

**Saving**  
**Humanity**  
From **Riba**

**BankIslami** 

**Corporate  
Briefing  
Session**  
**2023**

FINANCIAL SERVICES | CORPORATE BANKING | INVESTMENT BANKING | RETAIL BANKING | CONSUMER BANKING



# 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 440 branches including 60 sub branches in 140 plus cities of Pakistan

## CREDIT RATING

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

## LISTING INFORMATION

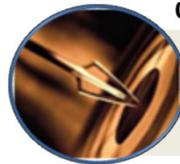
Listed on Pakistan Stock Exchange on April 17, 2006 as BIPL ticker post IPO.

## OUR VISION



Promoting global economic prosperity based on Islamic financial system.

## OUR MISSION



Saving Humanity from Riba by offering Shariah compliant, customer-centric, innovative financial solutions and creating value for our stakeholders while upholding social responsibility and transparency.

## OUR CORE VALUES



- Shariah Excellence
- Innovation
- Teamwork
- Meritocracy
- People-Centric

## BANKISLAMIS PAKISTAN LIMITED – MAJOR STAKEHOLDERS

### MAJOR SPONSORS & SHAREHOLDERS



#### JS Bank Limited

During the year, JS Bank acquired 67.33% shareholding in BankIslami, taking its total shareholding to **75.12%**. While both banks will continue to operate independently in their respective domains, we will be able to provide a higher number of touchpoints to a wider client base through a combined network of more than 700 branches. Both banks will also continue to adopt best practices from each institution to improve customer experience.

**75.12%**

JS Bank is a banking company incorporated in Pakistan as a public limited company on March 15, 2006. The Bank is a subsidiary company of Jahangir Siddiqui & Co. Ltd. (JSCL) and its shares are listed on Pakistan Stock Exchange Limited (PSX). JS Bank is a scheduled bank, engaged in commercial banking and related services as described in the Banking Companies Ordinance, 1962 and is operating through 291 (2022: 281) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (2022: one). The Pakistan Credit Rating Agency Limited (PACRA) has assigned the long-term entity rating of JS Bank to AA- (Double A Minus) whereas short-term rating is maintained at 'A1+' (A One Plus), which is the highest possible short-term rating.



#### Mr. Ali Hussain & SAJ Capital Management Limited

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.

**12.53%**

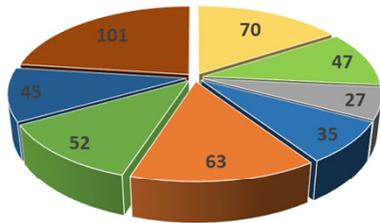
### REGULATORS, MEMBERSHIP & LICENSES



# BANKISLAMI PAKISTAN LIMITED - NATIONAL OUTREACH AND BRANCH COVERAGE

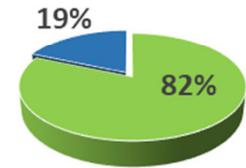


Distribution

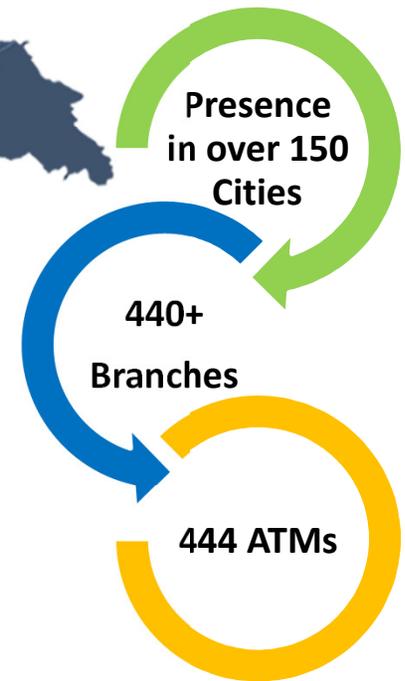


- SOUTH WEST    ■ SOUTH EAST    ■ BALUCHISTAN
- INTERIOR SINDH    ■ Central - I    ■ Central - II
- SOUTH PUNJAB    ■ NORTH

Presence



- Urban    ■ Rural



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

## Cash Management & Employee Banking

Embracing fast pace of technology, BankIslami is offering Corporate Payments, Corporate Bill/ Tax Payments, Bulk Real Time Gross Settlement – RTGS, introduction of Payment voucher for mutual funds redemption, off-site pay-order printing, MT-940 availability and collections via POS solution. Besides this, also offering payroll processing, bike financing and consumer durable goods financing.

## SME FINANCING

Small and Medium-sized Enterprises (SMEs) drive economic growth by stimulating innovation, acting as a critical value chain partner 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. This segment also offers financing to farmers to fulfill their short term working capital requirements.

## PERSONAL BANKING

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

## INVESTMENT BANKING

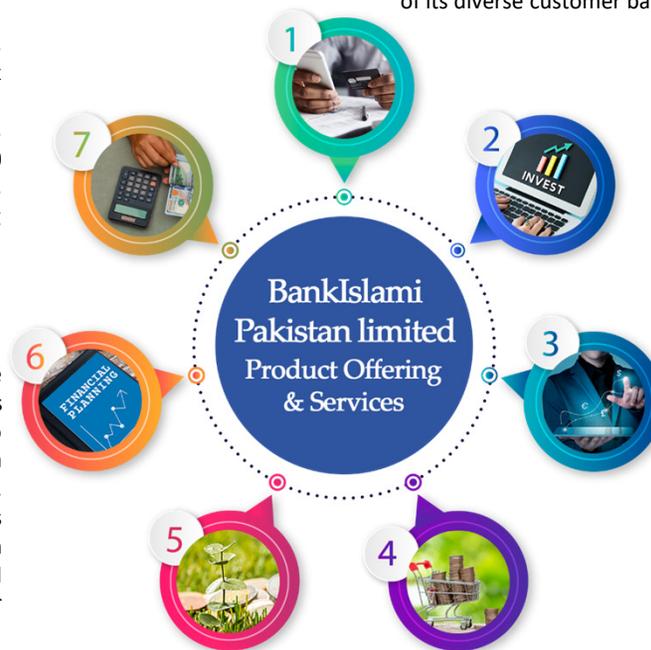
Investment Banking is a high Economic Value-Added franchise of the Bank, specialized in tailoring and structuring varied complex deals in an innovative and Shariah Compliant manner to meet the on-going critical needs of large corporate clientele. Such deals may range from short-term to long-term syndicated 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' in achieving their business objectives.

## CONSUMER FINANCE

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



**SPECIALIZED PRODUCTS**



One Touch Banking



Islamic Housing Finance



Islamic Auto Loans



Freelancer Account



Wealth Management



Home Remittance



Shariah Compliant Investment Solutions



Digital Delivery Channel

| Particulars                        | 2018               | 2023    | CAGR % |
|------------------------------------|--------------------|---------|--------|
|                                    | ---Rupees in Mn--- |         |        |
| Operating Profit before Provisions | 439                | 26,915  | 128%   |
| Profit Before Tax                  | 403                | 20,523  | 119%   |
| Profit After Tax                   | 213                | 11,045  | 120%   |
| Total Deposit                      | 185,945            | 522,541 | 23%    |
| Current A/c Deposits               | 59,746             | 194,998 | 27%    |
| Total Assets                       | 215,743            | 654,866 | 25%    |
| Investments - net                  | 38,832             | 314,084 | 52%    |
| Financing - net                    | 118,571            | 230,194 | 14%    |
| Total Equity                       | 14,515             | 36,466  | 20%    |
| Capital Adequacy Ratio (CAR) %     | 3.87%              | 23.79%  | 44%    |
| Operating expenses per employee*   | 2.2                | 2.74    | 5%     |
| Total income per employee*         | 2.4                | 7.38    | 25%    |

\* Closing No of Employees

# BANKISLAMI PAKISTAN LIMITED – JOURNEY OF A TURN-AROUND



## BANKISLAMI PAKISTAN LIMITED – JOURNEY OF A TURN-AROUND



| Deposit                  | 2018           | 2023        | Absolute Growth | CAGR |
|--------------------------|----------------|-------------|-----------------|------|
|                          | Rs. In Million |             | %               |      |
| Industry                 | 13,353,916     | 29,128,202  | 118%            | 17%  |
| BIPL                     | 185,945        | 522,541     | 181%            | 23%  |
| <b>BIPL Market Share</b> | <b>1.4%</b>    | <b>1.8%</b> |                 |      |

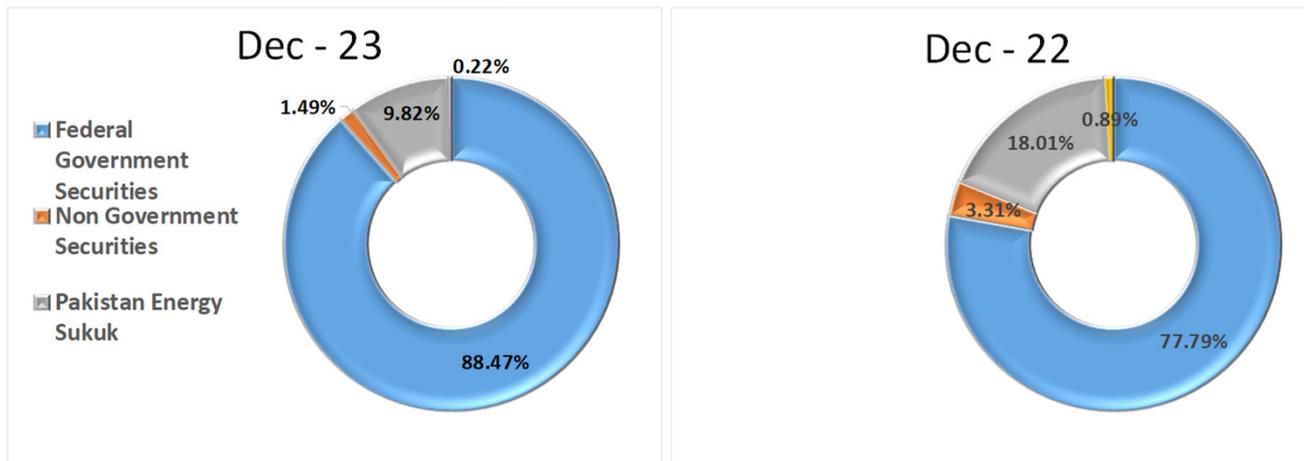
| Financing Net            | 2018           | 2023        | Absolute Growth | CAGR |
|--------------------------|----------------|-------------|-----------------|------|
|                          | Rs. In Million |             | %               |      |
| Industry                 | 7,888,024      | 12,178,293  | 54%             | 9%   |
| BIPL                     | 118,571        | 230,194     | 94%             | 14%  |
| <b>BIPL Market Share</b> | <b>1.5%</b>    | <b>1.9%</b> |                 |      |

| Investments              | 2018           | 2023        | Absolute Growth | CAGR |
|--------------------------|----------------|-------------|-----------------|------|
|                          | Rs. In Million |             | %               |      |
| Industry                 | 7,583,240      | 26,019,114  | 243%            | 28%  |
| BIPL                     | 38,832         | 314,084     | 709%            | 52%  |
| <b>BIPL Market Share</b> | <b>0.5%</b>    | <b>1.2%</b> |                 |      |

## BANKISLAMI PAKISTAN LIMITED – FINANCIAL PERFORMANCE DECEMBER 2023



| INVESTMENTS - Net             | Rs. in Millions |                |                  |
|-------------------------------|-----------------|----------------|------------------|
|                               | Dec - 23        | Dec - 22       | Growth           |
|                               |                 |                | Dec 23 vs Dec 22 |
| Federal Government Securities | 277,867         | 139,820        | 99%              |
| Non Government Securities     | 4,673           | 5,954          | -22%             |
| Pakistan Energy Sukuk         | 30,851          | 32,377         | -5%              |
| Shares / Sukuks / Associates  | 693             | 1,591          | -56%             |
|                               | <b>314,084</b>  | <b>179,742</b> | <b>75%</b>       |



Approx 97% investments are floater with repricing in 6 months.

## BANKISLAMI PAKISTAN LIMITED – FINANCIAL PERFORMANCE DECEMBER 2023



Rs. in Millions

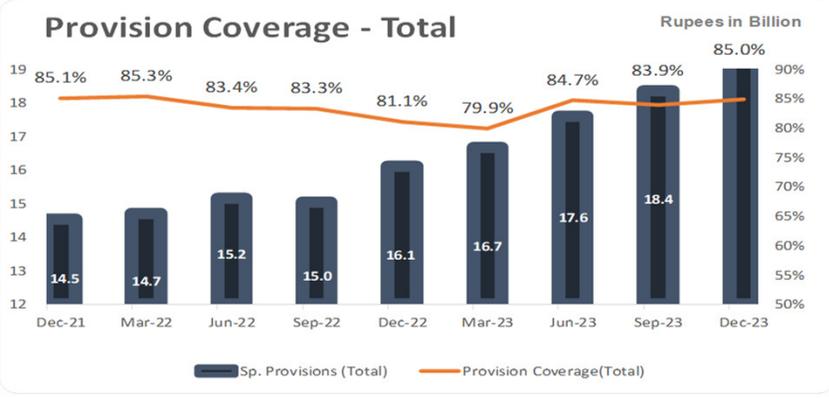
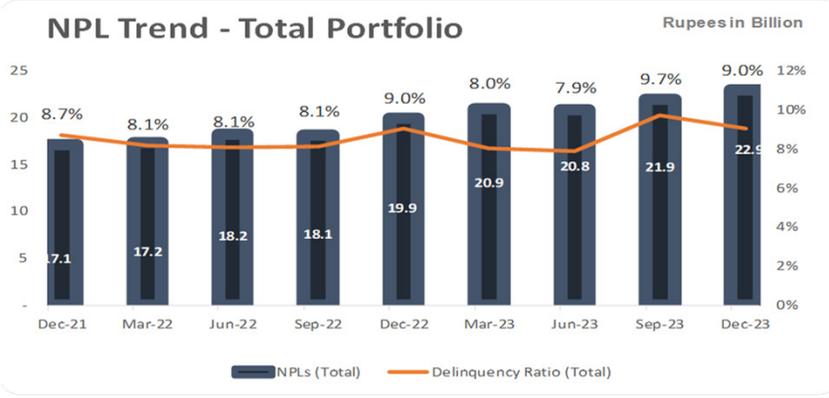
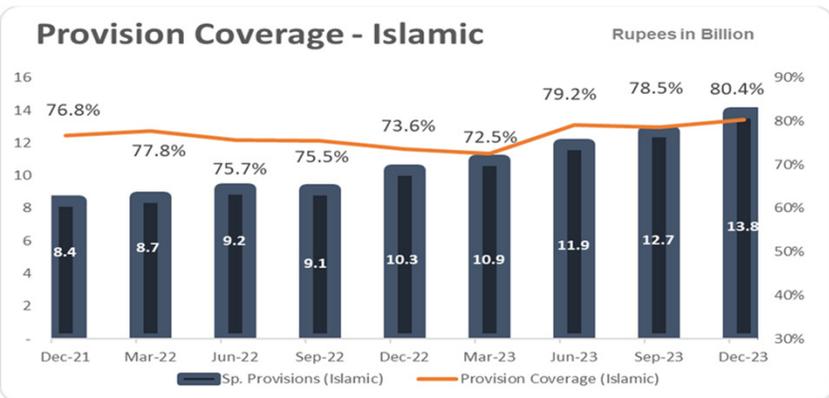
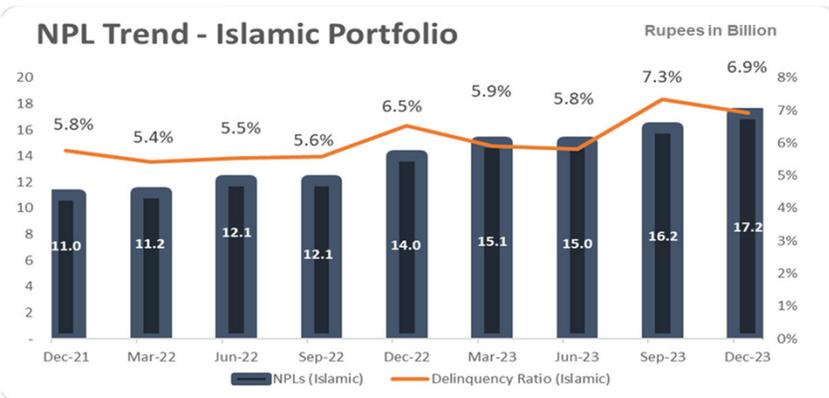
| FINANCINGS - Net                 | Dec - 23       | Dec - 22       | Growth               |
|----------------------------------|----------------|----------------|----------------------|
|                                  |                |                | Dec - 23 vs Dec - 22 |
| Corporate                        | 191,808        | 152,646        | 26%                  |
| SME                              | 9,349          | 7,716          | 21%                  |
| Agri                             | 4,419          | 2,423          | 82%                  |
| Auto                             | 17,154         | 24,181         | -29%                 |
| Housing                          | 25,629         | 27,495         | -7%                  |
| <b>Islamic Portfolio – Gross</b> | <b>248,358</b> | <b>214,461</b> | <b>16%</b>           |
| Provisioning – Islamic           | (18,229)       | (13,301)       | 37%                  |
| <b>Islamic Portfolio-Net</b>     | <b>230,130</b> | <b>201,160</b> | <b>14%</b>           |
| Conventional portfolio – Net     | 64             | 167            | -61%                 |
| <b>Total Portfolio – Net</b>     | <b>230,194</b> | <b>201,327</b> | <b>14%</b>           |

| Segment   | Composition |      |
|-----------|-------------|------|
|           | 2023        | 2022 |
| Corporate | 77%         | 71%  |
| SME       | 4%          | 4%   |
| Agri      | 2%          | 1%   |
| Consumer  | 17%         | 24%  |

Rs. in Millions

| Provision Movement | 2023          |
|--------------------|---------------|
| <b>Opening</b>     | <b>13,301</b> |
| Add: Existing NPFs | 1,714         |
| New NPFs           | 979           |
| Subjective Prov    | 1,315         |
| General Prov       | 1,500         |
| Less: Reversals    | (580)         |
| <b>Closing</b>     | <b>18,229</b> |

# BANKISLAMI PAKISTAN LIMITED – FINANCIAL PERFORMANCE DECEMBER 2023



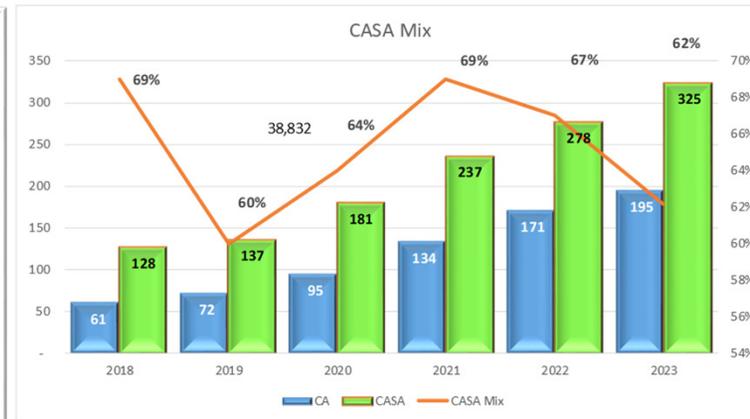
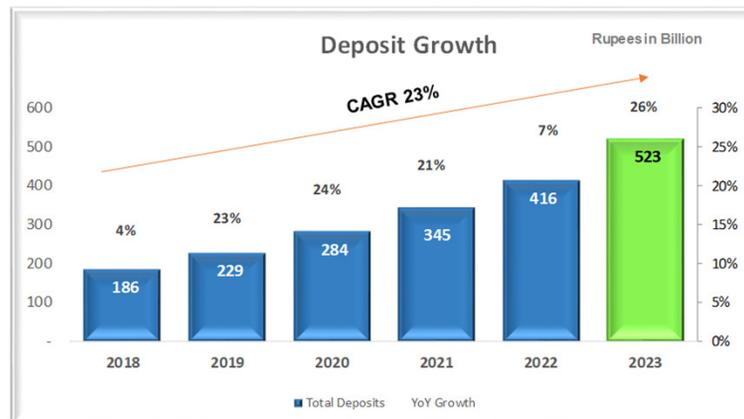
Coverage ratio (incl. general provision) of total portfolio is **104.15%**, while Islamic portfolio is 105.86% as of 31 Dec 2023. Total Delinquency ratio of the Bank (including defunct KASB Bank portfolio) has remained the same at **9%** in Dec 23 as compared to Dec 22 i.e. 9.0% however, Delinquency ratio of Islamic Portfolio has slightly increased to 6.9% in Dec 23 mainly due to prevailing economic conditions.

## BANKISLAMI PAKISTAN LIMITED – FINANCIAL PERFORMANCE DECEMBER 2023



Rs. In Billions

| Deposits             | Dec - 23   |               | Dec - 22   |               | Growth %<br>Dec 23 vs Dec 22 |
|----------------------|------------|---------------|------------|---------------|------------------------------|
|                      | Amount     | % Composition | Amount     | % Composition |                              |
| Current Deposit      | 195        | 37%           | 171        | 41%           | 14.30%                       |
| Saving Deposit       | 130        | 25%           | 108        | 26%           | 20.89%                       |
| Term Deposit         | 198        | 38%           | 138        | 33%           | 43.49%                       |
| <b>Total Deposit</b> | <b>523</b> | <b>100%</b>   | <b>416</b> | <b>100%</b>   | <b>25.67%</b>                |
| <b>CASA</b>          | <b>325</b> | <b>62%</b>    | <b>278</b> | <b>67%</b>    | <b>16.85%</b>                |



**Deposit** grew with a **CAGR** of **23%** in 5 years. **CASA** composition dropped from 67% in 2022 to **62%** in 2023.

## BANKISLAMI PAKISTAN LIMITED – FINANCIAL PERFORMANCE DECEMBER 2023



|  | Dec - 23      | Dec - 22      | Growth               |
|--|---------------|---------------|----------------------|
| Average 6-M Kibor                                  | 20.53%        | 13.10%        |                      |
| -----Rs in Millions-----                           |               |               |                      |
| Description  | Dec - 23      | Dec - 22      | Dec - 23 vs Dec - 22 |
| Profit Earned                                      | 92,756        | 46,345        | 100%                 |
| Profit Expensed                                    | 52,573        | 25,943        | 103%                 |
| <b>Net spread earned</b>                           | <b>40,184</b> | <b>20,402</b> | <b>97%</b>           |
| <b>Other Income</b>                                |               |               |                      |
| Fee and commission income                          | 1,817         | 1,459         | 25%                  |
| Dividend income                                    | 69            | 26            | 164%                 |
| Foreign exchange income                            | 913           | 1,350         | -32%                 |
| Gain on sale of securities                         | 272           | 80            | 240%                 |
| Other income                                       | 240           | 684           | -65%                 |
| <b>Non Funded Income</b>                           | <b>3,311</b>  | <b>3,599</b>  | <b>-8%</b>           |
| <b>Total Income</b>                                | <b>43,494</b> | <b>24,001</b> | <b>81%</b>           |
| Total administrative expenses                      | 16,579        | 11,961        | 39%                  |
| <b>Operating Profit Before Tax &amp; Provision</b> | <b>26,915</b> | <b>12,040</b> | <b>124%</b>          |
| Provisions   | 6,391         | 3,812         | 68%                  |
| Taxation   | 9,478         | 3,788         | 150%                 |
| <b>Profit After Tax</b>                            | <b>11,045</b> | <b>4,440</b>  | <b>149%</b>          |

## BANKISLAMI PAKISTAN LIMITED – KEY RATIOS



| Ratios  | Rs. In Million |        |
|---|----------------|--------|
|   | Dec-23         | Dec-22 |
| Net Spread to Profit Earned                           | 43.32%         | 44.02% |
| Cost to Total Income Ratio                            | 37.15%         | 49.83% |
| Administrative Expenses Per Branch                    | 37.68          | 35.18  |
| Return on Average Equity                              | 39.81%         | 20.78% |
| Return on CET 1                                       | 38.73%         | 22.72% |
| Return on Earning Assets                              | 2.27%          | 1.19%  |
| Return on Average assets                              | 2.17%          | 0.99%  |
| Capital Adequacy Ratio                                | 23.79%         | 17.92% |
| Capital Adequacy Ratio with full IFRS 9 Adjustment    | 23.57%         | 17.23% |
| Average Deposits per Branch ( <i>Rs. in million</i> ) | 1,188          | 1,095  |
| Infection Ratio                                       | 9.01%          | 9.02%  |
| Coverage Ratio  | 104.15%        | 96.14% |
| Advances to Deposits ratio - net                      | 44.05%         | 48.41% |
| Advances to Deposits ratio - gross                    | 48.62%         | 52.98% |

## BANKISLAMI PAKISTAN LIMITED - AWARDS & RECOGNITION



### RECENT ACCOLADES



#### **Pakistan Digital Awards 2023**

BankIslami Pakistan won the Best Bio Technology award.



#### **CEO Excellence Award**

President & CEO, Syed Amir Ali was awarded the CEO Excellence Award



#### **12th Annual CSR Summit**

BankIslami Pakistan Limited won 12<sup>th</sup> Annual CSR award in the category;  
- Community Impact  
- D & I Leader



#### **Digital Technology Award**

BankIslami won the Institute of Chartered Accountant of Pakistan (ICAP) Digital Technology Award



#### **The Digital Summit 2023**

BankIslami Pakistan Limited won the Award of Best CIO in Insurtech & Banking on Digital Transformation.



#### **CFA Society Pakistan**

#### **20<sup>th</sup> Excellence Award**

BankIslami Pakistan Limited was awarded the Best Islamic Bank of the year (runner-up) at the 20<sup>th</sup> Annual Excellence Awards, organized by the CFA Society Pakistan.

### KEY CSR INITIATIVES

- **Employment Generation Activities:**

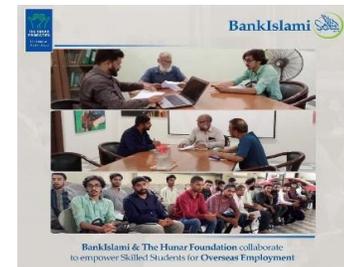
To reduce unemployment and generate foreign remittance for the country, BankIslami initiated its 'Employment Generation (Rozgar) Project' which aimed at creating job opportunities for the underprivileged individuals by training them in different skills. To achieve this purpose, BankIslami collaborated with a number of institutions such as IBA Karachi, The Hunar Foundation, Indus Hospital & Health Network, Akhuwat, Saylani Welfare, etc.

- **Flood Relief Activities**

In continuation of its efforts for disaster relief of flood affectees in the country, BankIslami, through its Khair Housing Project (a CSR initiative under Islami Khair Current Account) facilitated and financed the construction of 65 homes during 2023.

- **Other Major CSR Activities:**

- a. BankIslami contributed for the establishment of a 'Safe City Center' in Mirpur, Azad Jammu & Kashmir. The Center is intended to be used for monitoring of the city through CCTV in a bid to eradicate street crimes and control the law & order situation.
- b. BankIslami made a donation for earthquake relief activities in Turkey & Syria.





## **Growth in Current Account**

Growth in Current Accounts to improve spreads through Trade Finance, Employee Banking and Cash management.



## **Deposit Base**

Grow overall Deposit base to improve deposit per branch ratio



## **Financing Portfolio**

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



## **Cash management & Employee Banking**

For healthy deposit base, focus will be placed on cash management and payroll mandates



## **Regulatory Compliance**

Ensure Continued Regulatory Compliance



## **Branch Network**

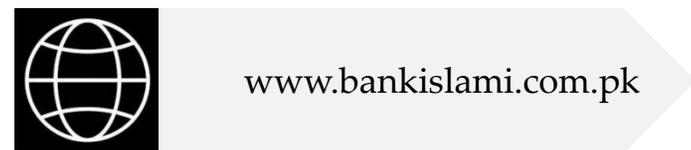
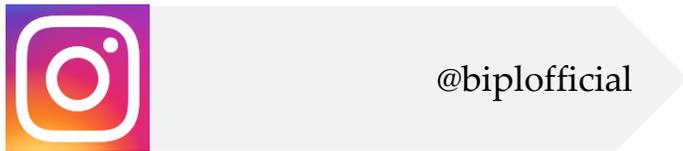
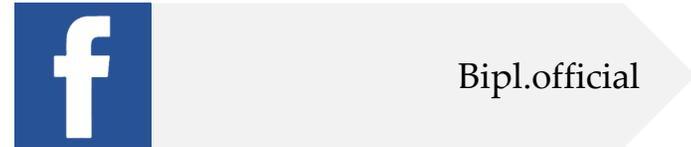
Expansion of Branch Network (60 new branches in 2023 and 100 more planned in 2024)



## **Digital Delivery Channels**

To increase Digital footprint through our revamped Digital Delivery Channels

## BANKISLAMI PAKISTAN LIMITED – Social Media Presence



## BANKISLAMIC PAKISTAN LIMITED – HOW YOU CAN REACH US



|   | ADDRESS  | CONTACT   |
|---|--|---|
| <b>BankIslami Pakistan Limited</b><br>Head Office | 8th Floor, Executive Tower, Dolmen City, Marine Drive,<br>Block-4, Clifton, Karachi. | Phone (92-21) 111-247(BIP)-111<br>Email: <a href="mailto:info@bankislami.com.pk">info@bankislami.com.pk</a> |

