



JAIZ BANK PLC

FACTS BEHIND THE LISTING
FEBRUARY, 2017



**JAIZ BANK
PLC**

**Plot 73, Ralph Shodeinde Street
Central Business District
Abuja**



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INTRODUCTION





OUR VISION:

To be the dominant non-interest financial services provider in Sub-Saharan Africa.

OUR MISSION:

To provide innovative, value-added, ethical, non-interest financial services to our clientele, employing the best people, supported by technology.



CORE VALUES:

- Quality Service - Customer First
 - Team spirit
- Respect for the individual
 - Ethics
 - Trust
 - Partnership
- Entrepreneurship



PARTICULARS OF LISTING

ISSUER	Jaiz Bank PLC
MARKET	Nigerian Stock Exchange (“NSE”)
BOARD	Main Board
NUMBER OF SHARES TO BE LISTED	29,464,249,300 Ordinary Shares
PAR VALUE	50 Kobo (Fifty Kobo)
PRICE	₦1.25 (One Naira Twenty-Five Kobo)
MARKET CAP AT PROPOSED LISTING PRICE	₦36, 830,311,625.00
MODE	Listing by Introduction
SYNDICATE	Stockbrokers/Lead financial advisers: Finmal Finance Services Ltd & Kundila Finance Services Ltd
EVENT	Admission and commencement of unconditional trading on the NSE



OVERVIEW OF JAIZ





OVERVIEW OF JAIZ

The only full fledged Non-Interest Bank in Nigeria



High quality investors



Strong Management Team



Diversified Investment Portfolio



- Jaiz Bank got its operating licence on 11/11/11
- Jaiz is the only full fledged bank offering only non-interest banking services to the Nigerian Market.
- The Bank has among its promoters some of the most astute investors and men of impeccable character.
- Strong Management Team brings together a combination of leading expertise in Non-Interest Banking (NIB) as well as conventional finance.
- Within a robust risk management framework, the Bank focuses on building a well diversified investment portfolio across the following sectors:

- ✓ General Commerce
- ✓ Real Estate & Construction
- ✓ Agriculture
- ✓ Education
- ✓ Manufacturing
- ✓ Information & Telecommunication



OVERVIEW OF JAIZ

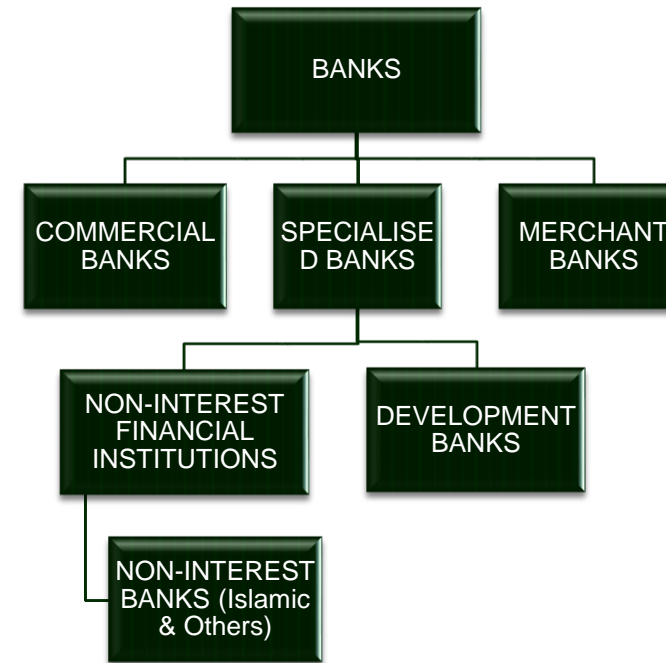
HISTORY

Jaiz Bank Plc is a Specialised Bank that was created out of the former Jaiz International Plc which was set up in 2003 as a special purpose vehicle (SPV) to establish Nigeria's first full-fledged non interest bank.

The Bank obtained a regional banking license to operate as an NIB in the North-Central, North-East and North- West zones of Nigeria on the 11th of November 2011 and began full operations on the 6th of January, 2012 with three branches located in Abuja FCT, Kaduna and Kano. It has since then expanded its branch network by 10 folds. In 2015, it obtained the Central Bank of Nigeria's approval in Principle for a national operating license. This enabled it to operate in all parts of the Nigeria. The bank's ultimate objective is to expand beyond the shores of Nigeria in line with its vision.

Jaiz Bank Plc has a solid capital base with shareholders' funds in excess of the threshold required for Specialised Banks. It has over 27,000 shareholders spread over the six geopolitical zones of Nigeria. The Bank broke-even in its third year of operations and has been consistently profitable since then.

NIGERIAN BANKING MODEL



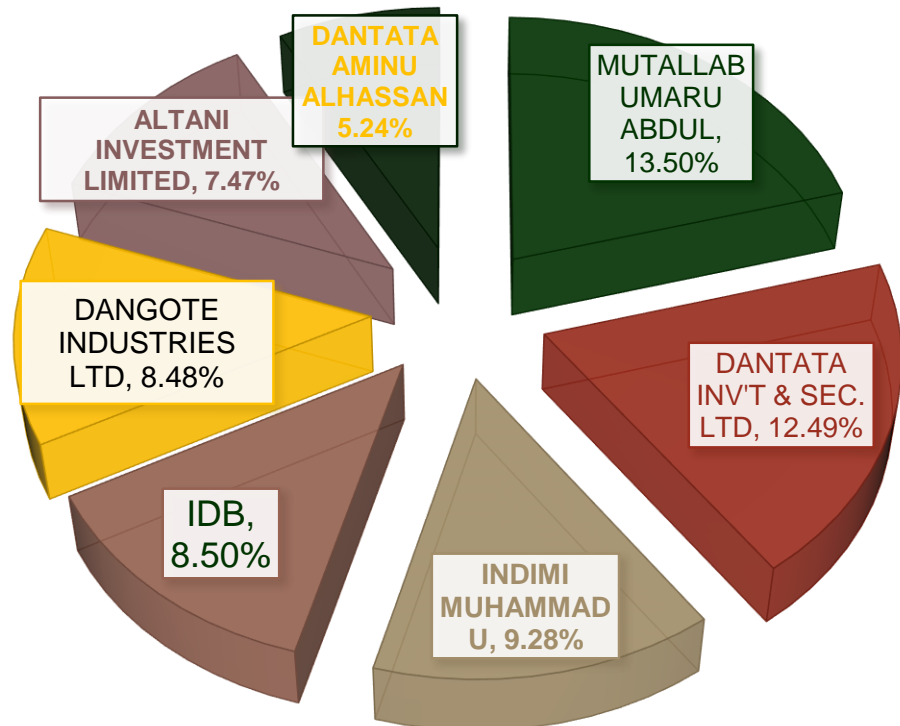
The banking space in Nigeria is occupied majorly by Commercial Banks (21), Merchant Banks (4), Development Banks (6) and Non-Interest Banks (1). The lack of crowding in the NIB segment makes it a market with the highest growth potentials.



OVERVIEW OF JAIZ

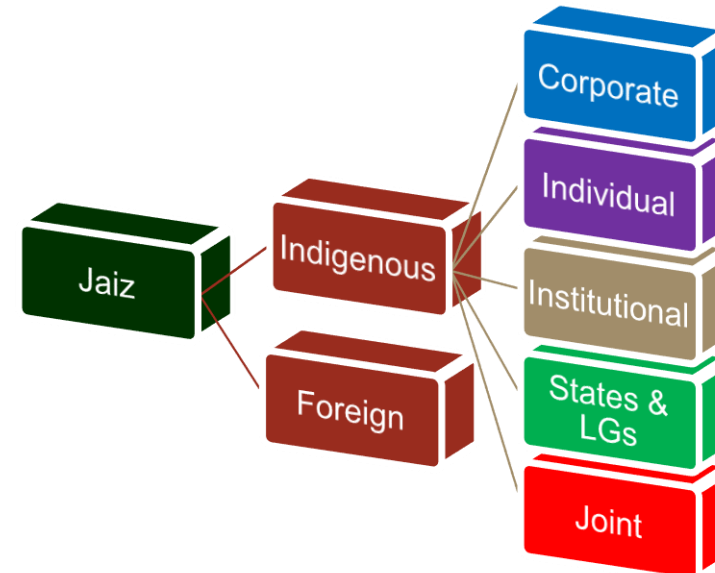
MATERIAL SHAREHOLDING (5% AND ABOVE)

The paid up capital of Jaiz Bank Plc stood at ₦14.7billion divided into 29.464 billion ordinary shares of 50Kobo. The major Shareholders (with 5% and above) are controlling a total of about 65% of the total share capital of the Bank as detailed below.



SHAREHOLDING STRUCTURE

The Shareholder base of the Bank is diversified with one Foreign, 108 Institutional, 220 Corporate, 26,157 Individuals, 156, Joint, 6 States and 106 Local Governments.



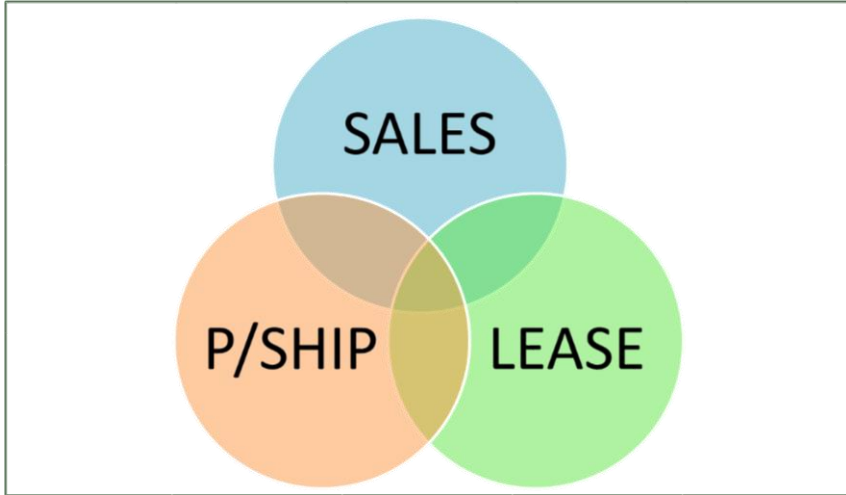
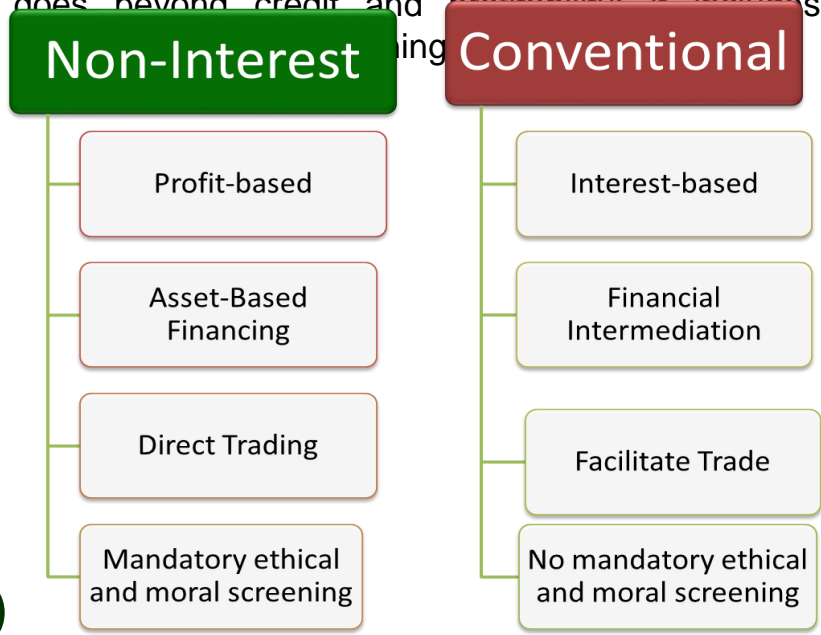
JAIZ BANK: AN OVERVIEW



HOW WE OPERATE

Jaiz Bank is a Commercial Bank licensed by the Central Bank to operate across the country. The Bank is in the business of financial intermediation as do conventional banks, the only exception is that the modus operandi of the Bank differs in how it mobilizes deposits and creates risk assets.

In contrast with conventional banks, Its financing contracts are profit-based rather than interest-based. All financing are asset-based rather than cash lending. The Bank by virtue of its kind of license is allowed to trade and investment appraisal goes beyond credit and profitability, it includes



HOW WE EARN

Since we are a Non-interest bank, how do we earn income? Jaiz Bank is a Non-interest bank but not a non-profit entity.

Non-interest (Islamic Model) banks basically earn their income through a range of products and services that can be broadly classified into three typologies:

1. Sales-based Contracts/Products
 - Mark-up Sales
 - Sale by order for future delivery
 - Deferred Payment Sale
2. Partnership-based Contracts/Products
 - Limited Partnership
 - Joint Venture
3. Lease-based Contracts/Products
 - Operating Lease

OVERVIEW OF JAIZ



OUR STRENGTH



OVERVIEW OF JAIZ



Global Landscape of Non-interest (Islamic) Finance

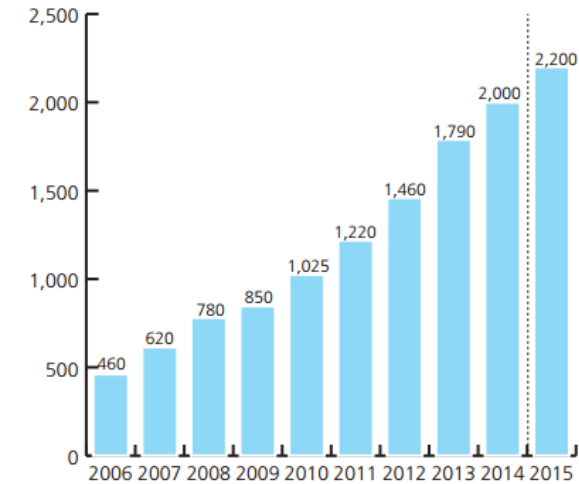
Non-interest (Islamic) Finance is a global phenomenon, from its humble beginning in the early 60s, the industry has undergone a progressive evolution over the last 5 decades to become an integral part of the global financial system transcending geographical boundaries. Today, there are more than 600 Non-interest financial institutions operating in more than 75 countries around the world.

\$120 billion

Global sukuk issues totalled around \$120bn in each of the last three years

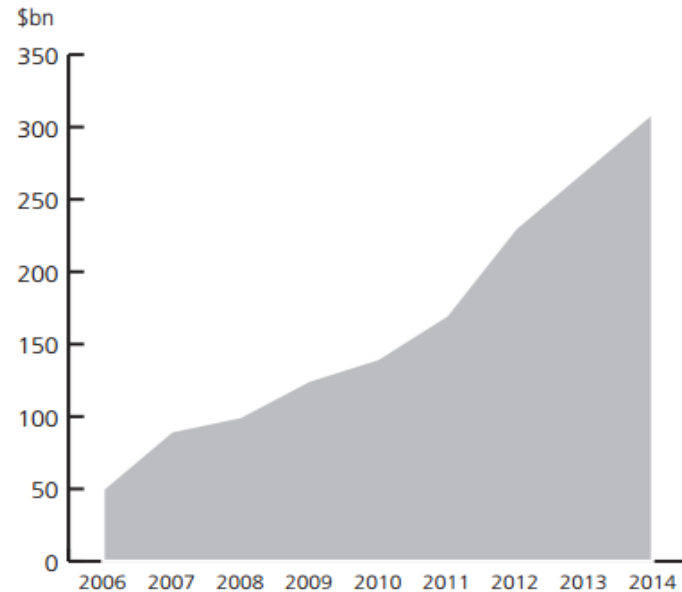
GLOBAL ASSETS OF ISLAMIC FINANCE

\$bn, assets end-year



Source: TheCityUK estimates

SUKUK, VALUE OUTSTANDING

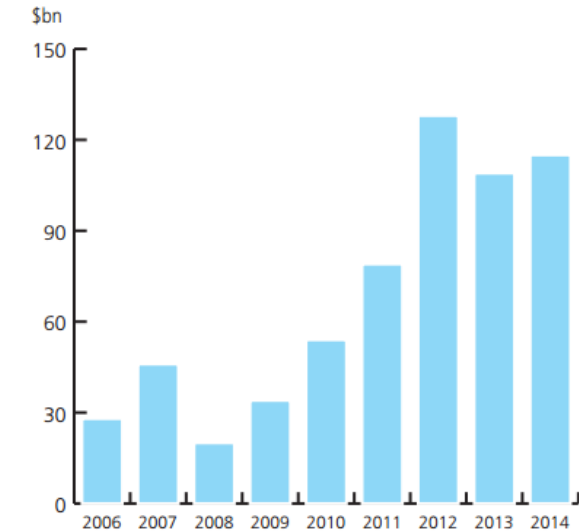


Source: Bloomberg, IFIS, Zawya, KFHR, Islamic Financial Services Board

\$35 billion

Global takaful assets under management totalled \$35bn at the end of 2014

ANNUAL SUKUK ISSUES



Source: ISRA, IFIS, Zawya, Bloomberg



OVERVIEW OF JAIZ

Global Landscape of Non-interest (Islamic) Finance

The number of institutions located in the UK that offer Islamic finance services is nearly double the number located in the US and far ahead of other Western countries. Assets of UK-based institutions that offer Islamic finance services totalled some \$4.5bn at the end of 2014. This is indicative of the economic contribution such a sector can add to any economy, not to mention the its stabilisation effect by diversifying the conventional portfolio of the economy.

THE UK WAS THE FIRST WESTERN NATION TO ISSUE A SOVEREIGN ISLAMIC BOND.



OVER 20 BANKS OFFER ISLAMIC FINANCIAL SERVICES IN THE UK — DOUBLE THE NUMBER IN THE US. THIS INCLUDES FIVE FULLY SHARIA BANKS LICENSED TO OPERATE IN THE UK.

20

The UK was the first Western nation to issue a sovereign Islamic bond. In 2014, the UK Government sold £200m of sukuk, maturing in 2019, to investors based in the UK and in major global hubs for Islamic finance. The sovereign sukuk was oversubscribed with very strong demand and orders totalling around £2.3 billion.



\$2 TRILLION

THE GLOBAL MARKET FOR ISLAMIC FINANCIAL SERVICES INCREASED BY 12% IN 2014 TO \$2 TRILLION. THE CITYUK EXPECTS THE MARKET TO TOP \$3 TRILLION BY 2018.



OVERVIEW OF JAIZ

Global Landscape of Non-interest (Islamic) Finance

Non-interest (Islamic) banks have profited from a demand-driven niche market that is fast growing. However, with the growing number of Islamic banks already present and the increasing interest from conventional institutions in this emerging sector, the industry is becoming highly competitive. Conventional financial institutions – the likes of Citi Group, HSBC, UBS, Deutsche Bank, BNP Paribas, Standard Chartered Bank, Goldman Sachs, Royal Bank of Scotland, Barclays etc - are all increasingly utilising Islamic financing techniques in some of their value propositions while some have even formally established separate NIB “Window”.



THE MEN BEHIND US



**Hassan Usman,
FCA
(MD/CEO)**

- Former GM, Inland Bank (Now FCMB)
- Former DGM NAL Bank (Now Sterling Bank)



**Mahe Abubakar
(Deputy Managing Director)**

- Former GM, Zenith Bank



**Dr Umar Abdul Mutallab, CON
(Chairman, Board of Directors)**

- Prominent business leader
- Former Minister of the Federal Republic
- Former Chairman, First Bank of Nigeria Plc



**Alhaji Aliko Dangote, GCON
(President, Dangote Industries)**

- President, Dangote Industries; the largest and most diversified conglomerate in Africa.



**Dr. Aminu Alhassan Dantata, CON
(Director)**

- Chairman, Dantata Investment & Securities.
- Industrialist



**Alhaji (Dr.) Muhammadu Indimi, OFR
(Director)**

- Chairman, Oriental Energy Resources.
- Chairman of M & W Pump Nigeria Limited



**Alh. (Dr) Musbahu Mohammad Bashi
(Director)**

- Chairman of Althani Group of Companies
- Cobalt International Services Limited



**Mallam Falalu Bello, OFR
(Director)**

- Lawyer and an accomplished Banker.
- Former Chairman, Mainstreet Bank
- Former MD/CEO Unity Bank, Intercity Bank, Habib Bank and Nigerian Agricultural Development Bank

THE MEN BEHIND US



Alhaji (Dr) Umaru Kwairanga
(Director)

- MD/CEO, Finmal Finance Services Ltd Former Chairman, Ashaka Cement Lafarge.
- Former Director in CSCS
- Council Member, NSE, CIS and CPIN



Alhaji Mukhtar Sani Hanga
(Director)

- Director representing Dangote Industries
- Director NISER Ibadan



HRH, Engr. Bello Mohammed Sani
(Director)

- Director, Building and Engineering Services, Central Bank of Nigeria
- Former Senior AGM Barclays Bank



Dr. Mohamed Ali Chatti
(Director)

- Moroccan Citizen
- Represents IDB on the Board of Jaiz Bank.



Professor Tajudeen Adebisi
(Director)

- Former Treasurer and Investment Consultant to OPEC Fund (Vienna, Austria).
- Visiting Prof. Bowie State University, Maryland, USA.



Nafiu Baba-Ahmed, mni
(Director)

- Former Director of Legal Services NDIC.
- Former Company Secretary & Legal Adviser First Interstate Merchant Bank



Professor Monzer Kahf
(Chairman, Advisory Committee
of

- Experts)**
- An American of Jordanian descent
 - Professor, Hamad bin Khalifa University Qatar
 - Consultant on Islamic Finance to institutions in USA, Canada, Switzerland and Trinidad

THE MEN BEHIND US: MANAGEMENT



**Hassan Usman,
FCA
(MD/CEO)**



**Mahe Abubakar
(Deputy Managing Director)**



**Dr Nuruddeen A. Liman
(Regional Manager North)**



**Dr Sirajo Salisu
(Regional Manager North)**



**Mal. Ismaila Adamu
(Divisional Head, Corporate
Services)**



**Ahmed A. Hassan, FCA
(Chief Compliance Officer)**



**Idris Salihiu
(Regional Manager North)**



**Zara Ibrahim Musa
(Regional Manager Abuja)**



**Rukayat Salaudeen
(Company Secretary/Legal Adviser)**



**Sadi Abdu
(Chief Internal Auditor)**



**Abdullahi Usman, FCA
(Treasurer)**



**Alhassan Abdulkarim
(Group Head, Corporate and
Structured Finance)**



**Dr Muhammad Kabir Muhammad
(Group Head, Strategy and Finance)**

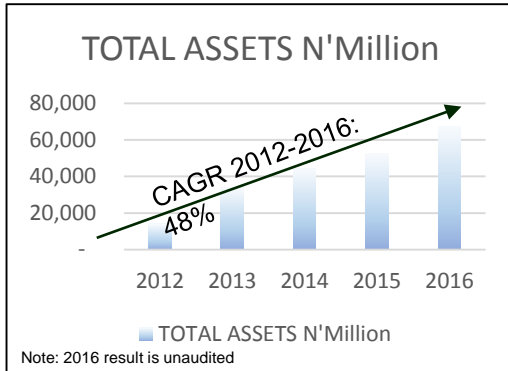


TRACK RECORD

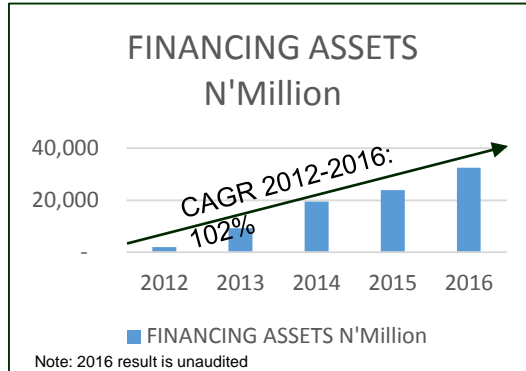




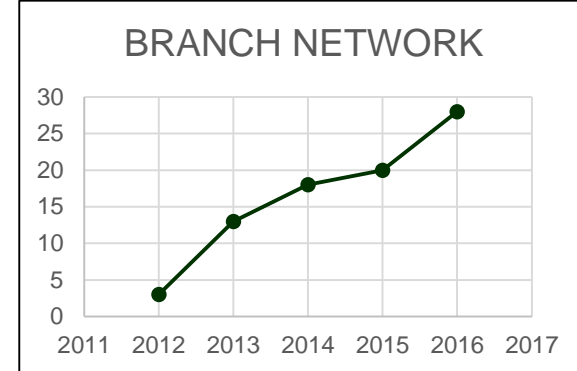
TRACK RECORD



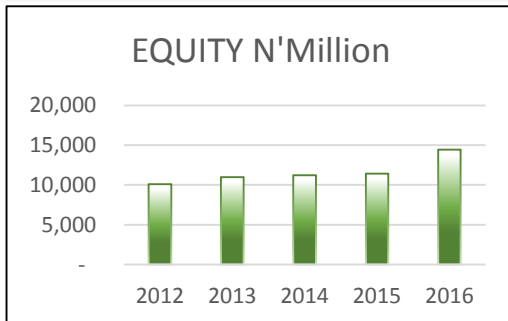
Impressive Asset Growth



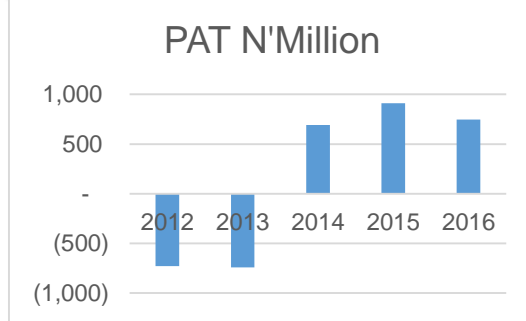
Strong yet prudent risk assets growth



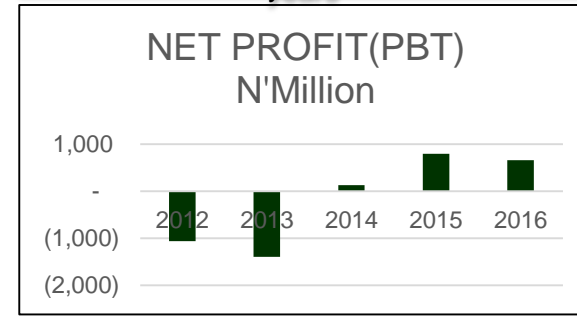
Growing our reach by 10 folds in five years



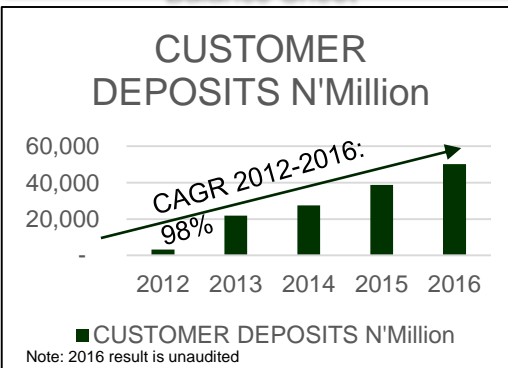
Consistently well capitalized Balance Sheet



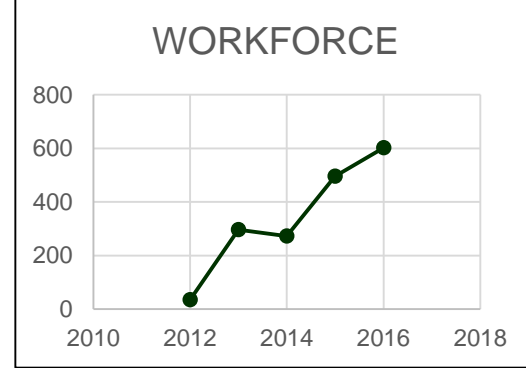
Consistently Top-line growth, year-on-year



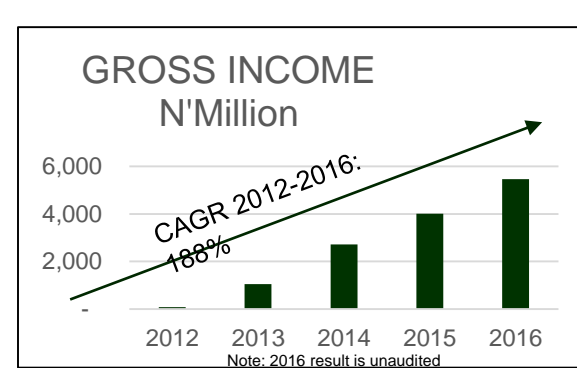
Broke even after the 2nd year



Growing our deposits through quality service



Young dynamic growing workforce



Sustained positive bottom-line and still growing



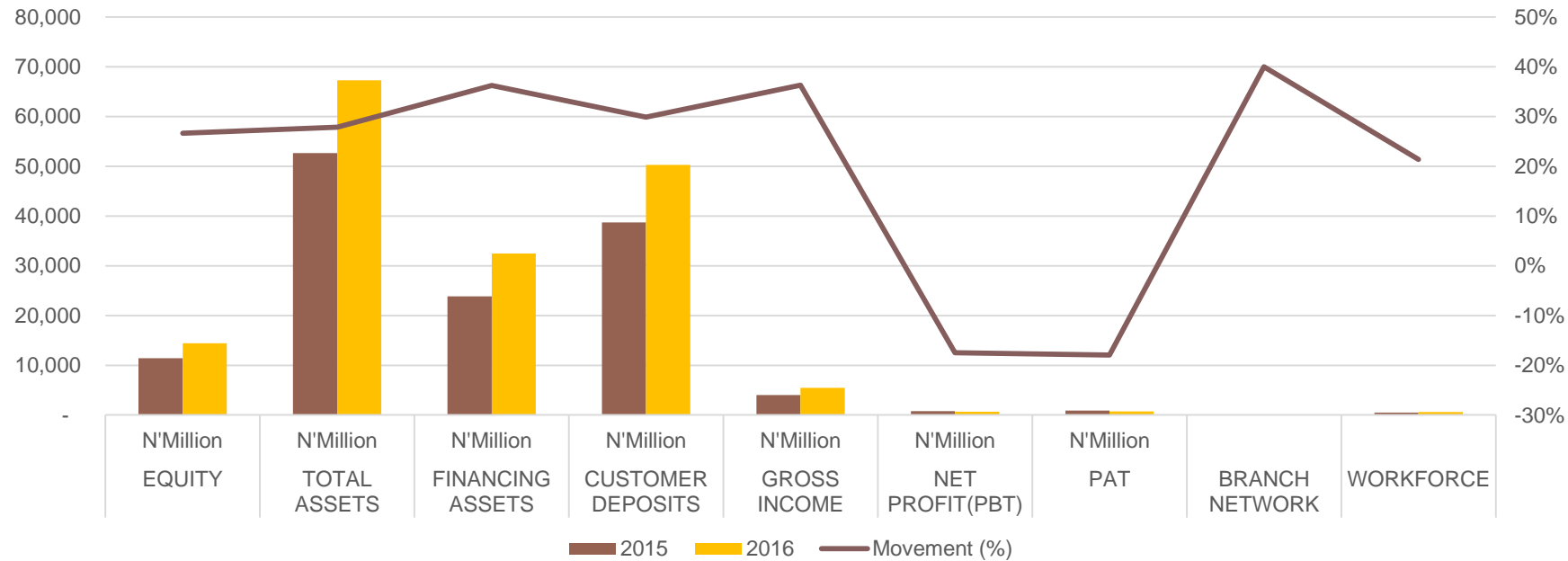
TRACK RECORD

2015-2016 COMPARATIVE ASSESSMENT

	EQUITY	TOTAL ASSETS	FINANCING	CUSTOMER DEPOSITS	GROSS INCOME	NET PROFIT(PBT)	PAT	BRANCH NETWORK	WORKFORCE
	N'Million	N'Million	N'Million	N'Million	N'Million	N'Million	N'Million		
2015	11,407	52,639	23,829	38,722	4,006	794	910	20	496
2016	14,444	67,287	32,463	50,283	5,461	655	747	27	602
Movement (%)	27%	28%	36%	30%	36%	-18%	-18%	40%	21%

Note: 2016 result is unaudited

2015 Vs 2016





FINANCIAL PROJECTIONS



FINANCIAL PROJECTIONS

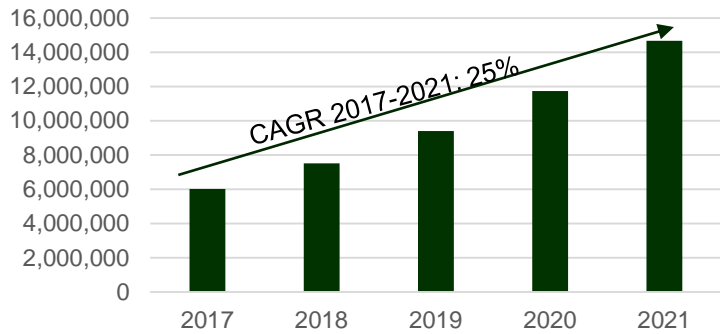


FIVE YEAR FORECAST INCOME STATEMENT FOR 2017 TO 2021					
	2017	2018	2019	2020	2021
INCOME	N'000	N'000	N'000	N'000	N'000
Income from Financing Investments	6,010,104	7,512,630	9,390,788	11,738,484	14,673,105
Income from Sukuk	1,324,514	1,655,642	2,069,552	2,586,940	3,233,676
Gross Income from Islamic financing transactions	7,334,618	9,168,272	11,460,340	14,325,425	17,906,781
Return on Equity of Investment Account Holders	(1,423,370)	(1,779,212)	(2,224,015)	(2,780,019)	(3,475,023)
Bank's share as a Mudarib/Equity investor	5,911,248	7,389,060	9,236,325	11,545,406	14,431,758
Fee and commission income	570,764	713,454	891,818	1,114,772	1,393,466
Other Operating income	150,000	187,500	234,375	292,969	366,211
Total Income	6,632,012	8,290,014	10,362,518	12,953,147	16,191,434
EXPENSES					
Staff costs	2,216,405	2,548,866	2,931,196	3,370,875	3,876,506
Depreciations & Amortisation	538,537	619,317	712,215	819,047	941,904
Other expenses	1,801,108	2,071,275	2,381,966	2,739,261	3,150,150
Provision For Financing Impairment	159,241	183,127	210,596	242,186	278,513
Total Expenses	4,715,291	5,422,585	6,235,972	7,171,368	8,247,074
Operating Profit/(Loss)	1,916,720	2,867,430	4,126,545	5,781,779	7,944,361
Taxation	(575,016)	(860,229)	(1,237,964)	(1,734,534)	(2,383,308)



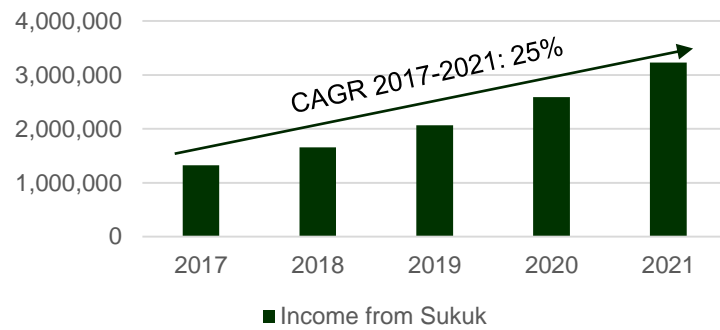
FINANCIAL PROJECTIONS

Income from Financing



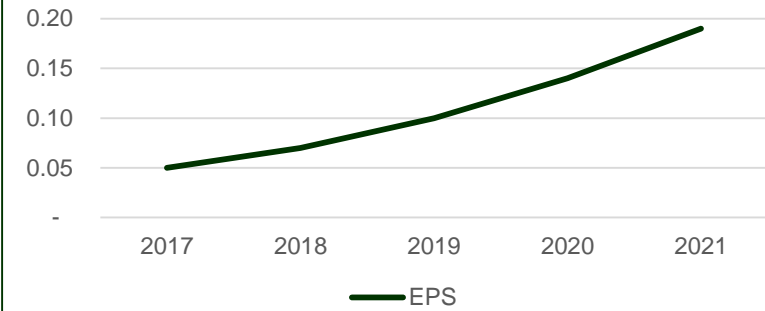
Sustainable Growth in Financing Assets due to good quality Risk Assets

Income from Sukuk



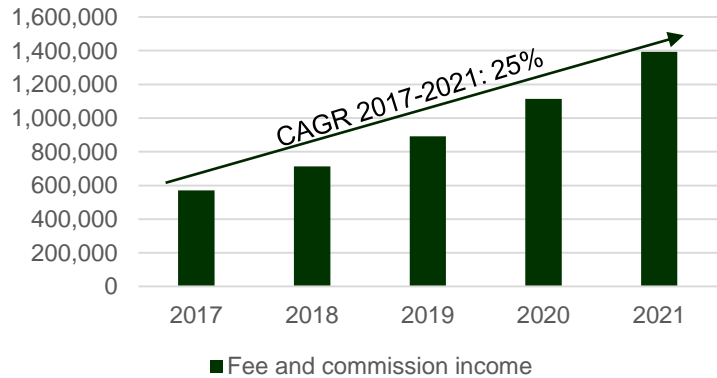
Positive horizon for Fixed Income (Sukuk)

EPS



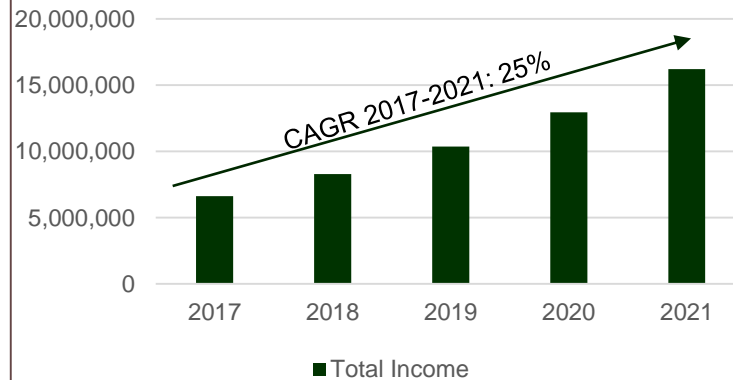
A northwards EPS supported by strong Top-line

Fee and commission income



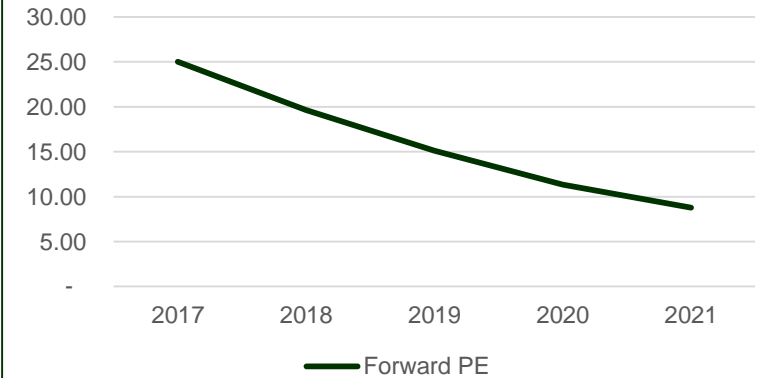
Complementary growth from Non-Financing Income

Total Income



Projected CAGR of 25% over the next five (5) years

Forward PE



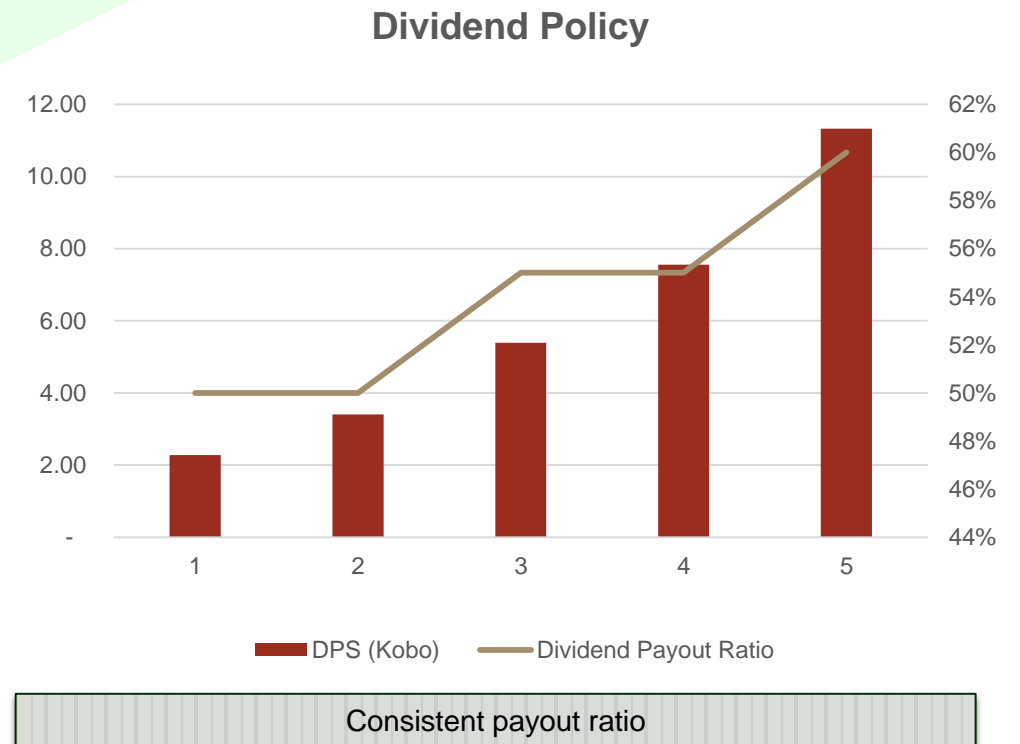
Sustained increase in Shareholder value



DIVIDEND POLICY

We have a dividend policy that tries to strike a balance between retaining sufficient cash in the business to finance our organic growth strategy and rewarding our shareholders who have come a long way supporting the Bank's vision since our first IPO in 2003.

Based on our projection, we anticipate to have a payout Ratio of not less than 50% over our current plan period.





CORE STRATEGIC PILLARS FOR ACTUALIZING OUR FINANCIAL PROJECTION:

Our corporate plan outlines our way forward, with the strategies, priorities and activities we will focus on to achieve our financial goals.

We have set out on a path of reinvention of the banking landscape in the country. This journey over the next few years will focus on changing how banks should operate to better improve the lots of the community, while delivering on their commitments to the investors/shareholders.

We are focused on building on our culture of ethics and taking the necessary business decisions to align our perspective with client expectations.

The 5-year financial projected rest upon seven (7) strategic pillars. These pillars are the drivers of the strategic initiatives under the 5-year medium term plan of the Bank.

