



**GROWTH**  
Our Vision.  
Our Mission.

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



# **CORPORATE BRIEFING SESSION**

## **APRIL 04, 2024**

Banking on Principles



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# Introduction










# Introduction

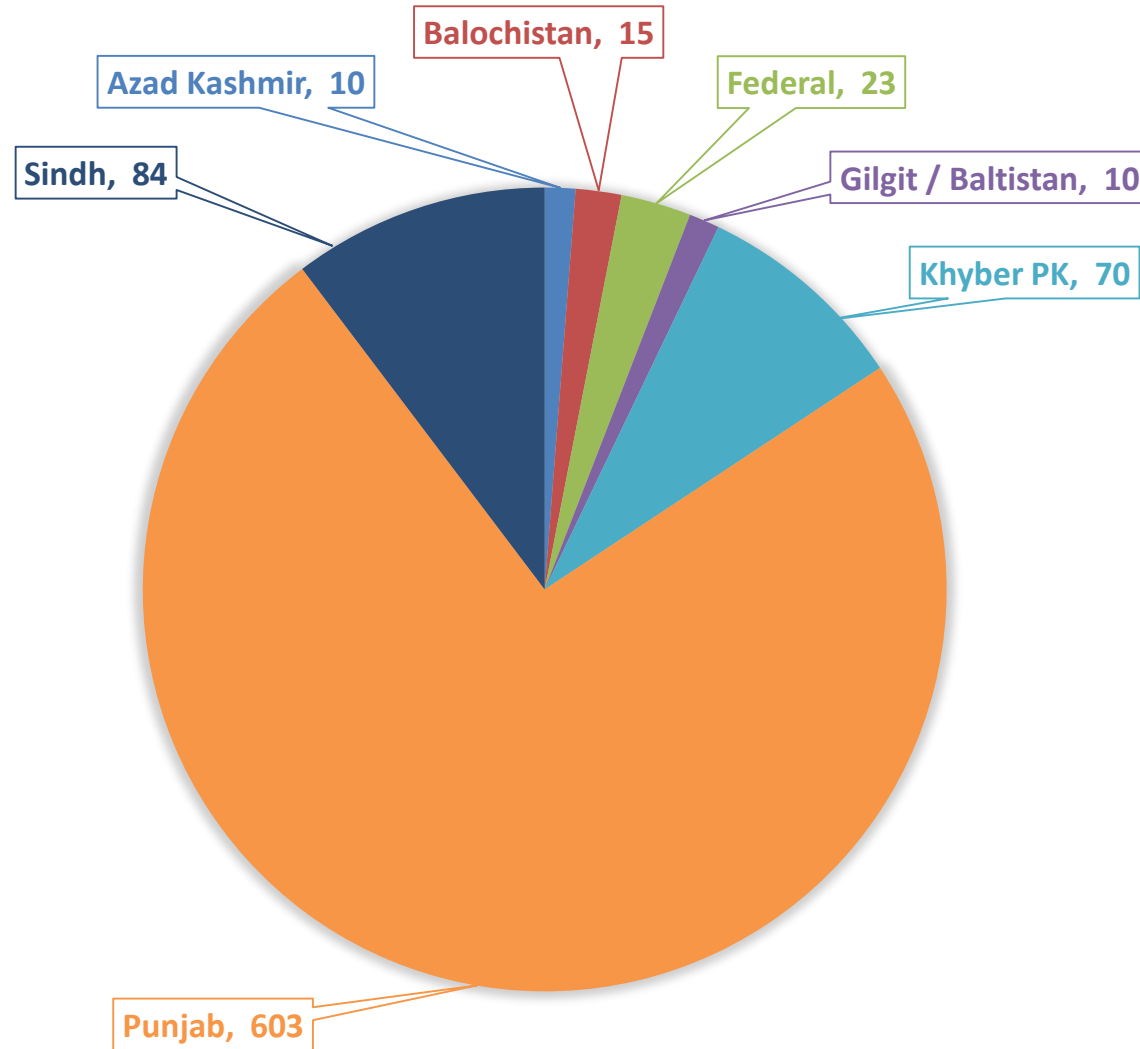
👉 Commencement of Operations	1989
👉 Head Office	Lahore
👉 Major Sponsor	Government of the Punjab (57.47%)
👉 Authorized Capital	Rs. 50 Billion
👉 Paid up Capital	Rs. 32.7 Billion
👉 Credit Rating (Long Term/Short Term)	AA+/A1+
👉 Branches *	Conventional : 655 Islamic : 160 IB Windows : 73

\*including 16 Sub-Branches.

# Introduction Contd...

 ATMs	794
 Cities Covered	407
 Market Share	5.2% of Deposits
 Deposits	Rs. 1,521 Billion
 Advances-Gross	Rs. 850 Billion
 Total Assets	Rs. 2,216 Billion
 Staff Strength (own)	13,659

# Branch Network 31.12.2023





# 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 2023



# Key Highlights

## Deposits

Deposits improved by **24%** to **Rs. 1,520.9 Billion** as against Rs. 1,227.3 Billion as on December 31, 2022.

## Gross Advances

Gross Advances improved by **34%** to **Rs. 849.5 Billion** as against Rs. 634.4 Billion as on December 31, 2022.

## Investments & Lending to FIs

Investments and Lending to FIs significantly improved by **49%** to **Rs. 1,058.2 Billion** as against Rs. 708.1 Billion as on December 31, 2022.

## Total Assets

Total Assets significantly increased by **50%** to **Rs. 2,216.2 Billion** as against Rs. 1,481.9 Billion as on December 31, 2022.

# Key Highlights Contd....

## Net Interest Margin

Net Interest Margin improved by **33%** to **Rs. 40.95 Billion** as against Rs. 30.76 Billion during Year 2022.

## Non Markup Income

Non Markup Income significantly improved by **68%** to **Rs. 17.72 Billion** as against Rs. 10.58 Billion during Year 2022.

## Profit Before Tax

Profit Before Tax improved by **15%** to **Rs. 21.22 Billion** as against Rs. 18.51 Billion during Year 2022.

## Book Value per Share

Book Value per share (excluding surplus on assets) improved to **Rs. 24.12** as against Rs. 22.65 as on December 31, 2022.



## Capital Adequacy Ratio

Bank's Capital Adequacy Ratio improved to **18.37%** as against 13.57% as on December 31, 2022 (SBP required level : 11.50%).

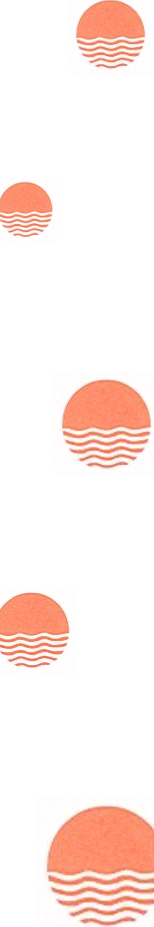
Had the advance subscription money against future issue of TFCs eligible as ADT-I & ADT-II capital not been accounted for, CAR as of 31-12-2022 would have stood at **13.11%**.

## Leverage Ratio

Bank's Leverage Ratio stood at **3.38%** as against 3.46% as on December 31, 2022 (SBP required level : 3.00%).



# Awards & Achievements during 2023





# Awards & Achievements during 2023 Contd...



# Awards & Achievements during 2023 Contd...

- ❖ **“Best Bank for Small & Medium Businesses”** by Institute of Bankers Pakistan.
- ❖ **“Best Bank for SMEs”** by Asia Money.
- ❖ **“Top Mid-Sized Bank Award for Agriculture Financing-SBP”**.
- ❖ Ranks **“Number One”** on **SBP’s Banking on Equality Rating**.
- ❖ **“Employer of Choice Award”** at Gender Diversity Awards 2023.
- ❖ **“Best Annual Report Award in Public Sector Banking”** in 2023.



# Awards & Achievements during 2023 Contd...

- ❖ “Best Public Sector Bank for Islamic Retail Banking in Pakistan 2023”.
- ❖ “Driving Contactless In-Transit Payments Award” by MasterCard at the EDGE 2023 event at Dubai.
- ❖ “EFP Disability Inclusion Excellence Award” for 2023.
- ❖ “Certificate of Merit” for Annual Report 2022 by SAFA in the category of Public Sector Banks.
- ❖ Annual report for the year 2022 ranked 5<sup>th</sup> by ICAP & ICMAP among Banking Sector of the Country.





# Awards & Achievements during 2023 Contd...

- ❖ **“Best SME Bank in Pakistan”** Title at Global SME Banking Awards by The Digital Banker.
- ❖ **“EFP Women Empowerment & Gender Equality Award 2024”** announced by Employers Federation of Pakistan.
- ❖ **“Champion Bank National Financial Literacy Program SBP”** under category of Mid-Sized Bank.
- ❖ **35 New Branches** opened in year 2023
- ❖ Launch of **new Products & Services**.
- ❖ Investment in **new Technologies & upgradation of Core Banking System “Flexcube”**.



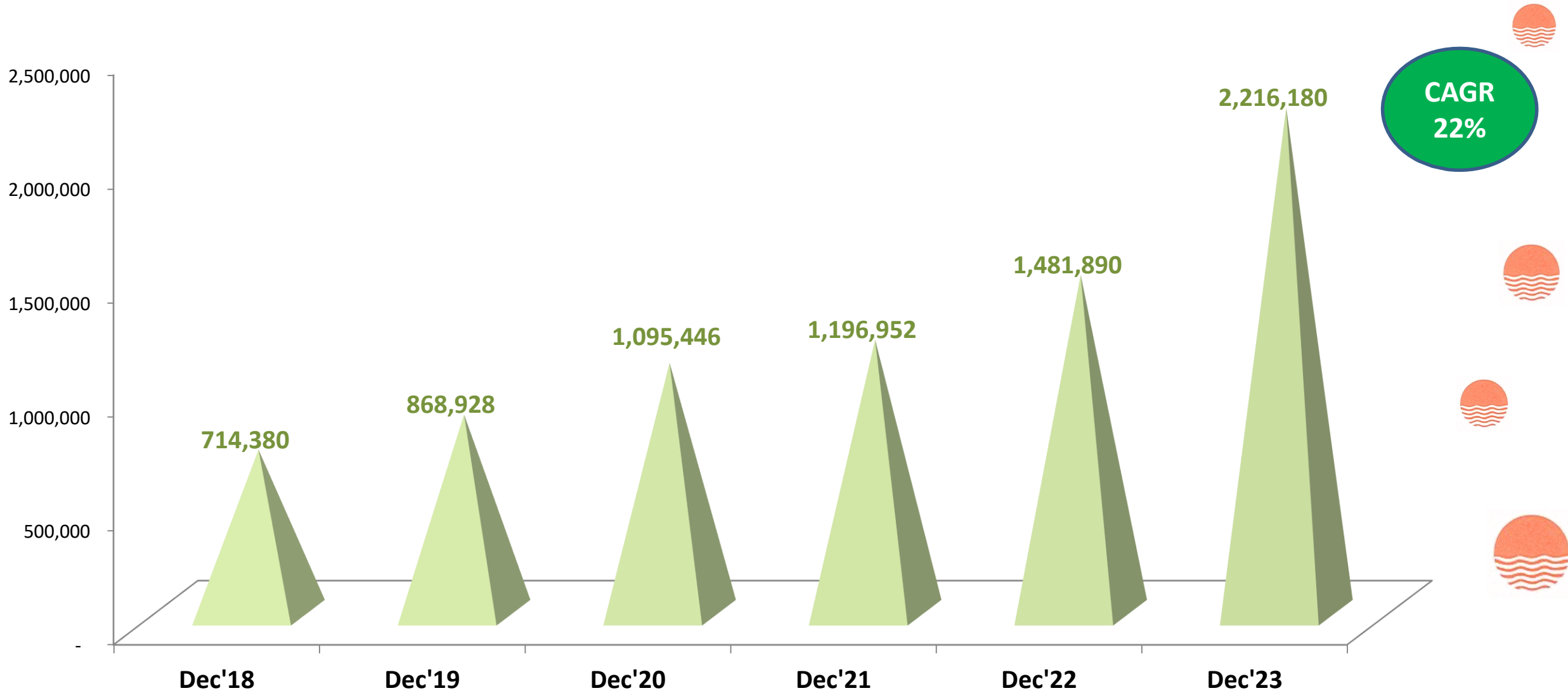


# Growth Trends (2018-2023)

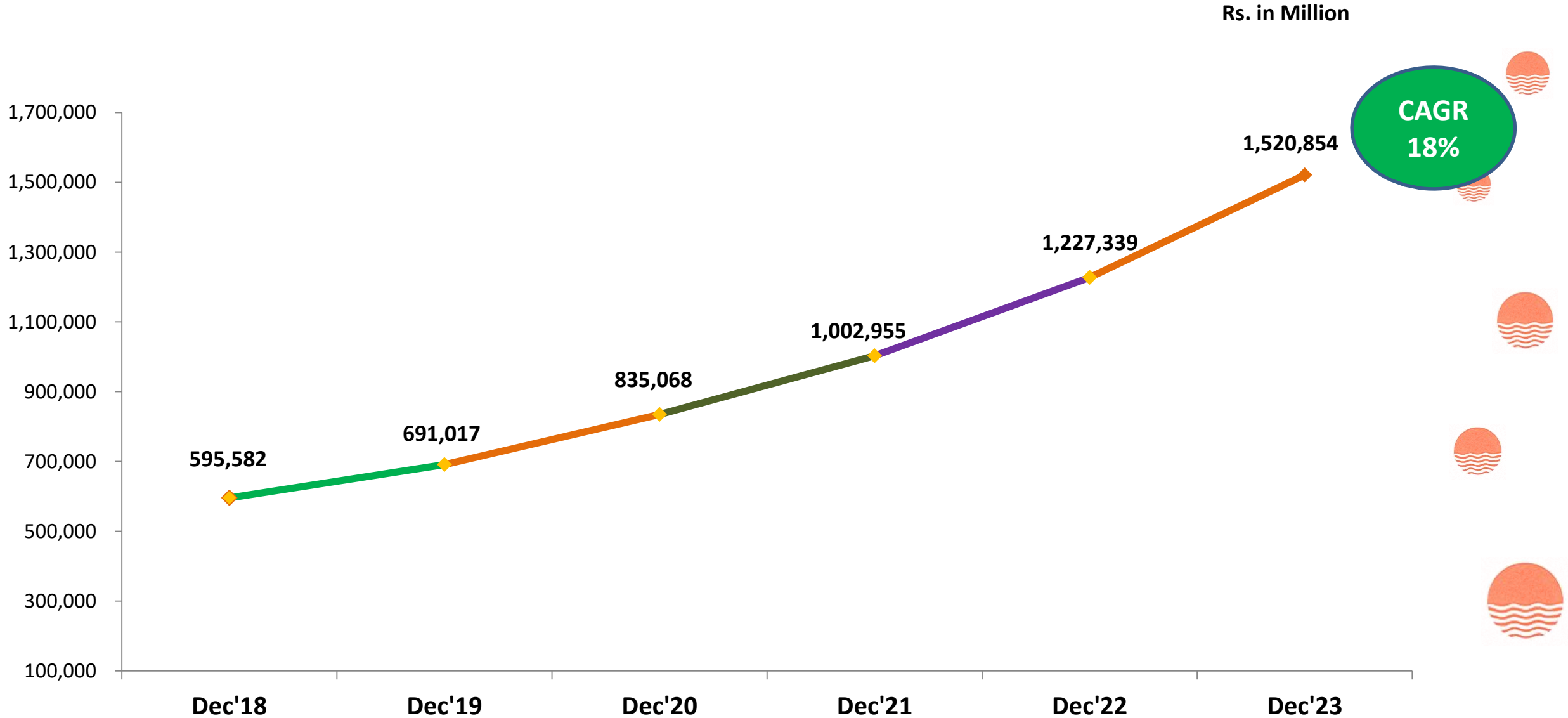


# Total Assets

Rs. in Million

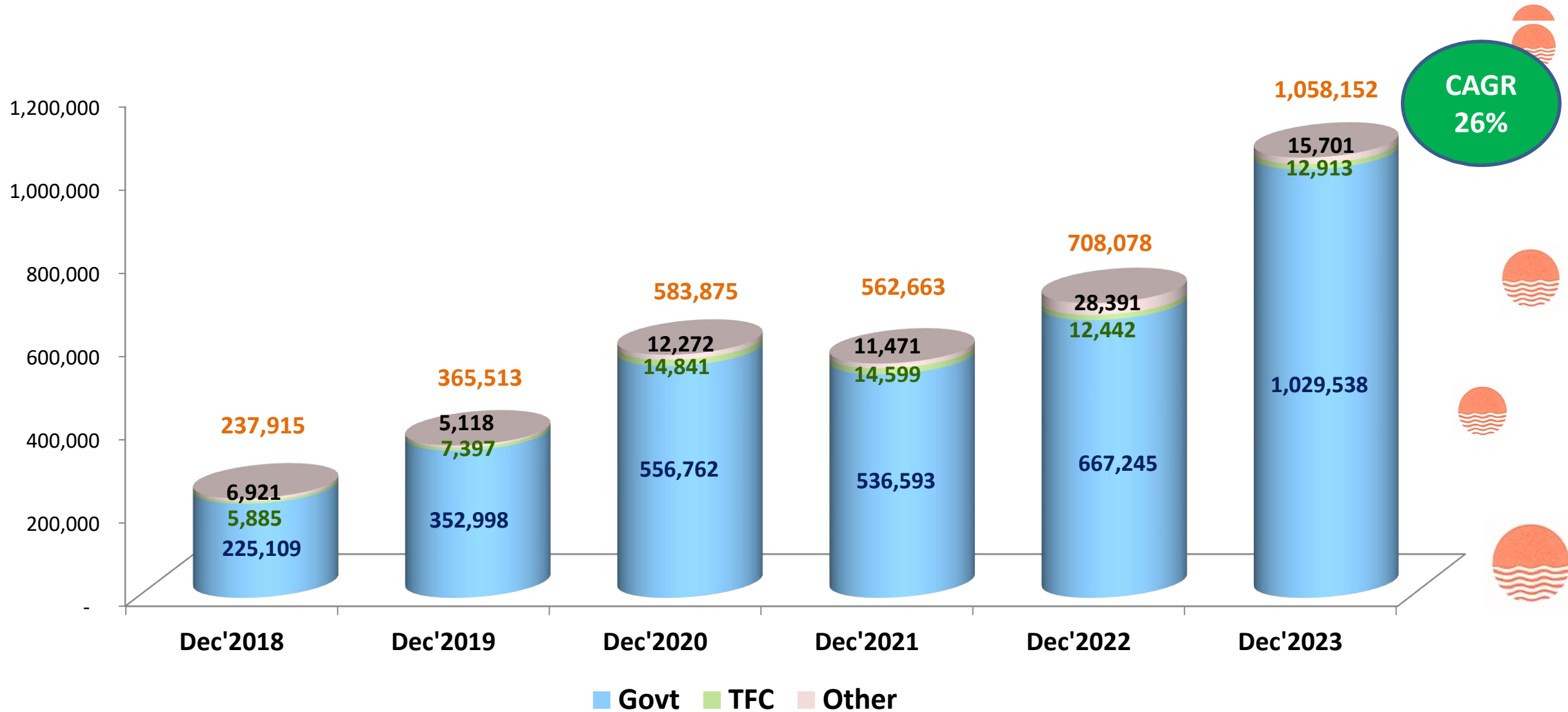


# Deposits



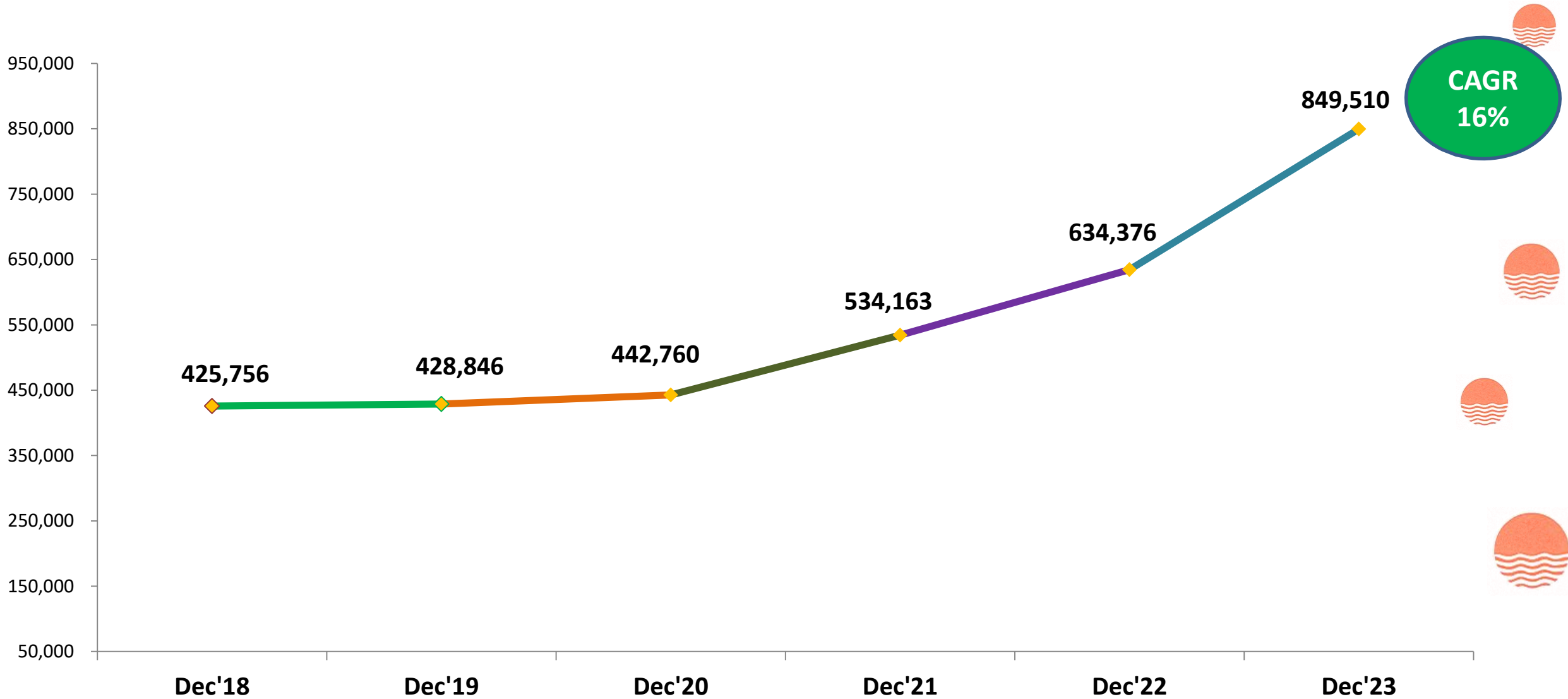
# Investments (including Lending to FIs)

Rs. in Million



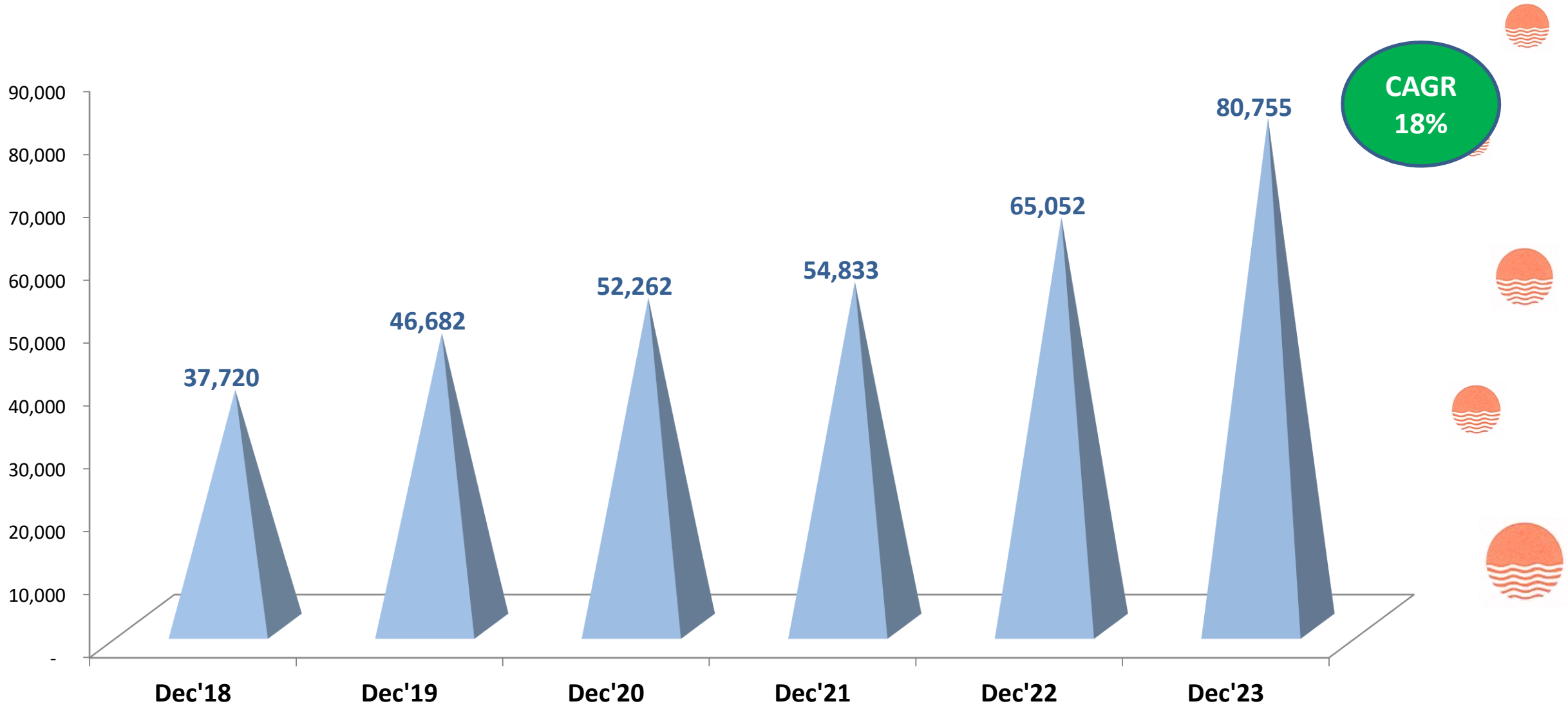
# Advances (Gross)

Rs. in Million



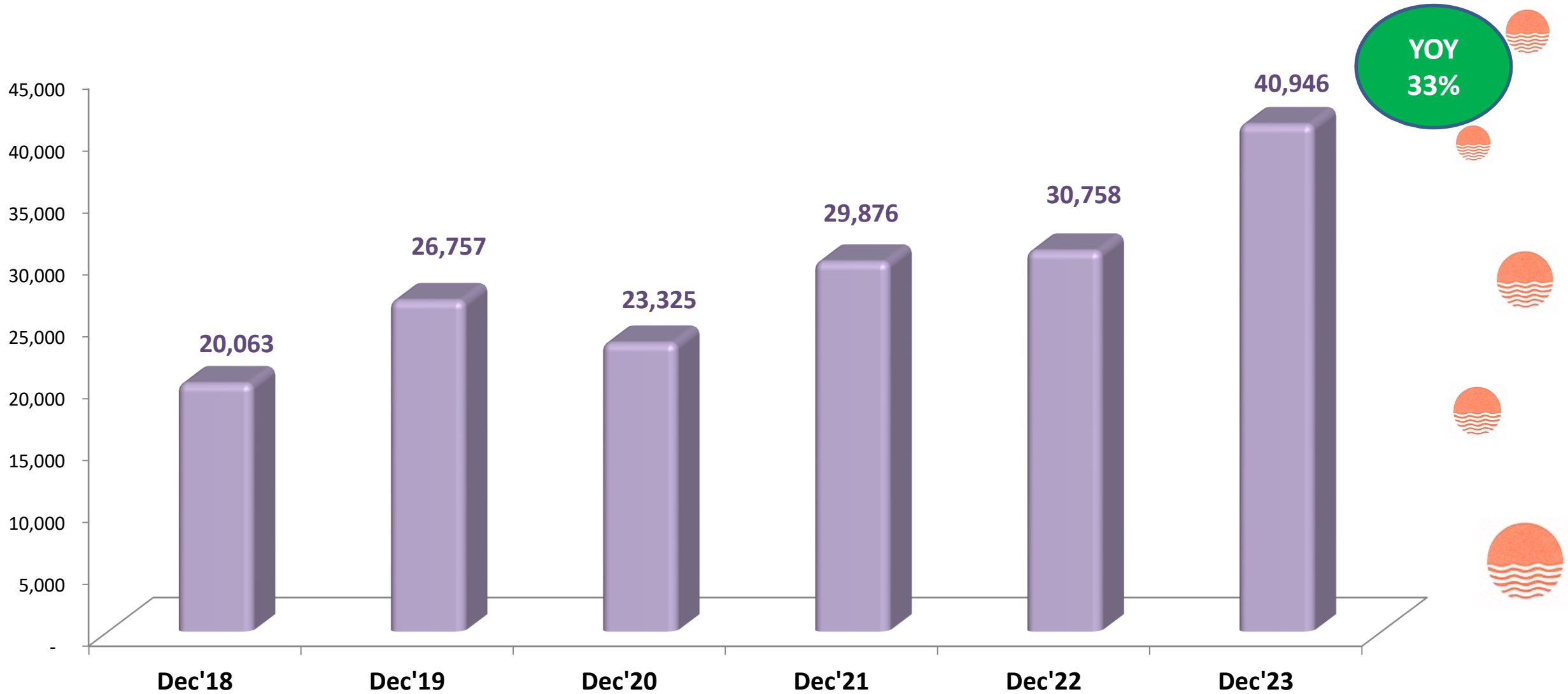
# Total Equity

Rs. in Million



# Net Interest Margin

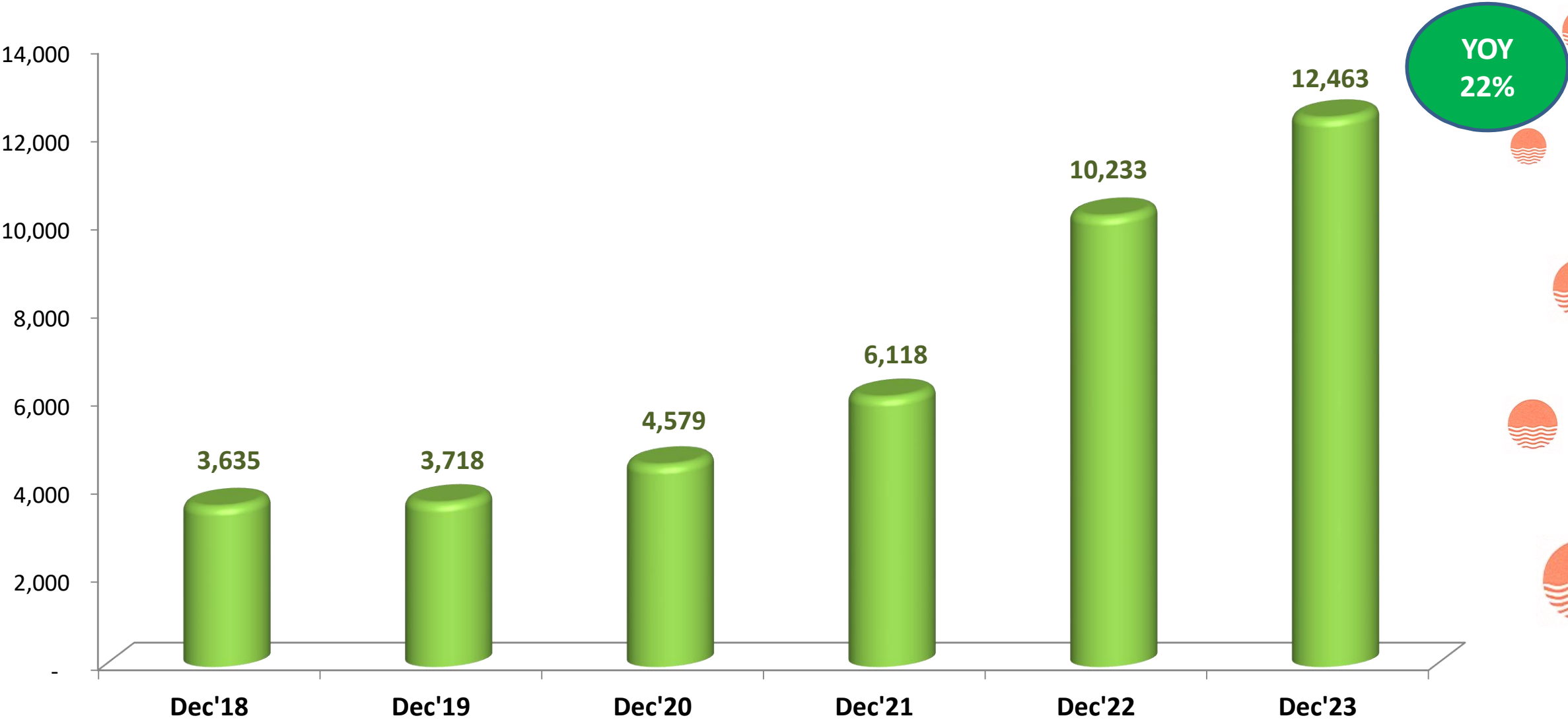
Rs. in Million





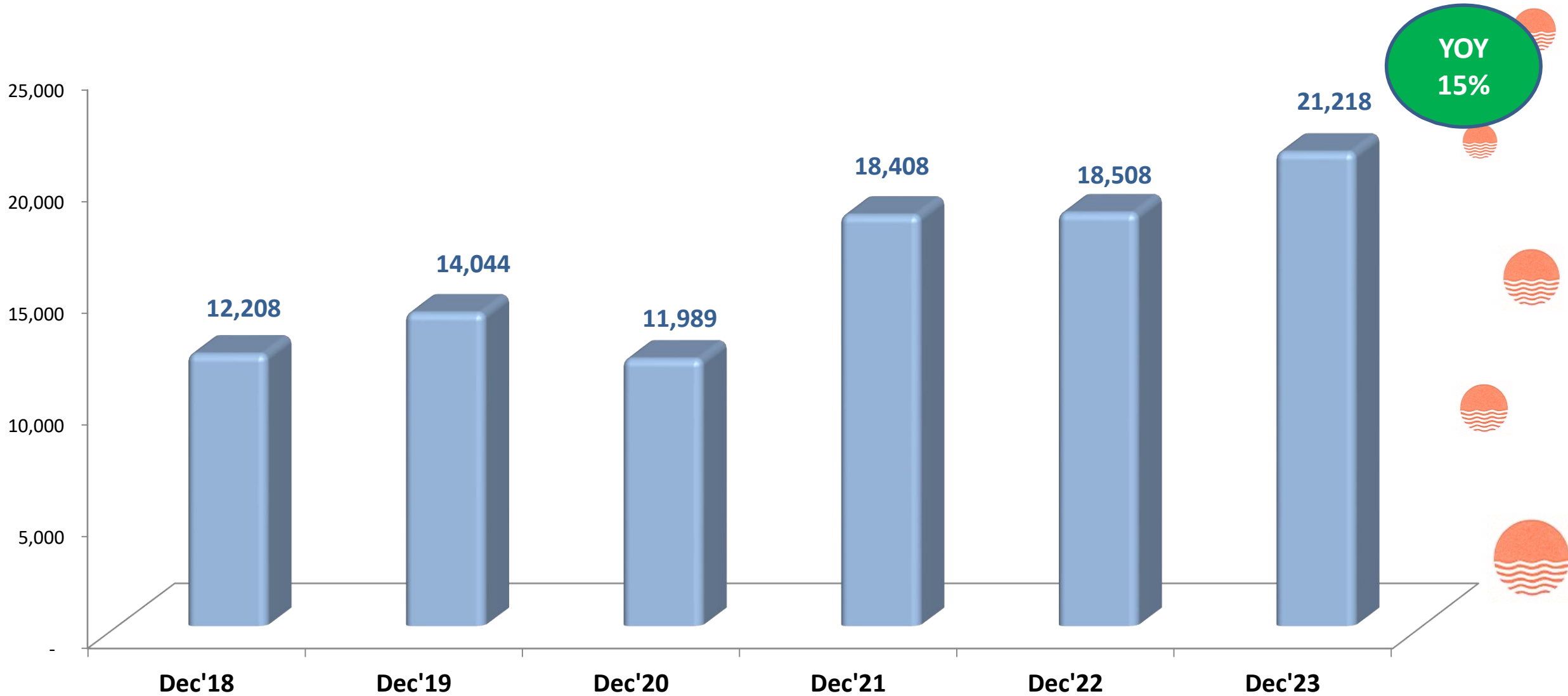
# Non Mark-up Income (Excluding Gain on Securities)

Rs. in Million



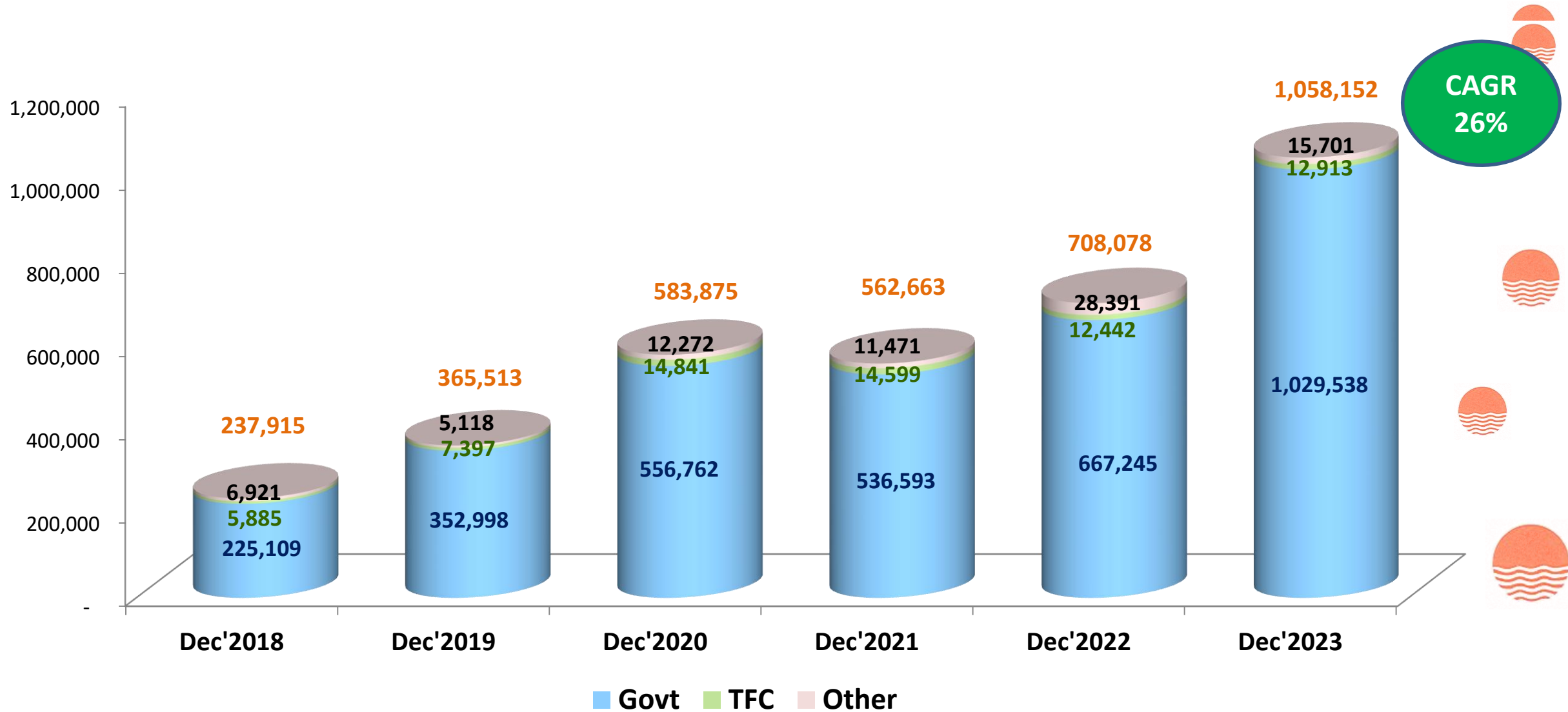
# Profit / (Loss) Before Tax

Rs. in Million



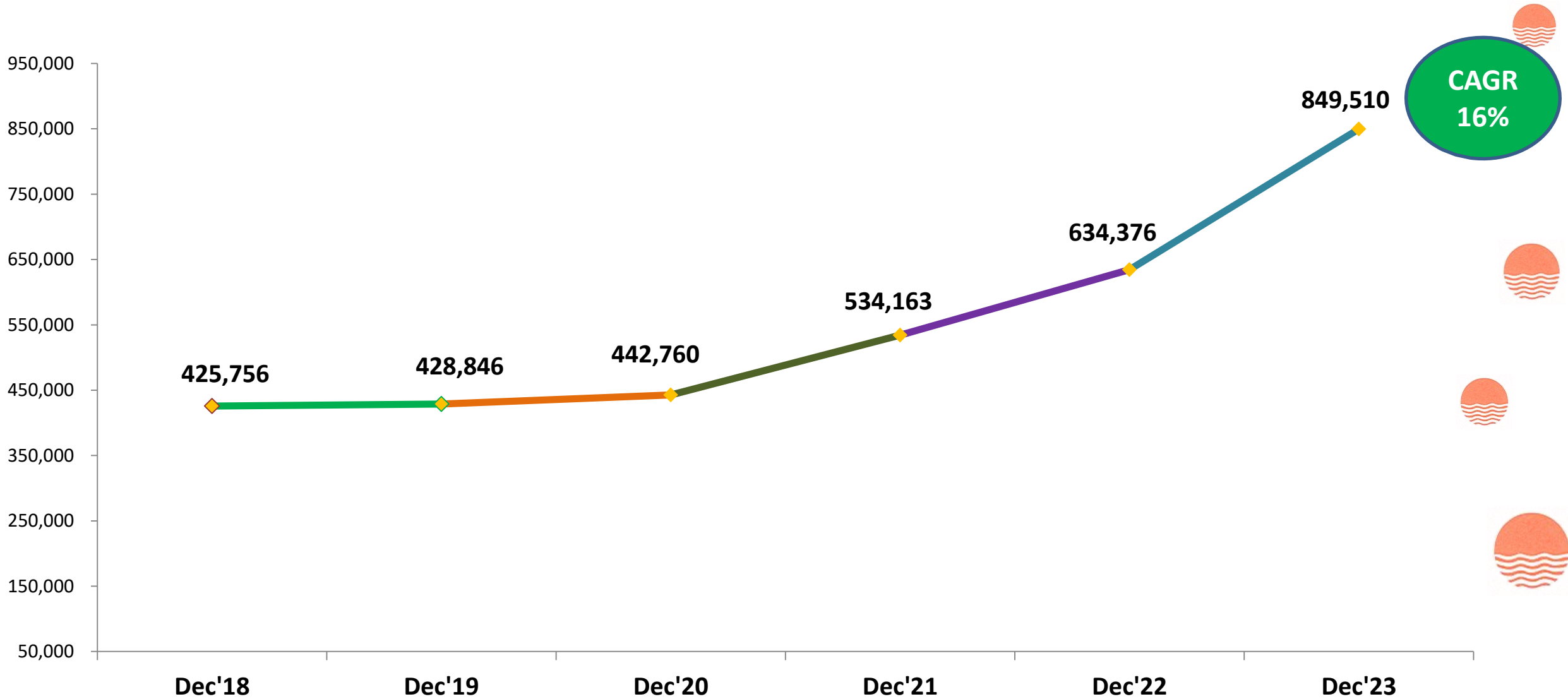
# Investments (including Lending to FIs)

Rs. in Million



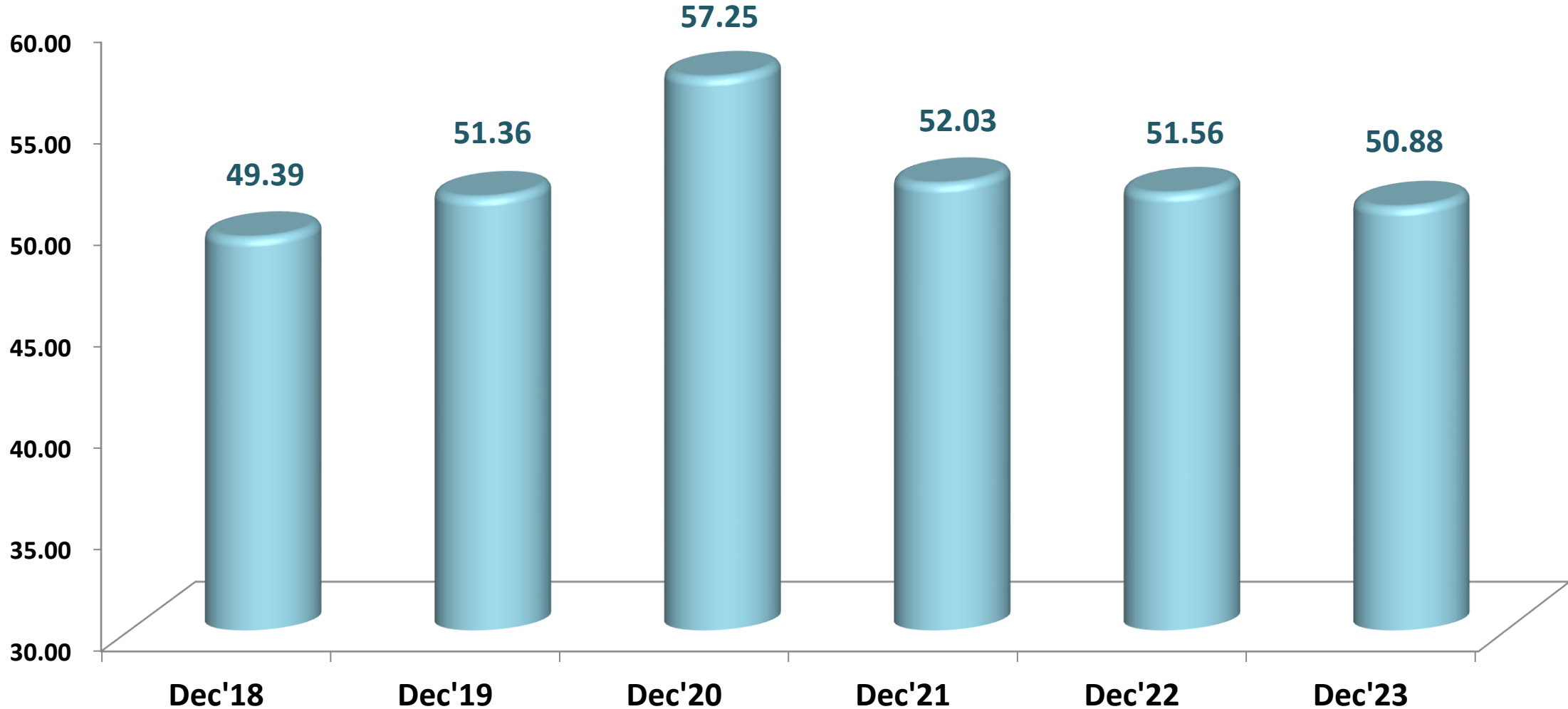
# Advances (Gross)

Rs. in Million



# Non-Performing Loans (Gross)

Rs. in Billion



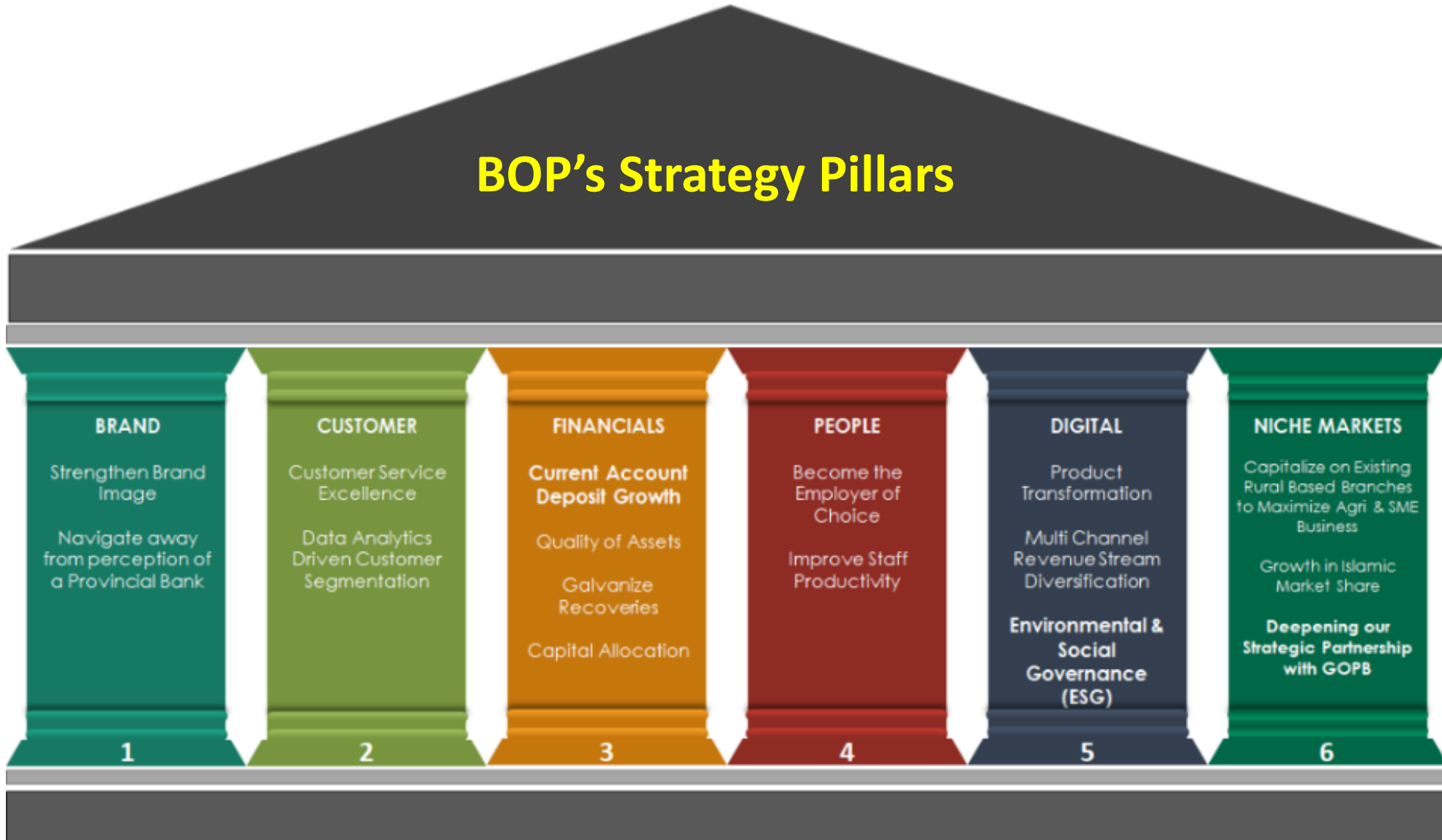


# Future Strategy (2024-2026)



# Future Strategy (2024-2026)

## BOP's Strategy Pillars



# Future Strategy (2024-2026)

## Key Focus Areas for 2024-26 Strategy

### Current Account Growth

- Strategy involves all businesses utilizing **cross-functional synergies** to achieve the **targeted growth in Current Deposits**. CBG, Islamic Banking Group (IBG), PSSD, CIBG and DBG – all have been assigned ambitious growth targets to achieve this objective. Relevant enablers have been identified and incorporated into business strategies to make this possible.

### Digitization

- **Digital Banking Group (DBG) a Profit Center** with new revenue generation lines. Following are the **new lines of business** that are projected to gain traction over next 3-year horizon (2024-2026):
  - P2P Wallets, Digital Accounts, Payroll & Remotely Opened Accounts
  - Float income
  - Fee Income
  - Digital Lending (Nano / Consumer Lending up to a pre-determined threshold on a Use Case Basis)
  - Cost Save from conversion of Branch banking transactions/customers to Digital platform.
  - 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.





## Key Focus Areas for 2024-26 Strategy

### Environmental & Social Governance (ESG)

- Bank's Strategy aims to adopt, promote and implement a **Green & Safe workplace**, and **fulfill our economic and social responsibilities towards our clients, communities, and the ecosystem.**

### Efficient Capital Utilization

- Bank's Strategic Initiatives shall help in instituting a **robust Capital Allocation Model**, and making optimal risk / reward tradeoffs.
- A **prudent Capital Management Strategy** shall enable BOP to build adequate buffers above the minimum regulatory requirements of Capital Adequacy Ratio (CAR), Leverage Ratio (LR) and Liquidity Coverage Ratio (LCR), to absorb unexpected / unforeseen losses.
- The Bank shall **proactively manage risks to BOP's Balance Sheet** including Liquidity/Debt restructuring, IFRS implementation, Interest Rate Risk & Credit Risk (NPLs).



## Key Focus Areas for 2024-26 Strategy

### People Focus

- The Bank shall continue to strengthen a **Pay for Performance culture** that is necessary for motivating employees to achieve their performance goals.
- BOP will strive to **establish a state of the art Training Academy** in alliance with international or local universities such as LUMS or IBA to continue to foster an ongoing Learning & Service Culture.

### Niche Markets

- BOP will materialize **large scale Agri & SME use cases**
- By 2026, more than half of BOP network shall be **Islamic or with IBWs**
- **Leveraging GoPb relationship** remains a huge business opportunity for **niche businesses like Agri, SME & ESG.**
- **Existing subsidiaries and new ventures** such as Exchange Company & Insurance Company present strategic opportunities for BOP.



**Thank You**

