

September 18, 2015



BankIslami

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

The General Manager
The Karachi Stock Exchange (Guarantee) Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Our Ref: 100.2.172

MSH/FA

Subject: Clarification on television program

Dear Sir,

السلام عليكم ورحمة الله وبركاته

Please circulate the attached letter Ref.#100.2.171 dated September 18, 2015 to the members of the Exchange.

والسلام عليكم ورحمة الله وبركاته

With Warm Regards,

Yours Truly,

Muhammad Shoab

Unit Head – Corporate Affairs

Fahad Asad

Financial Controller

September 18, 2015



BankIslami

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

The General Manager
The Karachi Stock Exchange (Guarantee) Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Our Ref: 100.2.171

MSH/FA

Subject: Clarification on television program

Dear Sir,

السلام عليكم ورحمة الله وبركاته

Our attention is withdrawn to a particular program on the television which was aired last evening regarding amalgamation of defunct KASB Bank Limited into BankIslami Pakistan Limited ('BIPL'). We would like to inform the members and investors that almost all the facts and figures quoted in the above mentioned program were wrong, baseless and frivolous.

The net work of BIPL was 213 branches (not 45 or 49 as quoted in the program) and BIPL was more than twice the size, not four times smaller as mentioned in the program of the Defunct KASB Bank. BIPL has only received Rs. 20 billion from SBP (not Rs. 25 billion) out of which Rs. 15 billion are for temporary liquidity support for six months payable in November. Against that, BIPL had paid more than Rs. 23 billion to the depositors of the defunct KASB Bank as of August 31, 2015. Liquidity Support from central bank is neither un-usual nor un-rescedented and the entire amount was given against assets of BIPL.

It is further denied the Equity of BIPL was Rs. 6.5B and it was a 'weak' Bank. The Equity of BIPL on April 30, 2015 was Rs. 9.95 billion and CAR was 23.26% as against mandatory 10%. This disclosure was also made to the KSE on May 07, 2015 vide our letter No: 100.2.153. It is also worth mentioning BIPL had issued a rights issue of Rs. 4.32 billion that were fully underwritten on December 31, 2014 hence the assertion that BIPL itself was also not capital compliant is baseless.

It is also denied that the 'market value' of bad debts of the Defunct KASB Bank were more than Rs. 10 billion and the value of subsidiaries quoted is imaginative without any bases whatsoever. On the contrary, majority of the Bad Debts in the defunct KASB Bank are either against weak collateral or have no collateral at all. BankIslami has also discovered some of the liabilities were taken without even recording them in the books of accounts for which a reference will soon be submitted to the Investigation Agencies.



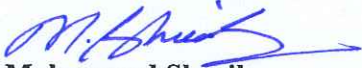
We would also like to put on record that BIPL has not found anything in the records of the Defunct KASB Bank, including minutes of the Boards that there was a tangible offer of investment from a bona fide Chinese Group in place.

As the said program has caused ir-repairable damage to the reputation of the Bank and its shareholders, BIPL is proceeding with serving a notice today to the concerned media group for an un-conditional apology or face strongest possible legal action.

والسلام عليكم ورحمة الله وبركاته

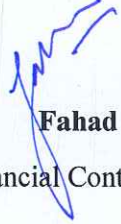
With Warm Regards,

Yours Truly,



Muhammad Shoaib

Unit Head – Corporate Affairs



Fahad Asad

Financial Controller