



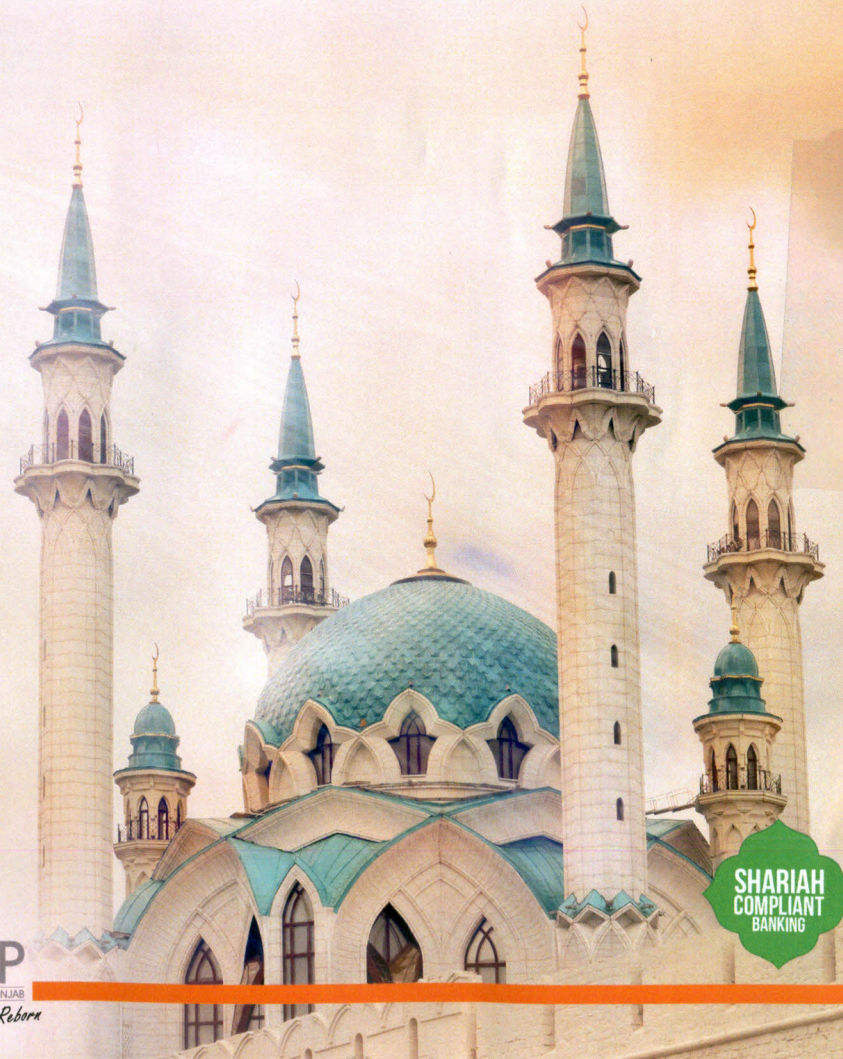
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DELIVERING  
SHARIAH COMPLIANT  
SOLUTIONS



SHARIAH  
COMPLIANT  
BANKING





## BOP Offers Complete Banking Solutions for SME/Commercial/Corporate Businesses Strictly under Shariah

We, at Taqwa Islamic Banking-BOP, aim to provide a quick, easy and convenient experience to our customers through our extensive network of credit hubs across the country.

The following Shariah compliant credit and trade-related products are available for SME/Commercial/Corporate size enterprises:

| Product                          | Product Purpose   |
|----------------------------------|---|
| Ijarah                           | For import of machinery/equipment/vehicles for Corporate/Commercial/SME/Retail customers  |
| Murabaha Financing               | Working capital requirement/procurement of raw material/semi-finished goods/finished goods  |
| Diminishing Musharakah Financing | Term financing will be limited as per facility approval of respective customers, to a maximum tenure of 20 years for commercial customers. Rental and principal payments in monthly/quarterly/semi-annual instalments |
| Istisna                          | Working capital requirement   |
| Trade-Related Facilities         | <ul style="list-style-type: none"> <li>• LC Sight</li> <li>• LC Usance</li> <li>• Letter of Guarantees</li> </ul>   |

### Ijarah

Ijarah means to give something on rent. The bank uses this product for medium and long-term financing purposes, where the bank acquires the asset required by the customer and then leases it to the customer for a fixed period. This product is used for the financing of assets such as plant, machinery, generators, equipment etc.

#### Salient Features:

- Riba-free & Shariah compliant financing product
- Lowest monthly rental
- Competitive pricing
- Flexible pricing (floating or fixed with monthly/semi-annual/annual revisions)
- Rentals start after delivery/no advance rental
- Payment frequency (monthly/quarterly/semi-annually)
- No upfront Takaful with lowest premium
- Fastest processing and delivery

### Murabaha

It is a sale transaction where the seller (bank) discloses the cost and profit to the buyer at the time of execution of sale. The bank purchases the product from the market through its agent (who may be a customer himself) and subsequently sells it to the customer on the spot/deferred payment.

#### Salient Features:

- Riba-free & Shariah compliant financing product
- Competitive pricing
- No processing charges
- Fastest processing and approval
- Payment frequency mutually decided between customer and bank for a short-term period (cannot be more than one year)
- Selling price (cost + profit) fixed and known
- Financing for procurement of local and imported goods

### Diminishing Musharakah

In this transaction, the customer and bank jointly purchase an asset and create joint ownership in the asset. The bank then leases its share in the asset to the customer, while the customer purchases units of ownership in the asset from the bank at periodic intervals. Upon purchase of all the units, the customer becomes the owner of the asset. This product is used for the financing of fixed assets such as plant and machinery, land, factory, building etc.

#### Salient Features:

- Riba-free & Shariah compliant financing product
- Competitive pricing
- Fastest processing and approval
- Flexible pricing (floating or fixed with monthly/semi-annual/annual revisions)
- Payment frequency (monthly/quarterly/semi-annually)

### Istisna

It is a short-term facility in which the bank orders the manufacturer to manufacture goods as per the specification of local/export order. The goods are then delivered to the bank. After receiving the delivery, these goods are locally sold/exported by the customer acting as the bank's agent.

#### Salient Features:

- Riba-free & Shariah compliant financing product
- Competitive pricing
- Fastest processing and approval
- An alternate Islamic financing product to conventional banking overdraft/cash finance facility
- Price of the goods to be manufactured is fixed
- The agreed price may be paid in lump sum or in instalments as mutually agreed by the parties

### Trade-Related Services

#### • Sight Letter of Credit (under Master Murabaha Financing Agreement):

To facilitate customers in the import of raw material and assets as bank's agent from the foreign buyer.

#### • Usance Letter of Credit: To facilitate customers in the import of raw material and assets in the customer's own name.

#### • Kafalah (Bank Guarantees): A bank guarantee to indemnify a third party against default of payment, overdue or non-performance of contract by the bank's customer. Guarantees may include advance payment guarantees, performance bonds or bid bonds.