



GROWTH
Our Vision.
Our Mission.

Excellence in banking is only the beginning of
our journey. Destination is national prosperity.



CORPORATE BRIEFING SESSION

APRIL 13, 2023

Contents



Introduction

Regulatory Compliance

Key Performance Highlights – Year 2022

Growth Trends (2017-2022)

Future Strategy (2023-2025)





Introduction



Introduction

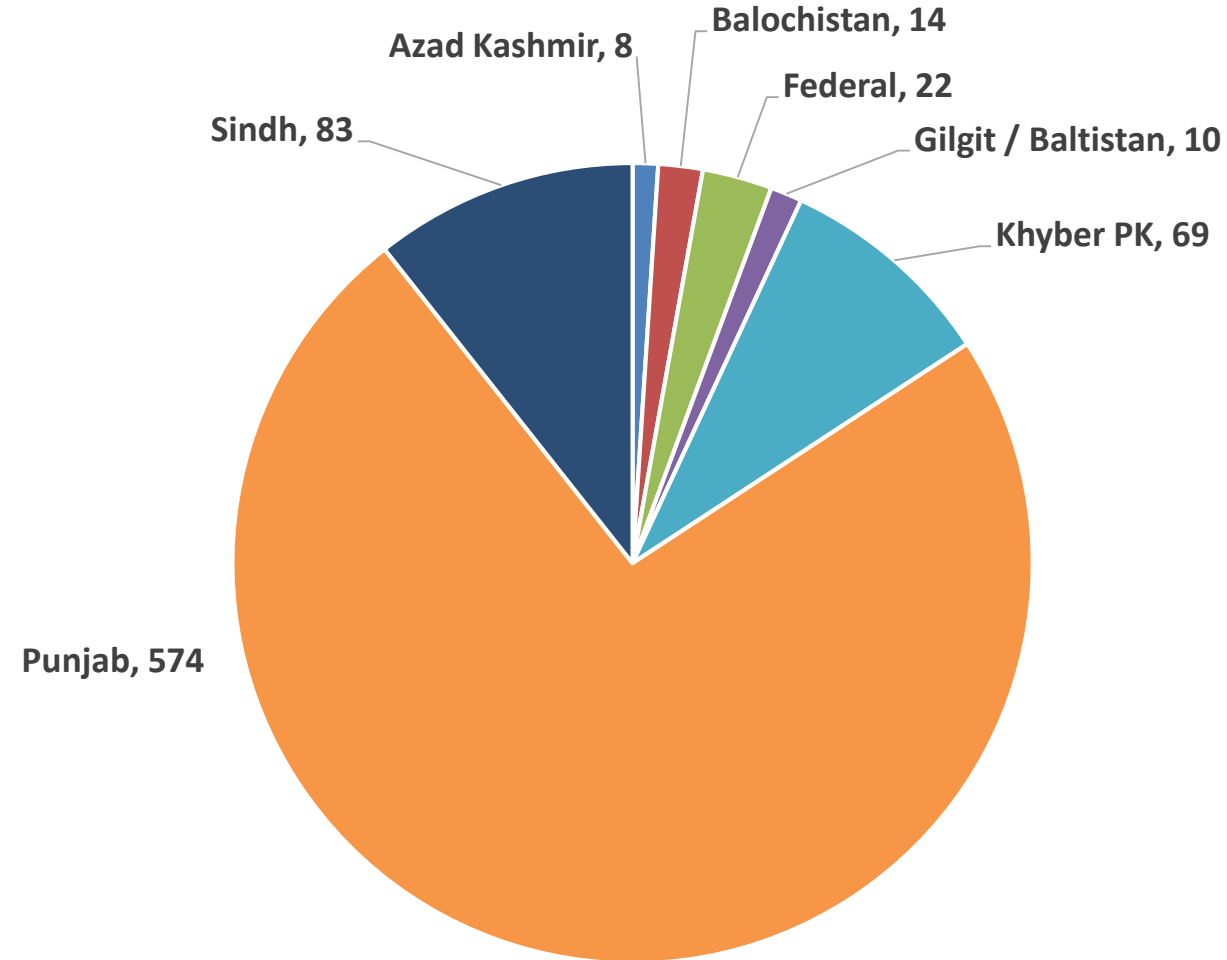
👉 Commencement of Operations	1989
👉 Head Office	Lahore
👉 Major Sponsor	Government of the Punjab (57.47%)
👉 Authorized Capital	Rs. 50 Billion
👉 Paid up Capital	Rs. 29.7 Billion
👉 Credit Rating (Long Term/Short Term)	AA+/A1+
👉 Branches *	Conventional : 640 Islamic : 140 IB Windows : 40

*including 16 Sub-Branches.

Introduction Contd...

👉 ATMs	706
👉 Cities Covered	421
👉 Market Share	5.2% of Deposits
👉 Deposits	Rs. 1,227 Billion
👉 Advances-Gross	Rs. 634 Billion
👉 Total Assets	Rs. 1,482 Billion
👉 Staff Strength (own)	13,047

Branch Network 31.12.2022





Regulatory Compliance



- Compliant with Provisioning requirements under Prudential Regulations of SBP.
- Compliant with Minimum Capital (MCR) and Capital Adequacy Ratio (CAR) requirements.
- Compliant with LR, NSFR & LCR requirements



Key Performance Highlights – Year 2022



Key Highlights

Deposits

Deposits improved to **Rs. 1,227.3 Billion** as against Rs. 1,003.0 Billion as on December 31, 2021.

Gross Advances

Gross Advances improved to **Rs. 634.4 Billion** as against Rs. 534.2 Billion as on December 31, 2021.

Investments & Lending to FIs

Investments & Lending to FIs improved to **Rs. 708.1 Billion** as against Rs. 562.7 Billion as on December 31, 2021.

Total Assets

Total Assets improved to **Rs. 1,481.9 Billion** as against Rs. 1,197.0 Billion as on December 31, 2021.

Key Highlights Contd....

Net Interest Margin

Net Interest Margin improved to **Rs. 30.76 Billion** during Year 2022 as against Rs. 29.88 Billion during Year 2021.



Non Markup Income

Non Markup Income (excluding Gain on Securities) improved to **Rs. 10.23 Billion** during Year 2022 as against Rs. 6.12 Billion during Year 2021.



Non Markup Expenses

Non Markup Expenses remained at **Rs. 27.71 Billion** for Year 2022 as against Rs. 21.01 Billion during Year 2021.



Provision (Charge)/ Reversal

Provision Reversal stood at **Rs. 4.88 Billion** for Year 2022 as against Rs. 1.64 Billion during Year 2021.



Key Highlights contd....

Profit Before Tax

Profit Before Tax improved to **Rs. 18.51 Billion** during Year 2022 as against Rs. 18.41 Billion during Year 2021.

Profit After Tax

Profit After Tax stood at **Rs. 10.83 Billion** during Year 2022 as against Rs. 12.44 Billion during Year 2021. Effective Tax Rate increased by 10% over the corresponding period vide Finance Act 2022.

Book Value per Share

Book Value per share (excluding surplus on assets) improved to **Rs. 22.65** as against Rs. 21.26 as on December 31, 2021.



Capital Adequacy Ratio

Bank's Capital Adequacy Ratio stood at **13.57%** as against 12.50% as on December 31, 2021 (SBP required level : 11.50%).

Had the advance subscription money against future issue of TFCs eligible as ADT-I & ADT-II capital not been accounted for, CAR would have stood at **13.11%**.

Leverage Ratio

Bank's Leverage Ratio stood at **3.46%** as against 3.08% as on December 31, 2021 (SBP required level : 3.00%).

Awards & Achievements during 2022

— HEADING TO THE TOP — **THE BANK OF PUNJAB** Winning Hearts Winning Awards



"Pakistan's best bank for CSR"
by Asiamoney
2022



"Best Digital Channel/Platform Implementation and Best Project Implementation"
Awarded to NdcTech & BOP in the Global Fintech Innovation Awards 2022



"Top Performing Bank for PMJ"
by PM of Pakistan
2021



"Corporate Finance House of the Year"
by CFA Society Pakistan
2022



"Best Corporate Report Award"
for the Year 2021 in the sector "Banking"
Institute of Chartered Accountants of Pakistan



"Certificate of Merit for the year 2021 in the category Public Sector Banks"
by South Asian Federation of Accountants on the Annual Report of the Bank



"Top Mid-Sized Bank Award for Agriculture Financing"
by SBP
2022



"Number one Bank Awarded by J.P. Morgan against highest Straight Through Processing"
Rate of 96.12% achieved against euro payments processed in the year 2021



"Fastest Credit Card Launch Across MENA"
Awarded to BOP in
EDGE 2022



"Power deal of the year"
by The Asset-Triples A
Award 2021



"Best Bank for Small and Medium Business"
by PBA 2022

Awards & Achievements during 2022 Contd...

- ❖ The Bank's contribution for promoting Small & Medium Enterprises in the Country was recognized during 7th Pakistan Banking Award 2022 as Bank was adjudged **"Best Bank for Small & Medium Businesses"**.
- ❖ The CFA society of Pakistan declared the Bank as **"Corporate Finance House"** for the year 2022.
- ❖ As per ranking announced by State Bank of Pakistan for year 2022, The Bank of Punjab has been ranked as **"Top Mid-Sized Bank for Agriculture Financing"**.
- ❖ In recognition of Bank's contributions towards uplifting social and economic lives of people of Pakistan, the Bank was declared as Asia Money **"Best CSR Bank for year 2022"**.
- ❖ The Bank of Punjab has been awarded the **"Best Digital Channel / Platform Implementation & Best Project Implementation Award"** at the Global Fintech Innovation Awards 2022.



Awards & Achievements during 2022 Contd...

- ❖ In the EDGE 2022 Awards The Bank of Punjab has been awarded the **“Fastest Credit Card Launch across MENA”**.
- ❖ Last year, Bank was awarded **“Certificate of Merit”** in **“Best Corporate & Sustainability Report Awards”** competition organized by ICAP and ICMAP. This year, the Bank has been again conferred upon **“Certificate of Merit”** in said competition.
- ❖ Annual report of Bank for the year 2021 was awarded **“Certificate of Merit”** by SAFA in the category of Public Sector Banks.
- ❖ The Bank of Punjab (BOP) has been given **“Top Bank Award under Kamyab Jawan Program”** by the Government of Pakistan.
- ❖ The Bank of Punjab has been awarded **“Number One Bank”** by J.P. Morgan Bank against highest STP rate of 96.12% achieved against EUR payments processed in the year 2020.



Awards & Achievements during 2022 Contd...

- ❖ During year 2022, **116 New Branches** were opened with focus on South & North Regions of the Country.
- ❖ Launch of **new products & Services** in line with the Strategic Business Plan of the Bank.
- ❖ Investment in **new Technologies** with acquisition and upgradation of software. Upgradation of Core Banking System “Flexcube” is in process.



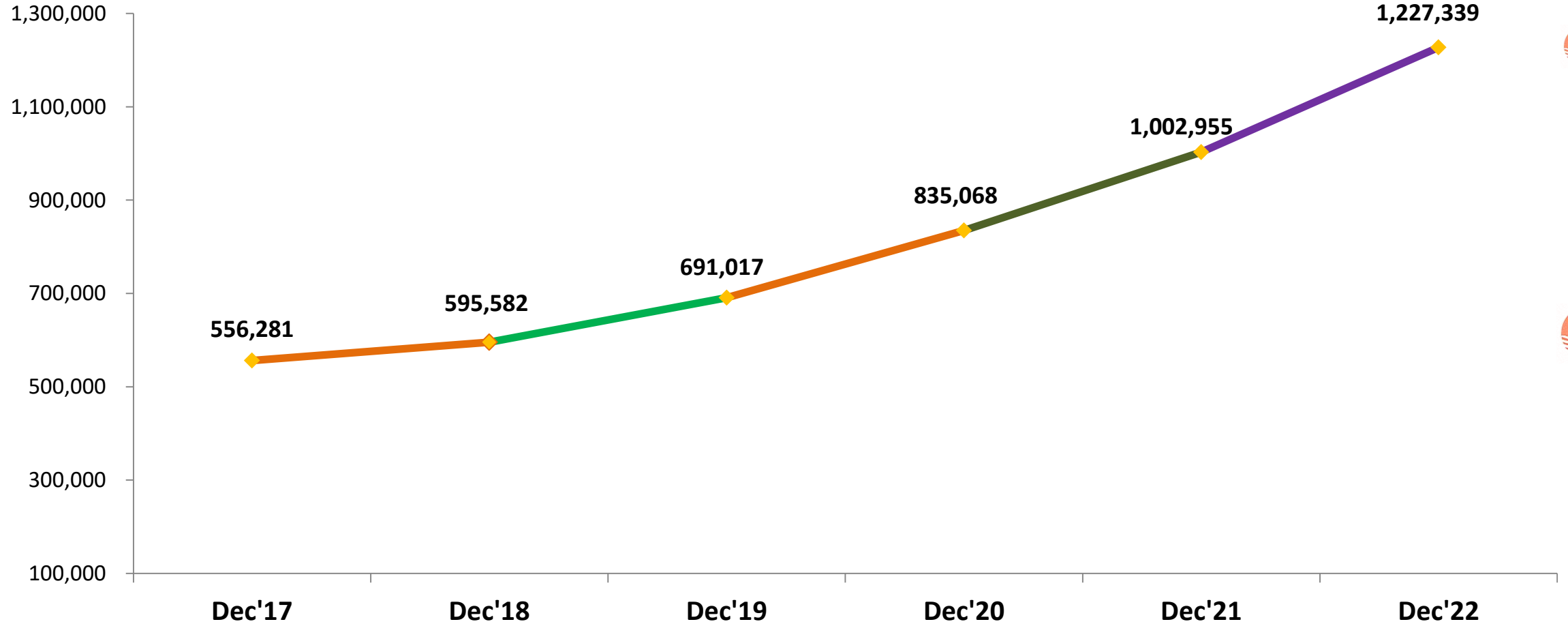


Growth Trends (2017-2022)



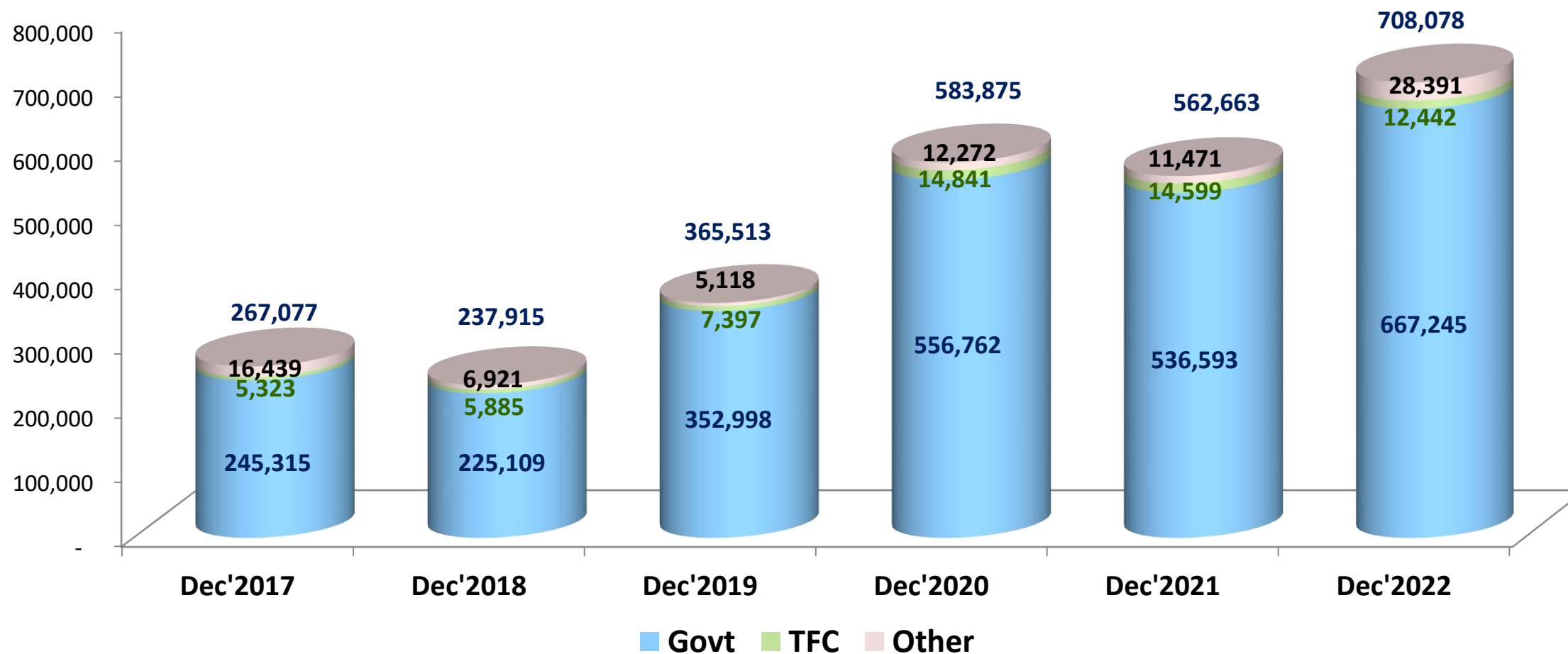
Deposits

Rs. in Million



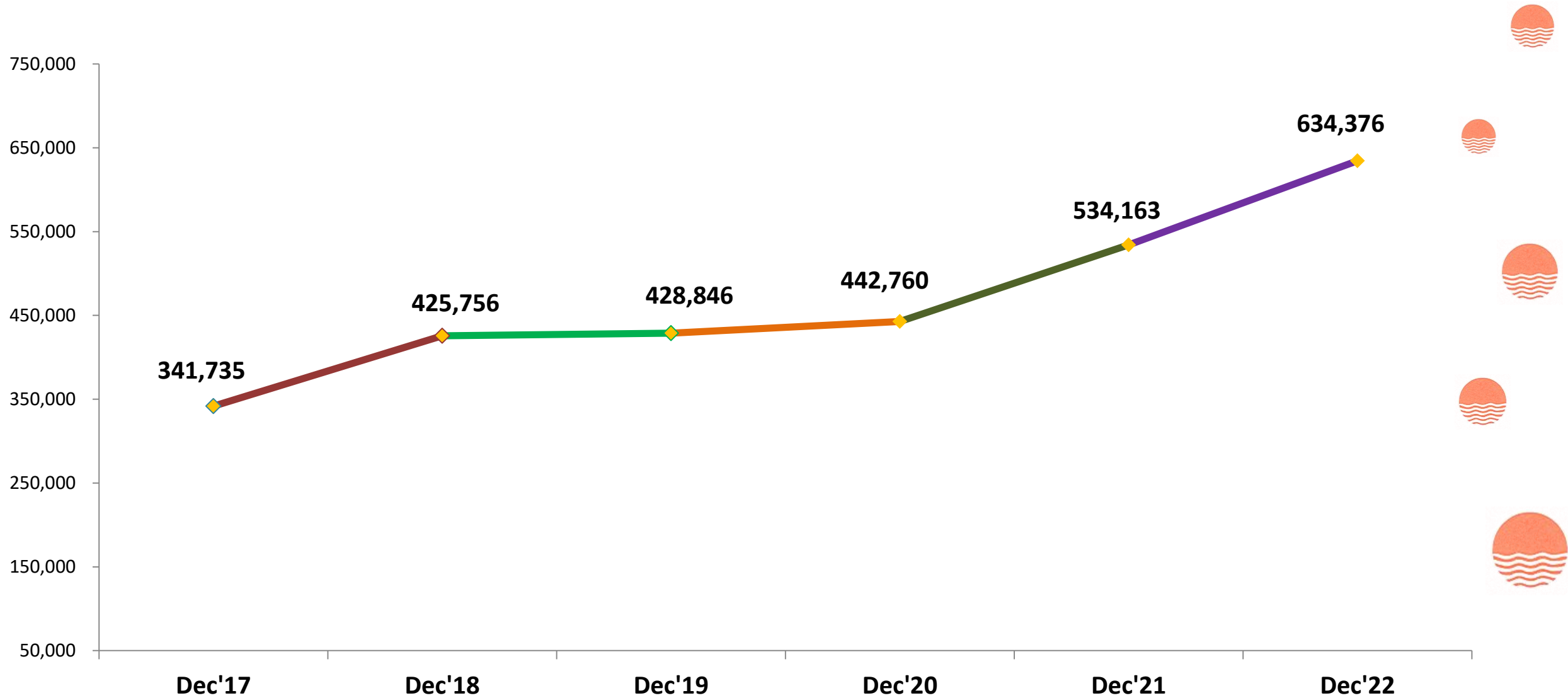
Investments (including Lending to FIs)

Rs. in Million



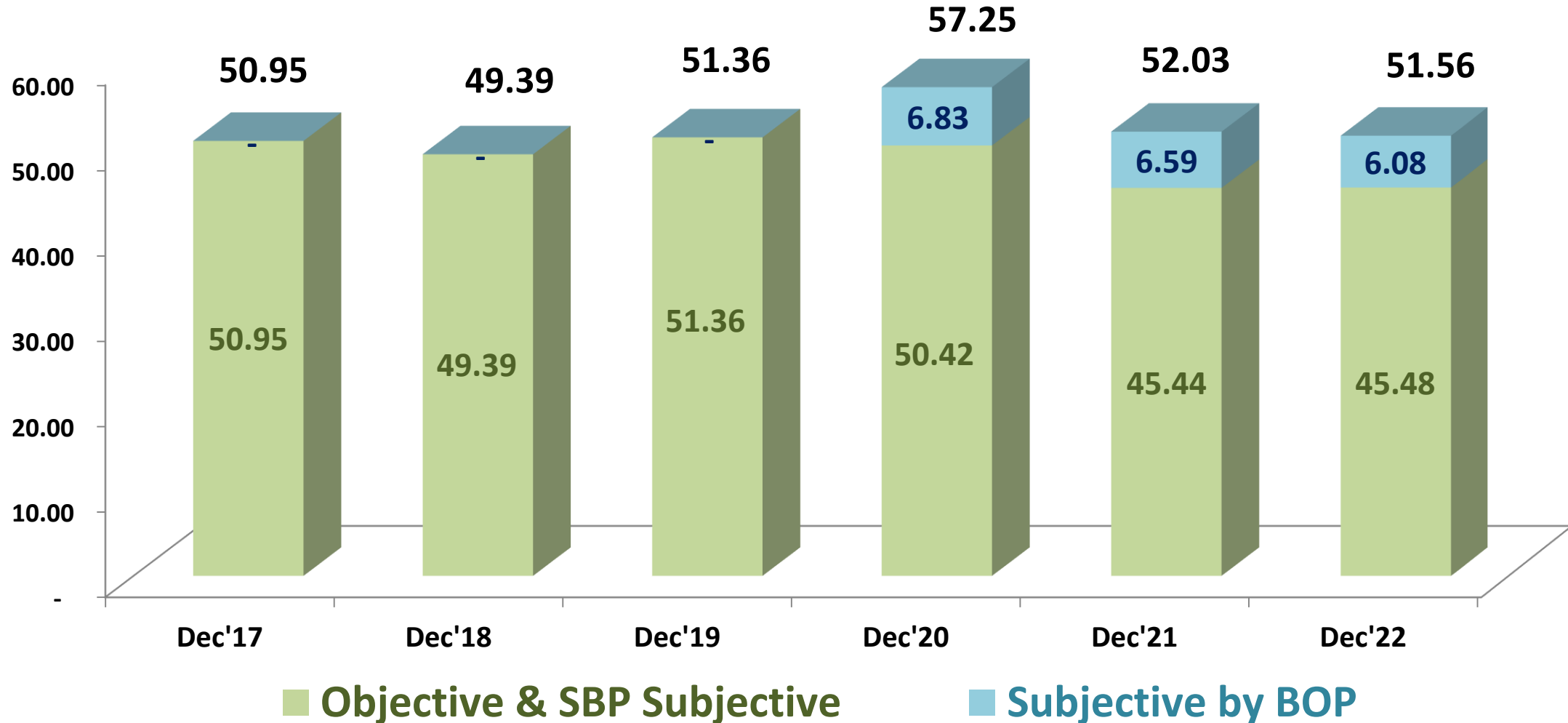
Advances (Gross)

Rs. in Million



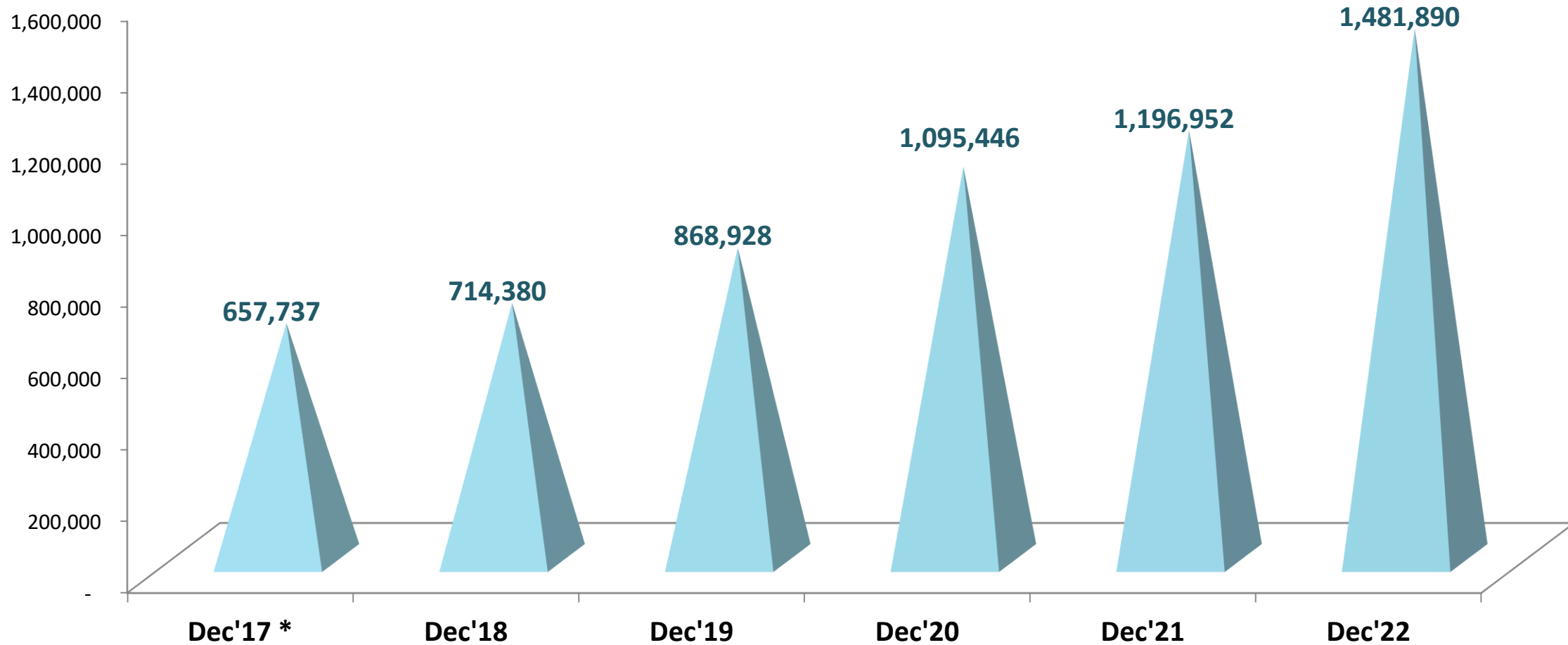
Non-Performing Loans (Gross)

Rs. in Billion



Total Assets

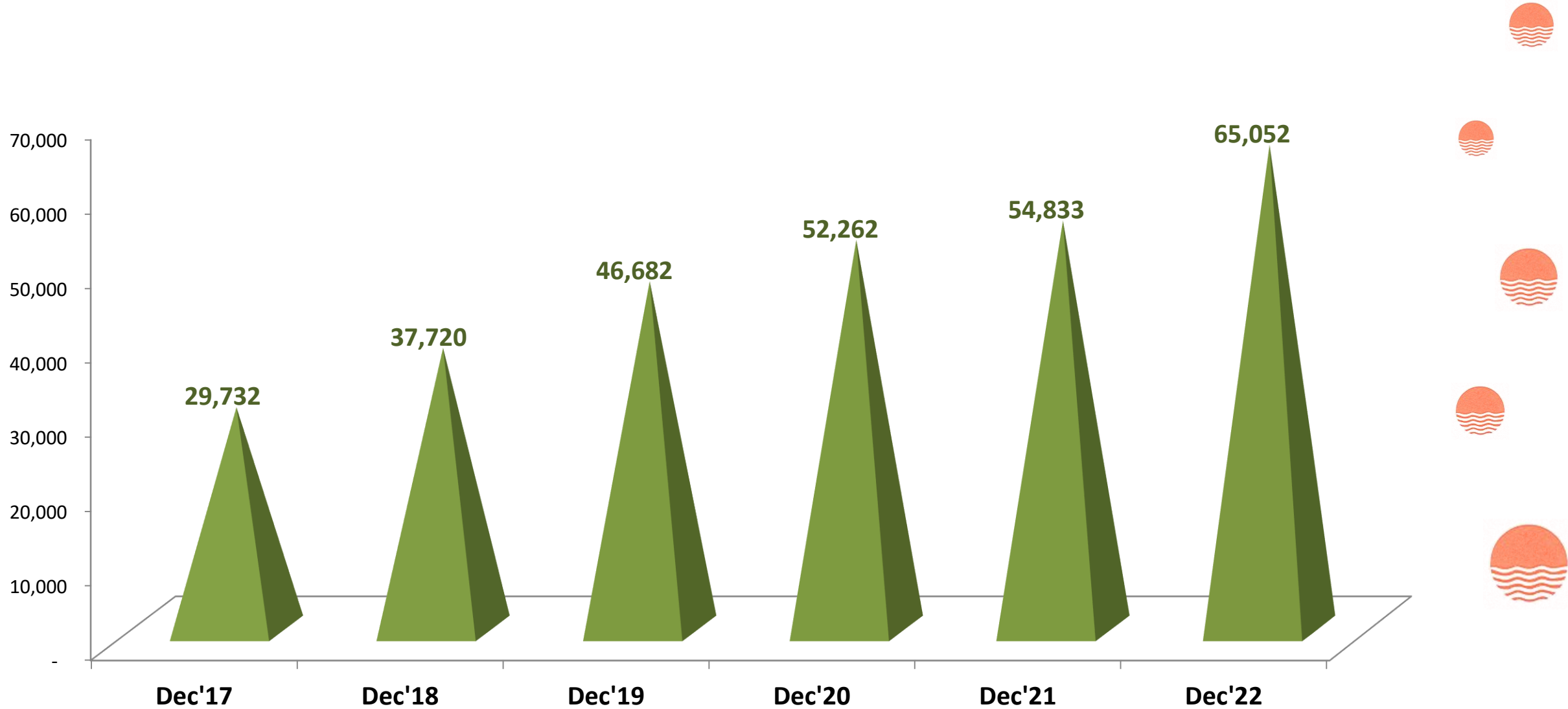
Rs. in Million



* Restated on account of reclassification of acceptances from off-balance sheet item to on-balance sheet.

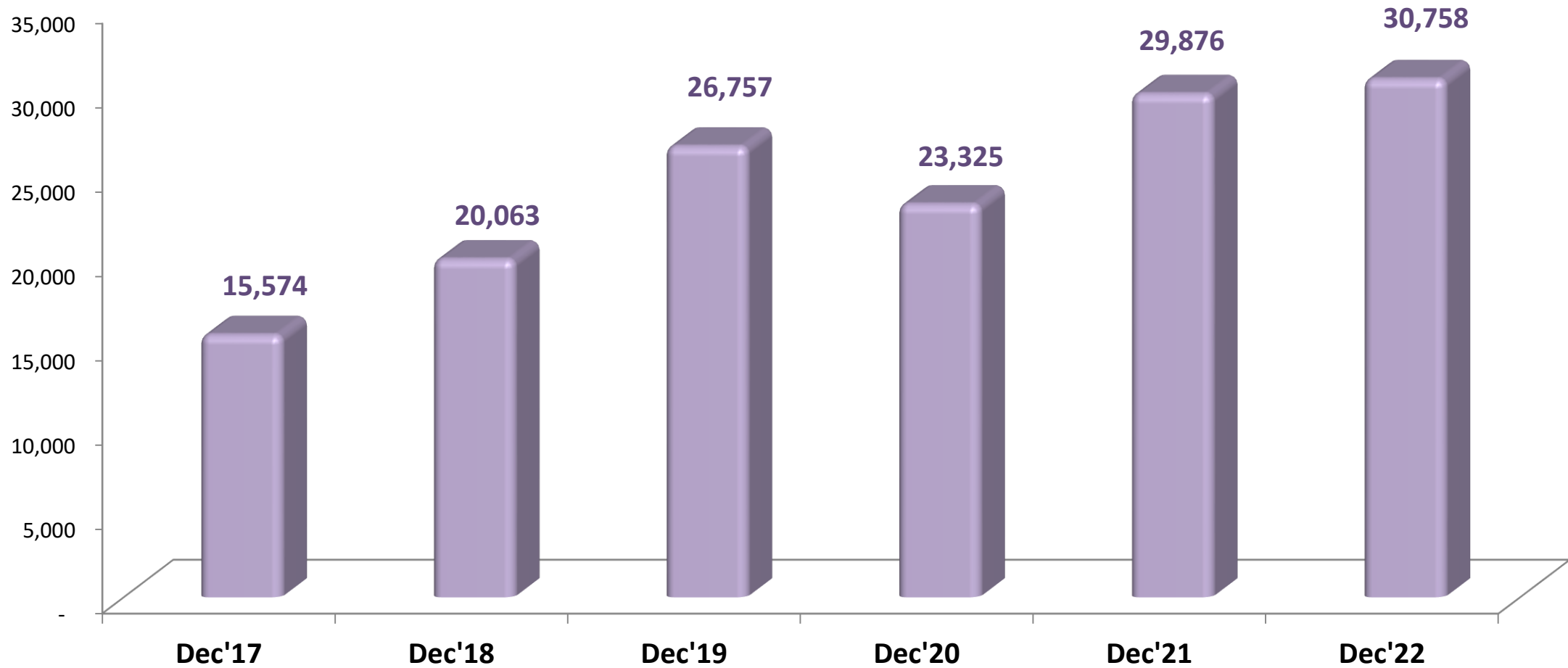
Total Equity

Rs. in Million



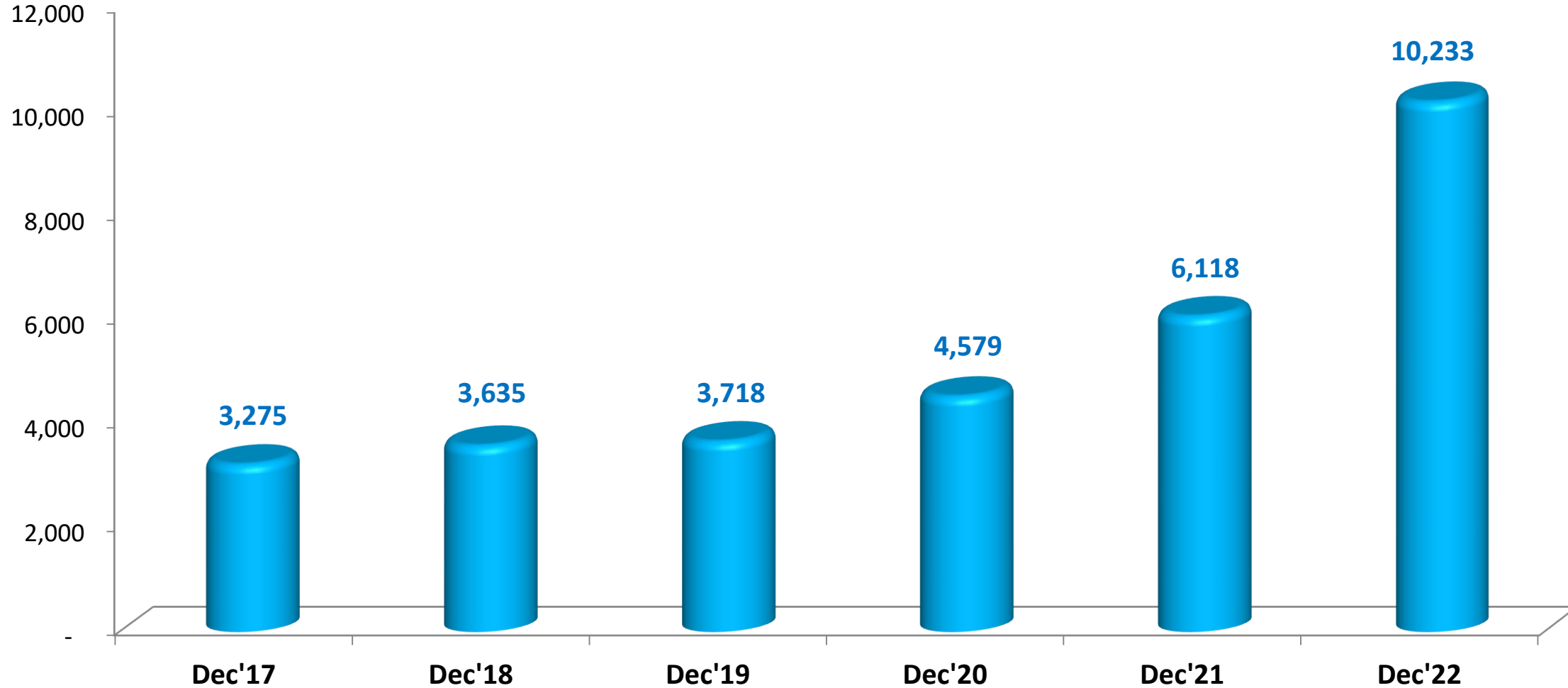
Net Interest Margin

Rs. in Million



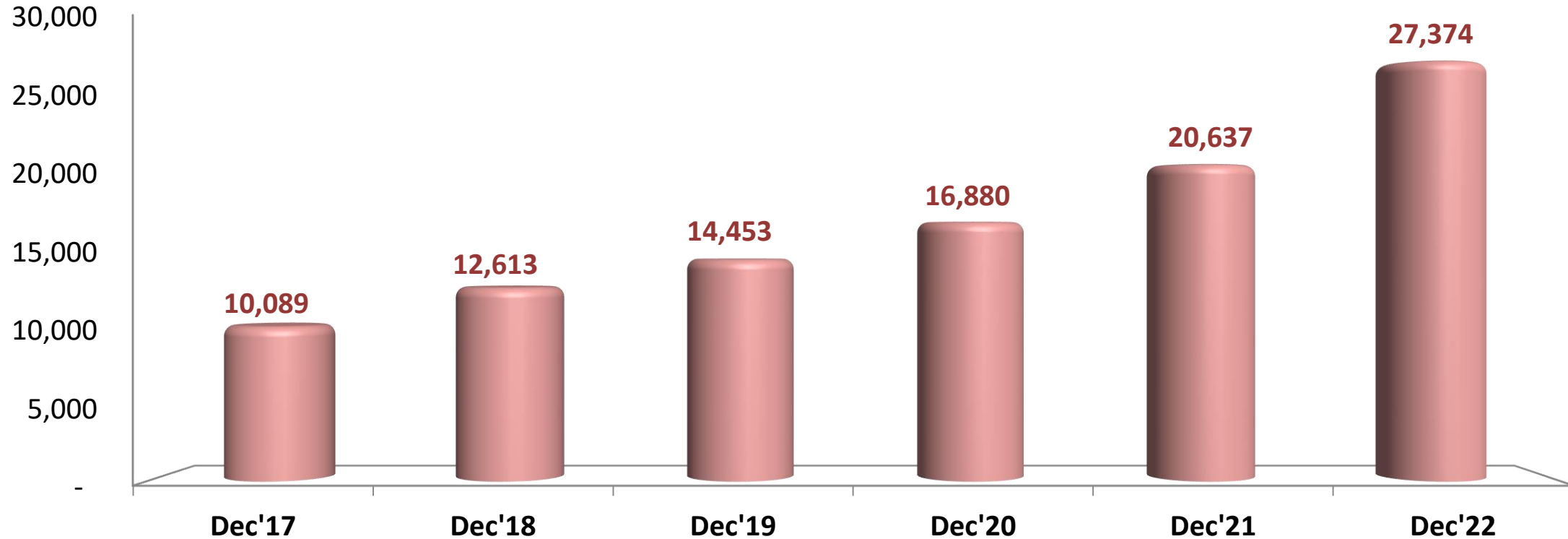
Non Mark-up Income (Excluding Gain on Securities)

Rs. in Million



Operating Expenses

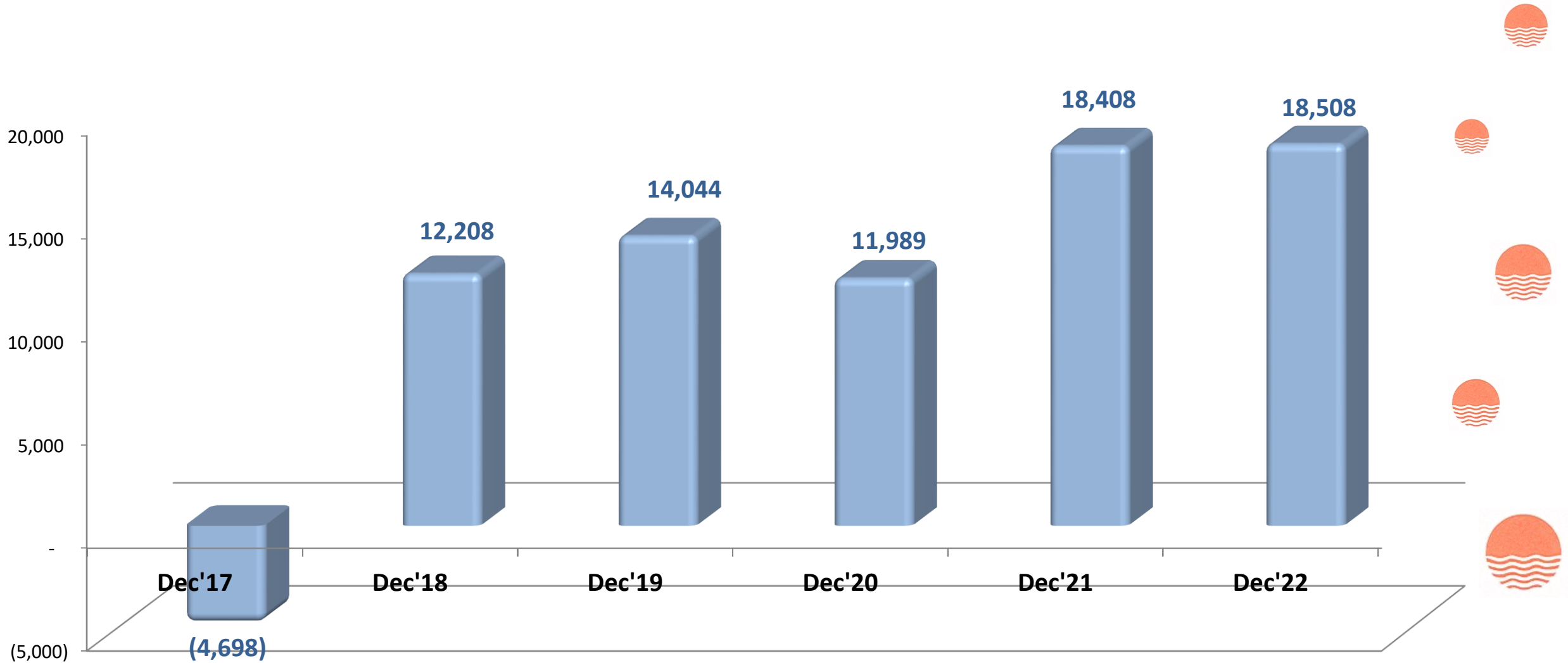
Rs. in Million



No. of Branches	536	576	624	636	662	780
No. of Staff (Own)	7,371	8,634	9,640	9,967	11,257	13,047

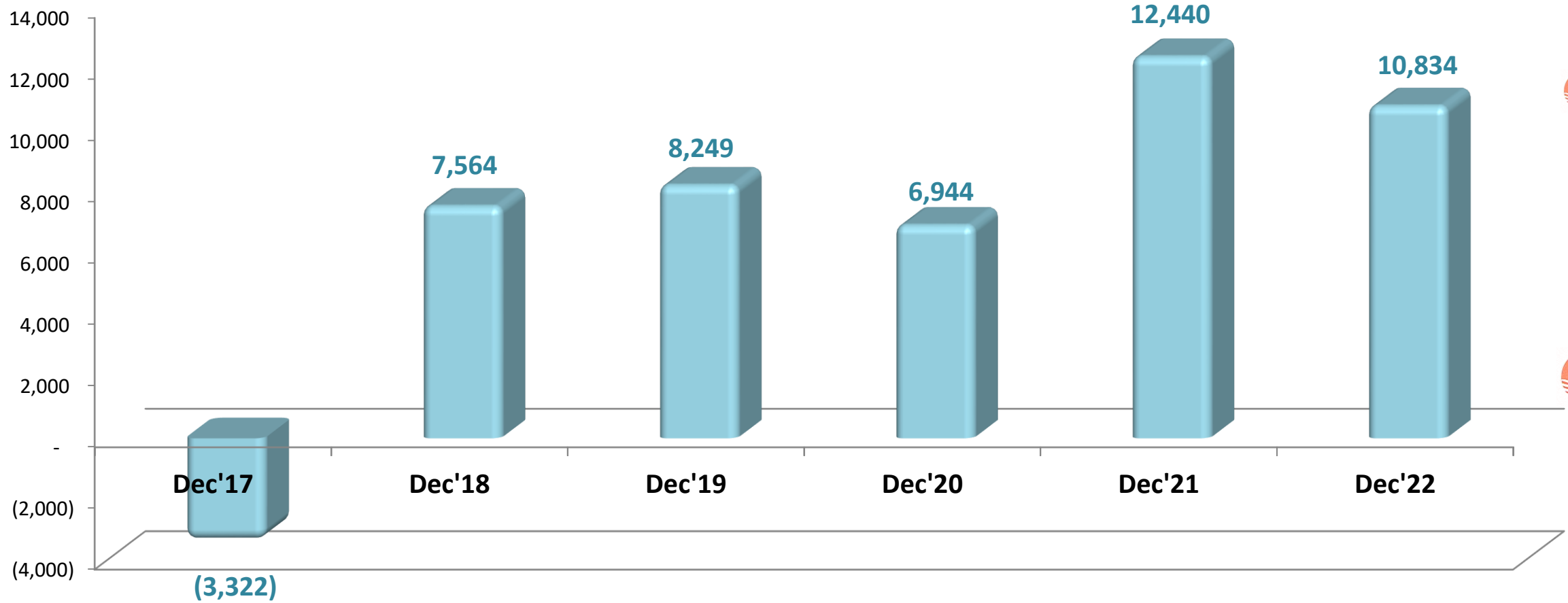
Profit / (Loss) Before Tax

Rs. in Million



Profit / (Loss) After Tax

Rs. in Million



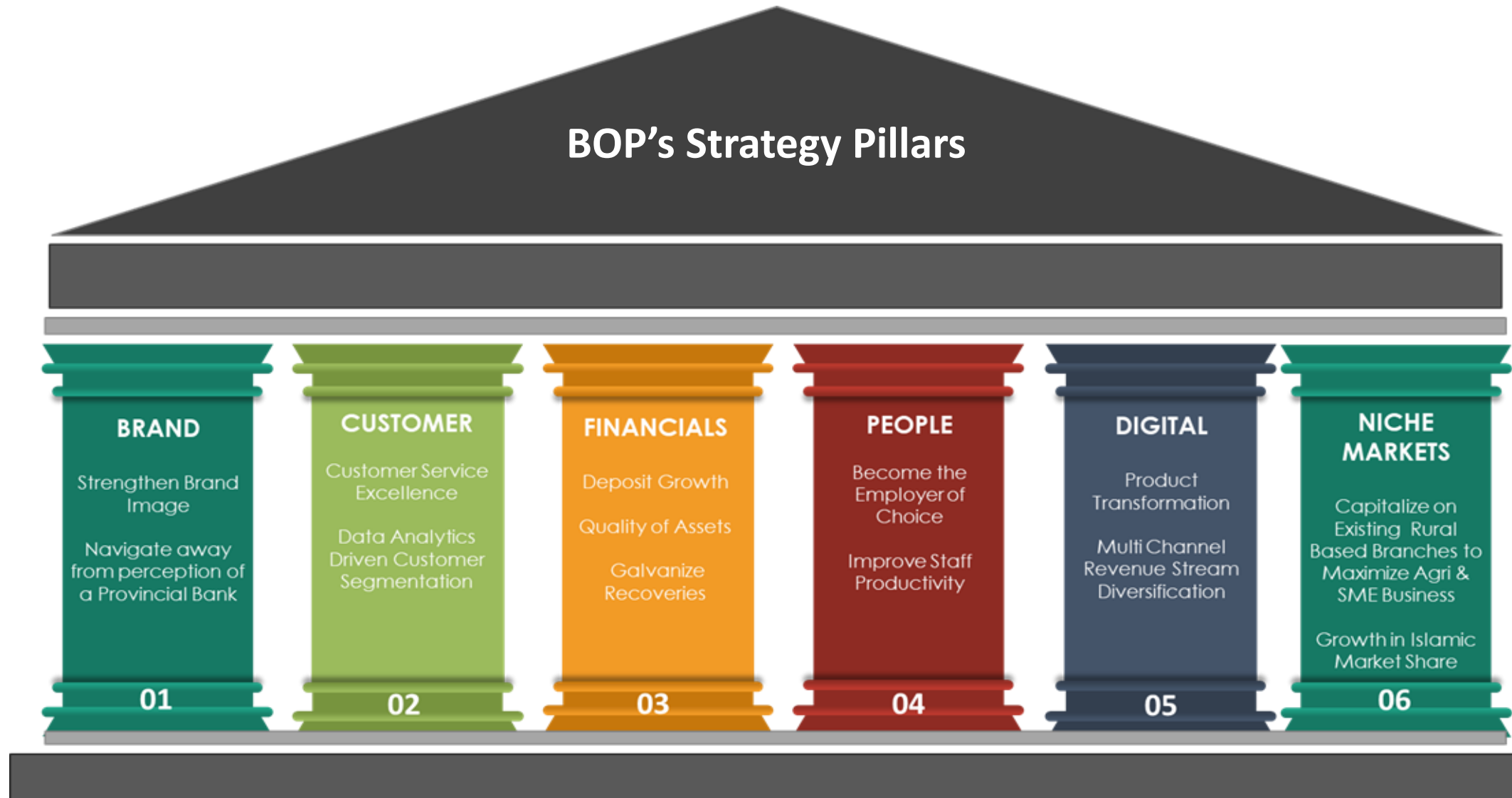


Future Strategy (2023-2025)



Future Strategy (2023-2025)

BOP's Strategy Pillars



Future Strategy (2023-2025)

Strategic Areas of Focus

Brand Building

- Continuous Investment in building / enhancing BOP's Brand Image as a **Progressive, Efficient, Service Driven, and Customer Oriented Bank** with a firm resolve to achieve **Excellence** across the entire spectrum of its Product / Service offerings, complemented by Bank's extensive **CSR efforts** to establish the image of a caring & responsible bank.

Digital Enablement

- **Dedicated Digital Enabling Team** with complete focus on the P & L and Delivery in line with Industry best practices will be providing cross functional support to all Bank divisions in order to speed the **digital transformation** of the bank and its core processes.

Development of the perfect channel mix & new segment based Products

- **Reassessing Channel Mix** to enhance **Customer Engagement / superior Customer Experience** and greater use of Social media to target customers, shall remain the key cornerstones of the Bank's future growth strategy.
- **Development of New Segment based Products** is essential to stride ahead of the competition and propel future growth. Greater focus shall be on **increased mobile and digital penetration, tapping the market potential of a growing consumer middle class, growth in Business to Customer (B2C) platforms** etc., requiring investment in digital channels and automated processes.
- Concomitantly, the Bank shall concentrate its efforts on **boosting Fee Income** from current and new products to counter subdued growth of Net Interest Margins.

Future Strategy (2023-2025)

Strategic Areas of Focus

Continued Focus on Government's Social Uplift Projects

- **Government driven social up lift projects** shall provide financing avenues with a far reaching social dividend, apart from economic returns. For this we will be constantly building our resources along with the development of a **complete branchless banking solution** to provide the maximum services to Government departments.

Focus on Agriculture, SME, Consumer & Islamic Financing

- Relative to its peer banks, BOP is favorably positioned to capitalize on its niche markets of **Agriculture, SME, Consumer & Islamic Financing**. Bank has a sizable asset portfolio in these segments which provides a solid base for an upward growth trajectory.
- Despite the inherent challenges, SME, Agri and Consumer Financing are likely to remain the mainstay of BoP's lending targeted towards our mass market. BoP intends to offset the higher transaction costs of lending to these segments through **digital product offerings**, while the downside risk of default shall be mitigated by **self-liquidating transaction structuring** and **recourse financing with adequate margins** to compensate for the inherent Probability of Default.
- **Islamic Banking** offers lucrative returns by virtue of its **Low Cost of Deposits** and significant potential for enhancement of market share. In the backdrop of the ruling provided by the Federal Shariah Court, the Bank shall engage a consultant in 2023 for evaluation of the proposal for a **full-fledged conversion from Conventional to Islamic Banking model**.

Future Strategy (2023-2025)

Strategic Areas of Focus

Compliance & Control

- A **strong Compliance, Control and Governance Culture** has been inculcated in the Bank, and shall be further fortified for:
 - Ensuring fool proof adherence to AML/CFT/CPF Regime & FATF Requirements.
 - Digitizing internal controls for remote environment.
- **Enhancing the Bank's capacity** to pre-emptively manage **Cyber Security Risks, with long term investments in security infrastructure**, shall continue to be a major pillar of our Future Strategy, for adequately safeguarding the sanctity of our and our customers' confidential information; the latter being an essential element of our fiduciary responsibilities.

Asset Quality & NPL Recoveries

- Economic uncertainty tends to exacerbates the vulnerability of small sized Agri, Consumer and SME clients to endogenous and exogenous shocks. With wide scale destruction of the country's natural and physical resources especially infrastructure due to recent floods; the Bank's Asset Quality is likely to remain under pressure, at least for one year, on account of subdued / diminished repayment capacity particularly of Agriculture, SME and Consumer Finance obligors. This entails the risk of burgeoning of NPLs which would require to be managed through **robust Collection & Recovery efforts** and **sustained engagement with our customers across cycles of boom and bust**.
- Our **long standing relationship with our customer base shall be further strengthened** to work closely with our clients to **keep our income streams current under periods of distress**.



Thank You

