



# CORPORATE BRIEFING SESSION

On the **Road to Transformation**

September 2023

## IMPROVED CREDIT RATING

Improvement in long term credit rating to A+ (in CY-2021 and CY-2022)



## STRONG SHARE HOLDING STRUCTURE



## DIGITAL BANKING

State of the art-T-24 software and focus on Digital Banking



## ON THE ROAD TO TRANSFORMATION

## DIVERSIFIED BRANCH NETWORK

(120 Islamic Banking and 112 Conventional Banking)



## STRATEGY

Implementing the strategy for long term sustainable growth



## STRONG BOARD & MANAGEMENT TEAM



# Where We Were in 2021

Over reliance on Government Deposits

Low deposit contribution from individuals

Deposit mix: High cost & high concentration

Inadequate non mark up income generation due to limited cross sell

Branch network in need of modernization

Rudimentary digital banking capabilities

Gaps in product services and capabilities

Brand perception: weak in KP, almost nonexistent outside

Detailed self assessment in 2021 to formulate the new business strategy



# Key Elements of the Strategy Going Forward

Capacity building & strengthening of management team

Diversification of the deposit base

Improvement in portfolio quality

Focus on generating higher non-mark up income

Expand branch network to increase customer reach

Developing strong digital banking capabilities to capitalize on growth opportunities

Develop BoK brand: Modern, Agile, Customer Centric, Exciting & Digitally Savvy

High standards of corporate governance, environmental and social responsibility, community relations and employee welfare

BoK has embarked upon a transformation journey for long term sustainable growth



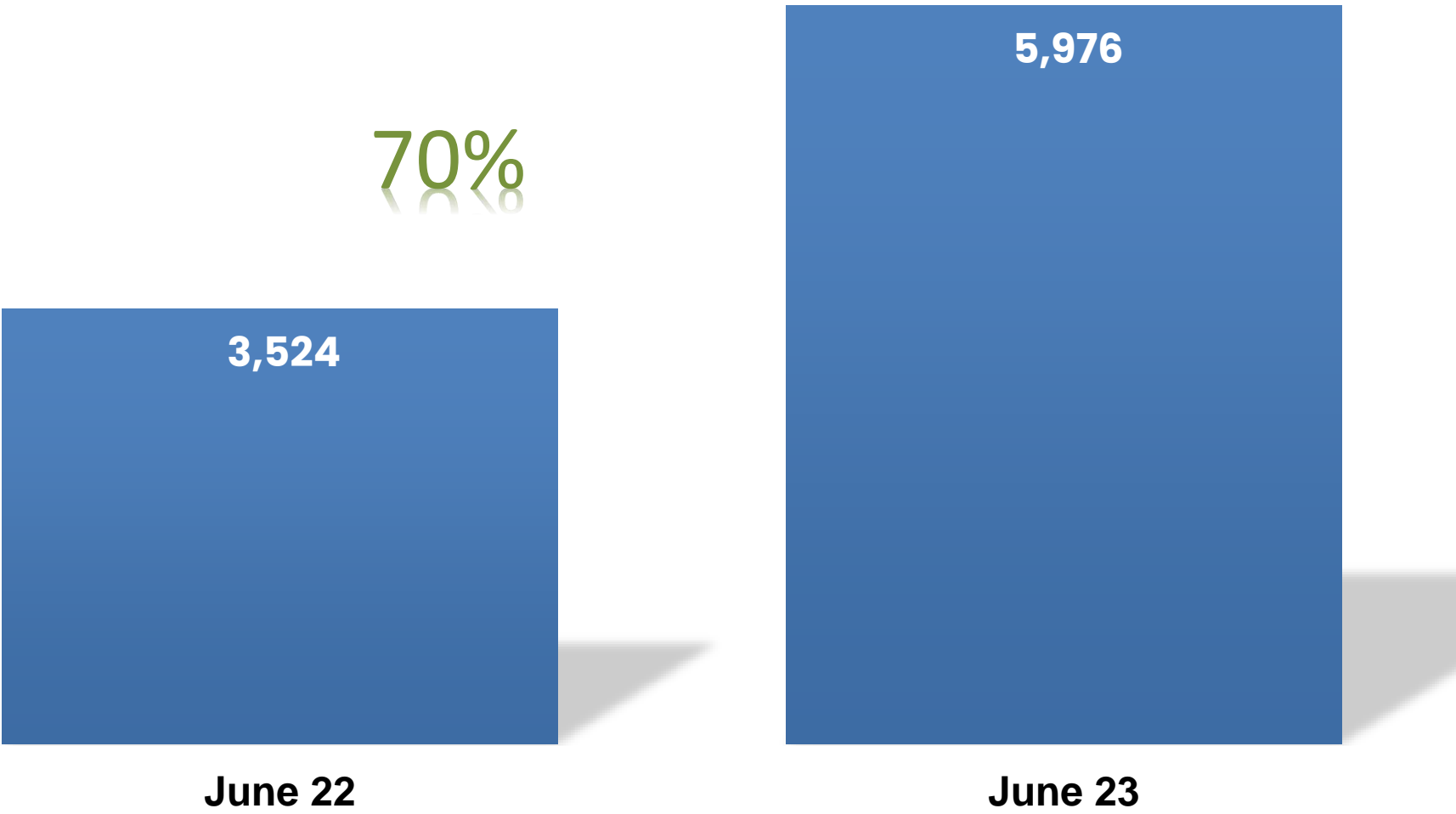
# PROGRESS REVIEW



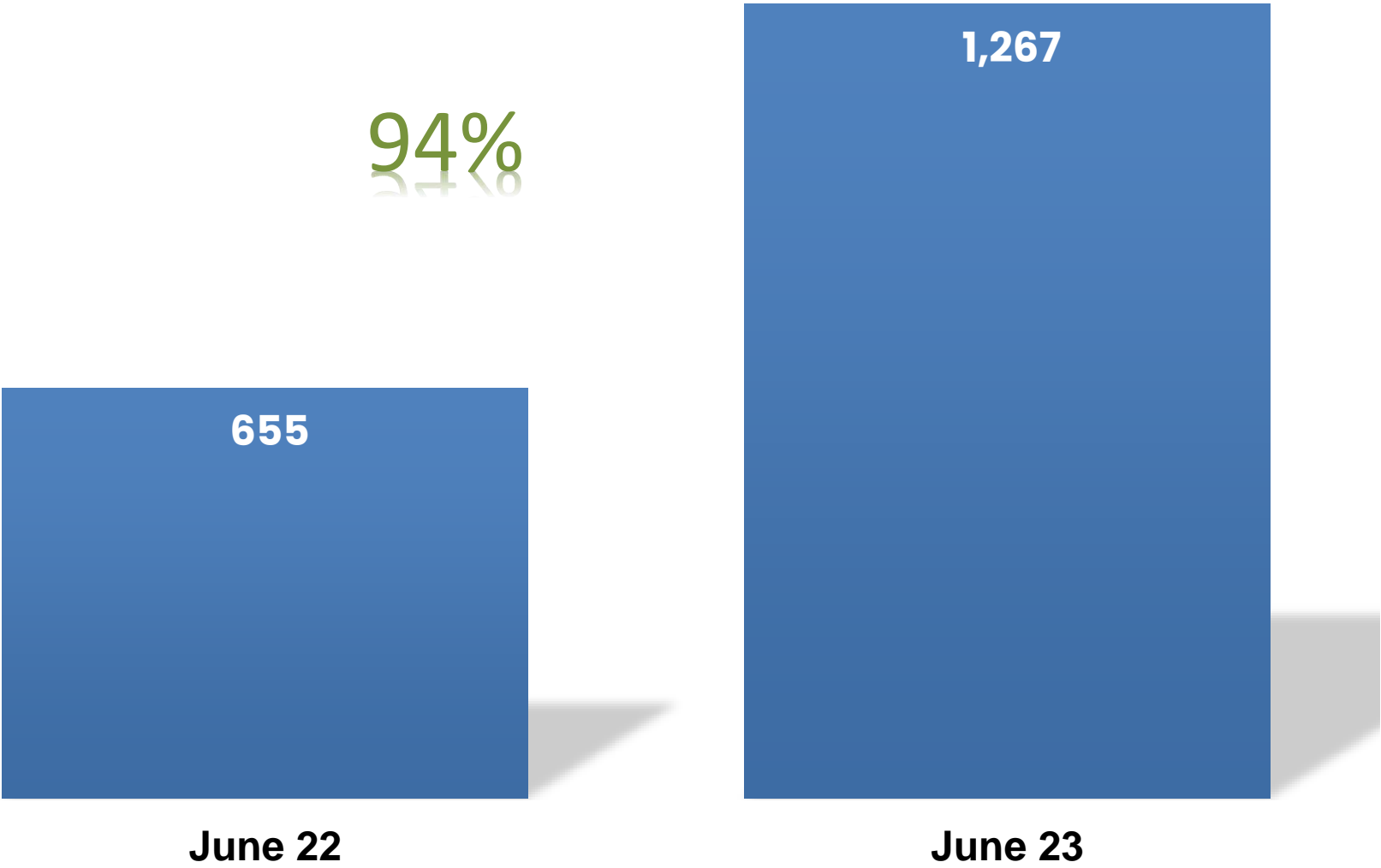
# Profitability Analysis

Half Yearly (Rs. In Million)

## Net Interest Income



## Non Markup Income



Substantial increase in Net Interest Income through

Portfolio re-profiling

Improved deposit mix resulting in higher margins

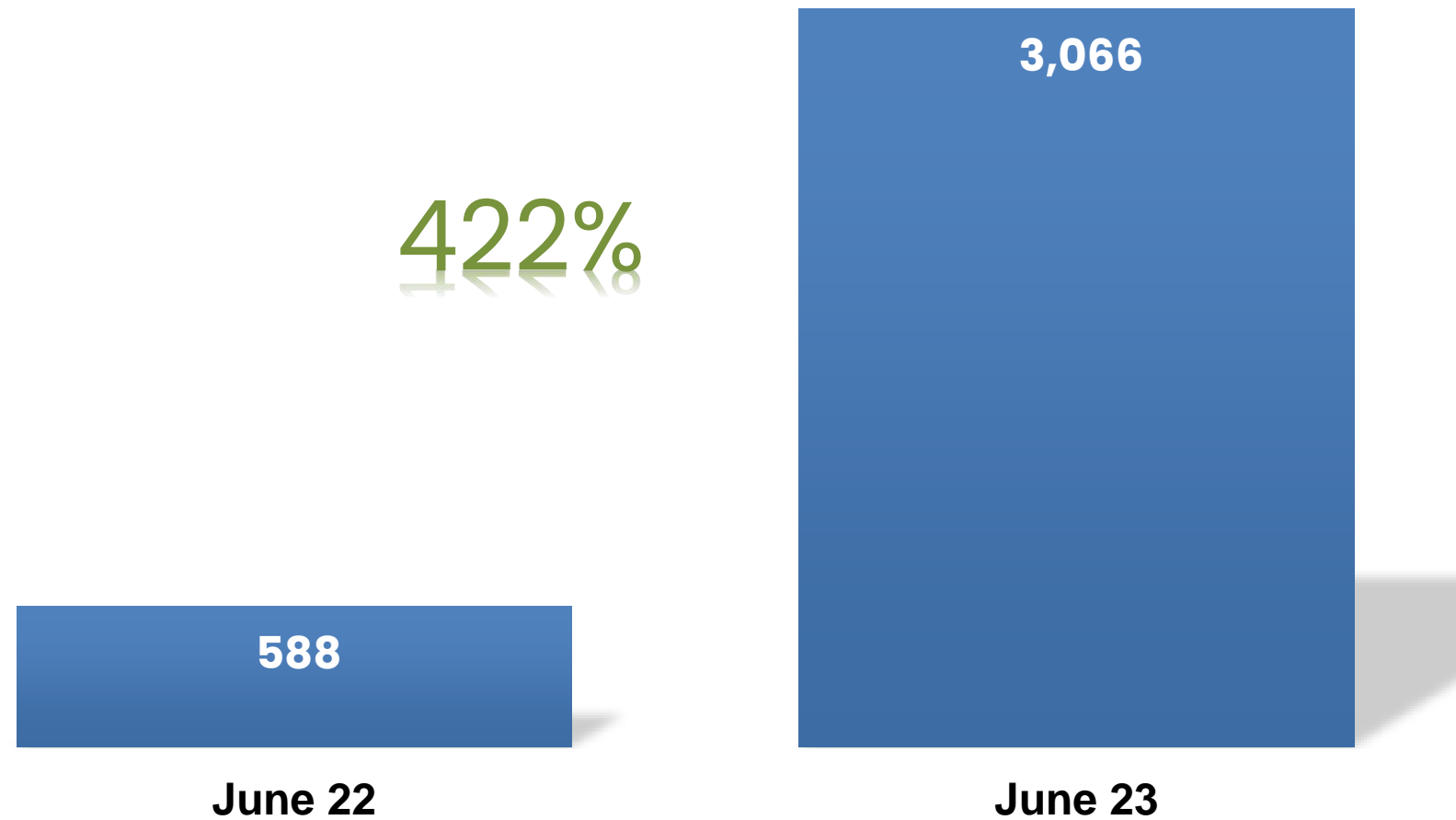
Increase in deposits and reduction in borrowings

Non mark up income increased due to focus on

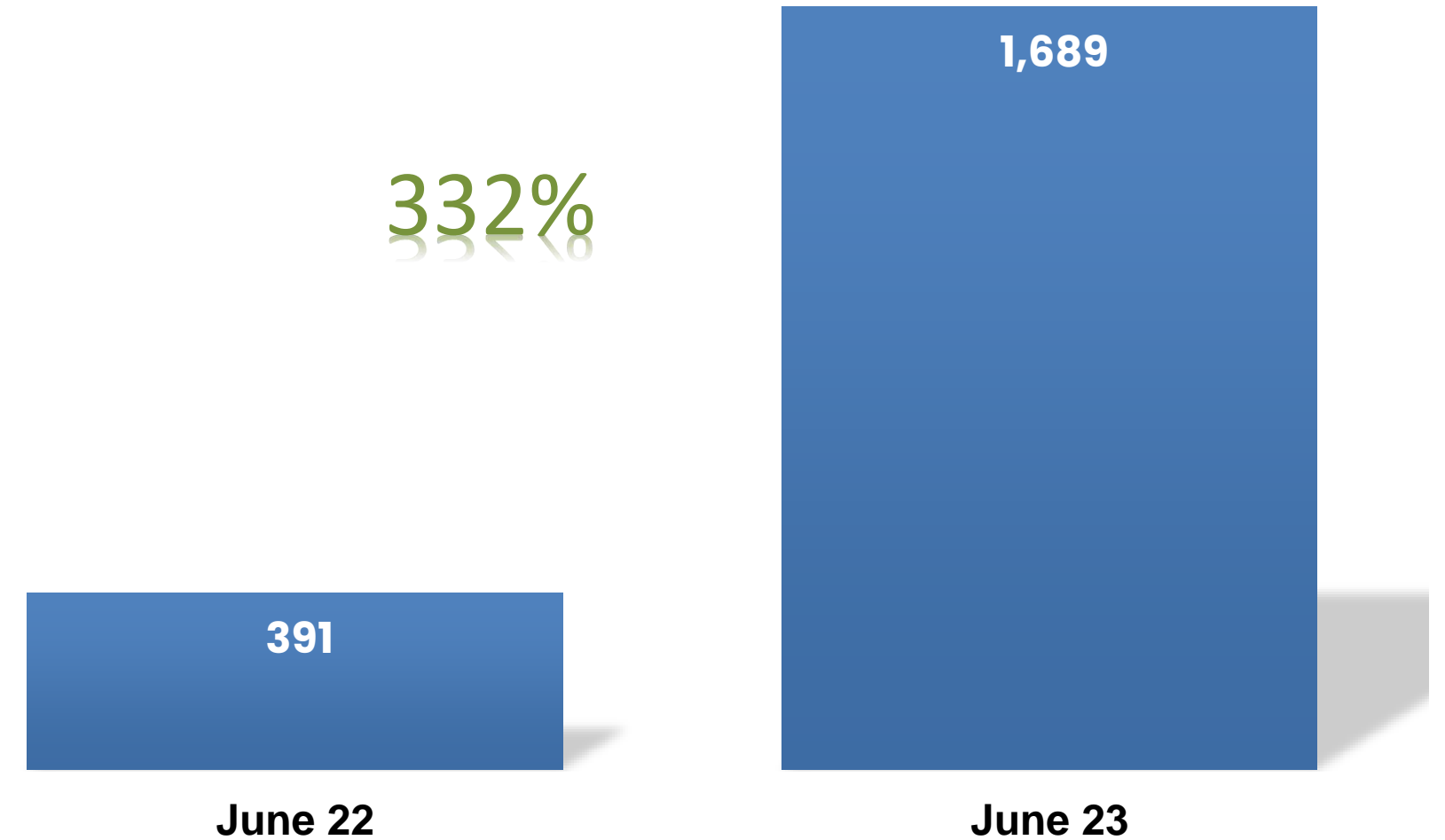
Increase in fee and commission income

Forex income

## Profit Before Tax



## Profit After Tax



**Profit before & after tax registered tremendous growth because of**

Substantial growth in income stream which out paced increase in operating costs

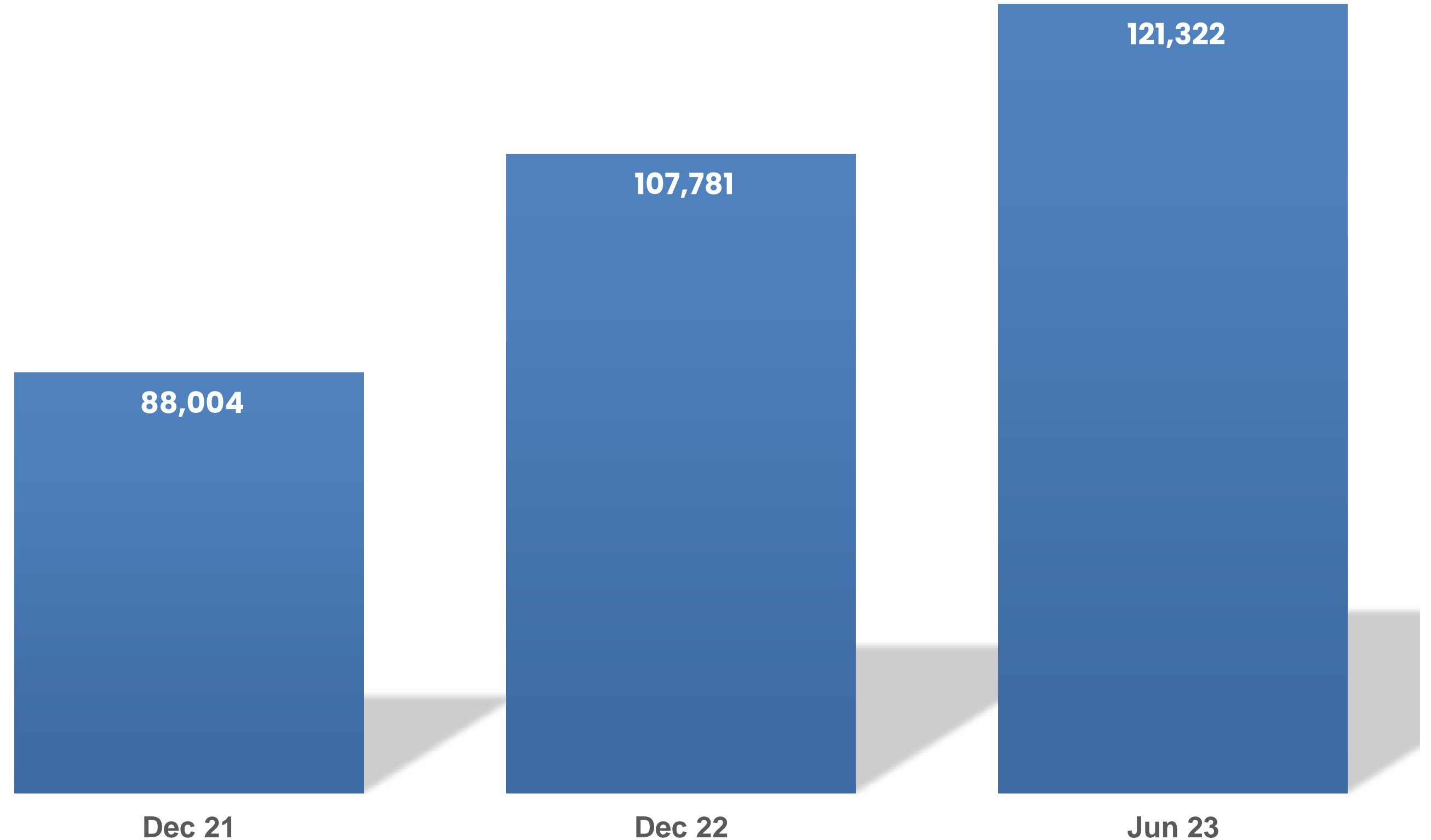
Lesser provision charge as compared to the previous period same year



## Private Deposits

Achieved growth in private deposits

Private deposits growth rate was higher than government deposits growth



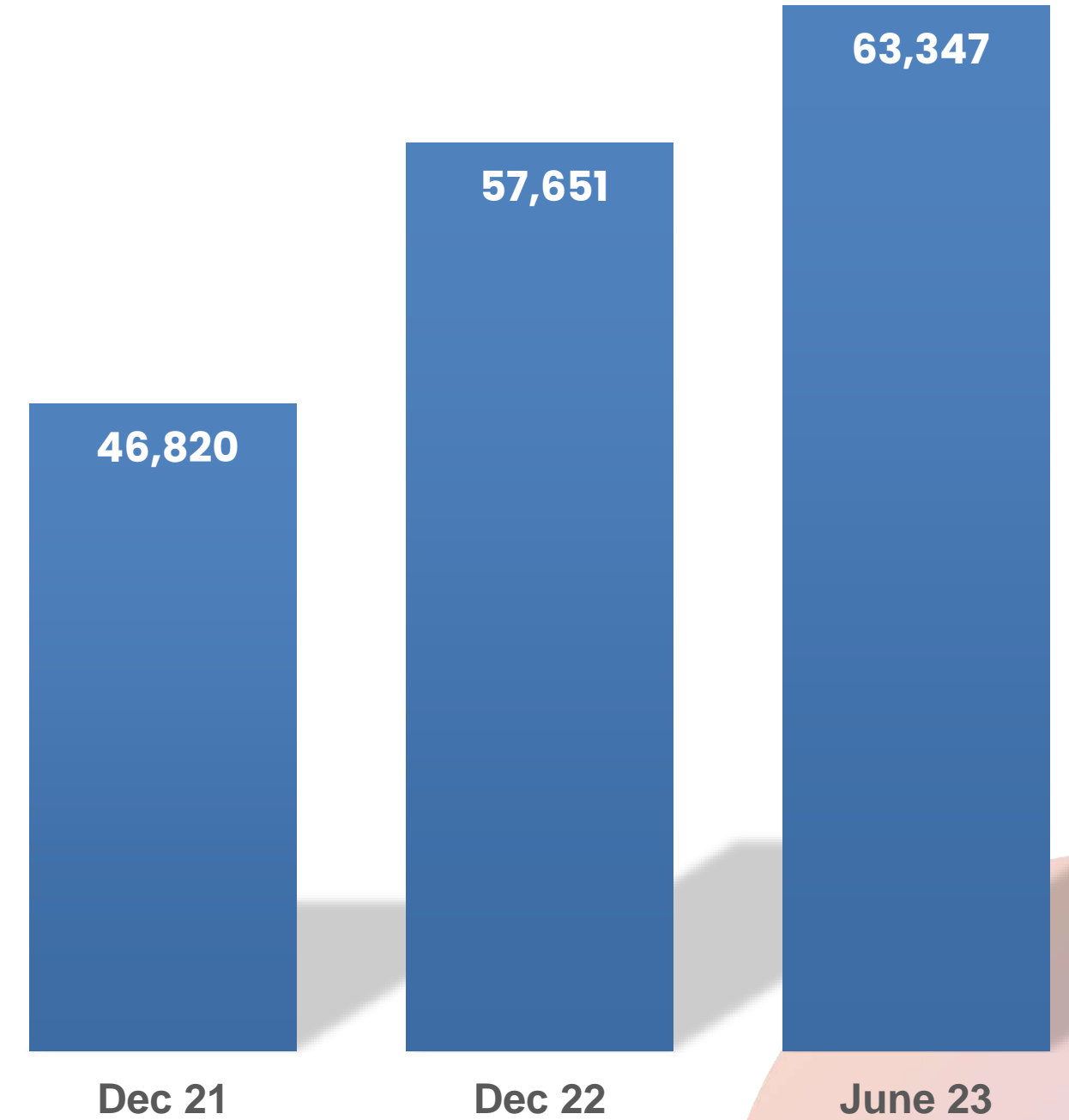
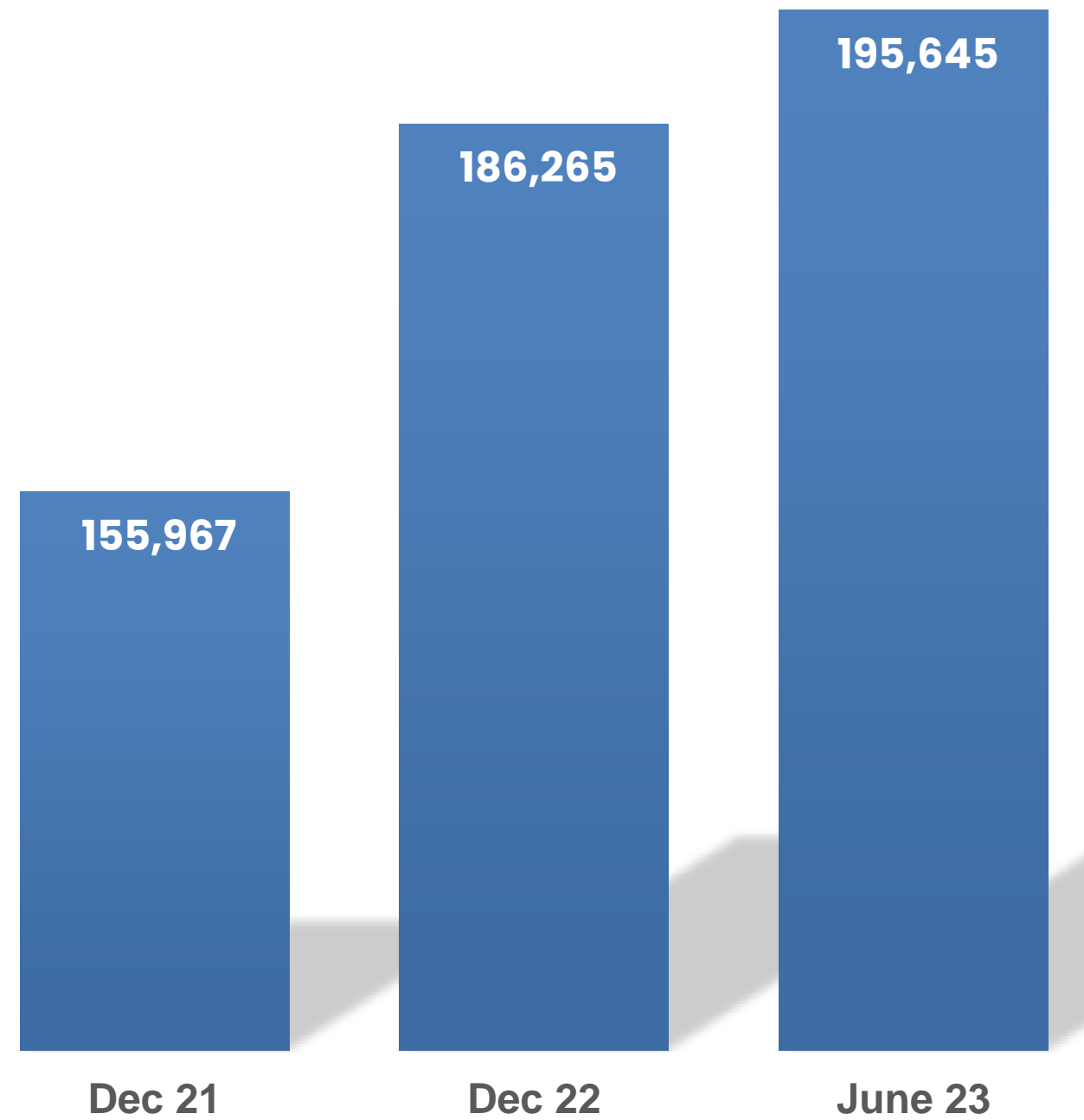


## CASA

## Current Deposits

Improvement in Current and Saving Accounts (CASA), especially Current Accounts (CA)

Focusing on reducing cost of deposit



# Long-Term Rating Upgraded

Achieved long term rating upgrade from PACRA in October-2022 (From A to A+)

Earlier, in June-2021, VIS had upgraded the long-term rating of Bank (From A to A+)



The Bank of Khyber is proud to announce it has been upgraded to **A+ Rating by PACRA.**

*We would like to take this opportunity to extend our gratitude to our board, shareholders, management, employees & our customers for their unwavering support.*





# Strengthened Management Team

## **Managing Director / CEO**

Group Head Treasury & Investment Banking

Chief Risk Officer

Chief Financial Officer

Group Head Operations & Support

Group Head Conventional Banking

Group Head Islamic Banking (Acting)

Group Head Digital Banking

Chief Information Officer

Group Head Human Resource

Company Secretary

Group Head Remedial Asset Management

Group Head Internal Audit

Chief Compliance Officer

Head Legal (Acting)

Chief Information Security Officer

Muhammad Ali Gulfaraz **(Joined in 2021)**

Syed Farrukh Zaeem **(Joined in 2023)**

Mohammad Haroon Zamir Khan **(Joined in 2023)**

Irfan Saleem Awan **(Joined in 2021)**

Moin Rana

Sher Muhammad

Ali Khan Arbab **(Elevated in 2022)**

Asim Bashir **(Joined in 2022)**

Shaikh Mashhood Rahman **(Joined in 2023)**

Muhammad Asif **(Joined in 2020)**

Sara Shah **(Joined in 2023)**

Ihsan Ullah Ihsan

Mudassar Iqbal

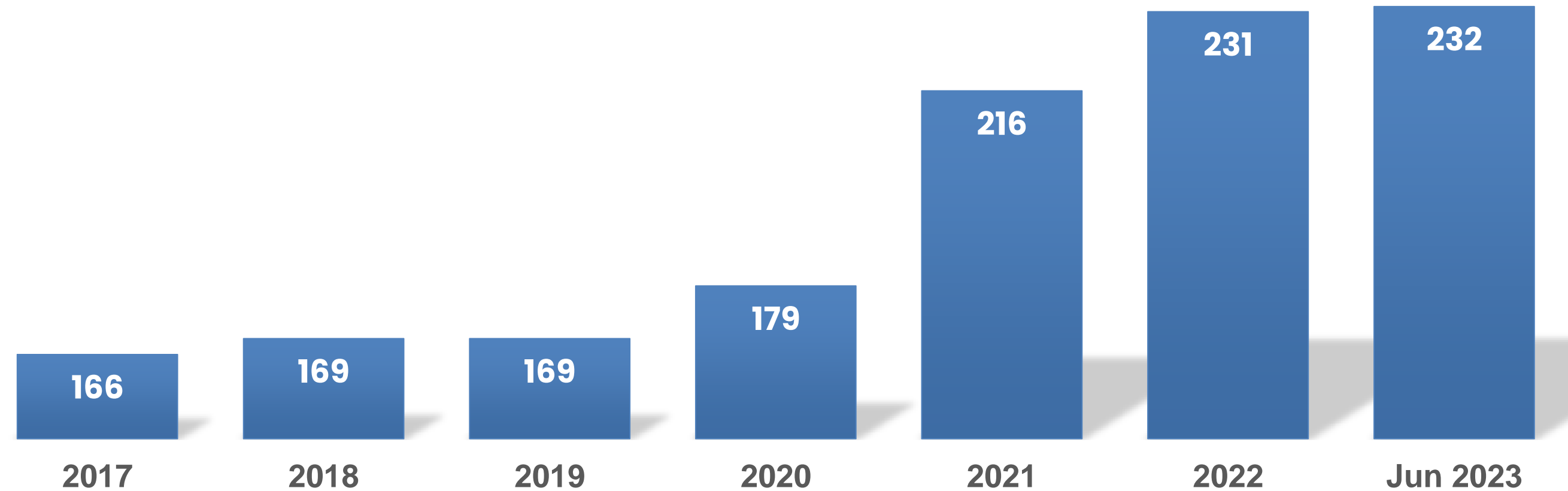
Khalid Abdul Aziz

Muhammad Maqbool

Manzar Habib **(Elevated in 2022)**

# Branch Expansion

Expansion aims on improving the Bank's deposit base and its composition. This will also support to improve Bank's outreach, and industry positioning in terms of deposits



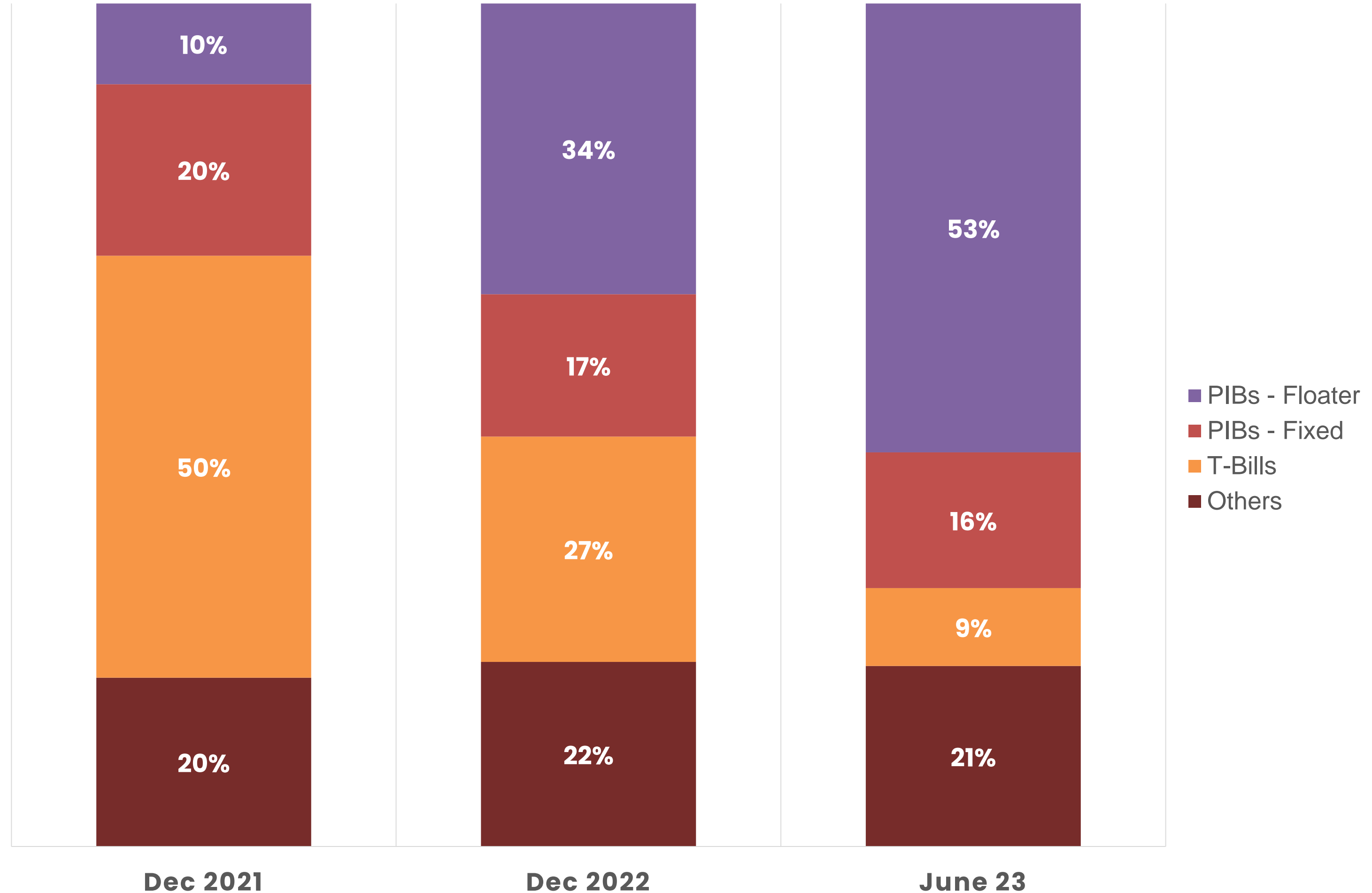
Province	2022 Conventional	2022 Islamic	2022 Total	Plan 2023 Total
KPK	60	100	160	164
Punjab	30	7	37	38
ICT	9	4	13	18
Sindh	8	3	11	13
Baluchistan	2	5	7	7
AJK & Gilgit	3	-	3	3
<b>Total</b>	<b>112</b>	<b>119</b>	<b>231</b>	<b>243</b>



# Reprofiling of Portfolio

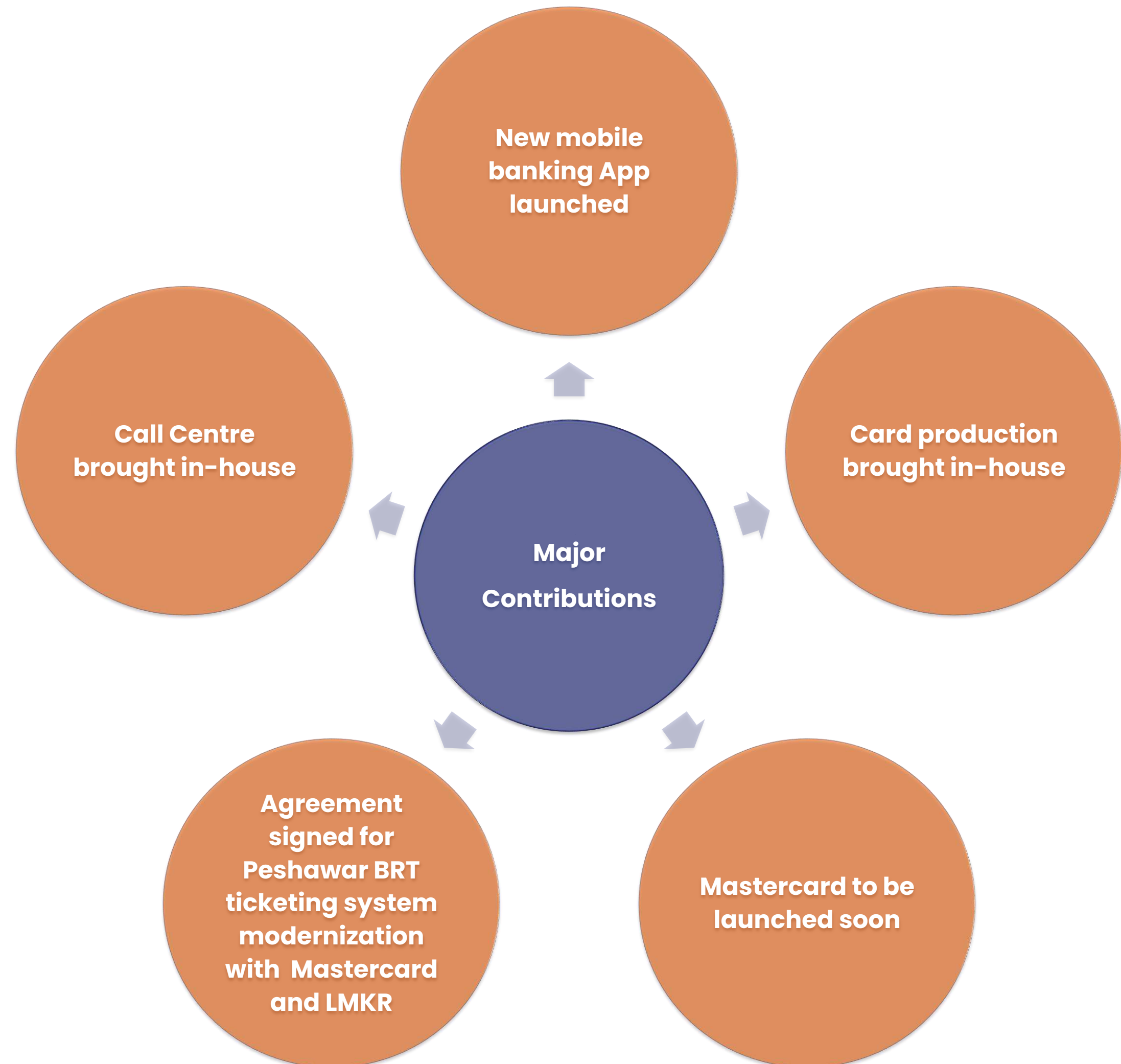
Investment mix re-profiled keeping in view the interest rate outlook

## Investment Mix (%)



# Digital Banking Initiatives

A dedicated Digital Banking Group (DBG) equipped with experienced resources has been established.

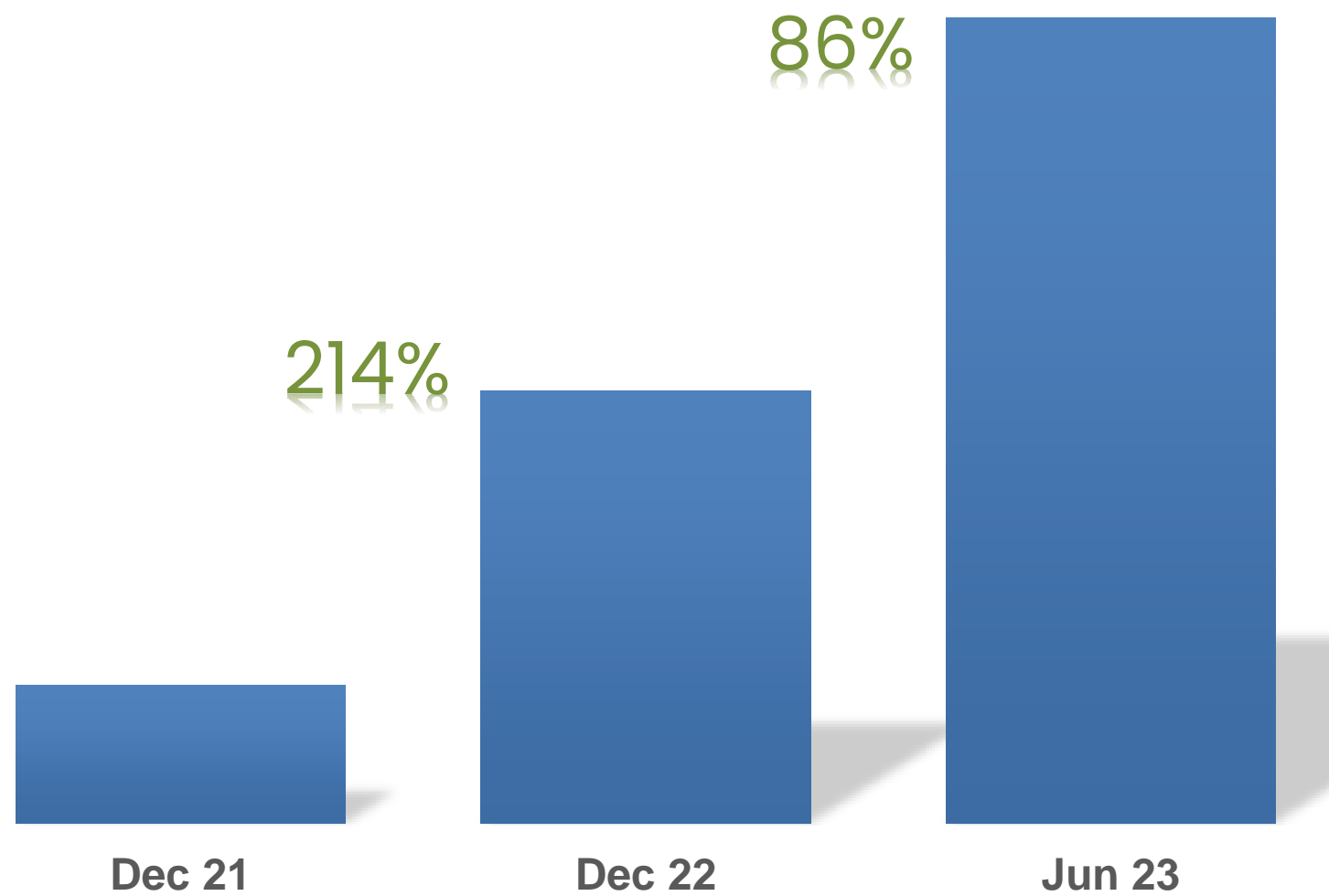


# Digital Banking Growth

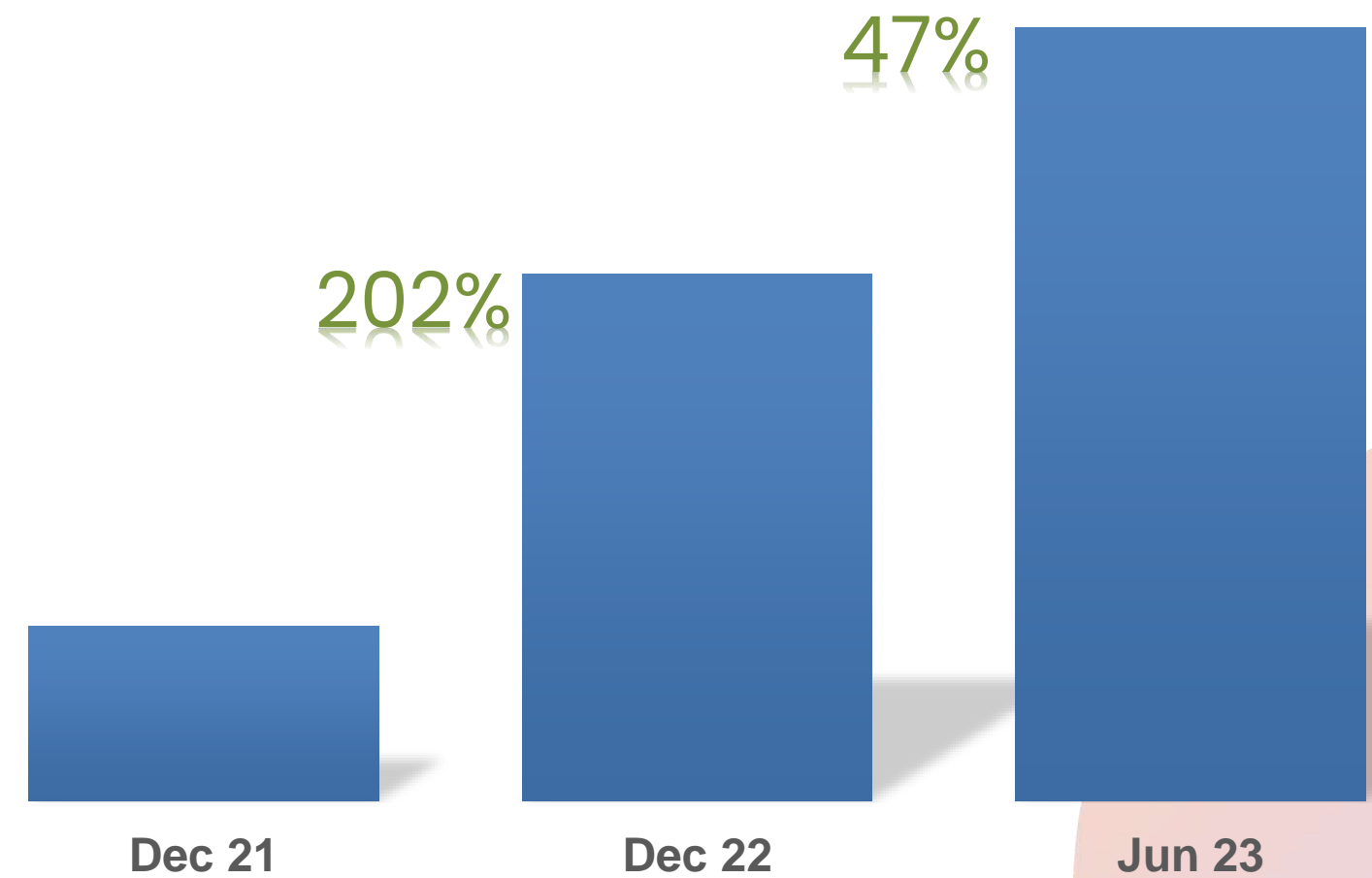
Substantial increased in number of digital transactions

Growth in registered App users

Digital Transactions\*



Digital App users\*





# AWARDS AND RECOGNITION

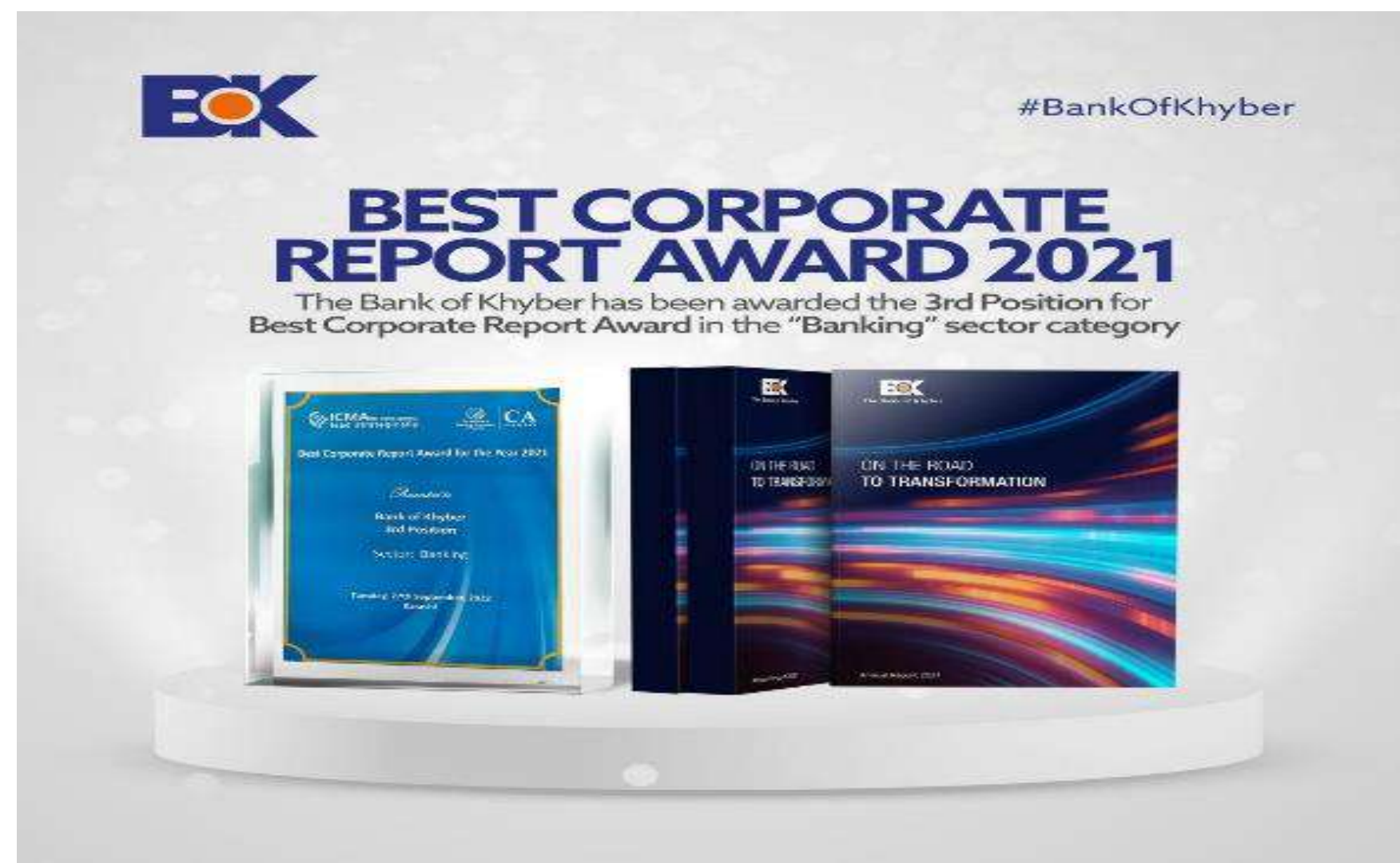




## Awards and Recognition

Earned international recognition – Bronze Award for year 2021 for the **Best Presented Annual Report Awards** at South Asian Federation of Accountants “Public Sector Banks Category”

Won Third Position in the in the **Best Corporate Report Award** for the year 2021 in “Banking category” held by ICAP and ICMA.

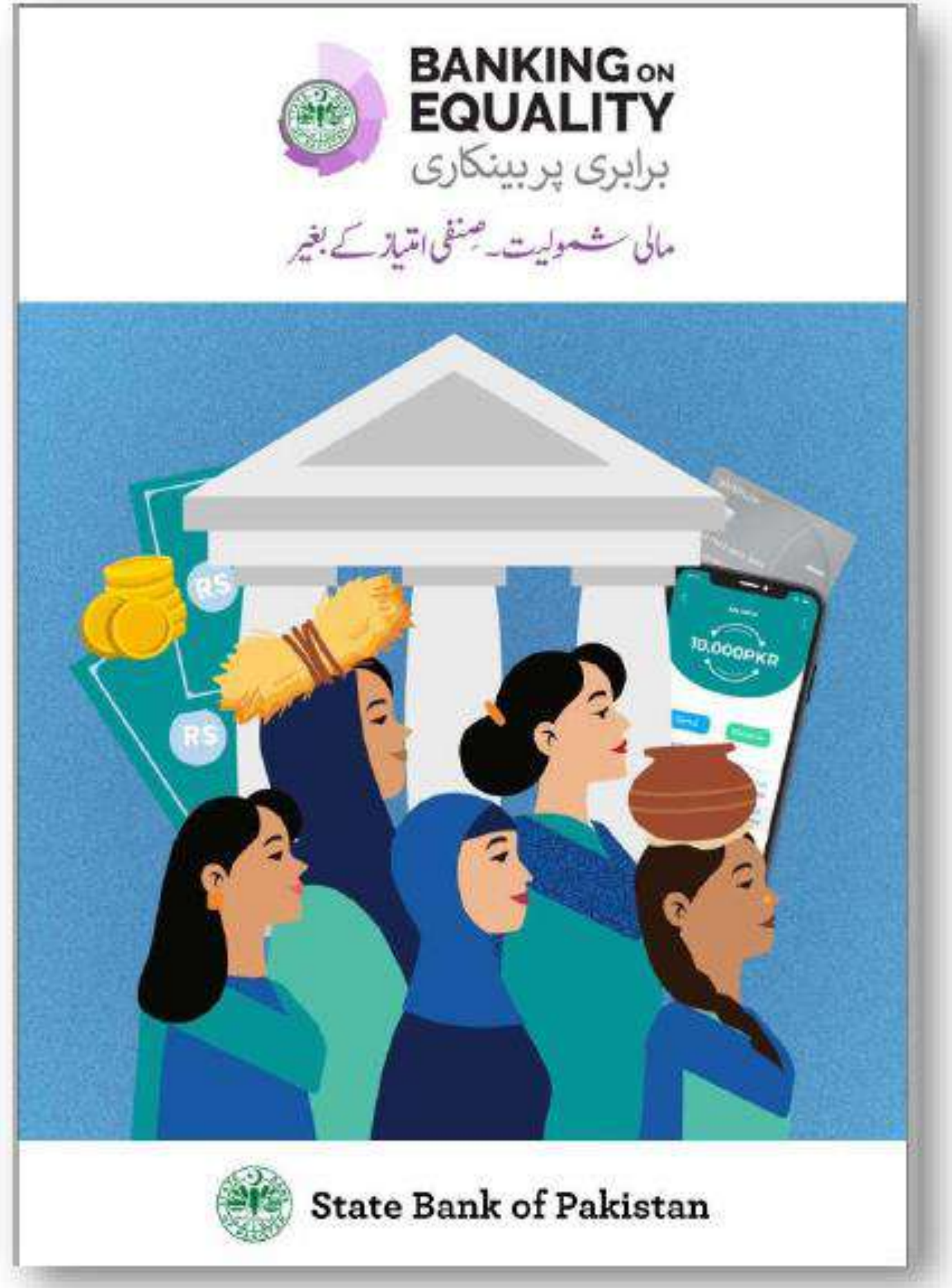




# Banking on Equality

BoK secured 1<sup>st</sup>  
Position in Small  
Banks category

June 2023







# FINANCIAL HIGHLIGHTS

# Half Yearly Results

Description	Rs. in Million		Var %
	1H 22	1H 23	
Mark-up/return/interest earned	18,729	24,778	32%
Mark-up/return/interest expensed	15,205	18,801	24%
<b>Net Markup/Return/Interest Income</b>	<b>3,524</b>	<b>5,976</b>	<b>70%</b>
<b>Non mark-up/interest income</b>			
Fee and commission income	234	301	29%
Dividend income	5	5	6%
Net Gain/ (Loss) on securities/associate	12	(3)	-122%
Forex Income	332	893	169%
Other Income	72	71	-3%
	<b>655</b>	<b>1,267</b>	<b>94%</b>
<b>Gross Income</b>	<b>4,178</b>	<b>7,243</b>	<b>73%</b>
Non Markup Expenses	3,076	3,738	22%
<b>Income Before Provisions / (Reversal) – Net</b>	<b>1,102</b>	<b>3,505</b>	<b>218%</b>
Net Provisions / (Reversal)	514	439	-15%
<b>Profit Before Tax</b>	<b>588</b>	<b>3,066</b>	<b>422%</b>
Tax	197	1,377	600%
<b>Profit After Tax</b>	<b>391</b>	<b>1,689</b>	<b>332%</b>
<b>Earnings Per Share (EPS) – Rs.</b>	<b>0.35</b>	<b>1.53</b>	



# Half Yearly Results

Description	Rs. in Million		Variance%
	Dec-22	June 23	
Cash and balances with treasury banks	16,274	25,944	59%
Balances with other banks	3,557	9,559	169%
Lendings to financial institutions	7,641	4,275	-44%
Investments	173,669	181,825	5%
Advances	127,515	103,233	-19%
Fixed assets	5,613	5,951	6%
Intangible assets	474	447	-6%
Deferred tax assets	1,368	2,821	106%
Other assets	8,874	11,707	32%
<b>Total Assets</b>	<b>344,984</b>	<b>345,763</b>	<b>0%</b>
Bills payable	2,102	1,280	-39%
Borrowings	66,263	39,856	-40%
Deposits and other accounts	248,906	274,544	10%
Other liabilities	11,285	13,193	17%
<b>Total Liabilities</b>	<b>328,557</b>	<b>328,873</b>	<b>0%</b>
<b>Net Assets</b>	<b>16,427</b>	<b>16,889</b>	<b>3%</b>
Share Capital	11,028	11,028	0%
Reserves	3,647	3,984	9%
Deficit on Revaluation of Assets - Net	(230)	(1,459)	535%
Un-appropriated profit	1,983	3,336	68%
<b>Total Equity</b>	<b>16,427</b>	<b>16,889</b>	<b>3%</b>

# Historical Data

KPIs	2017	2018	2019	2020	2021	2022	June 2023
<b>Return on Net Assets – Annualized</b>	11.4%	3.4%	10.1%	13.5%	6.4%	2.8%	20.4%
<b>Return on Assets – Annualized</b>	0.8%	0.2%	0.5%	0.7%	0.3%	0.1%	1.0%
<b>Earnings Per Share (Rs.)</b>	1.79	0.47	1.31	2.15	1.05	0.41	1.53
<b>Cash Dividend Per Share (Rs.)</b>	1.50	–	0.50	1.50	–		–
<b>Bonus Shares Per Share (Rs.)</b>	–	–	–	0.50	0.50		–
<b>Dividend (cash) Payout Ratio</b>	83.8%	0.0%	38.2%	69.8%	0.0%	0.0%	0.0%
<b>Advances (gross) to Deposits Ratio</b>	55.1%	57.9%	62.6%	66.4%	59.1%	54.2%	40.4%
<b>Gross Infection Ratio (NPL / Gross Advances)</b>	5.5%	4.7%	4.4%	5.4%	8.0%	8.7%	11.5%
<b>Provision Coverage Ratio</b>	89.5%	89.2%	84.2%	80.3%	62.9%	62.9%	60.5%
<b>Government Deposits</b>	59.7%	62.6%	62.4%	56.0%	60.3%	56.7%	55.8%
<b>Private Deposits</b>	40.3%	37.4%	37.6%	44.0%	39.7%	43.3%	44.2%
<b>Expense to Income Ratio</b>	58.6%	88.4%	61.9%	43.8%	67.8%	78.6%	51.6%
<b>CAR (Capital Adequacy Ratio)</b>	20.00%	12.28%	15.30%	19.35%	14.74%	14.88%	14.12%

# Historical Data

Rs. In Million



Description	2017	2018	2019	2020	2021	2022	H1 2023
Deposits	159,247	171,168	182,168	203,072	221,876	248,906	274,544
Advances (gross)	87,673	99,167	113,976	134,907	131,166	134,913	110,986
Advances (net)	83,369	95,012	109,742	129,063	124,549	127,515	103,233
Investments (net)	140,474	94,233	146,911	113,479	184,399	173,669	181,825
Total Assets	245,132	223,095	306,305	288,300	358,606	344,984	345,763
Share Capital	10,003	10,003	10,003	10,003	10,503	11,028	11,028
Total Equity	15,398	11,705	14,201	17,772	16,570	16,427	16,889
Net Markup Income	4,799	5,139	4,766	6,762	6,789	7,149	5,976
Non-Markup Income excl. CG* & associate	590	700	822	1,142	1,091	1,376	1,269
Total Income excl. CG & associate	5,389	5,839	5,588	7,904	7,880	8,525	7,246
Operating Expenses	3,778	4,077	3,638	4,223	5,300	6,711	3,738
Profit Before CG, Provision & Tax	1,611	1,762	1,950	3,681	2,580	1,814	3,508
Capital Gain/ (loss) and associate	1,061	(1,226)	290	1,735	(68)	8	(3)
(Reversal)/ Provisions	(123)	(171)	(21)	1,610	832	902	439
Profit Before Tax	2,795	707	2,261	3,806	1,680	920	3,066
Profit After Tax	1,790	466	1,306	2,152	1,104	455	1,689

\*CG: Capital Gains/ (Loss) on securities



# MARKETING

## Comparative Analysis



# Elevating Our Brand

## A Transformative Journey

- Achieving brand coherence, consistency, and relevance was a rigorous endeavor
- Aligned our internal and external branding with global brand benchmarks
- Encompassing values of culture, sports, adventure, and sustainability, marking a pivotal transformation







# From Bank Centric Artworks with inconsistent visuals to a Customer- Focused Brand







The Bank of

بینک

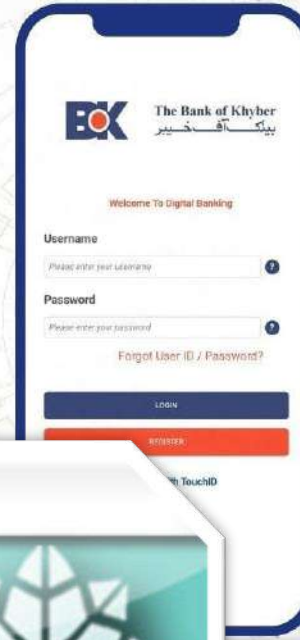


The Bank of Khyber  
بینک آف خیبر



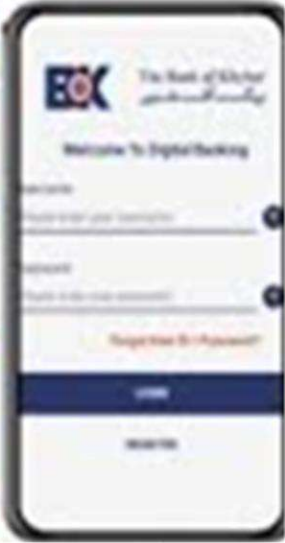
BOK Digital

BOK Going  
Digital  
Soon



The Bank of Khyber  
Mobile Banking App

موبائل بینکنگ رجسٹریشن  
مکمل طریقہ کار نیو انٹرفیس کے ساتھ



THE BANK OF KHYBER



Custodians of Rich Values

Bank of Khyber  
بینک آف خیبر



The Bank of Khyber

اکاؤنٹ کا بیلنس کیسے



26/09/23  
How To Activate  
Khyber Bank ATM/Debit  
Card at Home



NOTICE  
SHIFTING / RELOCATION OF  
THE BANK OF KHYBER  
ISLAMIC BANKING BRANCH  
SHAH ALAM GATE, LAHORE



All account holders of The Bank of Khyber are hereby informed that our  
Islamic Banking Branch located at  
36-E Alamgir Market, inside Shah Alam Gate, Lahore  
will be shifting to the following new location

S-38; Circular Road Shah Alam Gate, Lahore

The branch operations at the new location are expected to commence by  
July 26, 2021 (Monday).

For further information Contact: 042-37641834-36

Branch Manager: 0300-4539623, Manager Operations: 0321-4728809

021-111-265-265 www.bok.com.pk /TheBankofKhyber

Bank of Khyber بینک آف خیبر  
Islamic Banking اسلامی بینکنگ

Saving Accounts & Profit Rates







AP KI  
REMITTANCE  
AP KAY  
PYAARON  
TAK  
**FAURI  
AUR  
MEHFOOZ**



#BankOfKhyber

**INSTANT,  
FREE & SECURE  
FUNDS TRANSFER  
WITH RAAST**  
Anytime, Anywhere



#BankOfKhyber

**CONGRATULATIONS  
TEAM PAKISTAN**  
FOR MAKING IT TO THE FINALS!

26/09/23



**BOK  
Digital**  
HAR JAGAH HAR PAL

Download now



[www.bok.com.pk](http://www.bok.com.pk)





## Old Branch Fascia

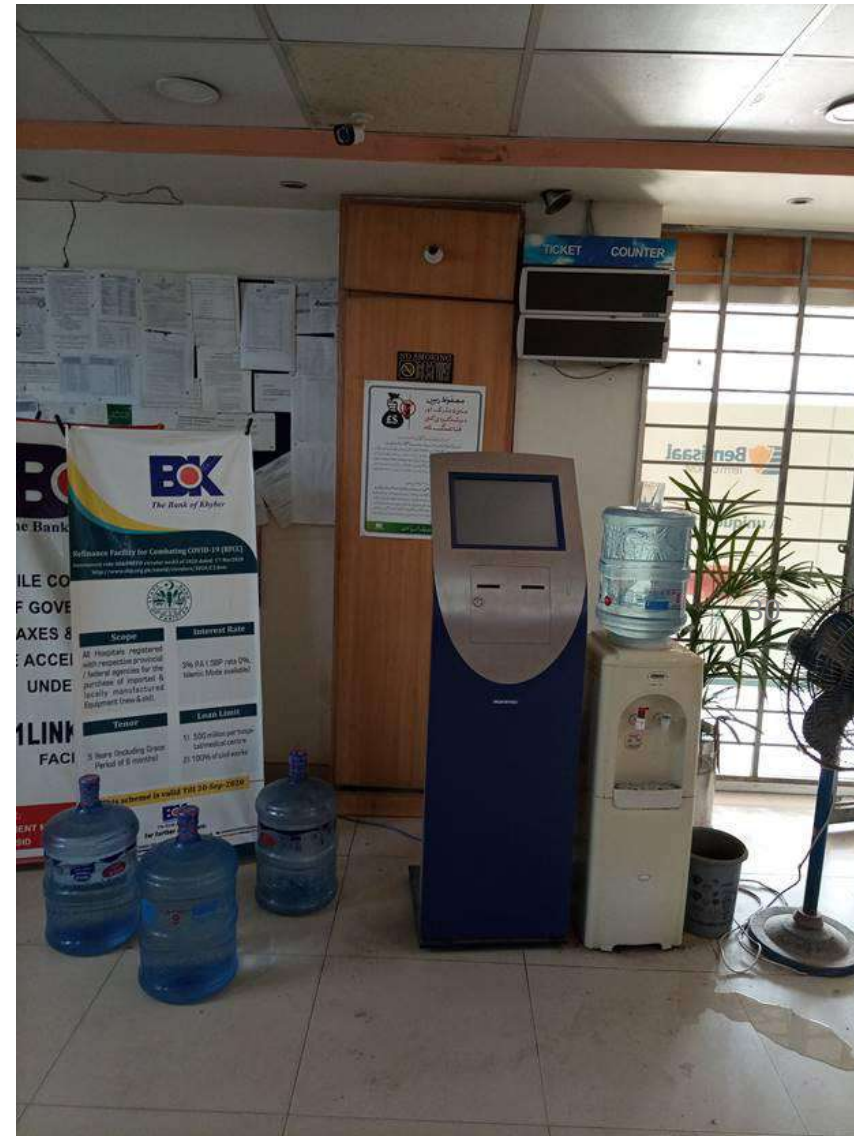


## New Branch Fascia





## Old Branch Interior

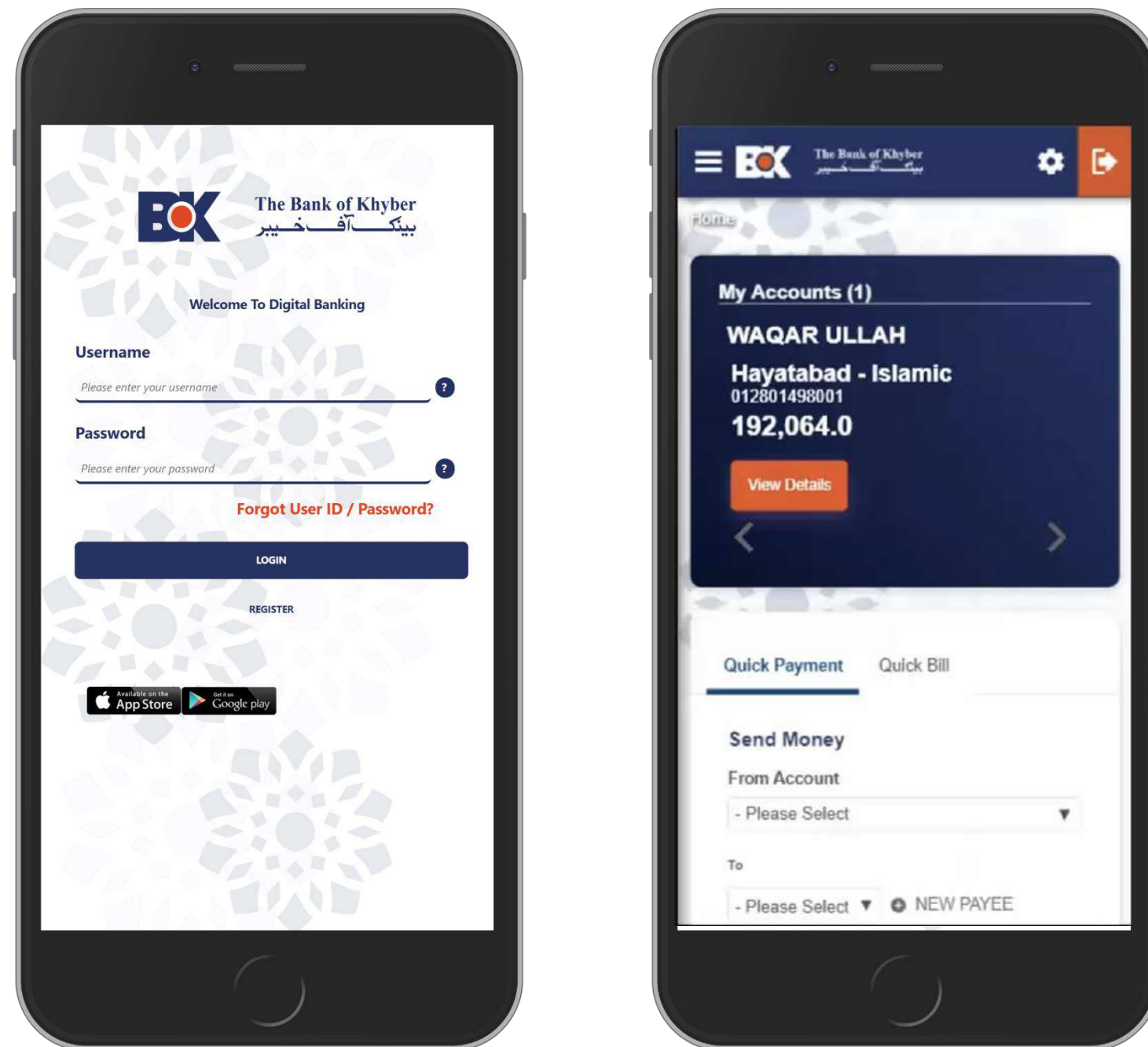


## New Branch Interior

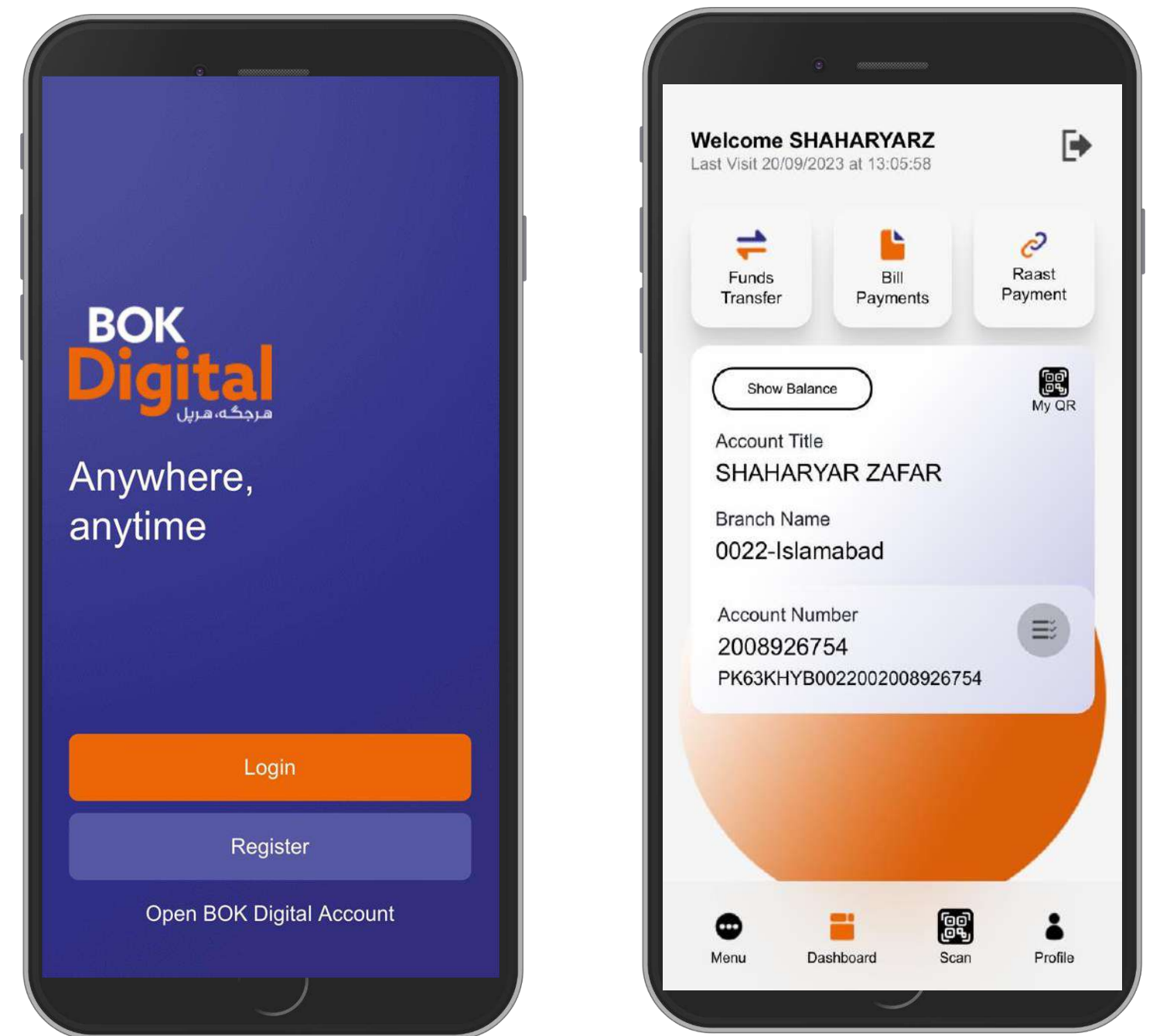




## Old App User Interface



## New App User Interface







## Co-branded Content

### Key Take Away

Audiences engages on the same content on two separate pages allows for a much higher collective reach and engagement







# Sponsorship Campaigns

## Key Take Away

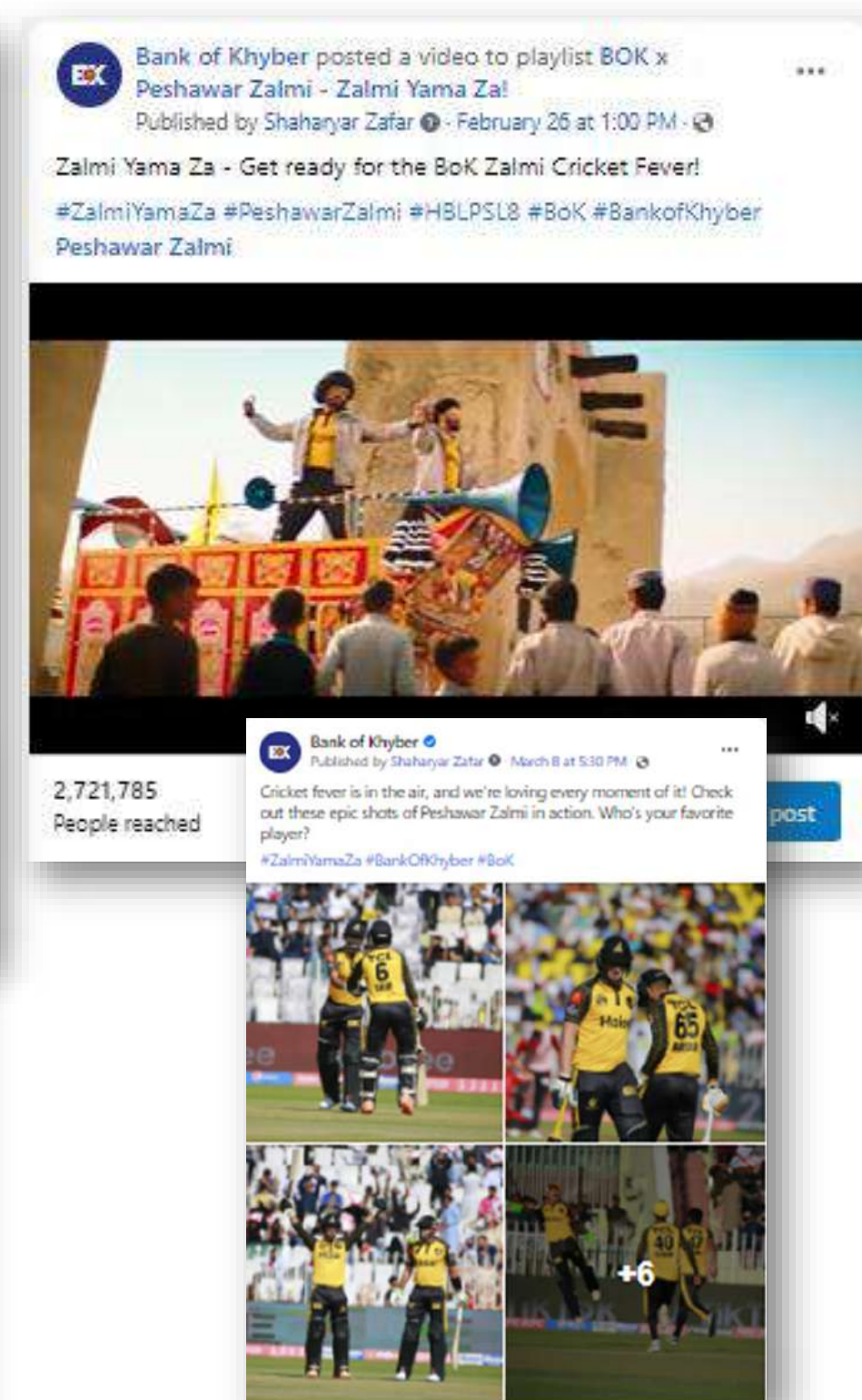
Audience is more receptive towards brands leveraging current trends leading to more brand engagement



**Product Connect Posts**  
11.1K Engagement  
481K Reach



**Audience Engagement Posts**  
52K Engagement  
811K Reach



**Announcement Video Post**  
6.2M Reach  
2.3M Video Views





# Human Connect

## Key Takeaways

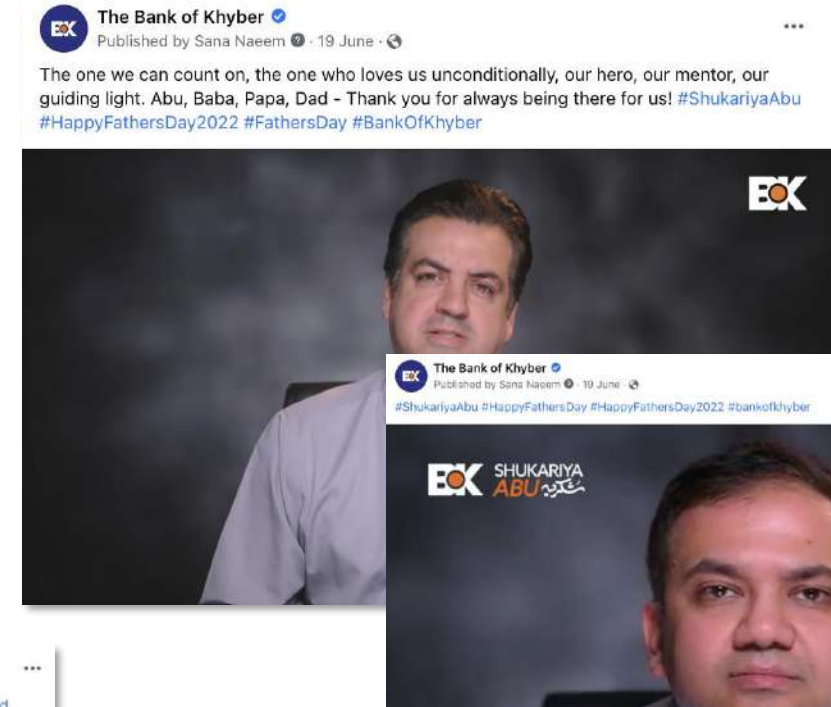
Human emotions and patriotism in content engagement



219K Reach  
48.6K Views



1K Engagement  
319K Reach



187K Reach  
49K Views





# Products & Services

**The Bank of Khyber** posted a video to the playlist **BOK Roshan Ghar**.  
Published by Sana Naeem · 11 August at 11:12 · 🌐

Tired of constant load shedding and want to switch to Solar Power for your home but don't have enough financing? We're here to help with the BOK Roshan Ghar Solar Financing Scheme. To apply visit: <https://bit.ly/3oPpKkC>

\*Terms & Conditions Apply  
#BOK #RoshanGhar #SolarPower #BankOfKhyber



**The Bank of Khyber** posted a video to the playlist **BOK Roshan Ghar**.  
Published by Sana Naeem · 10 August at 11:11 · 🌐

Getting tired of bill shocks every month and want to switch to the power of Solar but don't know where to begin? We're here to help with the BOK Roshan Ghar Solar Financing Scheme. To apply visit: <https://bit.ly/3oPpKkC>

\*Terms & Conditions Apply



201 Engagement  
114K Reach  
Leads: 1000+

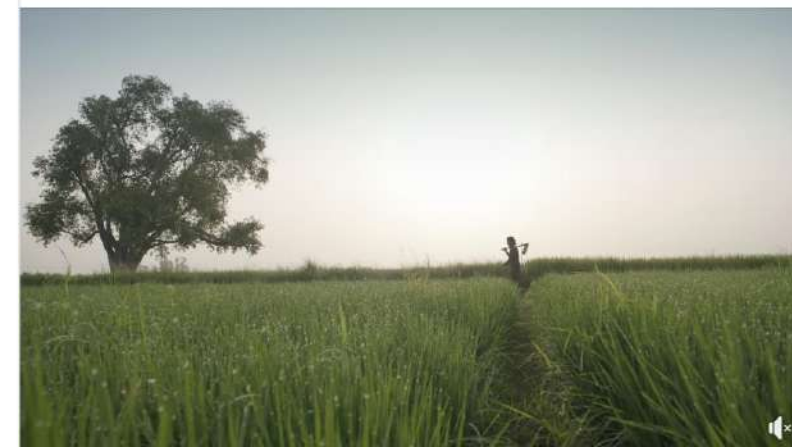
**The Bank of Khyber** · 12 August at 13:35 · 🌐

سبٹ بینک آف پاکستان کی طرف سے آسان اقساط پر زرعی قرضہ جات حاصل کرنے کی مکمل معلومات کیلئے یہ ویڈیو ملاحظہ کریں۔ زرعی قرضے کے حصول کیلئے بینک آف غیر کی کسی بھی قریبی برانچ شریف واپس۔ مزید معلومات کے لئے وزٹ: <https://bit.ly/3AbqJlA> اسٹاک بینکاری: <https://bit.ly/3zSs3bs> کوئینٹل بینکاری:



**The Bank of Khyber** · 11 August at 18:44 · 🌐

سبٹ بینک آف پاکستان کی طرف سے پاکستان بھر میں 35 لاکھ سے زائد گناہوں کو 1350 ارب روپے کے زرعی قرضے فراہم کئے جا چکے ہیں۔ آسان اقساط پر زرعی قرضے کے حصول کیلئے بینک آف غیر کی کسی بھی قریبی برانچ شریف واپس۔ مزید معلومات کے لئے وزٹ: <https://bit.ly/3AbqJlA> اسٹاک بینکاری: <https://bit.ly/3zSs3bs> کوئینٹل بینکاری:



370 Engagement  
135K Reach  
Leads: 300+

**The Bank of Khyber** posted a video to the playlist **BOK PayPlus Account**.  
Published by Sana Naeem · 22 June · 🌐

Bank of Khyber ke Pay Plus Current Account se behtar koi salary account ho to batao! Advance salary, MUFT salary insurance, MUFT banking services aur ASAAN karza hasil karnay ki sahat!

Abhi online apply karain: <https://bit.ly/3blErio>  
#BankOfKhyber #BOK #Banking



767K Reach  
171K Views  
Leads: 1000+



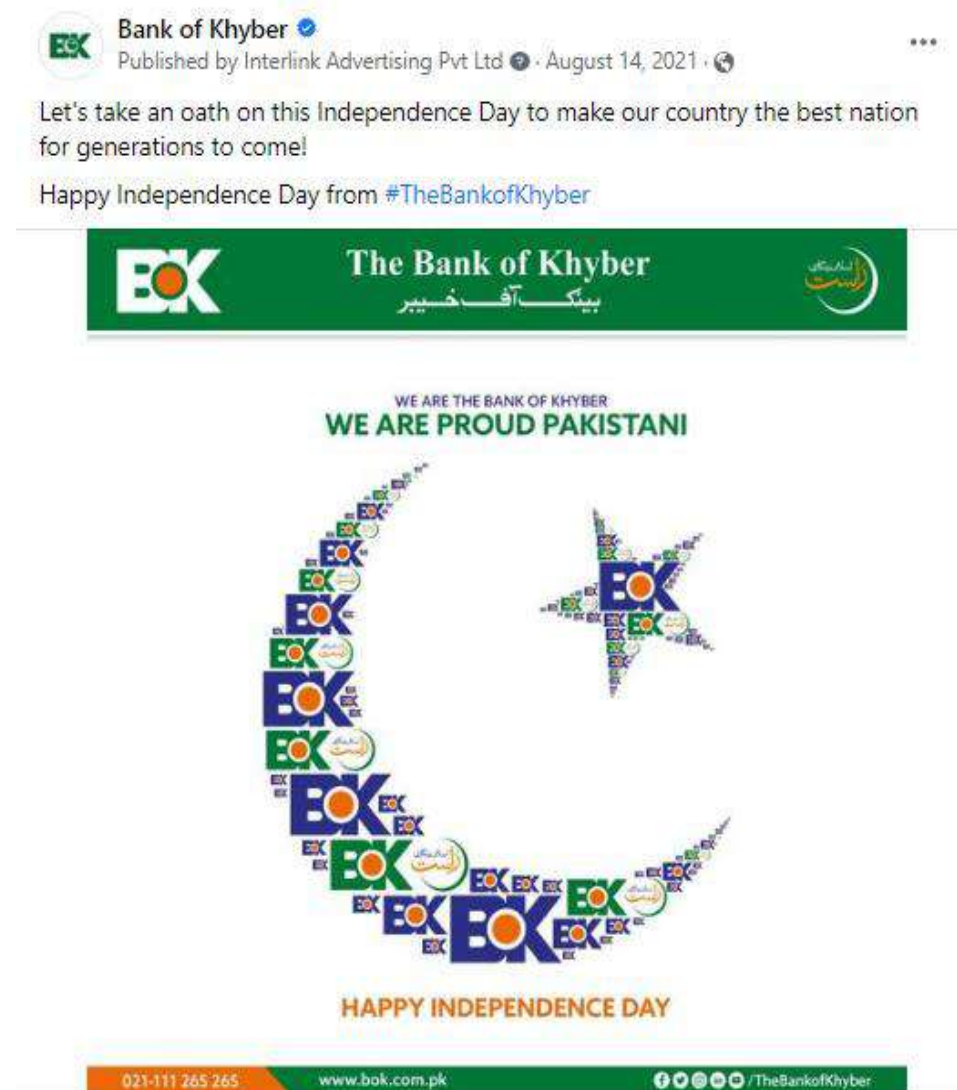


# Encompassing our audience with more than a post

## Key Take Away

Instead of just a post, using our platform to showcase an entire theme (logos, cover photos, posts, etc.) gives the audience the feeling that they're with us on these occasions resulting in higher interest

## Before



192 Engagement  
987 Reach

VS

## After



2.2K Engagement  
78K Reach

\*Cumulative Numbers





# Using language and pictures to connect with the audience

## Key Take Away

Correct targeting and content that explains the story results in greater audience interest

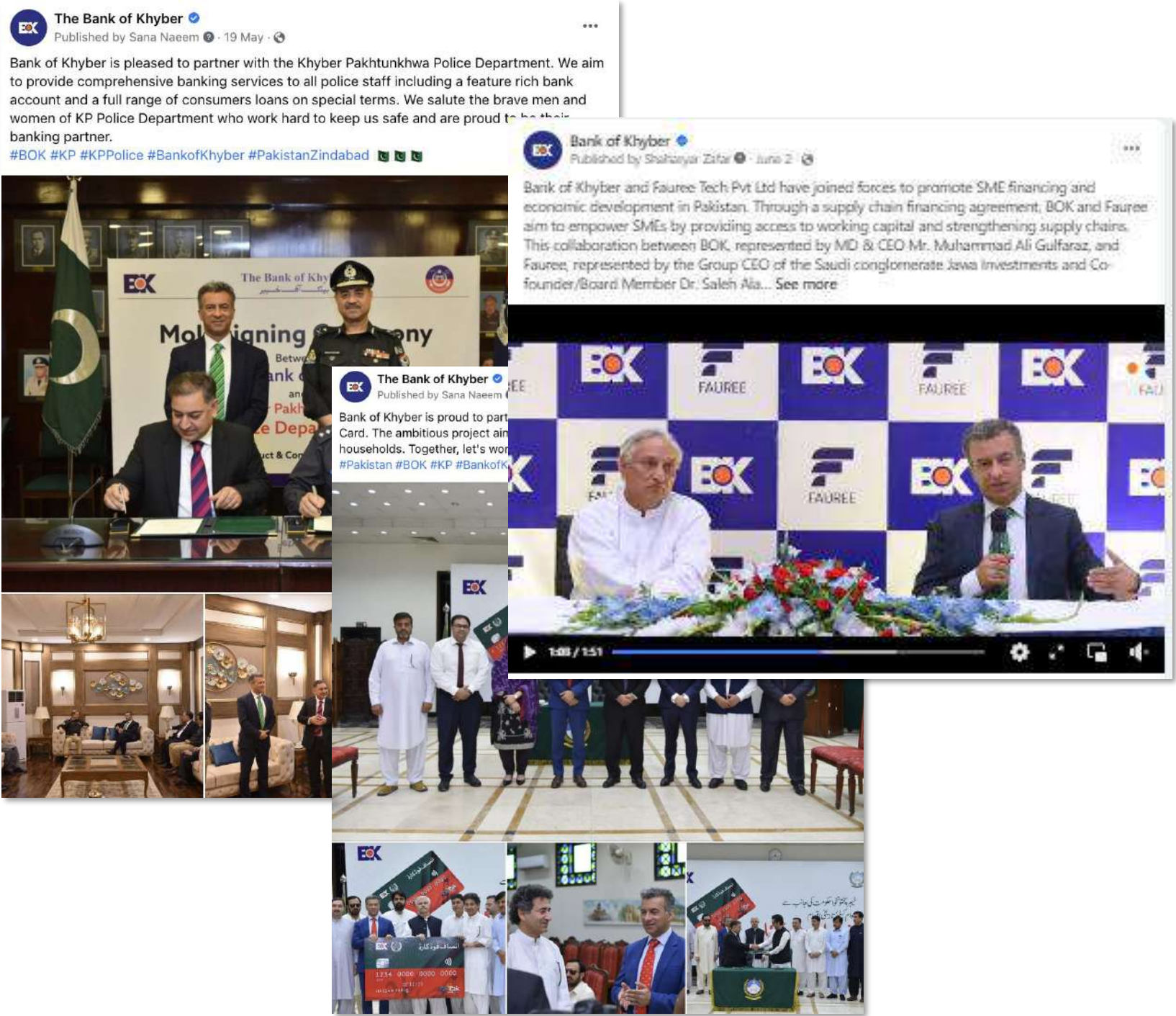
Before



276 Engagement  
10.8K Reach

VS

After



2.5K Engagement  
319K Reach

3.7K Engagement  
690K Reach

61K Video Views  
152K Reach



# IMPACT

ON SOCIAL MEDIA



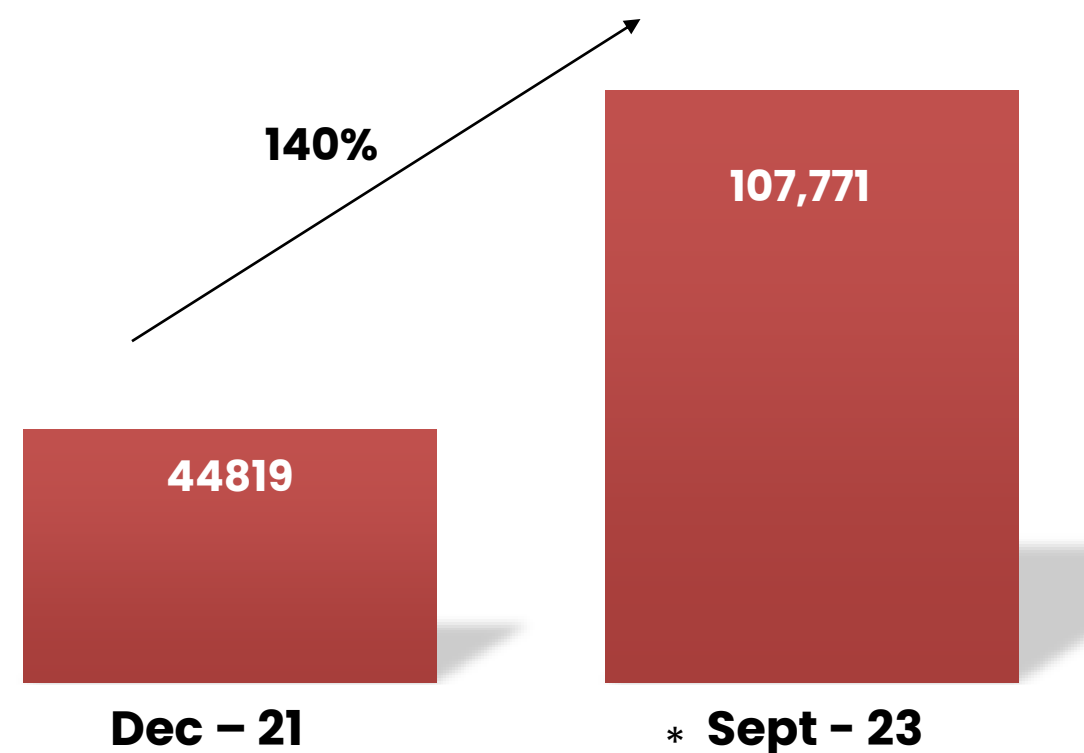
# Follower Growth Across Social Media Channels

Paid promotions are only  
run on Facebook and  
Instagram

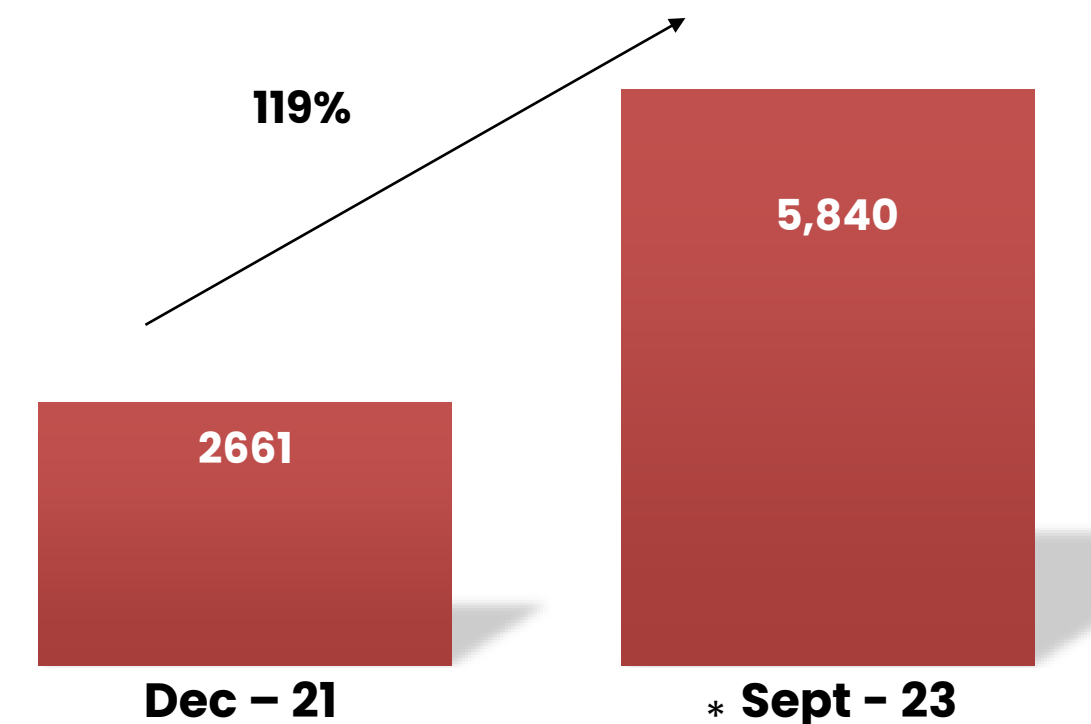
Growth on Twitter and  
LinkedIn is Organic

\*15-Sep-2023

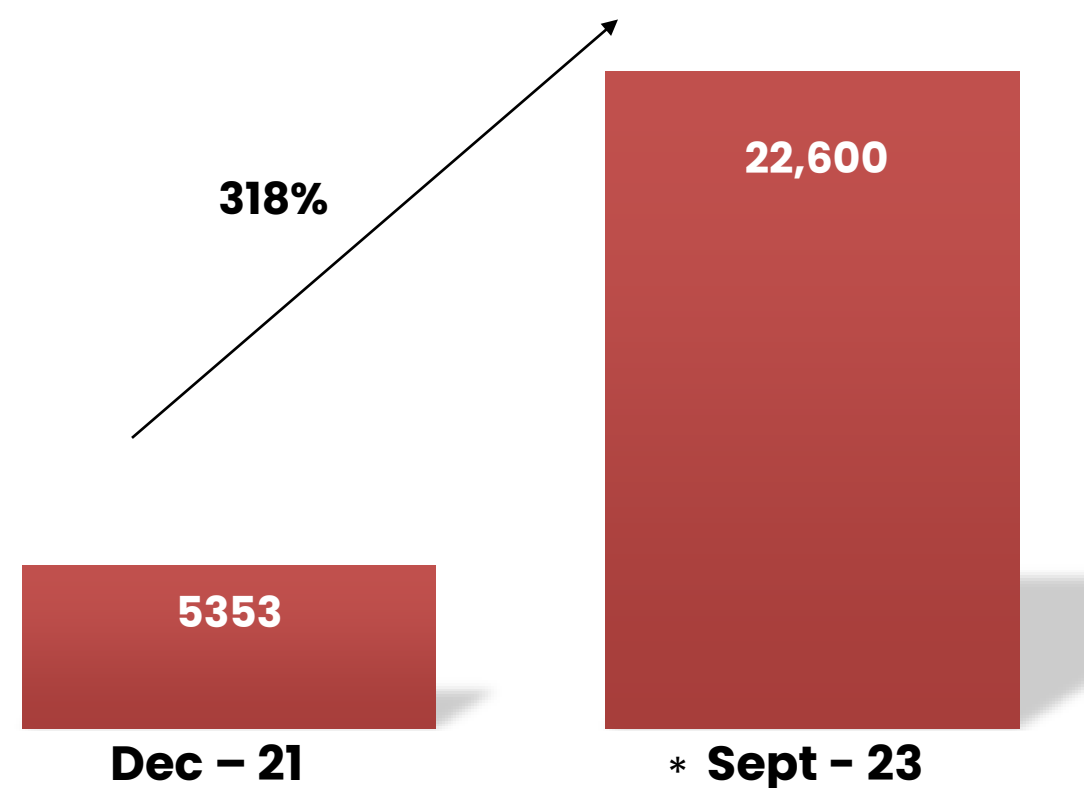
**Facebook Followers**



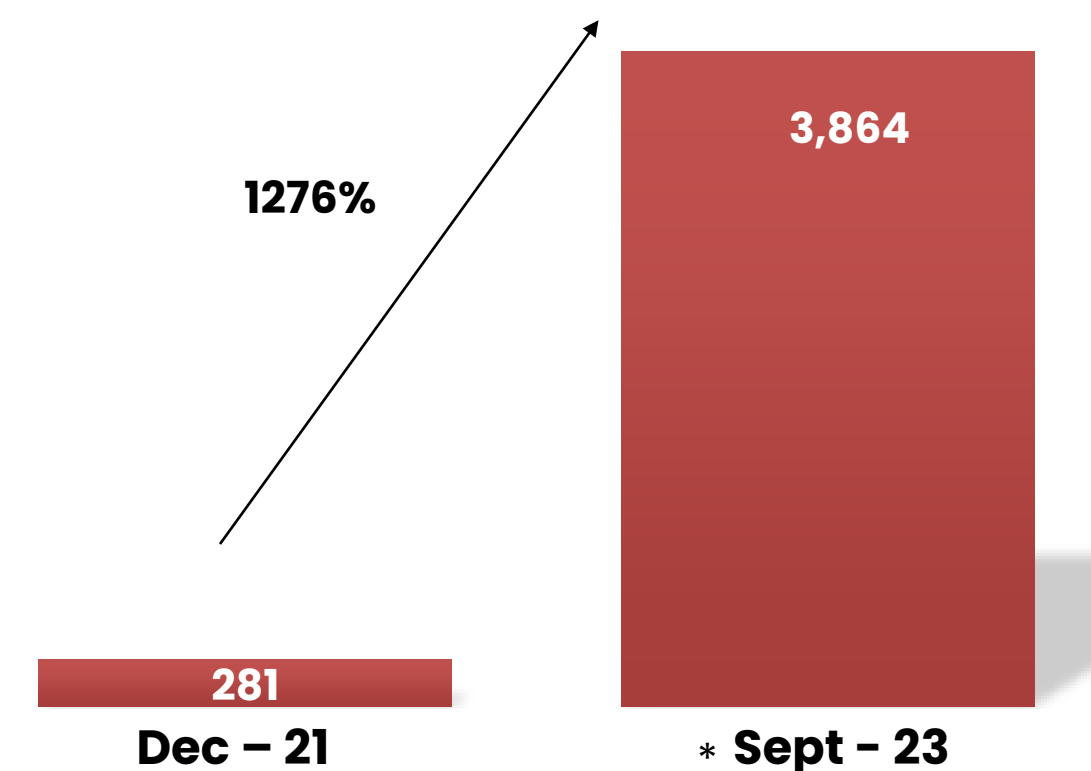
**Twitter Followers**



**LinkedIn Followers**



**Instagram Followers**



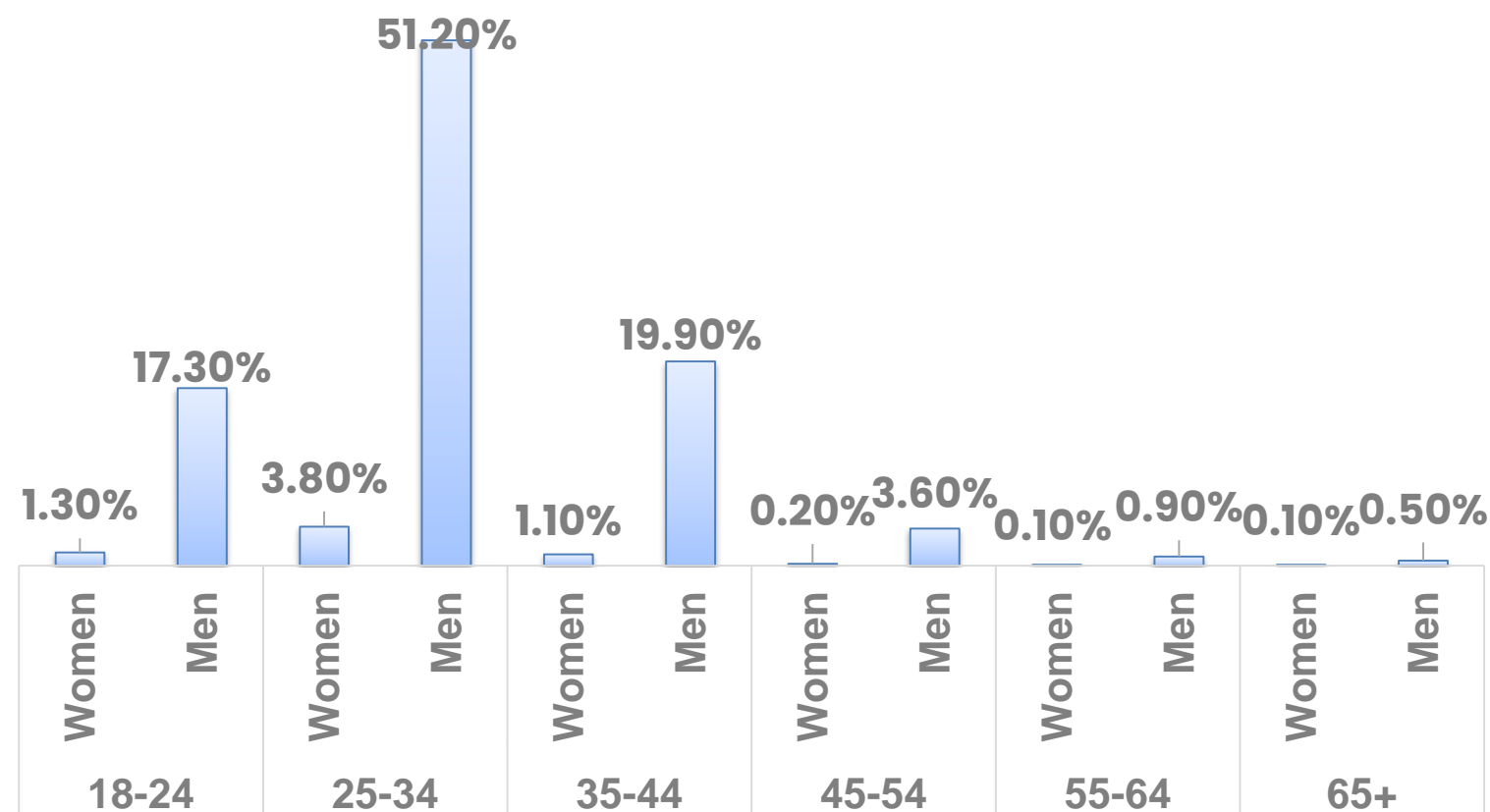


## Social Media Overall Metrics (Dec 21 – Sept 23\*)

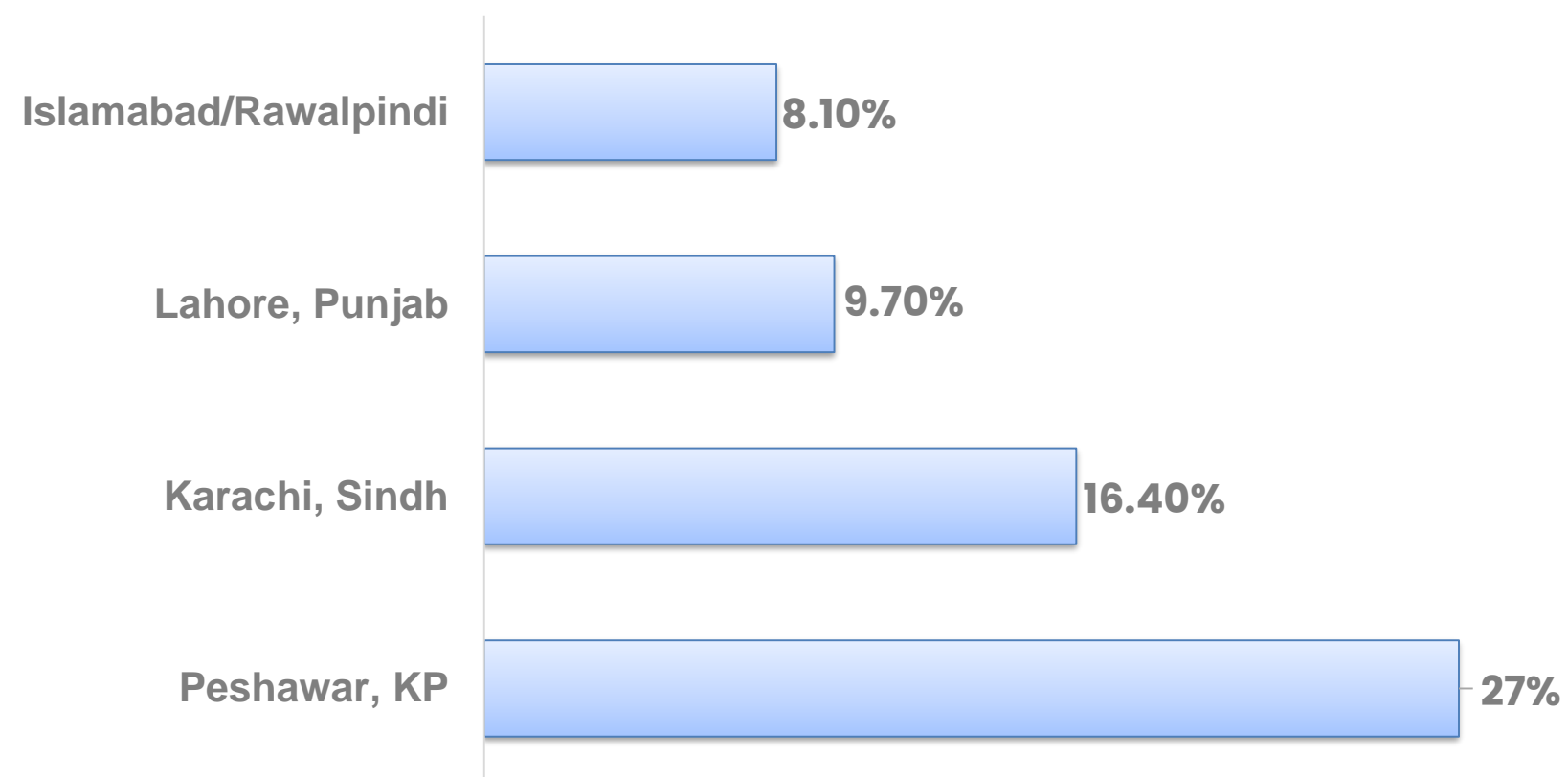
Overall Reach  
22,625,210

Profile Visits  
280,713

### Age Breakdown



### Audience Cities



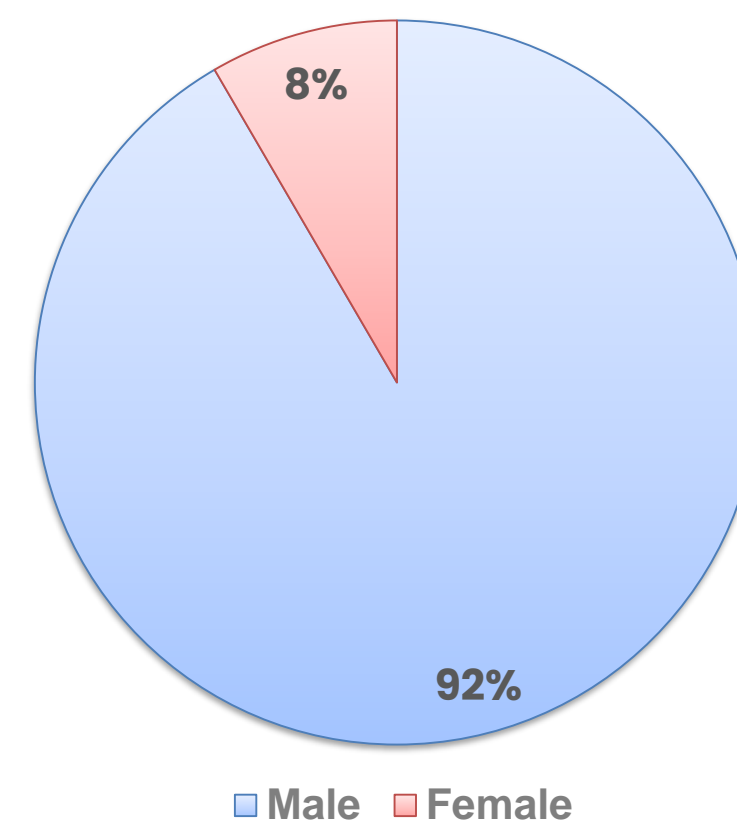
### Customer Affinities

Banking, Digital Wallets,  
Online Payments,  
Ecommerce, Digital Banking

### Followers per Platforms



### Overall Gender Split





# Disclaimer

**The information being presented herein is exclusively for information and is not an offer or solicitation or an offer to buy any security or any investment/disinvestment decision.**

Except the historical information contained herein, certain statements in this presentation constitute 'forward-looking statements and plans. These forward-looking statements and plans involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements and plans. These risks and uncertainties include, but are not limited to our ability to successfully implement Bank's strategy, changes in laws & regulations, future levels of non-performing loans, our growth and expansion in business, the impact of any acquisitions, the adequacy of our allowance for credit losses, technological, implementation and changes, the actual growth in demand for banking products and services, investment income, cash flow projections, our exposure to market risks as well as other risks detailed in the reports filed by us with various regulatory authorities as per applicable laws and regulations. BOK undertakes no obligations to update forward-looking statements to reflect event or circumstances after the date thereof and is subject to change without notice.





THANK YOU