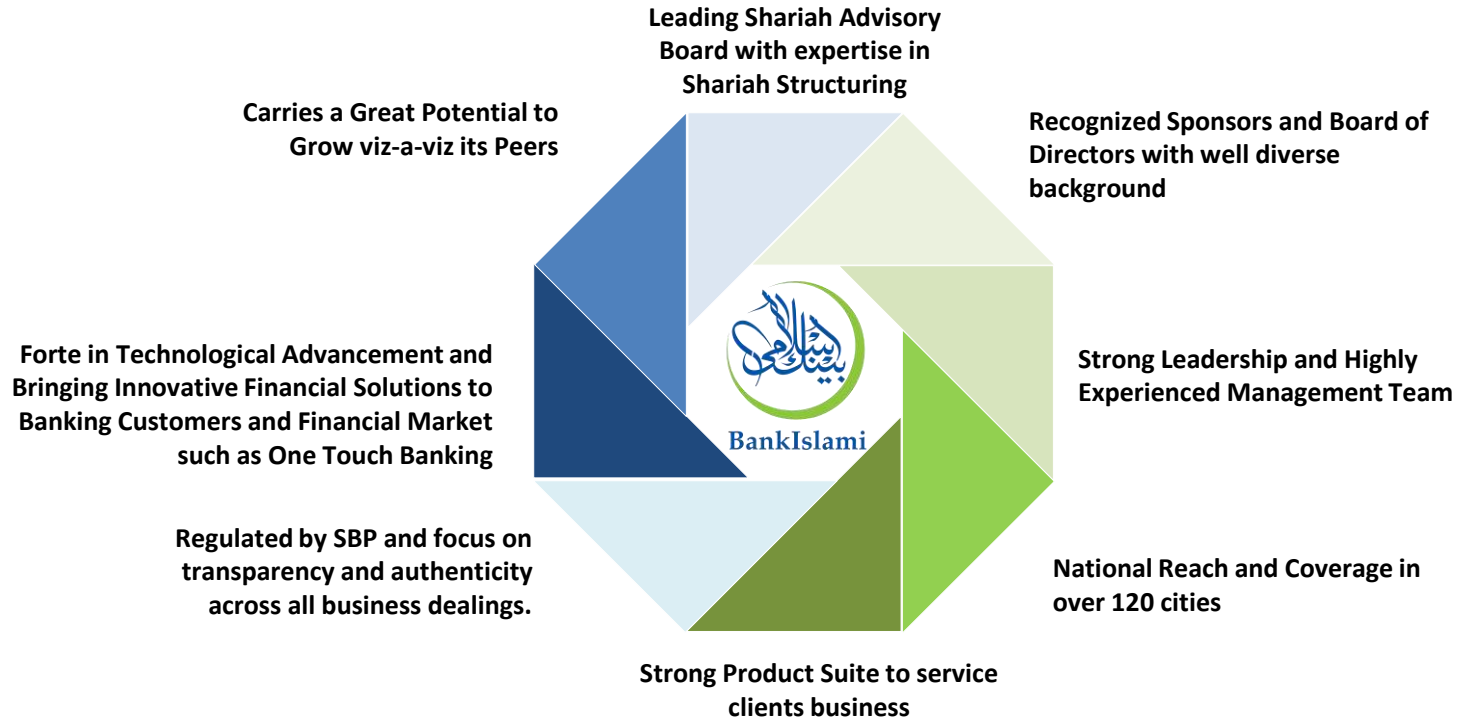
Region	No. of Branches
North	79
Central	110
South East	79
South West	75
TOTAL	343



Branches	343
Coverage in Cities	120+
ATMs	344

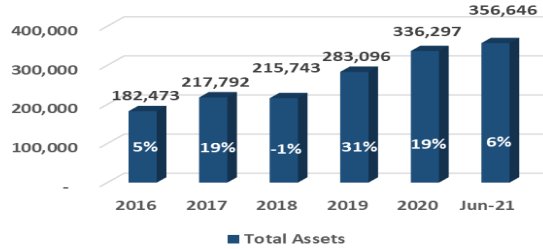
Diversity	No. of Branches
Urban	278
Rural	65
TOTAL	343

Nationwide Presence with focus to reach Unbanked Areas to encourage financial inclusion

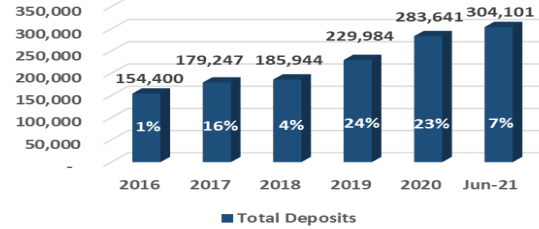


Leveraging our skills and expertise and building on Technological Advanced Platform, BankIslami has the great potential to effectively lead the financial market by bringing innovative financial solutions to its customers.

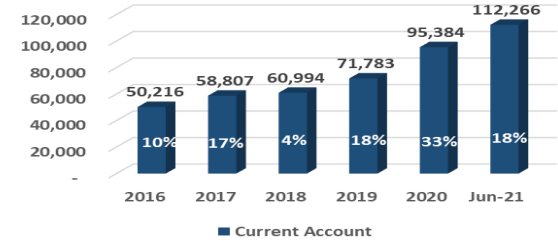
Total Assets



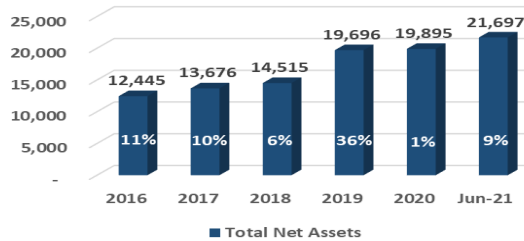
Total Deposits



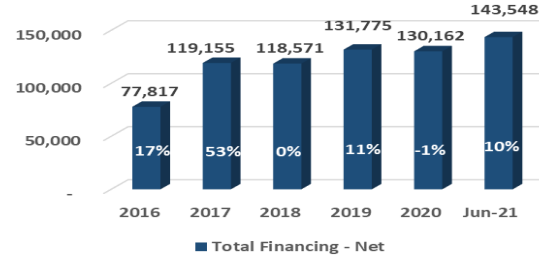
Current Account



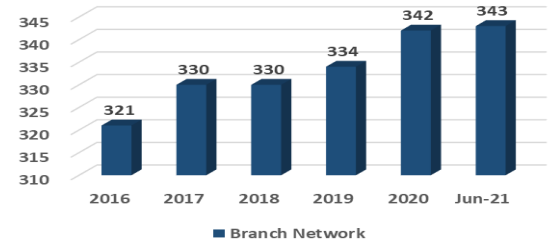
Total Net Assets



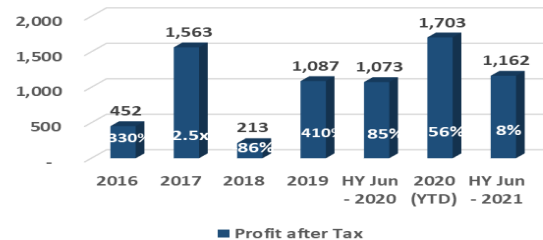
Total Financing - Net



Branch Network



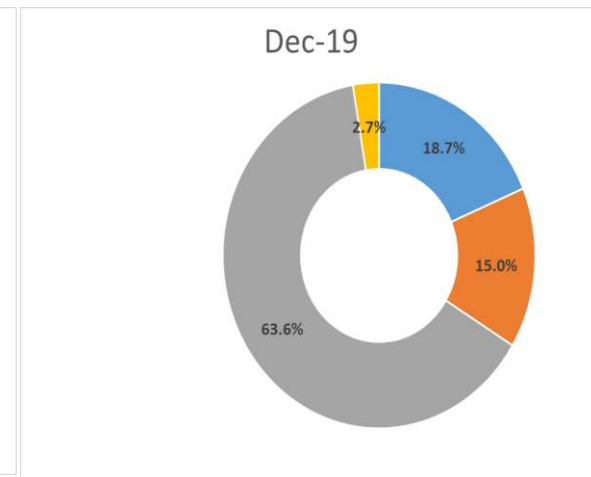
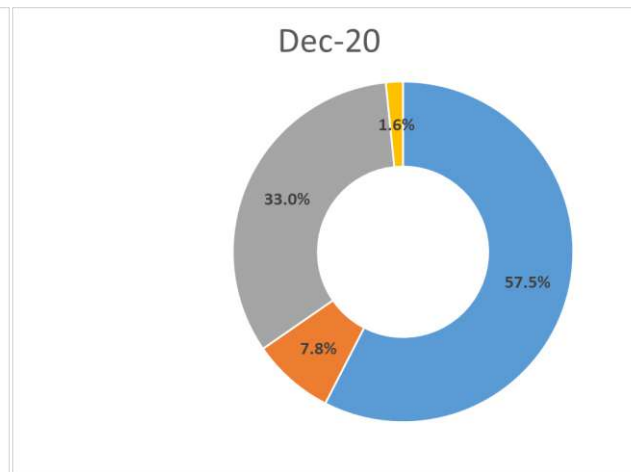
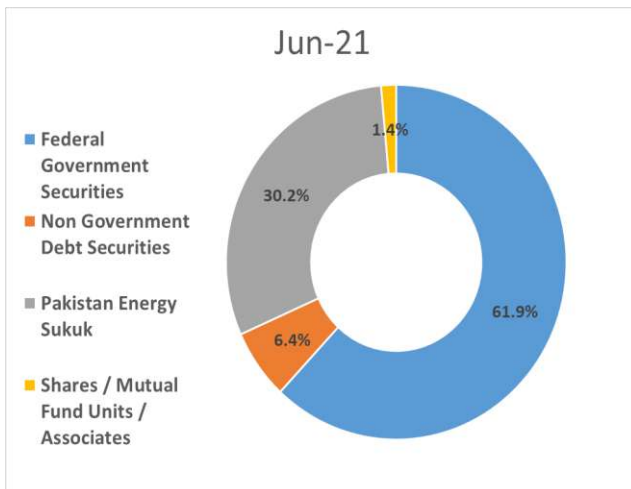
Profit after Tax



Rs. in Million

	HY Jun - 21	HY Jun - 20	2020	2019	% 2020 vs 2019	% June 21 vs June 20
Net Profit Margin	5,067	6,788	12,489	10,790	16%	-25%
Total Income	6,120	7,721	14,124	12,424	14%	-21%
Total Expenses	4,527	4,309	8,764	7,794	12%	5%
Total Operating Profit	1,592	3,412	5,360	4,630	16%	-53%
Profit Before Tax	1,880	1,874	2,759	1,831	51%	0.3%
Profit After Tax	1,162	1,073	1,703	1,087	57%	8.3%
Capital Adequacy Ratio	16.71%	18.94%	16.10%	14.95%	1.15%	-2.23%
Capital Adequacy Ratio (without relaxation)	13.32%	12.34%	12.40%	10.56%	1.84%	0.98%

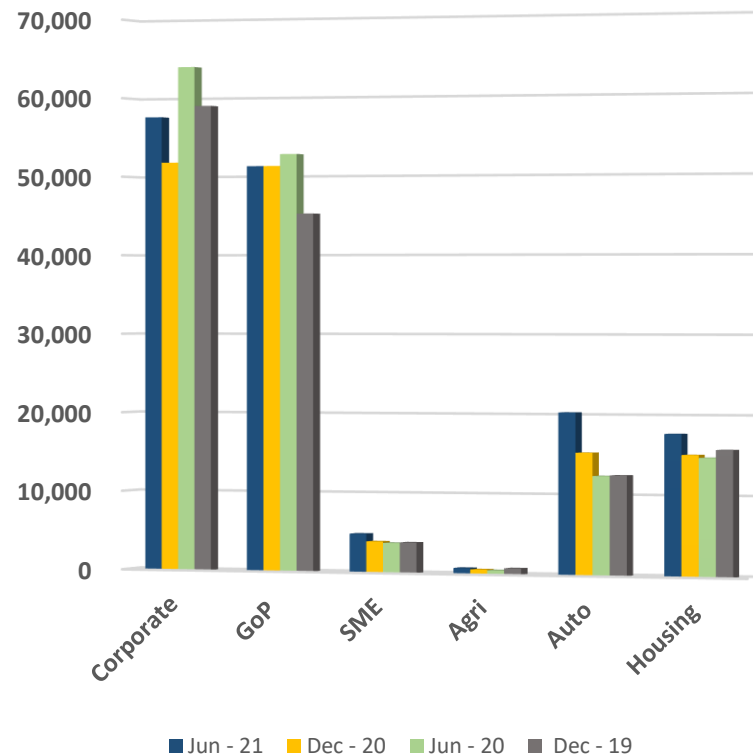
INVESTMENTS - Net	Rs. in million				Growth	
	Jun - 21	Dec - 20	Jun - 20	Dec - 19	June - 21 vs June 20	Dec - 20 vs Dec 19
Federal Government Securities	66,360	54,804	10,403	10,306	538%	432%
Non Government Securities	6,846	7,455	7,390	8,305	-7%	-10%
Pakistan Energy Sukuk	32,390	31,441	31,641	35,100	2%	-10%
Shares / Sukuks / Associates	1,532	1,540	1,413	1,484	8%	4%



Rs. in million

FINANCINGS - Net	Jun - 21	Dec - 20	Jun - 20	Dec - 19	Growth	
					Jun - 21 vs Jun- 20	Dec - 20 vs Dec - 19
Corporate	57,568	51,773	63,918	58,960	-10%	-12%
GoP	51,259	51,264	52,766	45,226	-3%	13%
SME	4,846	3,900	3,733	3,817	30%	2%
Agri	709	560	482	752	47%	-26%
Auto	20,284	15,280	12,401	12,494	64%	22%
Housing	17,701	15,112	14,776	15,759	20%	-4%
Islamic Portfolio – Gross	152,367	137,889	148,076	137,008	3%	1%
Provisioning – Islamic	(9,000)	(8,033)	(6,775)	(5,547)	33%	45%
Islamic Portfolio-Net	143,367	129,856	141,301	131,461	1%	-1%
Conventional portfolio – Net	200	265	293	303	-32%	-13%
Total Portfolio – Net	143,567	130,121	141,594	131,764	1%	-1%

Financing

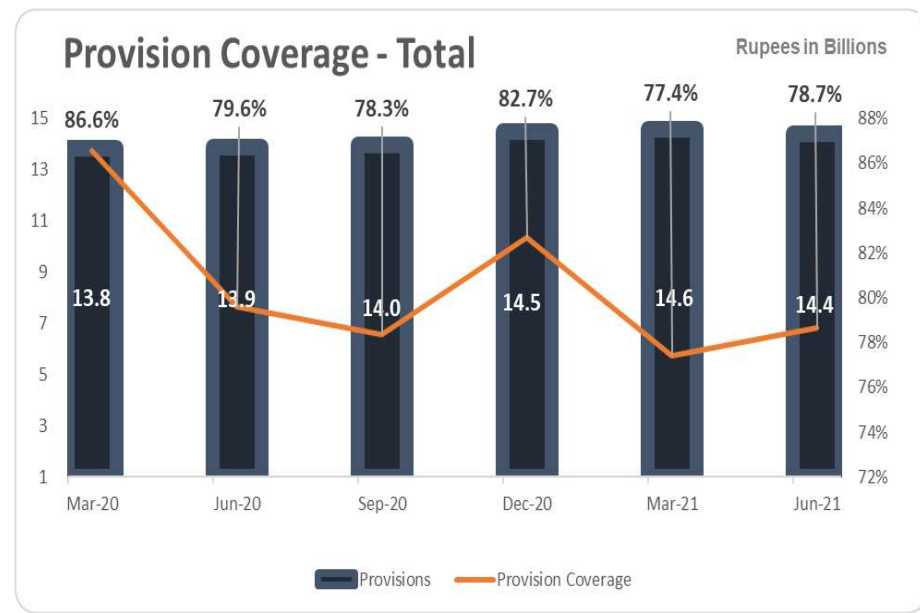
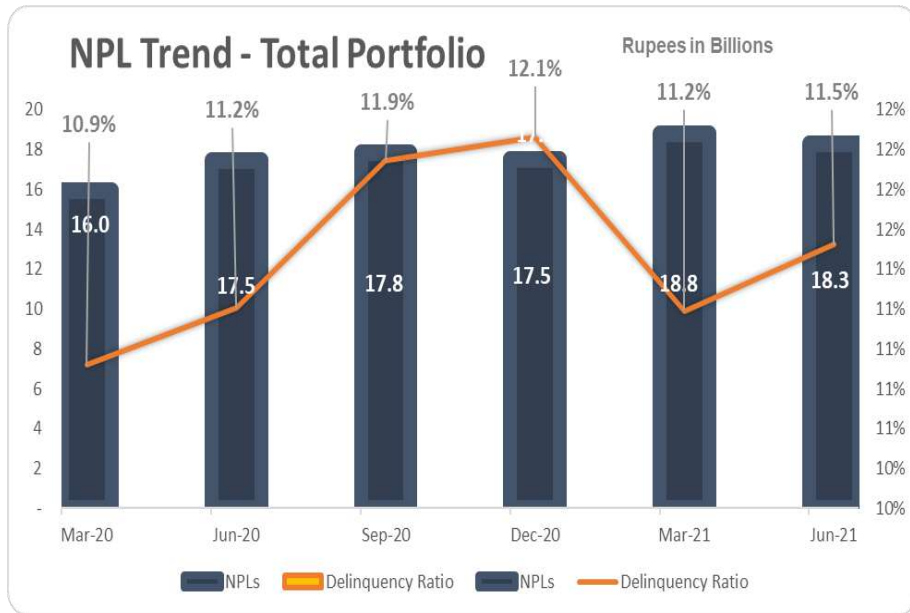


Financing – SBP Support Schemes

Rs. in Millions

SBP Schemes	Number of Customers	Amount Outstanding
Financing for Salaries and Wages	47	2,532
Temporary Economic Refinance Facility (Funded)*	11	1,156
Temporary Economic Refinance Facility (un-Funded)*	30	7,945
Financing for Combating Covid	2	332
Total SBP Support Scheme - Funded	60	4,020

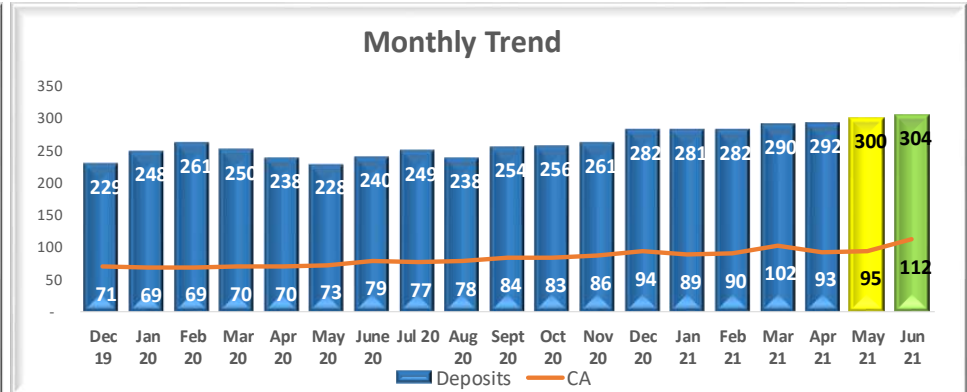
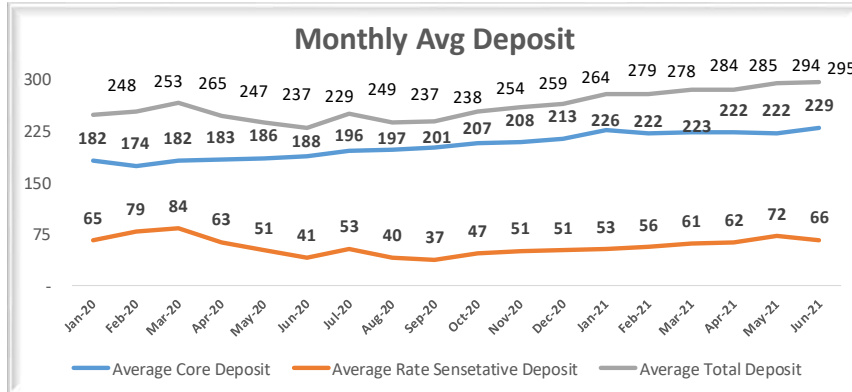
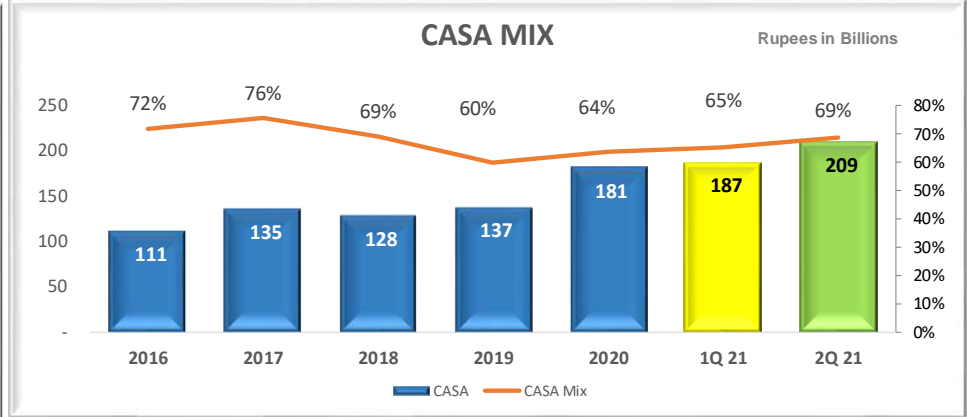
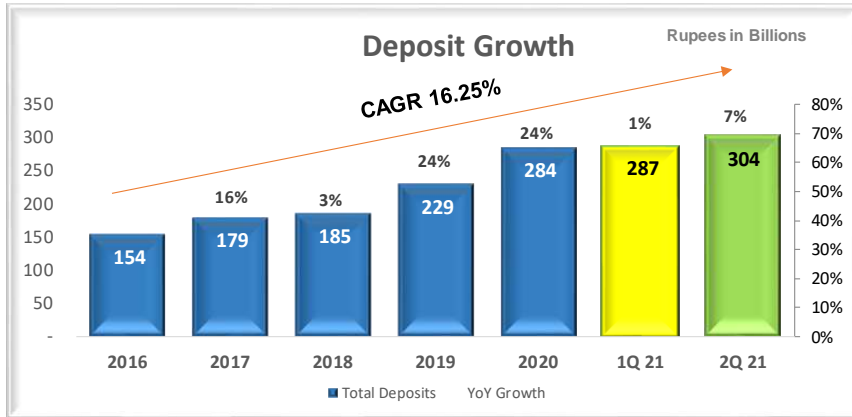
*Total Approved Limit of TERF is Rs. 9.1 Billion



Total Delinquency ratio of the Bank (including defunct ex-KASB Bank portfolio) reduced to 11.5% in June 21 from 12.1% in Dec 20 mainly on account of growth in Financing Book.

Delinquency ratio of Islamic portfolio has increased from 7.4% in Dec'20 to 7.8% in Jun'21 mainly due to classification of **Problem Exposures**. (Industry Average 9.3%; IB Industry 3.5%)

Coverage ratio (Incl. general provision) of total portfolio is 84.2%, while Islamic portfolio is 75.7%.



Deposit grew with a CAGR of 16.3% in 4.5 years against a CAGR of 19.1% of IB industry.
 The CAGR of Deposit growth for last 2.5 years is **22.1%** against a CAGR of **19.8%** of IB industry.
 CASA Mix has significantly improved in Jun 2021 to 69%, from 64% in Dec 2020.

	June - 21	Dec - 20	Dec - 19	Growth
Average 6-M Kibor	7.69%	8.97%	12.60%	

-----Rupees in Million -----

Description	HY Jun - 21	HY Dec - 20	HY Jun - 20	YTD Dec - 20	HY Dec - 19	HY Jun - 19	YTD Dec - 19	HY Jun - 21 vs HY Jun 20	YTD Dec - 20 vs YTD Dec - 19
Profit Earned	10,957	10,975	14,769	25,744	13,785	9,865	23,650	-26%	9%
Profit Expensed	5,890	5,275	7,980	13,255	7,858	5,002	12,860	-26%	3%
Net spread earned	5,067	5,700	6,789	12,489	5,927	4,863	10,790	-25%	16%
Other Income									
Fee and commission income	611	460	440	900	289	329	618	39%	46%
Dividend income	9	11	6	17	2	9	11	51%	55%
Foreign exchange income	170	152	213	365	77	106	183	-20%	99%
Gain on sale of securities	219	10	232	242	643	17	660	-6%	-63%
Other income	45	72	39	111	99	63	162	15%	-31%
Non Funded Income	1,053	705	930	1,635	1,110	524	1,634	13%	0%
Total Income	6,120	6,405	7,719	14,124	7,037	5,387	12,424	-21%	14%
Total administrative expenses	4,527	4,424	4,339	8,763	4,196	3,598	7,794	4%	12%
Operating Profit Before Tax & Provision	1,593	1,981	3,380	5,361	2,841	1,789	4,630	-53%	16%

Ratios	Jun -21	Dec-20	Dec-19
Net Spread to Profit Earned	46.24%	48.51%	45.62%
Cost to Total Income Ratio	73.98%	62.05%	62.73%
Administrative Expenses Per Branch	26.22*	25.01	22.71
Return on Average Equity	13.32%*	10.67%	7.84%
Return on Average assets	0.67%*	0.55%	0.44%
Spreads	3.41%*	4.95%	5.67%
Capital Adequacy Ratio	16.71%	16.10%	14.95%
Capital Adequacy Ratio - without relaxation	13.32%	12.40%	10.56%
Average Deposits per Branch (Rs. in million)	887	822	685
Infection Ratio of Islamic Portfolio **	7.81%	7.42%	5.74%
Advances to Deposits ratio	47.20%	45.89%	57.58%
* Annualized			
**Excluding defunct KASB Bank conventional portfolio.			

RECENT ACCOLADES



9th Annual CSR Summit

1. Green/ Environmental Stewardship
2. Sustainability initiative
3. Social Impact



NFEH's CSR Awards

1. Bio Diversity & Conservation
2. Employee Engagement and Volunteering
3. Education & Scholarship
4. Green Product & Services.



Islamic Retail Banking – IRBA Awards

1. Personality of the Year – Syed Amir Ali
2. Critics Choice – Best Islamic Retail Bank in Pakistan
3. Best FINTECH Application
4. Islamic Retail Banker of the Year – Rizwan Ata



IP Excellence Award

1. Best IP Management
2. Most Innovative Banking Solutions



Brand of the Year

BankIslami Pakistan Limited won Brand of the year award for the year 2020. Award received in Aug 2021.



Investment Banking Award

BankIslami Pakistan Limited won ABF Corporate & Investment Award 2021 in the category of Syndicate deal of the Year.



BankIslami's *ONE Touch Banking* has been selected to be part of an upcoming book by *Philip Kotler*, Essentials of Modern Marketing.

BankIslami **crossed Rs. 300Bn benchmark for its deposit book** as at Jun 2021. Overall **Deposit growth was 26% from June’ 20 and 7% from Dec’ 20**. Growth in **Current Deposit** was recorded at **39% from June’ 20 and 18% from Dec’ 20**. The bank during the outgoing period, also expanded its field force by **onboarding Freelance Business Professionals** and **hiring of Sales staff from Rural areas** which played a **pivotal role towards enhancing CASA Deposit**.

BankIslami **Auto Finance segment** captured **commendable business** whereby it **disbursed over Rs. 7.5Bn during the first half** of 2021. Moreover, the Auto Team of the Bank also recorded its **highest ever disbursement of Rs. 1.7Bn during the Month of March 2021**.

BankIslami grew its **Housing book** on the back of over **Rs. 4.0Bn disbursements during the first half** of the year. Bank also achieved monthly **disbursement of Rs. 1.8Bn against 123 housing units in the month of March 2021** which is the highest ever number in a single month in the history of BankIslami and the banking industry. In addition to this, the Bank has **also disbursed Rs. 435Mn against 91 units** under Government’s Subsidy Schemes – **‘Mera Pakistan, Mera Ghar’ – which is over 3 times higher than assigned target as of June 2021**.

BankIslami successfully completed the **Sale transaction** of its two **subsidiaries** namely **BIPL Securities Limited** and **BankIslami Modaraba Investments limited** which resulted in a gain of Rs. 151.6Mn.

BankIslami launched a **TVC campaign** which was **dedicated to our talented and differently abled children of Pakistan**. This campaign was well received amongst masses. As a sequel to this campaign the Bank had organized a CSR fun day event for our special kids of the country.

Under **Islamic Temporary Economic Relief facility**, Bank opened LCs of over **Rs 8.5Bn under the Scheme against its approved limit of Rs. 9.1Bn**. These LCs are being retired through disbursement under ITERF facility and so far **Rs. 1.4Bn has been disbursed** under subject Scheme.

The focus of BankIslami SME team is in line with initiatives taken by SBP with regards to **Renewable Energy and Construction Finance**. Several **Solar finance** projects are in **pipeline while the Team managed to disburse Rs. 550Mn to support construction activities**.

For the wellbeing, convenience, health and safety of our valuable staff and their beloved family members, BankIslami took an initiative by setting up a **Covid vaccination camp** through which more than **525 staff members including their family members** were immunized and jabbed through WHO approved vaccines.

BankIslami, took an unprecedented initiative of **launching a free of cost Islamic awareness programme** with unique identity of **‘Deen Connect’**, which was launched across all platforms.

Areas under Focus

- ★ Growth in Current Accounts to improve spreads
- ★ Grow overall Deposit base to improve deposit per branch ratio
- ★ Grow Financing portfolio in Consumer and Commercial segment to enhance asset yields
- ★ Grow Trade Business volumes to improve allied non-funded income
- ★ Ensure Continued Regulatory Compliance
- ★ To increase Digital footprint through our revamped Digital Delivery Channel

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