



GROWTH
Our Vision.
Our Mission.

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



CORPORATE BRIEFING SESSION

MARCH 01, 2021

Banking on Principles



THE BANK OF PUNJAB
www.bop.com.pk 111-200-100

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Introduction











Introduction

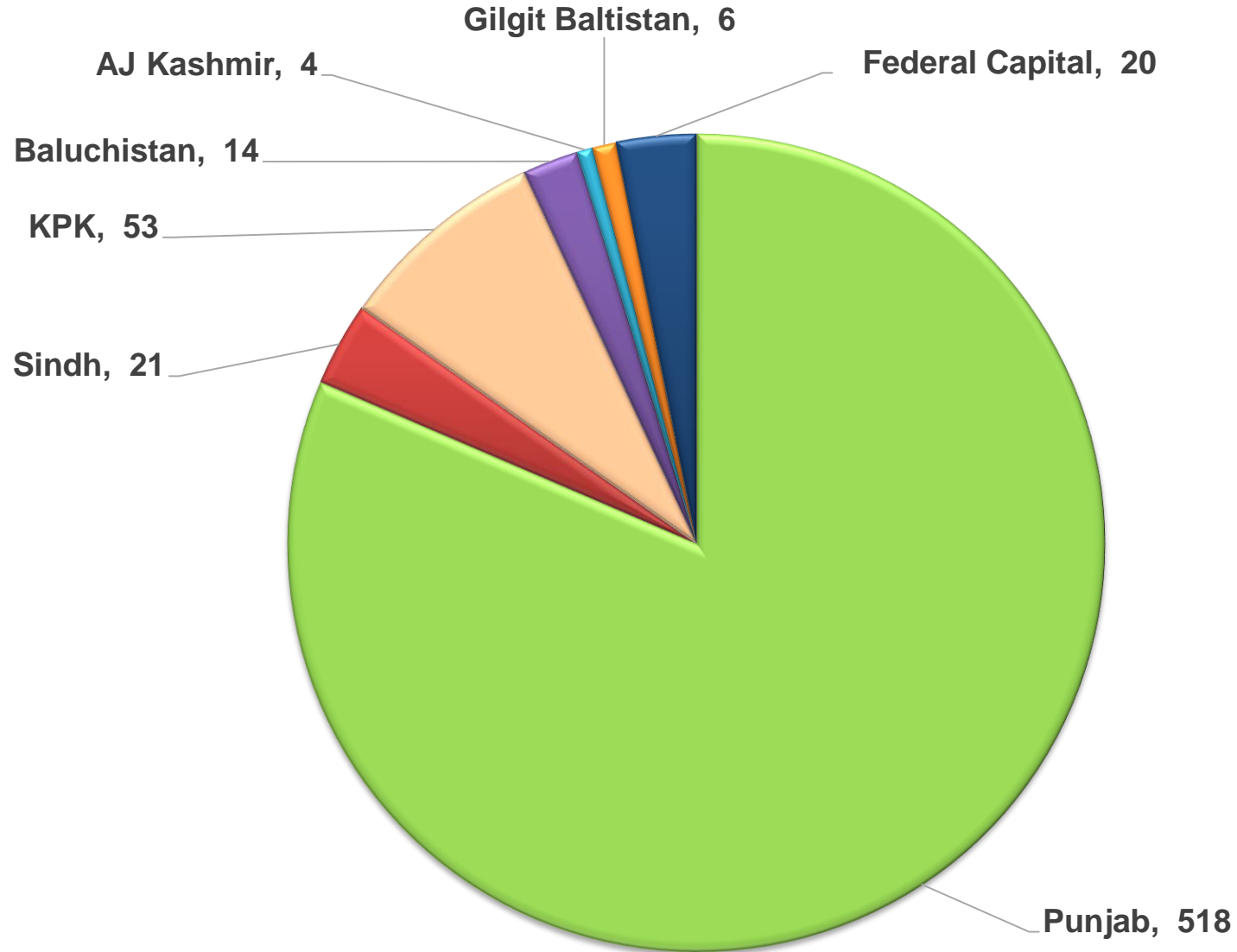
👉 Commencement of Operations	1989
👉 Head Office	Lahore
👉 Major Sponsor	Government of the Punjab (57.47%)
👉 Authorized Capital	Rs. 50 Billion
👉 Paid up Capital	Rs. 26.4 Billion
👉 Credit Rating (Long Term/Short Term)	AA/A1+
👉 Branches *	Conventional : 532 Islamic : 104

*including 18 Sub-Branches.

Introduction Contd...

 ATMs	588
 Cities Covered	360
 Market Share	4.5% of Deposits
 Total Assets	Rs. 1,095 Billion
 Deposits	Rs. 835 Billion
 Net Advances	Rs. 391 Billion
 Capital Adequacy Ratio	16.23%
 Staff Strength (own)	9,967

Branch Network 31.12.2020





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



Development on Regulatory Front

	31-Dec-2020	31-Dec-2019
Capital Adequacy Ratio (CAR)	16.23%	14.80%
Leverage Ratio (LR)	3.21%	3.57%
Liquidity Coverage Ratio (LCR)	139.32%	117.91%
Net Stable Funding Ratio (NSFR)	125.82%	107.33%



Key Performance Highlights – Year 2020



- 👉 During the year 2020, Balance Sheet grew by 26% as against 22% in year 2019 and crossed level of Rs. 1.0 Trillion.
- 👉 Deposits touched level of Rs. 835.1 Billion as against Rs. 691.0 Billion as on December 31, 2019, registering a rise of 21% as against 16% in year 2019.
- 👉 During the year, in addition to general provision of Rs. 3.3 Billion, specific provision against advances amounting to Rs. 4.8 Billion has been recorded in books including Rs. 1.7 Billion on account of subjective classification on self-assessment basis first time in the history of the Bank.



- ➡ During the year, provision against advances amounting to Rs. 2.1 Billion has been reversed on account of recovery/regularization of NPLs of Rs. 2.4 Billion.
- ➡ In addition to above, on prudent basis, an amount of Rs. 3.3 Billion has also been made to cover future risk of Lending Portfolio.
- ➡ After Tax Profit for the year 2020 stood at Rs. 6.9 Billion as against Rs. 8.2 Billion during year 2019. Had the Subjective and General Provisions not been recorded, the Profit After Tax for year 2020 would have been higher by Rs. 1.7 Billion (20%) over year 2019 with growth of 8%.



- 👉 Bank's Capital Adequacy Ratio improved to 16.23% as against 14.80% as on December 31, 2019. Current level of CAR is 41% higher than the required level of 11.50% as prescribed by SBP.
- 👉 Book Value per share (excluding surplus on assets) improved to Rs. 17.52 as against Rs. 15.63 as on December 31, 2019.
- 👉 Cash Dividend of 10% for year 2020 (Rs. 2.6 Billion) paid by the Bank first time.
- 👉 Due cushion available to absorb impact of IFRS-9 to be implemented during year 2021.
- 👉 The Bank is ready to take impact of TSA as and when implemented by the GOPb either 100% or in a phased manner.



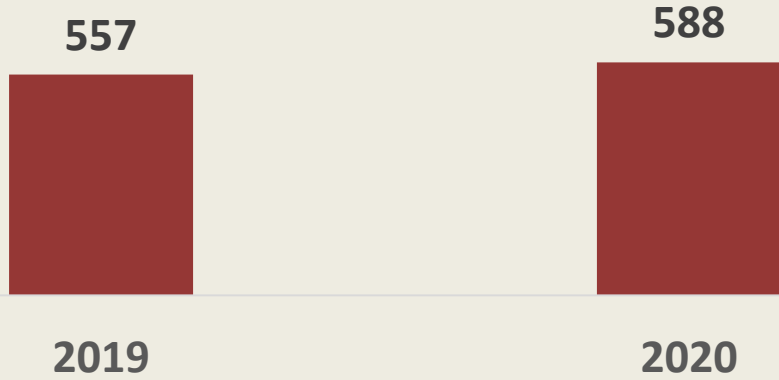
Balance Sheet Snapshot

	Rs. In Billion		
	Dec-20	Dec-19	Growth
➤ Deposits	835.1	691.0	21% ↑
➤ Borrowings	154.8	77.0	101% ↑
➤ Advances (Gross)	442.8	428.8	3% ↑
➤ Investments & Lendings	583.9	365.5	60% ↑
➤ Total Assets	1,095.4	868.9	26% ↑
➤ Shareholders' Equity	52.3	46.7	12% ↑
➤ Capital Adequacy Ratio	16.23%	14.80%	10% ↑

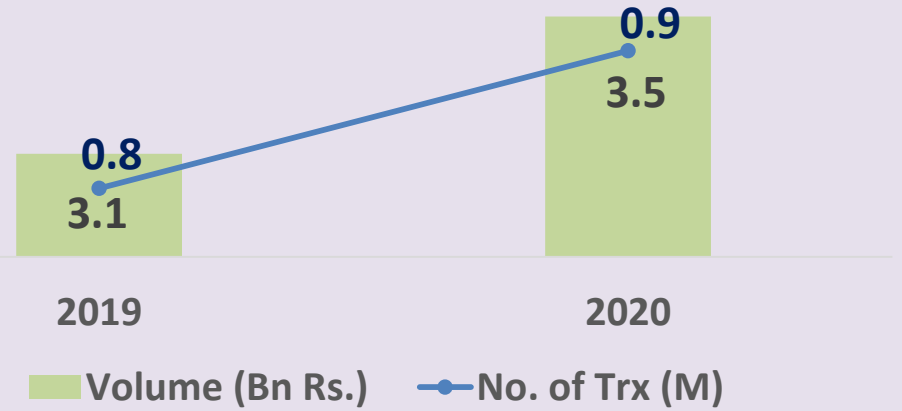


Digital Banking & Business Volumes

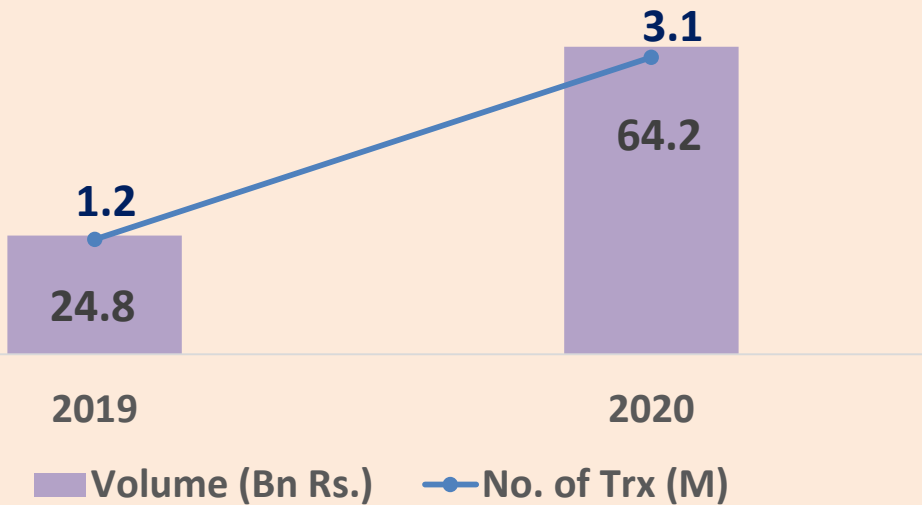
ATMs



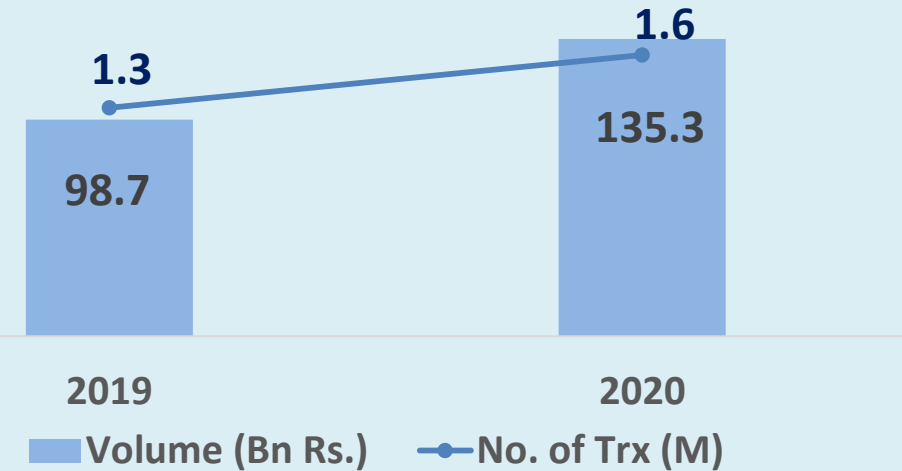
POS Transactions



Mobile Banking



Home Remittances



Other Key Initiatives during 2020

- Separation of **Operations Function from Business** and alignment of Organizational Structure to achieve set Strategic Objective of Sustainable Growth in all facets of operations.
- Strengthening of **Comprehensive Governance Structure** including Internal Control Function to ensure compliance with governing KYC/AML Regime. Control & Compliance Function regionalized for effective monitoring.
- **Technological advancements** with sizeable investment in new technologies to meet the modern business requirements.
- Comprehensive exercise through Consultancy Services has been initiated to revisit Bank's processes & controls in line with **COSO framework**.



Other Key Initiatives during 2020 Contd...

- Consequent upon migration of all Branches to new Core Banking System “Flexcube”, a detailed exercise for cleansing & enrichment of accounts’ data has been initiated.
- With a view to enhance Bank’s Islamic Banking Operations, process for opening of Islamic Banking Windows in Conventional Banking Branches has been started.
- Disbursement of financing facility for low cost housing.
- Disbursement of financing facility to eligible youth under Kamyab Jawan Scheme of Prime Minister of Pakistan under first loss guarantee from GOP of 40% on portfolio basis.
- The Bank has been appointed as Primary Dealer by SBP first time.
- Selection as member of KIBOR Banks.
- The Bank has become market maker for debt securities on PSX.

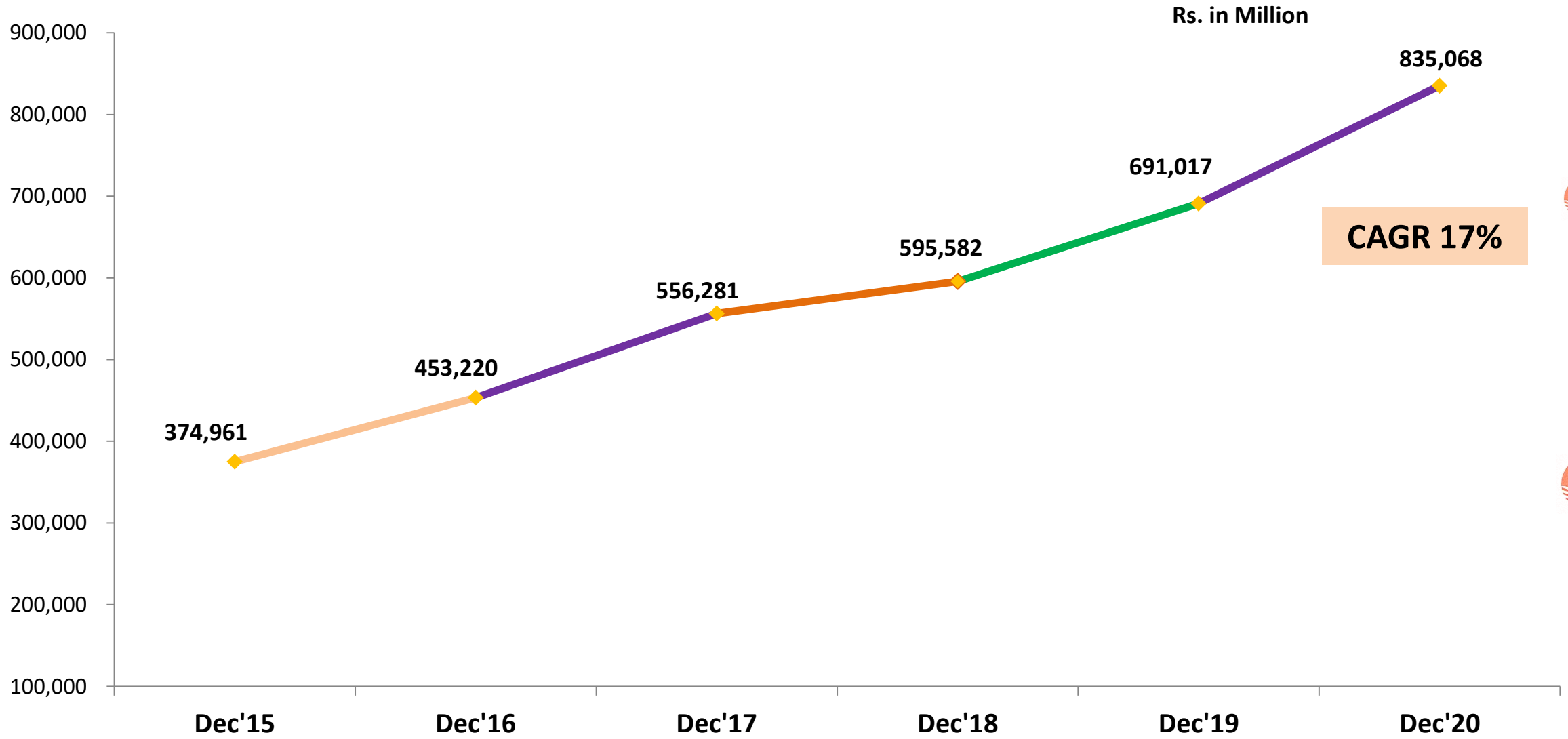




Growth Trends (2015-2020)

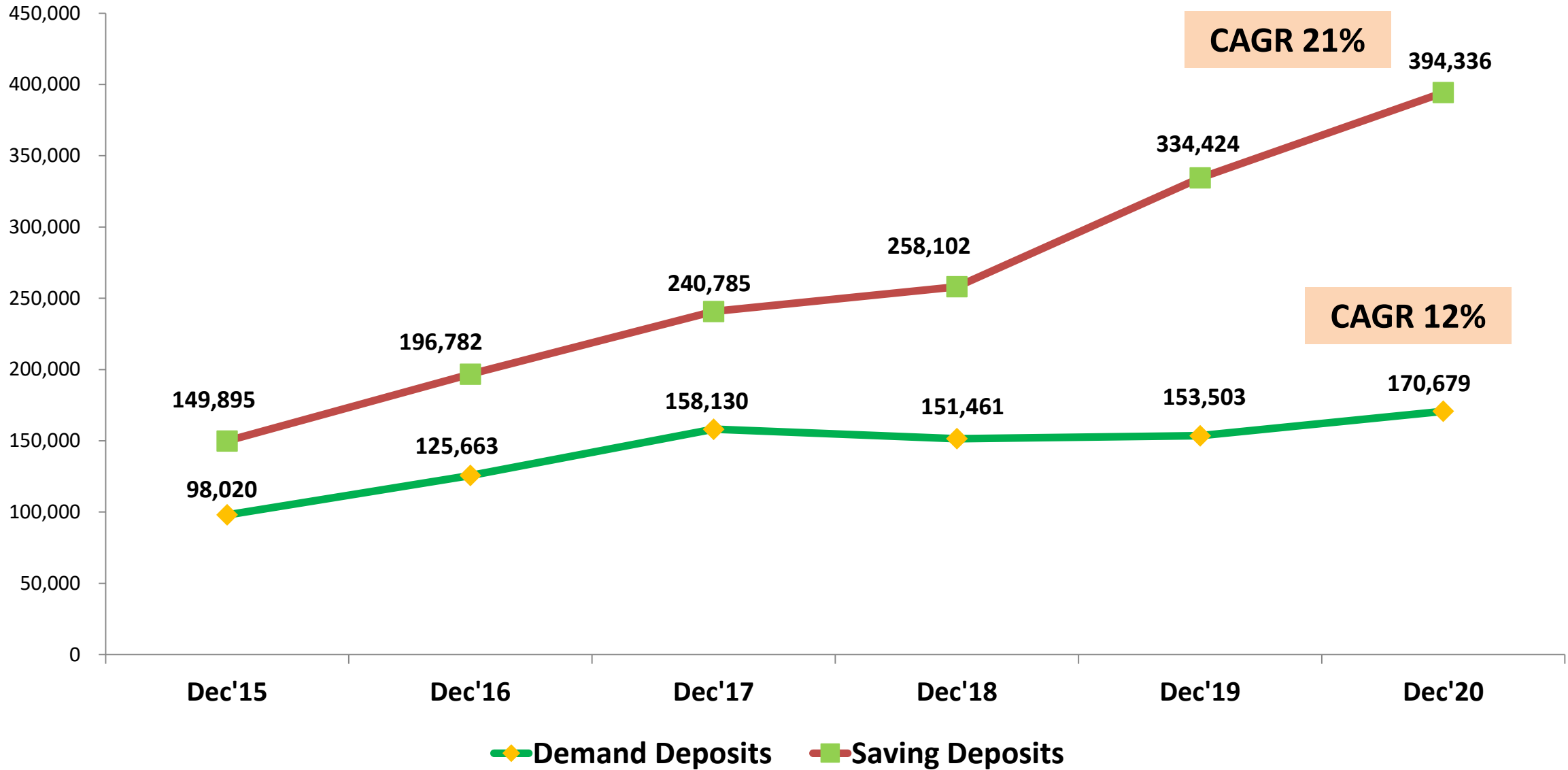


Deposits

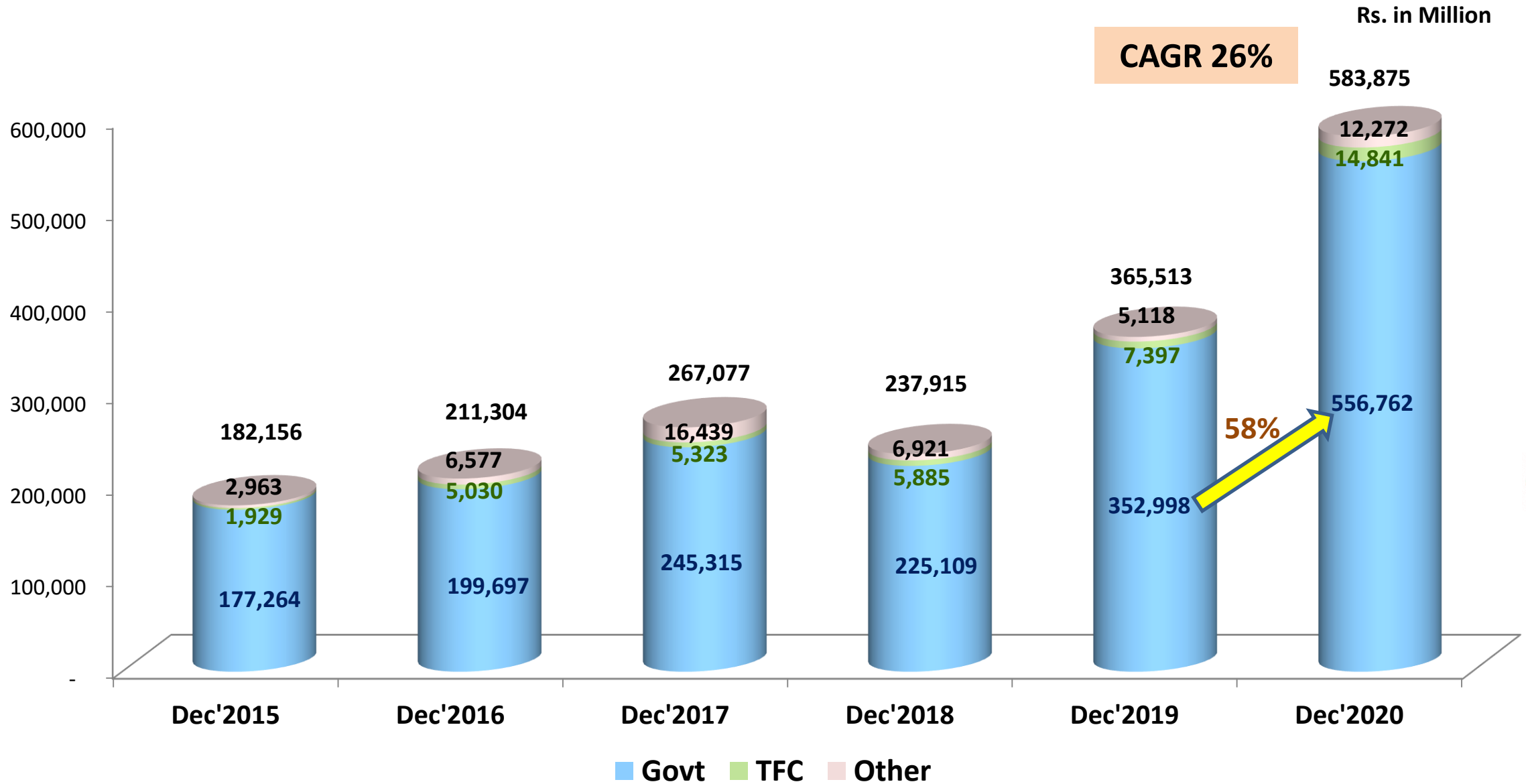


Demand & Saving Deposits

Rs. in Million

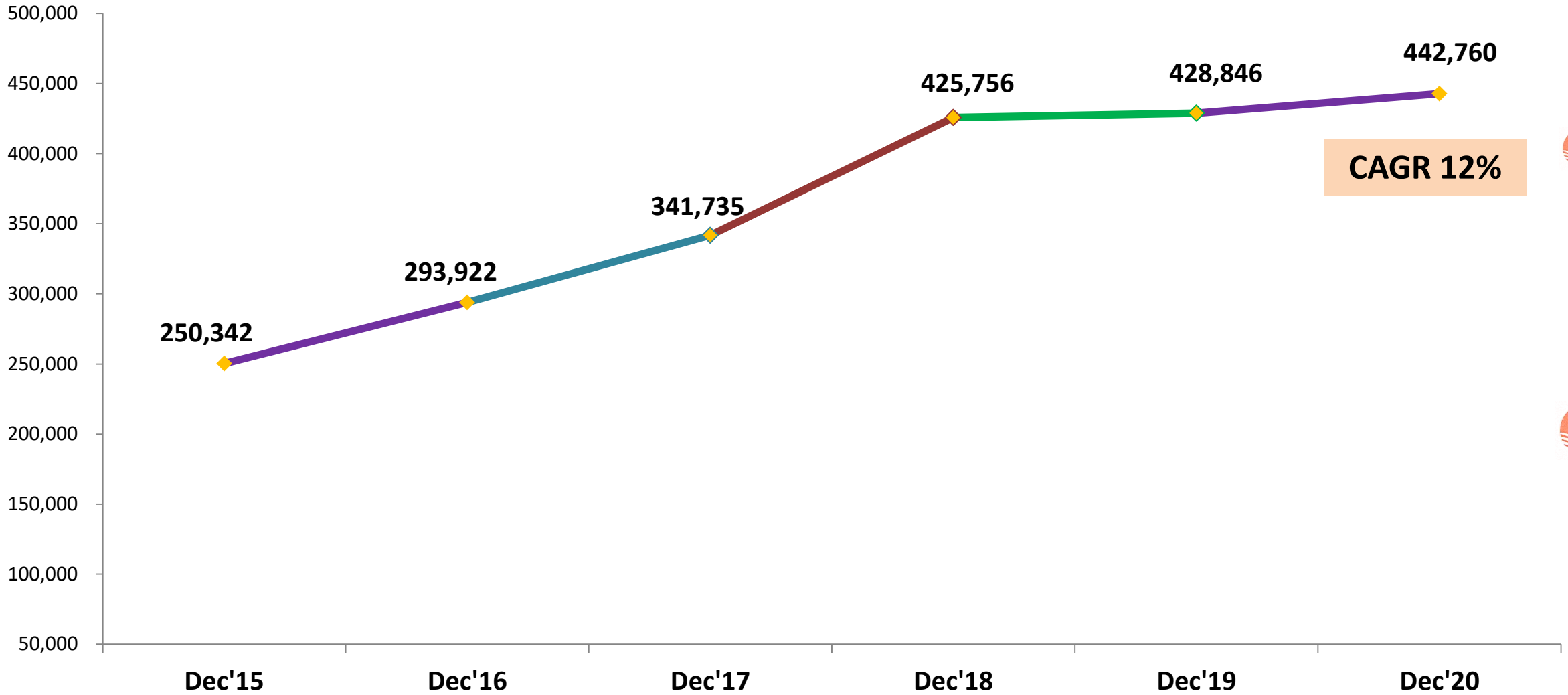


Investments (including Lending to FIs)



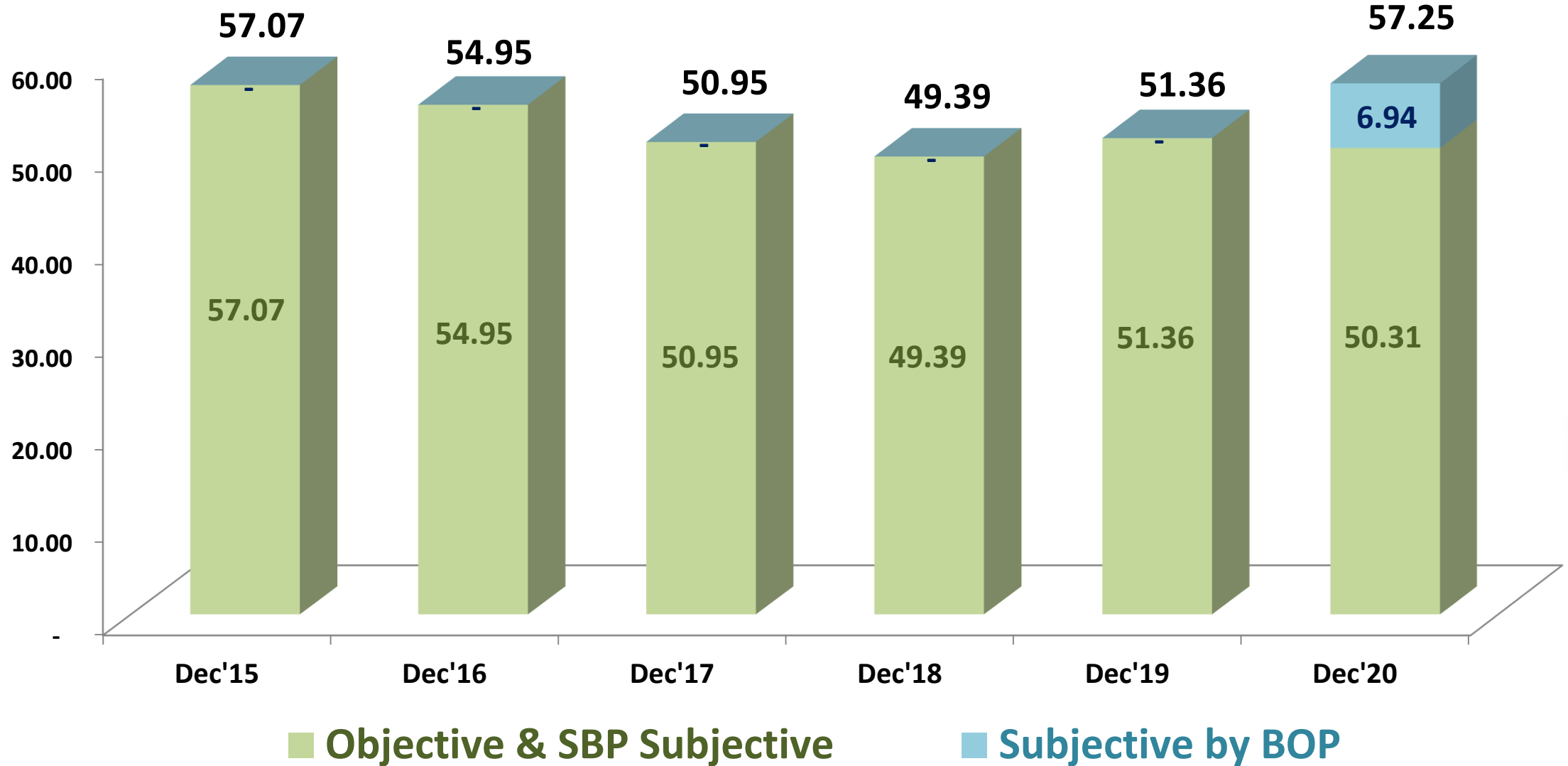
Advances (Gross)

Rs. in Million



Non-Performing Loans (Gross)

Rs. in Billion



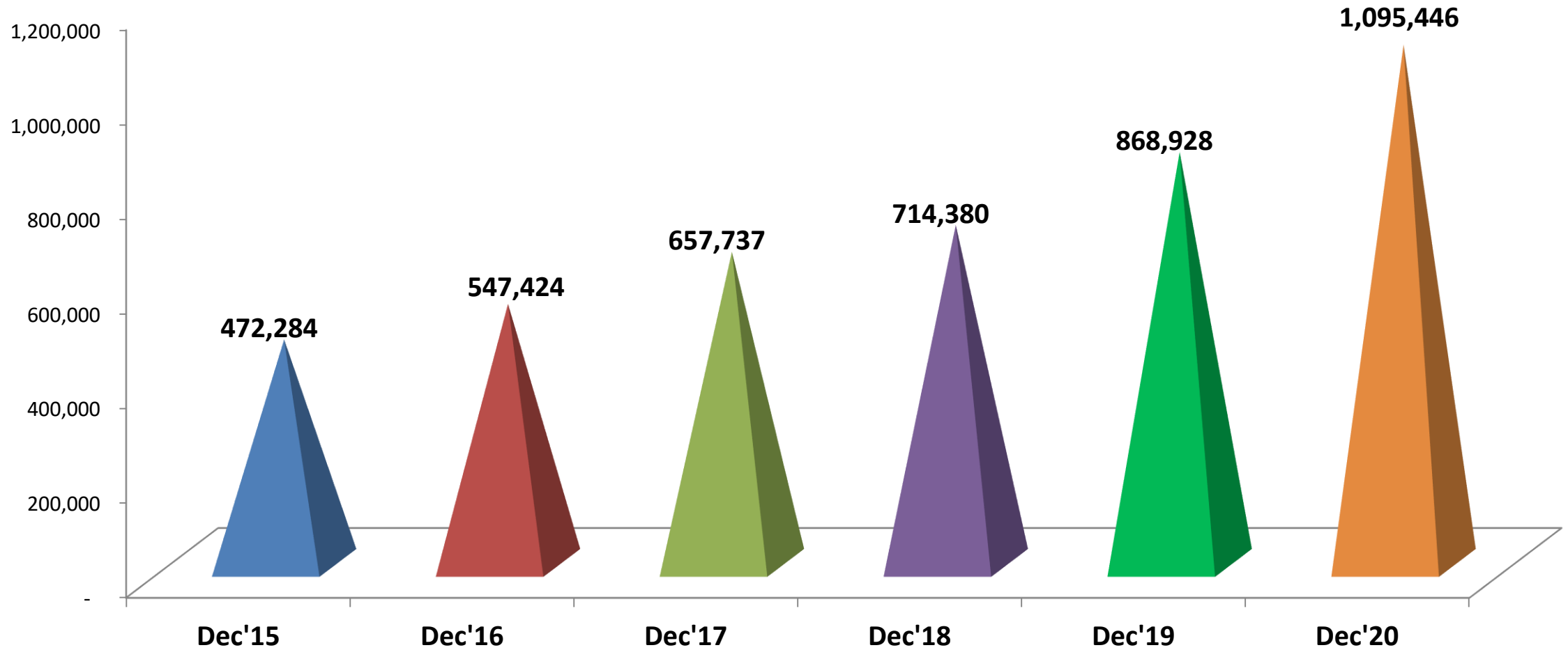
NPLs Movement : Year 2020

	Rs. in Million	
	Principal	Provision
Position as on 31.12.2019	51,363	45,533
Additions during the period-Objective	1,447	1,649
Additions during the period-Subjective	6,844	3,170
Gross Additions	8,292	4,818
Reversals during the period	(2,404)	(2,087)
Net Charge	5,888	2,731
General Provision	-	3,336
Position as on 31.12.2020	57,251	51,599

Total Assets

Rs. in Million

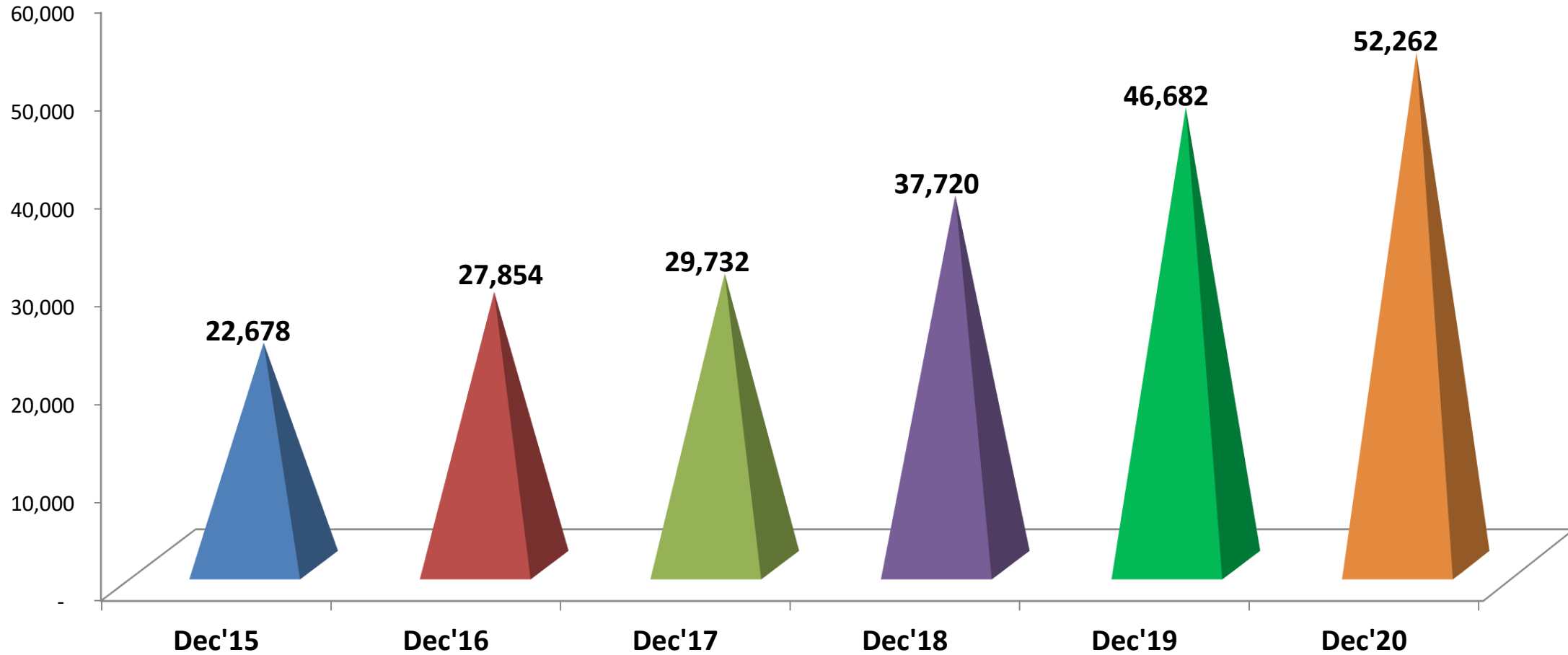
CAGR 18%



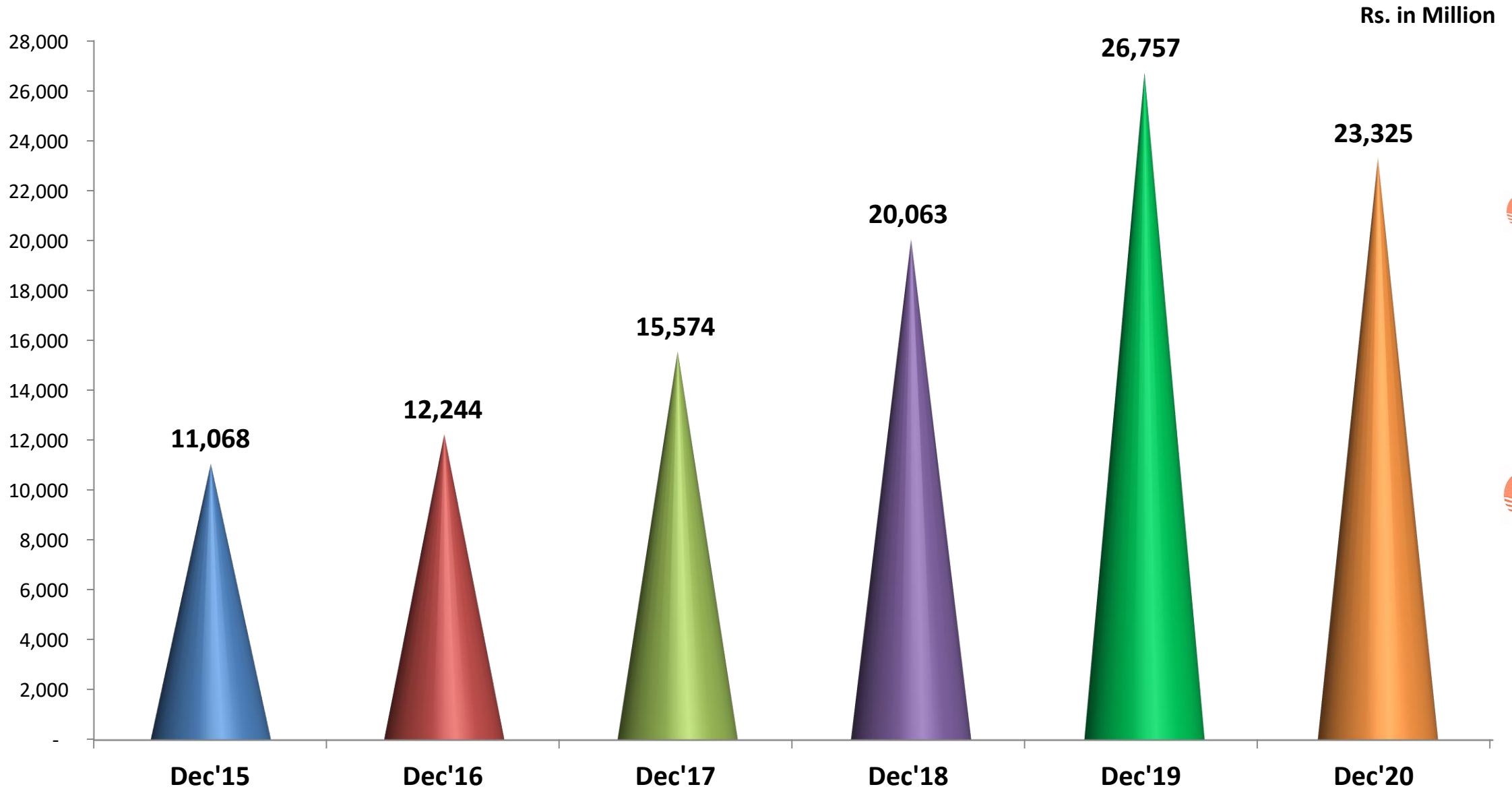
Total Equity

Rs. in Million

CAGR 18%

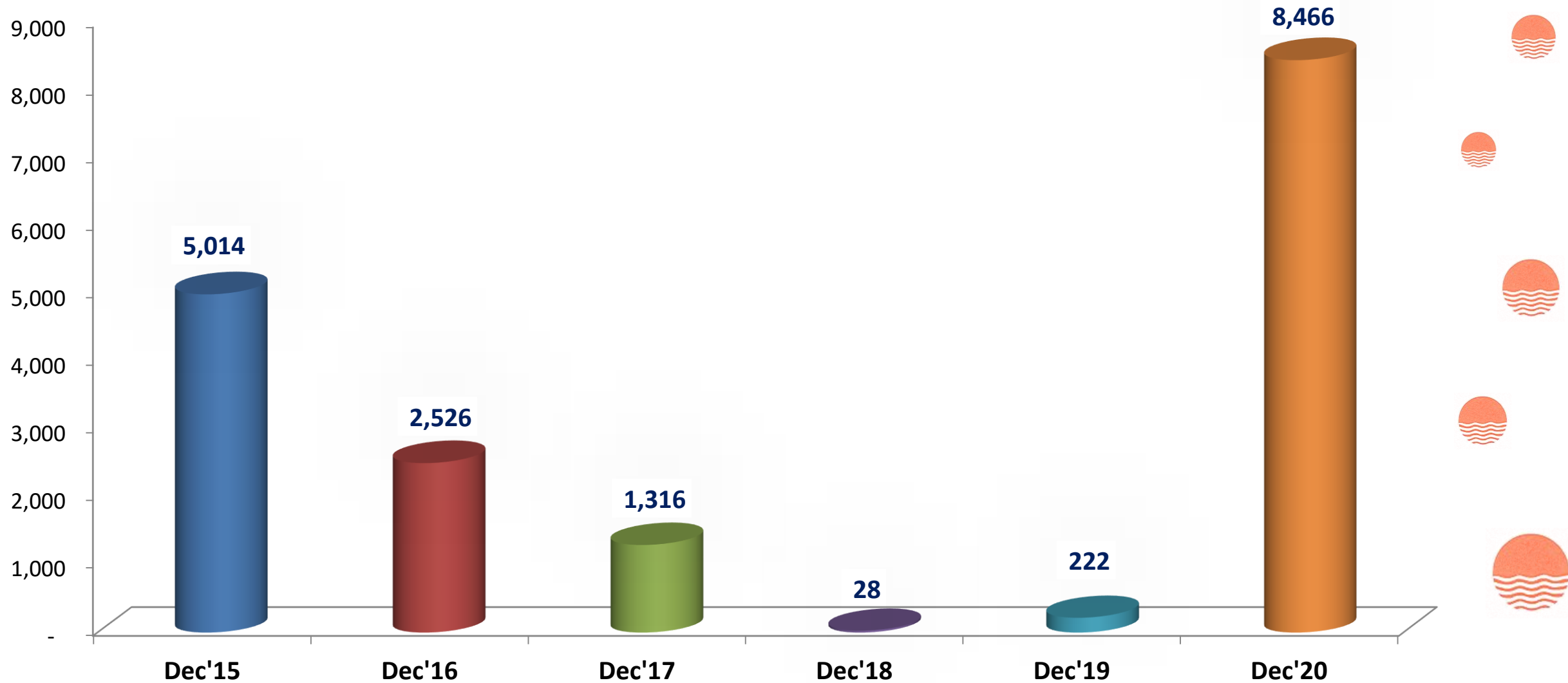


Net Interest Margin



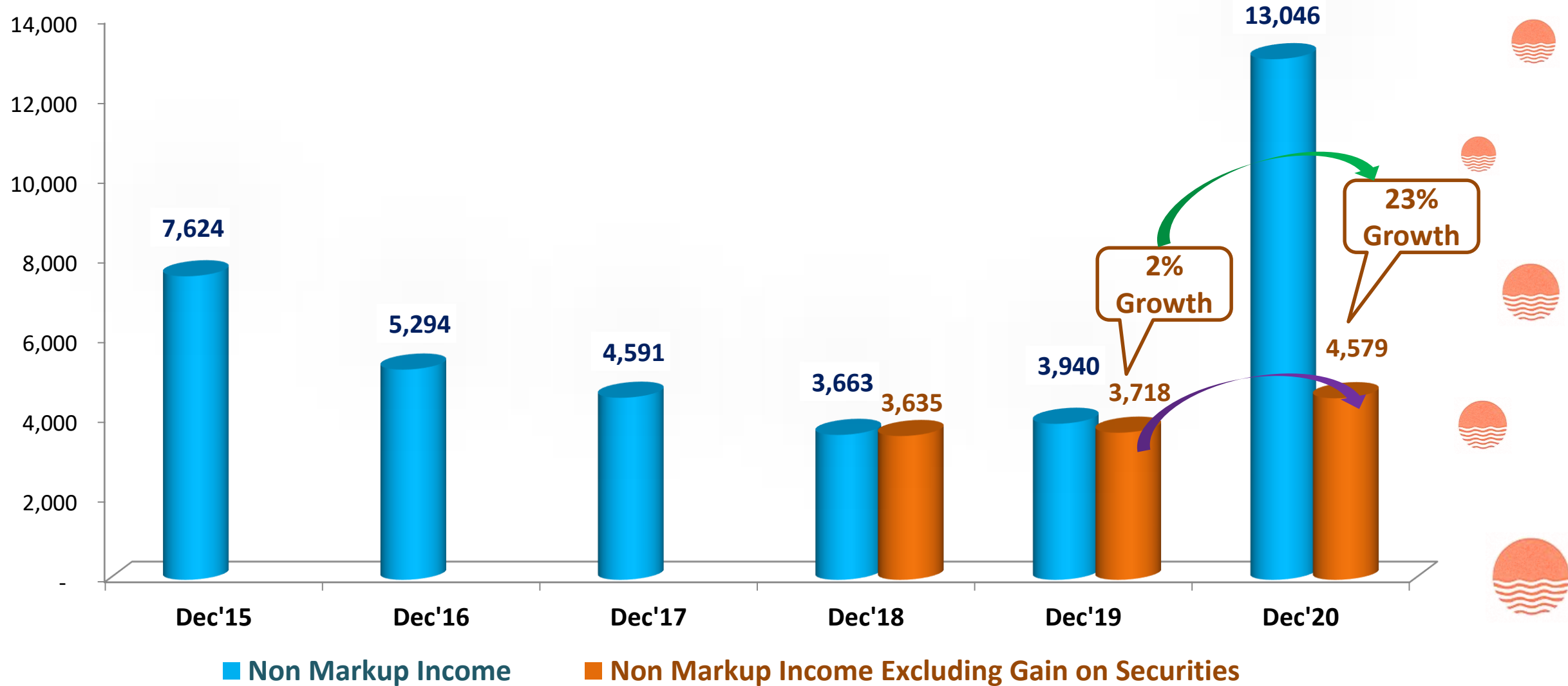
Gain on Securities-net

Rs. in Million

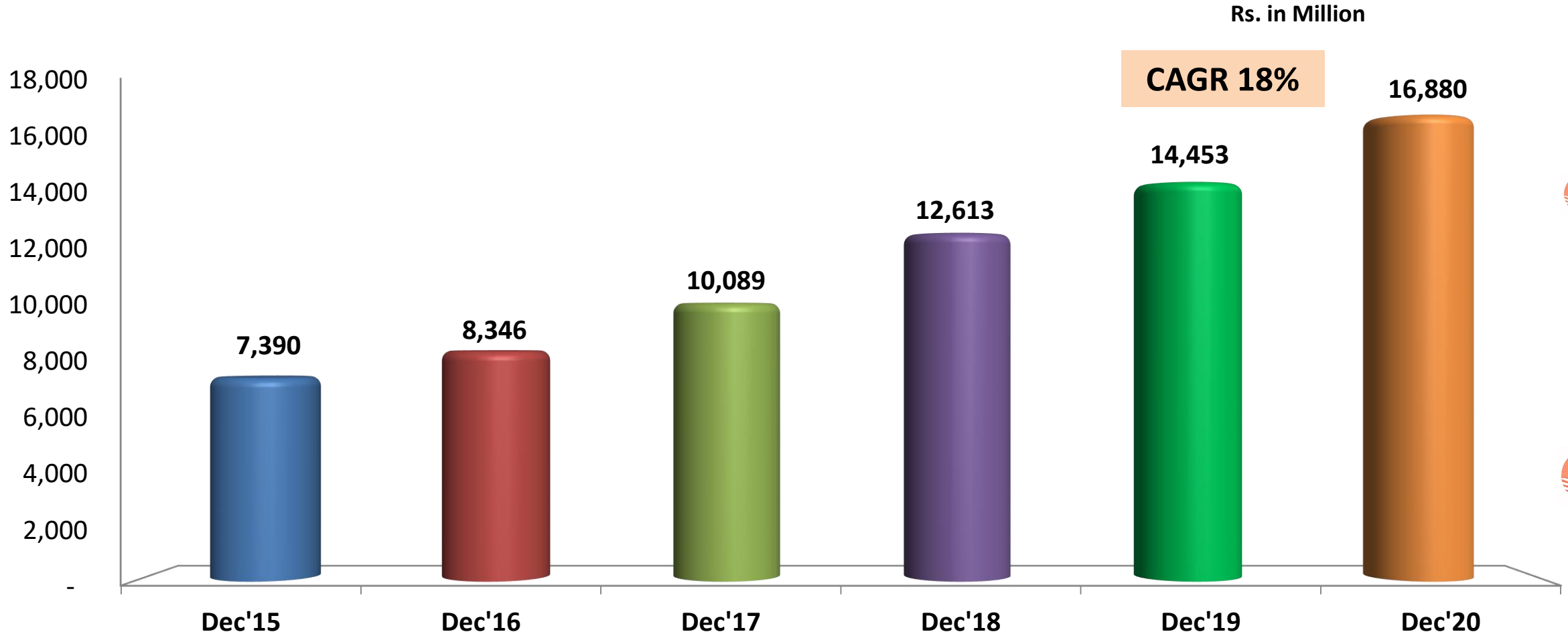


Non Mark-up Income

Rs. in Million



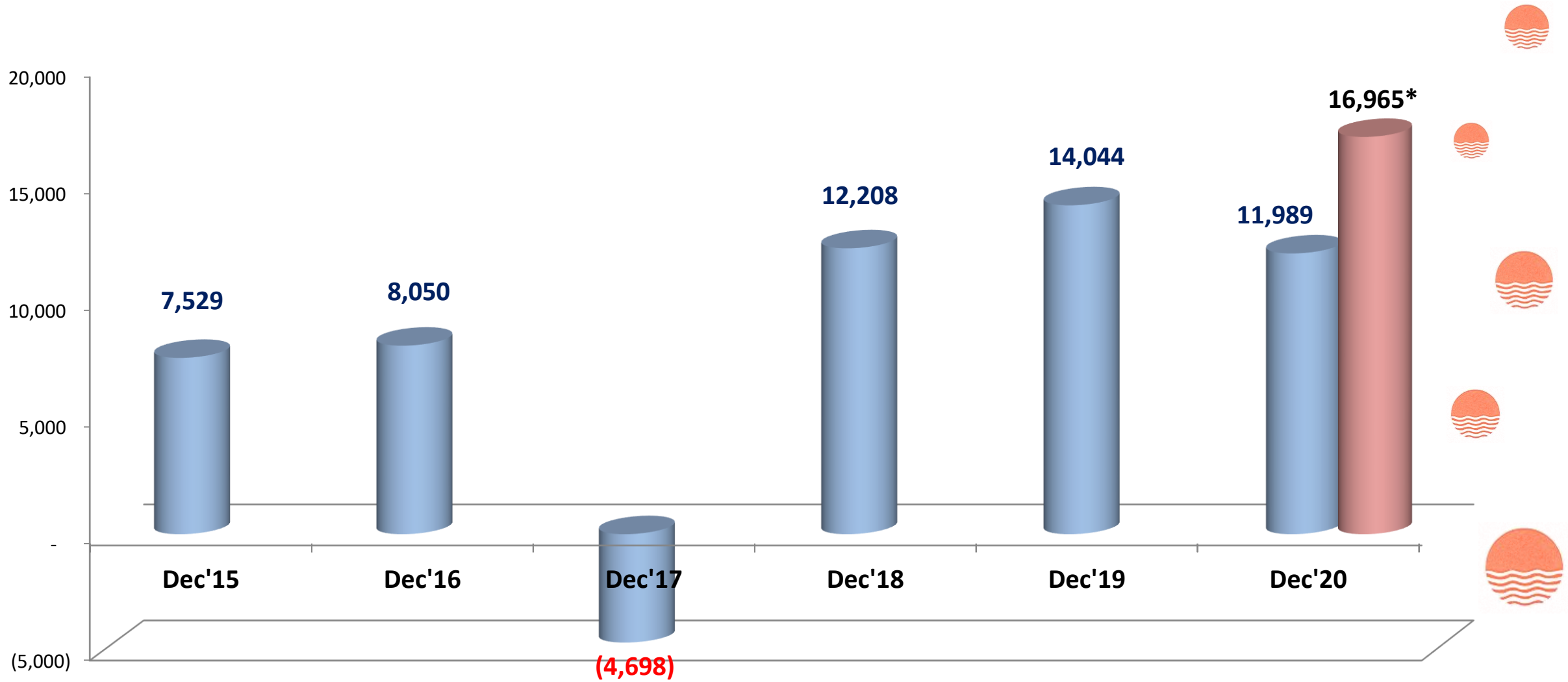
Operating Expenses



No. of Branches	406	453	536	576	624	636
No. of Staff (Own)	5,699	6,397	7,371	8,634	9,640	9,967

Profit / (Loss) Before Tax

Rs. in Million



** Excluding General & Subjective Provisioning*



Future Strategy (2021-2023)



Our Goals (2021-23)

To be amongst the **TOP 7 BANKS** in terms of customer deposits by 2023.

To **GROW BALANCE SHEET BY 70%** by December 2023.

To **INCREASE ROE TO 25%** by December 2023.

To **Significantly Enhance Customer Experience** through the use of our improved financial products and excellent customer service.

To become the **EMPLOYER OF CHOICE**, while ensuring the best interests of our employees.



Future Strategy (2021-2023)

- 
- Aggressive business growth with **minimum risk** and **ensuring compliance with governing regulatory regime.**

- 
- Enhanced footprint in the areas of **SME, Agri & Low Cost Housing** and become **preferred Bank.**

- 
- Enhance **Consumer Finance** portfolio to 15% of assets' portfolio.


- 
- Grow Bank's share in **trade, cash management** and **investment banking businesses.**




Future Strategy (2021-2023) Contd....


- 
- Aggressive expansion in **Islamic Banking Business** to increase Market Share.


- 
- To improve mix of **private sector deposits** with decrease in cost of deposits by leveraging our network and resources, improved products supported by technology and digital initiatives.

- 
- **Home Remittances** will be another growth and focus area based on robust both pull and push channels.

- 
- Expand **Bank's footprint** in Karachi/ South and Islamabad/ Peshawar/ North and grow corporate assets in a cautious way.



- 
- Special focus on new technologies to become a **“technology based bank in five years”**.

- 
- Year 2021 announced as **“Year of our People”** and HR policies and procedures, compensations shall be made inline with market philosophy of pay for performance to attract and retain the best talent.








Recent Key Ventures

- ✓ Signed MOU for first ever private sector low cost housing project.
- ✓ Signed MOU with Federal Govt. Employees Housing Authority to facilitate Federal Govt. employees in availing affordable housing facility.
- ✓ Signed MOU with AKHWAT to provide financing facility under PM Kamyab Jawan Program.
- ✓ Signed MOU with Pakistan Corporate Restructuring Company Limited for expeditious recovery of long standing NPLs.
- ✓ Signed MOU with COMCON & STEP for inclusion & development of Differently Abled Persons.



Recent Key Ventures Contd....

- ✓ New partnerships with Exchange Companies to improve Home Remittance Business. 
- ✓ Signed MOU with PITB E-KHIDMAT MARKAZ to provide Banking Services by establishing booths across Punjab. 
- ✓ Signed MOU with Punjab Microfinance Network to uplift and empower Microfinance Sector. 
- ✓ Signed MOU with Naymat Collateral Management Limited for Electronic Warehouse Receipt project to support farmers. 
- ✓ MOU with NUST to promote higher education, research & innovation. 



Thank You

