

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

BankIslami

■ Serving You the Right Way



Corporate Briefing December 2021

1 Introduction

Introduction to the Bank, its Vision, Mission and Core Values, Sponsors, Network Size, Range of Services and Products, Credit Rating

2 Key Financial Highlights

Total Assets, Financing, Deposits, CAR, Net Spread, Operating Profit, Operating Expenses

3 Achievements & Initiatives

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Investment portfolio, Financing Portfolio, Non-performing Financings, Provision Coverage, Deposits, Operating Profits

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Future Strategic Direction, Products in Focus, Growth Plan

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.

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.

BRANCH NETWORK

The Bank now operates 340 branches including 80 sub branches in 120 plus cities of Pakistan

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 CORE VALUES

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

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

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.



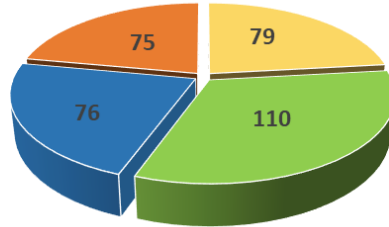
Emirates NBD (13.01%)

Emirates NBD Bank PJSC is Dubai's government-owned bank and its one of the largest banking groups in the Middle East in terms of assets. On March 7, 2022, the Board of JS Bank has approved to acquire 7.79% shareholding of the Bank from Emirates NBD which is subject to various necessary approvals.

REGULATORS, MEMBERSHIP & LICENSES

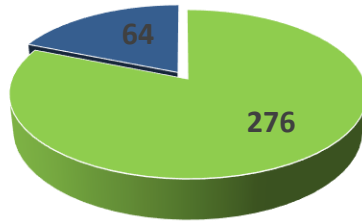


Distribution

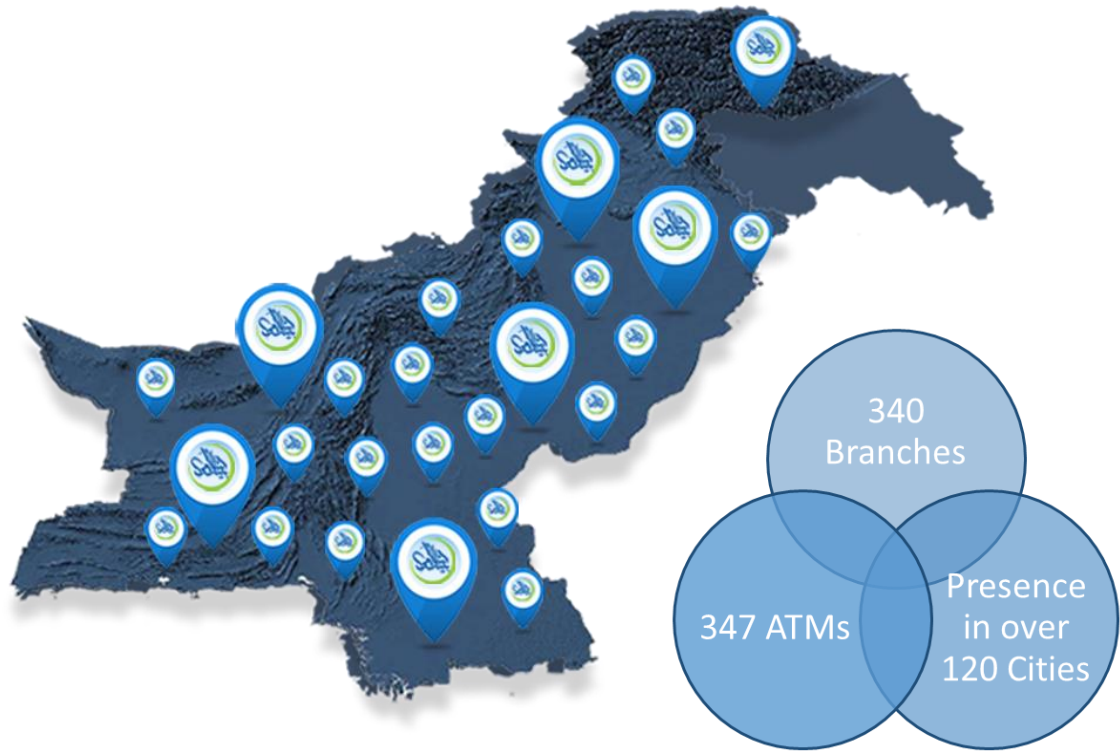


■ North ■ Central ■ South East ■ South West

Urban vs. Rural



■ Urban ■ Rural



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

AGRI FINANCING

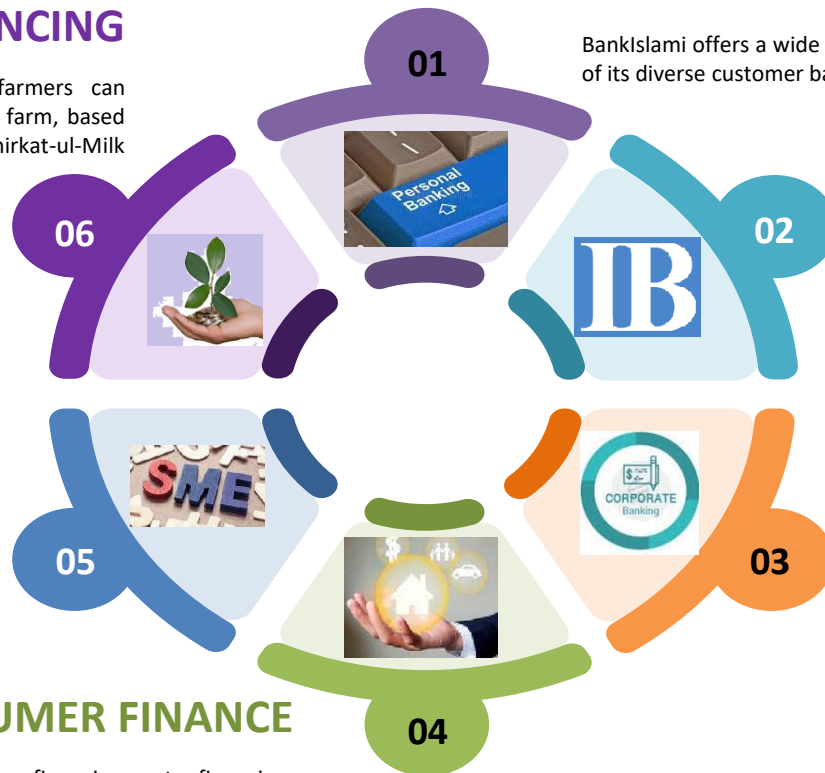
BankIslami provides solution where farmers can purchase tractors & equipment for their farm, based on Diminishing Musharakah under Shirkat-ul-Milk arrangement.

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.

CONSUMER FINANCE

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



PERSONAL BANKING

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

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.

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

SPECIALIZED PRODUCTS



Islamic Housing Finance



Islamic Auto Loans



One Touch Banking



Takaful



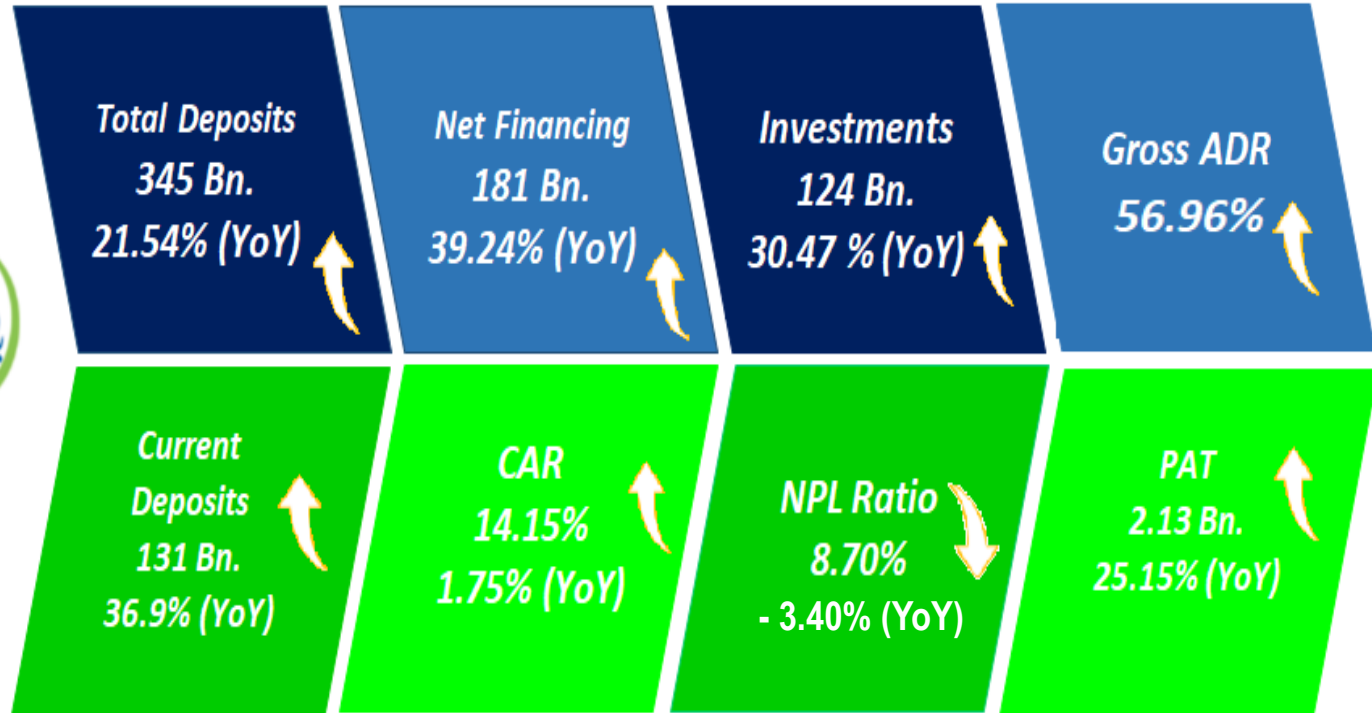
Home Remittance



Shariah Compliant Investment Solutions

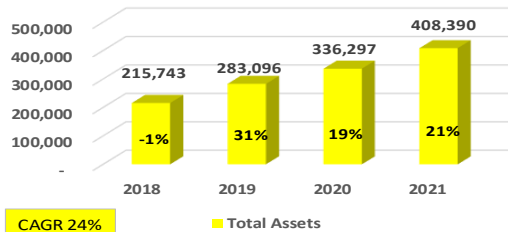


Digital Delivery Channel

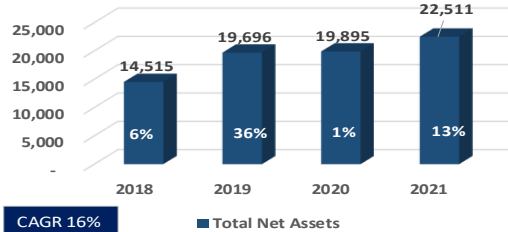


BANKISLAMI PAKISTAN LIMITED – KEY FINANCIAL HIGHLIGHTS - DECEMBER 2021

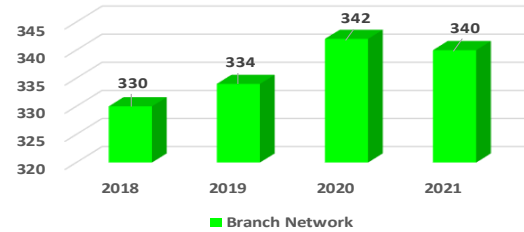
Total Assets



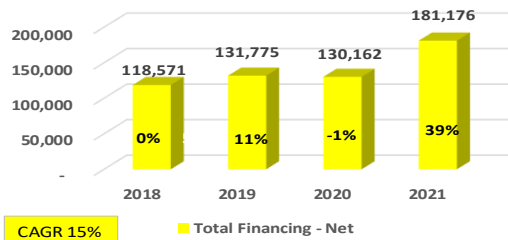
Total Net Assets



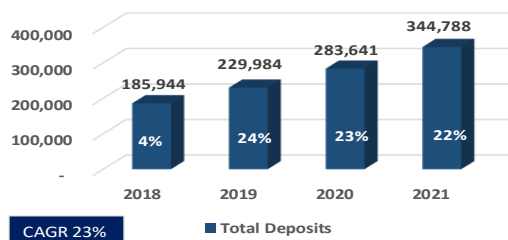
Branch Network



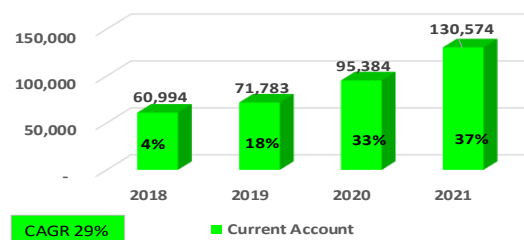
Total Financing - Net



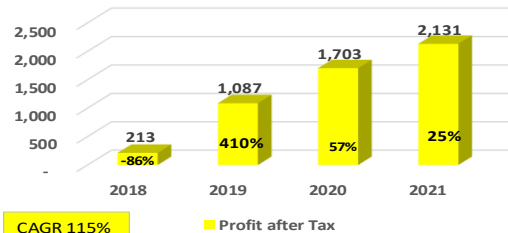
Total Deposits



Current Account



Profit after Tax



Rs. in Million

	2021	2020	2019	% growth 2021 vs 2020	% growth 2020 vs 2019
Net income margin	10,932	12,489	10,790	-12%	16%
Total income	13,052	14,124	12,424	-8%	14%
Total expenses	9,623	8,764	7,794	10%	12%
Total operating profit	3,412	5,360	4,630	-36%	16%
Profit before tax	3,397	2,759	1,831	23%	51%
Profit after tax	2,131	1,703	1,087	25%	57%
Capital adequacy ratio (with SBP relaxation 2019-2020)	14.15%	16.10%	14.95%	-1.95%	1.15%
Capital adequacy ratio (without relaxation)	14.15%	12.40%	10.56%	1.75%	1.84%



BankIslami is the market leader in HOUSING FINANCE in Pakistan



BankIslami

1st Bank to Achieve the Target
of **Mera Pakistan Mera Ghar**





1.2 Billion

1.3 Billion

1.1 Billion


1.1 Billion

24/7 Phone Banking
(021) 111-ISLAMI (111-475264)



BankIslami

The **1st** Bank to Achieve State Bank's
Housing & Construction
TARGET



24/7 Phone Banking
(021) 111-ISLAMI (111-475264)

RECENT ACCOLADES



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.



Best Islamic Retail Bank – IRBA Awards

BankIslami won the Islamic retail bank of the year 2021 award for Growth and Strategy.



Best Personality of the year – IRBA Awards

President & CEO, Syed Amir Ali was awarded the best personality award for the year 2021.



10th Annual CSR Summit

BankIslami Pakistan Limited won 10th Annual CSR award in the category;
- Social Impact
- Sustainability Initiatives



Year 2021 proved to be a hallmark year for Distribution Team. The Bank was not only able to increase its CASA mix composition from 63.7% in Dec 2020 to 68.6% in Dec 2021, but was also successful in crossing the Rs. 300 Bn benchmark for its overall deposit book which closed at Rs. 345 Bn with growth of 21.6% from last year. BankIslami also crossed Rs. 1 Bn per branch benchmark as at Dec 31, 2021.



BankIslami Auto Finance Sector captured commendable business and emerged as a major player in the market with an annual disbursement of Rs. 14.1 Bn during the year 2021. Auto Finance team also disbursed few automobile units under SBP's Kamyab Jawan Program.



Bank grew its Housing Finance portfolio through disbursement of Rs. 8.8 Bn during the year 2021. The Bank achieved monthly disbursement of Rs. 1.8 Bn representing 123 housing units in March 2021 setting a new record of highest ever monthly disbursement in the history of banking industry.



In disbursing home financing as part of Government's 'Mera Pakistan Mera Ghar (MPMG)', the Bank has been recognized by the SBP for surpassing the target before the deadline of Jun 2022. BankIslami was also the first bank to achieve its targets assigned by SBP for 'Housing & Construction'.



Corporate Banking continued with its strategy of portfolio rationalization and diversification. During 2021, the Bank remained inclined towards adding New to Bank (NTB) customers. This can be substantiated with the fact that the Bank surpassed Rs. 266 Bn in overall trade business during 2021 as compared to Rs. 172 Bn during the year



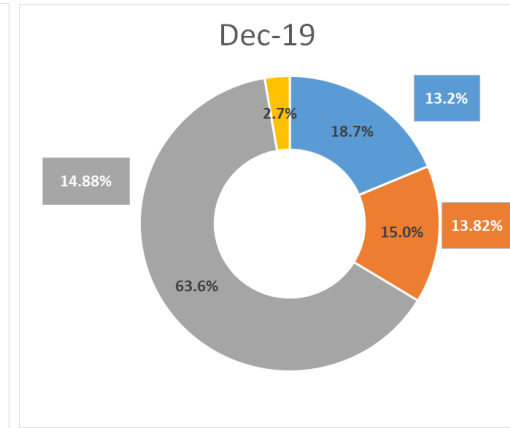
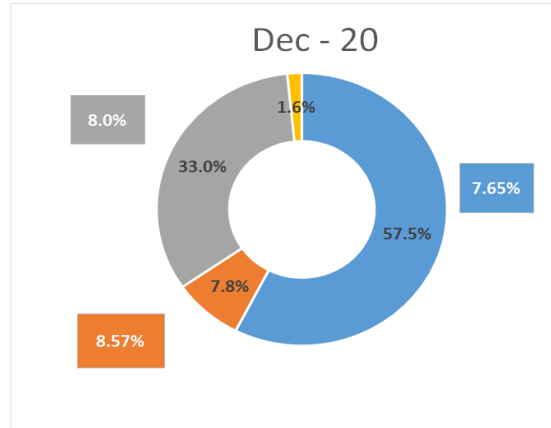
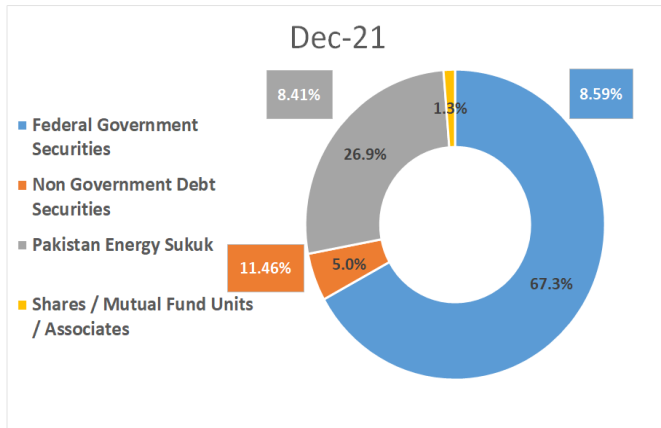
SME team of BankIslami also continued its focus towards onboarding NTBs. Clients were tapped from trade-oriented markets through our Import based Programs. Of the total trade volume of the Bank, 41% of the business was contributed through SME clientele including NTBs.



Investment Banking booked fee income of Rs. 124 Mn during 2021. The fee income was mainly derived from advisory & arrangement services from Syndicate, Sukuk and Islamic Commercial Paper (ICP) transactions. BankIslami, as Lead Advisor and Arranger, successfully closed five ICP issues amounting to Rs. 25.5 Bn for leading energy utility companies like K-Electric Limited and Lucky Electric Power Company Limited.

Rs. in Millions

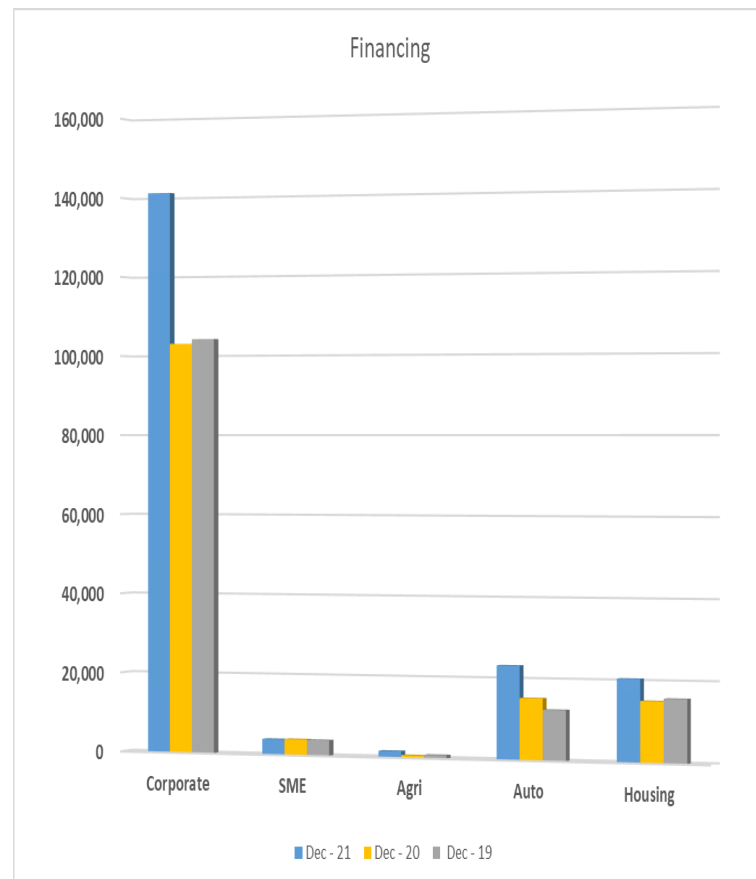
INVESTMENTS - Net	% growth				
	Dec - 21	Dec - 20	Dec - 19	Dec - 21 vs Dec 20	Dec - 20 vs Dec 19
GoP Ijarah Sukuk	83,637	54,804	10,306	53%	432%
Pakistan Energy Sukuk	33,414	31,441	35,100	6%	-10%
Non-Government Securities	6,221	7,455	8,305	-17%	-10%
Shares / Associates	1,565	1,540	1,484	2%	4%
	124,837	95,240	55,195	31%	73%



*% in boxes represents yields of respective portfolio for the month of December.

Rs. in Millions

FINANCINGS - Net				Growth	
	Dec - 21	Dec - 20	Dec - 19	Dec - 21 vs Dec - 20	Dec - 20 vs Dec - 19
Corporate	141,147	103,078	104,196	37%	-1%
SME	3,812	3,900	3,817	-2%	2%
Agri	1,513	560	752	170%	-26%
Auto	23,243	15,280	12,494	52%	22%
Housing	20,477	15,112	15,759	36%	-4%
Islamic Portfolio – Gross	190,192	137,930	137,018	38%	1%
Provisioning – Islamic	(9,199)	(8,033)	(5,547)	15%	45%
Islamic Portfolio-Net	180,993	129,897	131,471	39%	-1%
Conventional portfolio – Net	184	265	303	-31%	-13%
Total Portfolio – Net	181,177	130,162	131,774	39.19%	-1%



Financing – SBP Support Schemes

Rs. In Millions

SBP Schemes	Number of Customers	Amount Outstanding
Financing for Salaries and Wages	44	1,824
Temporary Economic Relief Fund (Funded)*	29	4,489
Temporary Economic Relief Fund (un-Funded)*		4,611
Financing for Combating Covid	2	383
Total	75	11,307

*Total Approved Limit of TERF is Rs. 9,100 Million

SBP Support Schemes – Mera Pakistan Mera Ghar

Rs. In Millions

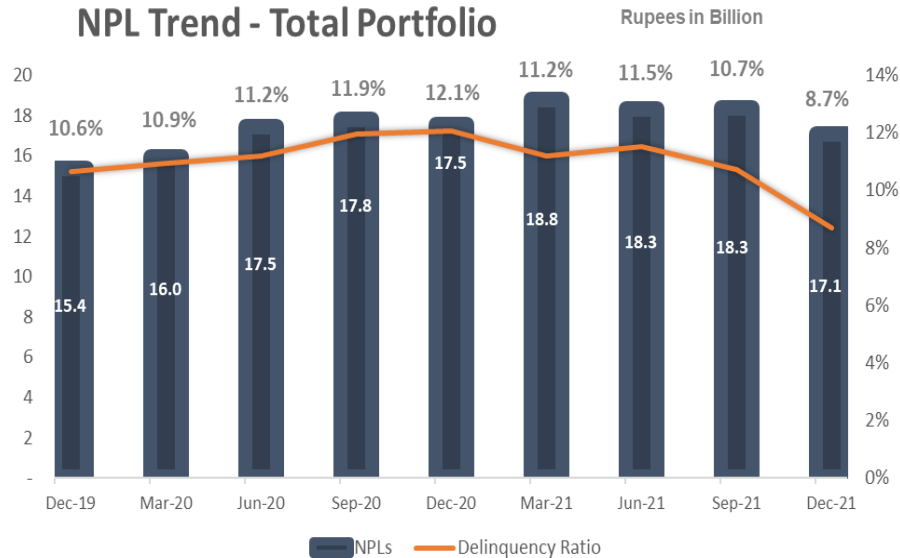
Government Scheme	Disbursements	
	Number of Cases	Amount
Mera Pakistan Mera Ghar	537	2,763

SBP Support Schemes – Kamyab Jawan

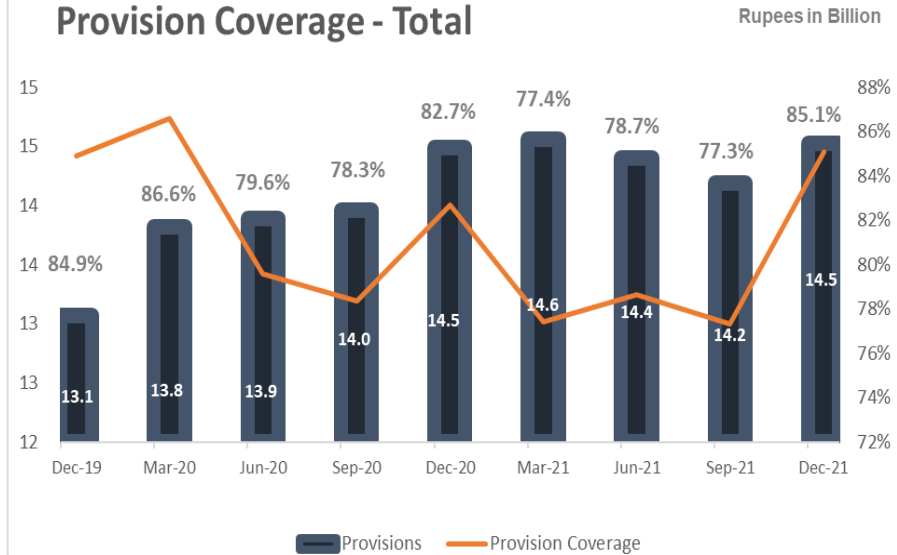
Rs. In Millions

Government Scheme	Cases Disbursed	
	Number of Cases	Amount
Kamyab Jawan	665	1,149

NPL Trend - Total Portfolio



Provision Coverage - Total



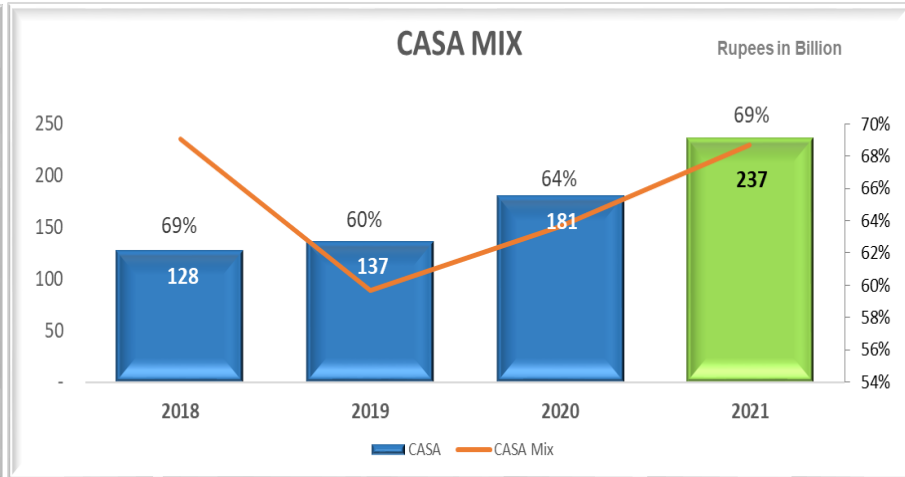
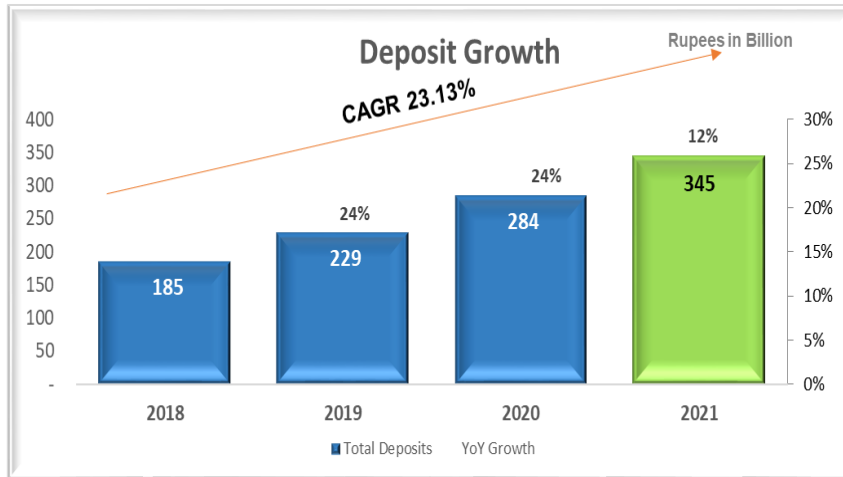
Total Delinquency ratio of the Bank (including defunct KASB Bank portfolio) has also reduced to 8.6% in Dec 21 from 12.1% in Dec 20 on account of growth in Financing portfolio and recoveries from delinquent portfolio.

Delinquency ratio excluding defunct KASB Bank portfolio is 5.8% (Dec 2020; 7.4%)

Coverage ratio (excl. general provision) of total portfolio is 85.1% (Industry Average 88.9%; IB Industry 84.5%)

Coverage ratio (Incl. general provision) of total portfolio is 89.6%.

Deposits	December - 21		December - 20		Rs. In Billions
	Amount	%	Amount	%	YoY Growth %
Current Deposit	131	38%	95	34%	36.9%
Saving Deposit	106	31%	85	28%	34.7%
Term Deposit	108	31%	103	33%	16.6%
Total Deposit	345	100%	284	100%	21.5%
CASA	237	69%	181	64%	31.7%



Deposit grew with a CAGR of 23.1% in 3 years versus a CAGR of 20.1% of IB industry. CASA Mix has significantly improved in Dec 2021 to 69%, from 64% in Dec 2020.

Average 6-M Kibor	Dec - 21 7.85%	Dec - 20 8.71%	Dec - 19 12.60%	Growth	
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-----Rs in Millions-----					
Description	Dec - 21	Dec - 20	Dec - 19	Dec - 21 vs Dec - 20	Dec - 20 vs Dec - 19
Profit Earned	23,235	25,744	23,650	-10%	9%
Profit Expensed	12,303	13,255	12,860	7%	-3%
Net spread earned	10,932	12,489	10,790	-12%	16%
Other Income					
Fee and commission income	1,227	900	618	36%	46%
Dividend income	25	17	11	45%	55%
Foreign exchange income	482	365	183	32%	99%
Gain on sale of securities	292	242	660	21%	-63%
Other income	94	111	162	-15%	-31%
Non Funded Income	2,119	1,635	1,634	30%	0%
Total Income	13,052	14,124	12,424	-8%	14%
Total administrative expenses	9,623	8,763	7,794	-10%	-12%
Operating Profit Before Tax & Provision	3,429	5,361	4,630	-36%	16%
Provisions	32	2,601	2,799	99%	7%
Taxation	1,266	1,056	744	-20%	-42%
Profit After Tax	2,131	1,704	1,087	25%	57%



Growth in Current Account

Growth in Current Accounts to improve spreads



Regulatory Compliance

Ensure Continued Regulatory Compliance



Financing Portfolio

Grow Financing portfolio in Consumer and Commercial segment to enhance asset yields



Branch Network

Expansion of Branch Network (40 new branches)



Deposit Base

Grow overall Deposit base to improve deposit per branch ratio



Digital Delivery Channels

Increase Digital footprint through our revamped Digital Delivery Channel



Trade Business

Grow Trade Business volumes to improve allied non-funded income



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bankislami-pakistan-limited

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