

September 6, 2019



BankIslami

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

BankIslami Pakistan Limited
11th Floor, Executive Tower, Dolmen City,
Marine Drive, Clifton Block-4, Karachi.
Tel: (92-21) 111-247(BIP)-111
Fax: 35378373
www.bankislami.com.pk

Our Ref.No.100.2.353

MS

Subject: Declaration of Right Shares

Dear Sir,

We have to inform you that the Board of Directors of BankIslami Pakistan Limited (the "**Bank**"), in their meeting held on September 5, 2019 at its registered office located at 11th Floor, Executive Tower, Dolmen City, Marine Drive, Block 4, Clifton, Karachi, in order to meet State Bank of Pakistan's requirements for enhancement in the Bank's paid-up capital, have approved the increase in the ordinary paid up share capital of the Bank from PKR 10,079,120,900/- (Pak Rupees Ten Billion Seventy Nine Million One Hundred Twenty Thousand Nine Hundred) to PKR 11,087,032,990/- (Pak Rupees Eleven Billion Eighty Seven Million Thirty Two Thousand Nine Hundred Ninety) by issue of a further 100,791,209 (One Hundred Million Seven Hundred Ninety One Thousand Two Hundred Nine) ordinary shares of the Bank of PKR 10/- each, to be offered to the shareholders of the Bank in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act, 2017, at a price of PKR 10/- (Pak Rupees Ten only) per share (i.e. at par), in the ratio of approximately 10 right shares for every 100 existing ordinary shares of PKR 10/- each (i.e. 10%), against payment to the Bank of the price of the shares by the subscribers, which shares shall rank *pari passu* in all respect with the existing ordinary shares of the Bank ("**Right Issue**").

In this respect, the share transfer books of the Bank will be closed from September 27, 2019 to October 3, 2019 (both days inclusive) to determine the entitlements of the shareholders of the Bank with respect to the Right Issue.

Transfers received at the Bank's Share Registrar, CDC Share Registrar Services Limited, Head Office: CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 – Pakistan, at the close of business on September 26, 2019 will be treated in time for the purpose of entitlement to right shares to the transferees.

We enclose herewith the following information/documents:

- a. Statement with respect to the details of the Right Issue, including the purpose, benefits, use of funds and risk factors associated with the same, along with the financial projections, as approved by the Board of Directors (attached hereto as **Annexure "A"**).
- b. Certified true copy of the extract of the resolutions passed by the Board in its meeting held on September 5, 2019 (attached hereto as **Annexure "B"**).
- c. Draft copy of the Notice of the Right Issue and book closure to the shareholders prior to its publication in the newspapers (attached hereto as **Annexure "C"**). This will also fulfill the requirements of Sections 96 and 131 of the Securities Act, 2015.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours faithfully,



Muhammad Shoaib
Company Secretary

Encls: As above

Cc to:

The Director/HOD

Surveillance, Supervision and Enforcement Department

Securities and Exchange Commission of Pakistan

NIC Building, 63-Jinnah Avenue, Blue Area,

Islamabad

Cc to:

Director

Banking Policy & Regulations Department

State Bank of Pakistan

I.I. Chandigar Road, Karachi.

BANK ISLAMI PAKISTAN LIMITED**STATEMENT PERTAINING TO QUANTUM OF ISSUE, ISSUE PRICE, PURPOSE, BENEFITS, USE OF FUNDS, RISK FACTORS AND FINANCIAL PROJECTIONS UNDER REGULATION 3 OF THE COMPANIES (FURTHER ISSUE OF CAPITAL) REGULATIONS, 2018****1. QUANTUM OF ISSUE**

The quantum of the Right Issue is 100,791,209 (One Hundred Million Seven Hundred Ninety One Thousand Two Hundred Nine) ordinary shares of BankIslami Pakistan Limited (the "Bank"), constituting 10% of the existing paid up capital of the Bank.

2. ISSUE PRICE PER SHARE

PKR 10/- per share (i.e. at par).

3. PURPOSE OF RIGHT ISSUE

The purpose of the Right Issue is to strengthen the capital structure of the Bank, maintain a sound Capital Adequacy Ratio (CAR) well above the regulatory requirements of the State Bank of Pakistan (SBP) and Basel III accord and support the continuous growth of the Bank's business.

4. BENEFIT TO THE BANK & USE OF FUNDS

The Right Issue will help the Bank to maintain a stronger capital base and a comfortable CAR in compliance with the regulatory framework. Furthermore, higher CAR will provide additional comfort to depositors and other stakeholders and will enable the Bank to pursue its growth strategy smoothly, increase its existing business, tap new avenues and enhance the per party exposure limits.

The funds generated through the Right Issue will be used in the banking business.

5. RISK FACTORS

Sponsors and Directors willing to subscribe their entitlements have provided undertaking to subscribe their portion of the right issue. Out of the balance issue, existing sponsor shareholders / directors have expressed their interest to subscribe 14,420,014 additional shares, from unsubscribed shares, if any and remaining amount is being underwritten. Therefore, there is no risk of issue not being subscribed.

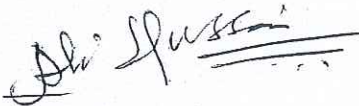
6. FINANCIAL PROJECTIONS

Financial projections signed by the Directors who had attended the meeting is attached.

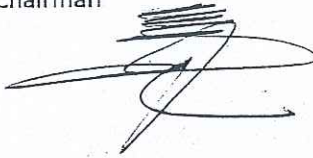
BankIslami Pakistan Limited
Financial Projections
For the Years 2019 to 2022

	Rs in Mn			
	2019	2020	2021	2022
Assets	259,197	291,477	336,531	392,579
Gross Income	10,633	13,436	15,432	16,546
Administrative and other expenses	7,738	9,025	10,551	12,026
Profit After Tax	1,036	2,139	2,414	2,619

Note: These Financial Projections have been prepared based on assumptions which are believed to be reliable and reasonable as of the date of preparation. However, no representation, either express or implied is being made that they will hold good for the projected period.



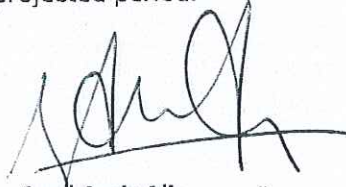
Mr. Ali Hussain
Chairman



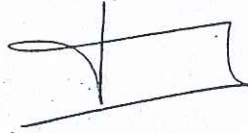
Mr. Ali Mohammad Hussain Ali Al Shamali
Director



Mr. Muhammad Nadeem Farooq
Director



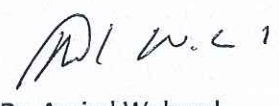
Syed Amir Ali
President and CEO



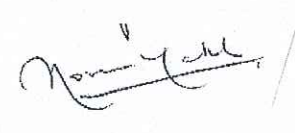
Mr. Fawad Anwar
Director



Mr. Siraj Ahmed Dadabhoy
Director



Dr. Amjad Waheed
Director



Mr. Noman Yakoob
Director


BankIslami

**Extract of the Resolutions passed by the Board of Directors of
BankIslami Pakistan Limited (the "Bank")
at their meeting held on September 5, 2019
at the Registered Office of the Bank.**

BankIslami Pakistan Limited
11th Floor, Executive Tower, Dolmen City,
Marine Drive, Clifton Block-4, Karachi.
Tel: (92-21) 111-247(BIP)-111
Fax: 35378373
www.bankislami.com.pk

A meeting of the Board of Directors of the Bank was held at 02:30 pm on September 5, 2019 at the registered office of the Bank.

The following Directors attended the meeting:

- 1- Mr. Ali Hussain, Chairman
- 2- Mr. Fawad Anwar, Vice Chairman
- 3- Mr. Ali Mohamad Hussain Ali Mohamad Alshamali, Independent Director
- 4- Dr. Amjad Waheed, Independent Director
- 5- Mr. Mohammad Nadeem Farooq, Director
- 6- Mr. Noman Yakoob, Director
- 7- Mr. Siraj Ahmed Dadabhoy, Director
- 8- Mr. Syed Amir Ali, President & Chief Executive Officer

During the meeting, the Board of Directors of the Bank discussed and approved the proposed issuance of further share capital by the Bank by way of right issue. The Board of Directors of the Bank stated that all requirements of the Companies Act, 2017 and the Companies (Further Issue of Shares) Regulations, 2018 have been considered by the Board of Directors of the Bank and shall be duly complied by the Bank.

For the purposes of the right issue, the management has received the requisite confirmation / undertakings from all the Directors and Sponsor shareholders of the Bank "except Dubai Bank PJSC that they will subscribe to the right shares offered to them" and that they shall deposit the amount of their subscription seven (7) days in advance from the last date of payment / renunciation.

Accordingly, the following resolutions were passed by the Board of Directors:

RESOLVED THAT the ordinary paid up share capital of the Bank be increased from Rs 10,079,120,900/- (Rupees Ten Billion Seventy Nine Million One Hundred Twenty Thousand Nine Hundred) to Rs 11,087,032,990/- (Rupees Eleven Billion Eighty Seven Million Thirty Two Thousand Nine Hundred Ninety) by issue of further 100,791,209 (One Hundred Million Seven Hundred Ninety One Thousand Two Hundred Nine) ordinary shares of the Company of Rs 10/- (Rupees Ten) each, to be offered to the shareholders of the Bank in proportion to the number of shares held by each shareholder (i.e. right shares) in accordance with the provisions of Section 83 of the Companies Act, 2017 and all applicable laws, at a price of Rs 10/- (Pak Rupees Ten) per share, in the ratio of approximately 10 right shares (10%) for every 100 existing ordinary share of Rs 10/- each against payment to the Bank of the price of the shares subscribed by the shareholders, which shares shall rank *pari passu* in all respect with the existing ordinary shares of the Bank (the "Right Issue").

FURTHER RESOLVED THAT the following are the quantum, size, price, use of funds and purpose of the Right Issue, the benefits of the same to the Bank and the shareholders of the Bank, the risk factors associated with the Right Issue and the justification for the Right Issue at par:

Quantum of the Issue (i.e. as percentage of existing paid up capital)

The quantum of the Right Issue is 10% (ten percent) of the existing paid up capital of the Bank.

Issue Size

The Bank seeks to issue 100,791,209 ordinary shares, at a price of Rs 10/- Pak Rupees Ten per share, aggregating to Rs 1,007,912,090/- (Pak Rupees One billion Seven Million Nine Hundred Twelve Thousand Ninety).

Issue price

Rs 10/- per share (i.e. par).

Purpose or justification of the Right Issue

The purpose of the Right Issue is to strengthen the capital structure of the Bank, maintain a sound Capital Adequacy Ratio (CAR) well above the regulatory requirements of the State Bank of Pakistan (SBP) and Basel III accord and support the continuous growth of the Bank's business.

Use of Fund

The funds generated through the Right Issue will be used in the banking business.

Benefits to the Bank and Shareholders and underlying risks, if any

The Right Issue will help the Bank to maintain a stronger capital base and a comfortable CAR in compliance with the regulatory framework. Furthermore, higher CAR will provide additional comfort to depositors and other stakeholders and will enable the Bank to pursue its growth strategy smoothly, increase its existing business, tap new avenues and enhance the per party exposure limits.

Sponsors and Directors willing to subscribe their entitlements have provided undertaking to subscribe their portion of the right issue. Out of the balance issue, existing sponsor shareholders / directors have expressed their interest to subscribe 14,420,014 additional shares, from unsubscribed shares, if any and remaining amount is being underwritten. Therefore, there is no risk of issue not being subscribed.

Justification for Right Issue at Par.

The Board of Directors of the Bank in their meeting held on September 5, 2019 decided to issue right shares at par value after considering financial projections and current market price of Bank's shares.

FURTHER RESOLVED THAT the letter of offer, as prescribed under the Section 83 of the Companies Act, 2017, may be issued by any two directors of the Bank in compliance with the applicable laws.

FUTHER RESOLVED THAT the financial projections or plans for the year 2019 to year 2022 as presented to the Board of Directors be and is hereby approved and the Chief Executive Officer and / or the Company Secretary be and are hereby severally authorized to submit the same to the relevant authorities.

FURTHER RESOLVED THAT all fractional entitlements will be consolidated in the name of the Company Secretary (under trust) and unpaid letters of right in respect thereof shall be sold on the Pakistan Stock Exchange Limited, the net proceeds from which sale, once realized shall be distributed to a charitable institution as determined by the Company Secretary.

FURTHER RESOLVED THAT any unsubscribed shares may be offered and allotted to such persons as the directors may deem fit in accordance with Section 83(1)(a)(iv) of the Companies Act, 2017 including the sponsors, directors or associated undertakings of the Bank or any third party, before calling upon the underwriters to subscribe to any unsubscribed shares.

FURTHER RESOLVED THAT the Board has noted that Dubai Bank PJSC, Dubai, the sponsor shareholder of the Bank, will not participate in the proposed right issue.



BankIslami

FURTHER RESOLVED THAT the Board has also noted that Mr. Ali Hussain and M/s. Jahangir Siddiqui & Co. Ltd, the existing directors / sponsor shareholders of the Bank, have expressed their interest to subscribe additional 5,845,860 ordinary shares and 8,574,154 ordinary shares respectively out of unsubscribed shares, if any. The State Bank of Pakistan has conveyed its No Objection in this regard.

FURTHER RESOLVED THAT Chief Executive Officer, Chief Financial Officer and Company Secretary be and are hereby authorized (jointly any two) to appoint Underwriter(s) registered with Securities and Exchange Commission of Pakistan to underwrite such portion of right issue for which undertakings have not been received from sponsor shareholders provided that shares underwritten by any such underwriter shall not be 5% or more of the enhanced paid up capital of the Bank."

FURTHER RESOLVED THAT the Bank be and is hereby authorized to close its share transfer books from September 27, 2019 to October 3, 2019 (both days inclusive) to determine entitlements of the shareholders of the Bank with respect to the Right Issue.

FURTHER RESOLVED THAT the Chief Executive Officer and/or Company Secretary be and are hereby severally authorized to do the following on behalf of the Bank:

(i) appoint / negotiate with consultants / advisors / auditors and underwriter(s) to the Right Issue, to finalize terms and conditions and sign underwriting agreement(s) and settle / finalize fees, underwriting commission, take up commission and third party expenses and / or any other expenses relating to the Right Issue;

(ii) to announce book closure dates or any change therein and to prepare the Schedule for issue of right shares including date of payment, and to make any amendment in the said schedule, appointment of banker(s) to the Issue, and to take all necessary actions, in this respect, required by Securities and Exchange Commission of Pakistan / Pakistan Stock Exchange Limited / Central Depository Company of Pakistan Limited (including but not limited to induction of the offer for right shares in the Central Depository System of the Central Depository Company of Pakistan) or any other authority;

(iii) to open, maintain, operate and close bank accounts titled "BankIslami Pakistan Limited – Right Share Subscription Account" for the purposes of amounts received from subscription of shares; and

(iv) to take all other necessary steps, and do all other acts, deeds and things, including any ancillary or incidental actions to give effect to the above resolutions.

Certified that the above mentioned is a true and valid extract from the minutes of the Board of Directors of BankIslami Pakistan Limited meeting held at the registered office of the Bank on September 5, 2019.

Muhammad Shoaib
Company Secretary

Dated: September 5, 2019

BankIslami Pakistan Limited

NOTICE OF RIGHT ISSUE AND BOOK CLOSURE

Members are hereby notified that the Board of Directors of BankIslami Pakistan Limited (the "Bank") in their meeting held on September 5, 2019 has decided to issue further capital by offering 100,791,209 ordinary right shares of PKR 10/- (Rupees: Ten only) each at a price of PKR 10/- (Rupees: Ten only) per share, in the ratio of approximately 10 right shares for every 100 existing ordinary shares held (i.e. 10%). The right shares rank pari passu in all respect with the existing ordinary shares of the Bank.

The Share Transfer Books of the Bank will remain closed from September 27, 2019 to October 3, 2019 (both days inclusive) to determine the entitlements of the shareholders of the Bank. Transfers received at the Bank's share registrar: CDC Share Registrar Services Limited, Head Office: CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 – Pakistan, by the close of business (5:00 pm) on September 26, 2019 will be considered in time for entitlement of right shares.

Karachi: September 5, 2019

By order of the Board
Muhammad Shoaib
Company Secretary

BankIslami Pakistan Limited

Credit of Unpaid rights into book entry form / Dispatch of Letters of Right to Non-CDS (Physical) Shareholders along with payment procedures

We are pleased to notify our Shareholders that unpaid rights have been credited into their respective CDS Accounts with CDC in book entry form as per their entitlement i.e. approximately 10 shares for every 100 shares as at close of business on _____, 2019. The last date of payment of subscription amount and other pertinent dates are as under:

Date of credit of unpaid rights into CDC in Book Entry Form	_____, 2019
Dispatch of Letter of Right to physical shareholders and intimation letters to CDC shareholders	_____, 2019
Subscription of Right Offer Start Date	_____, 2019
Date of commencement of trading of unpaid Right on Stock Exchange	_____, 2019
Last date for splitting and deposit of requests into CDS	_____, 2019
Last date of trading of Rights Letter	_____, 2019
Last date of subscription of Right offer and payment	_____, 2019
Date of credit of book entry of Right shares into CDS	_____, 2019

The Right Letters to Shareholders holding shares of the Company in physical form have been dispatched on _____, 2019 at their addresses registered with our Share Registrar, CDC Share Registrar Services Limited, Address: Head Office: CDC House, 99 – B, Block ‘B’, S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 – Pakistan.

Intimation letter about credit of Unpaid Rights into CDS have been dispatched to the shareholders at their given address.

Shareholders holding shares of the Company in physical form should please note that under CDC's applicable Rights Shares procedure, they can convert their Letter of Right (LoR) in book form by depositing in their own CDS Account (IAS account or sub account maintained with participant) and no credit or Rights shares will be allowed in CDS against subscription of physical Letter of Rights.

PAYMENT PROCEDURES:

1)	Bankers to the right Issue:
	BankIslami Pakistan Limited (All branches) Meezan Bank Limited (All branches) MCB Bank Limited (All branches)
2)	EXERCISING THE RIGHT OFFER IN CDS:

a)	For subscription of right offer, CDS account holder will request in writing to his/her CDC participant / IAS Dept to initiate Right Subscription Request into CDS on his behalf and CDC participant / IAS department will provide him/her two copies of Right Subscription Request printouts enabling him / her to make the payment with authorized banker(s) to the right issue.
b)	Right Subscription Request can be initiated for full or partial right offer.
3)	PAYMENT:
a)	Payment as indicated on Right Subscription Request should be made by cash or crossed cheque or demand draft or pay order made out to the credit of "BankIslami Pakistan Limited – Right Share Subscription Account" through all branches of above mentioned bank(s) on or before _____, 2019 along with Right Subscription Request duly filled in and signed by the subscriber(s).
b)	In case of Non-Resident Pakistani / Foreign shareholders, the demand draft of equivalent amount in Pak Rupees should be sent to the Company Secretary, BankIslami Pakistan Limited, 11 th Floor, Executive Tower, Dolmen City, Marine Drive, Block-4, Clifton, Karachi-Pakistan along with Right Subscription Request (both copies) duly filled and signed by the subscriber(s) with certified copy of NI/COP / Passport well before the last date of payment of _____, 2019
c)	All cheques and drafts must be drawn on a bank situated in the same city where Right Subscription Request is deposited, Cheque is subject to realization.
d)	The Company / bank(s) will not accept Right Subscription Request delivered by post which may reach after the closure of business on _____, 2019 unless evidence is available that these have been posted before the last date of payment.
4	ACCEPTANCE OF PAYMENT THROUGH RIGHT SUBSCRIPTION REQUEST:
a)	Payment of the amount indicated on Right Subscription Request to the Company's Banker(s) to the Issue on or before _____, 2019 shall be treated as acceptance of the Right Offer.
b)	Two copies of Right Subscription Requests should be handed over to the Company's Banker(s) to the issue intact. Client's copy of Right Subscription Requests will be returned to the subscriber whilst Issuer's copy will be retained by the Banker for onward transmission to the Company. The Client's copy must be preserved and retained safely by the subscriber.

For any clarification / information the shareholders are requested to contact our Share Registrar , CDC Share Registrar Services Limited, Address: Head Office: CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 – Pakistan.

By Order of the Board

Muhammad Shoaib
Company Secretary

Karachi: September 5, 2019