



Press Release – 19th February 2021

The Bank of Punjab Earned Rs.12.0 Billion Profit Before Tax During Year 2020

A meeting of the Board of Directors of The Bank of Punjab (BOP) was held on February 19, 2021. During the meeting, annual audited Financial Statements of the Bank for the year ended December 31, 2020 were approved by the Board.

While reviewing the financial performance of the Bank for the year 2020, the Board expressed its satisfaction over Bank's overall financial performance and noted with pleasure that despite economic slowdown in the Country due to COVID-19 pandemic, the Bank has been able to post commendable financial results with Rs.12.0 billion profit before tax. During the year 2020, Balance Sheet grew by 26% and crossed level of Rs. 1.0 Trillion. The Board appreciated the efforts of BOP team for remarkable performance and also announced and recommended a Cash Dividend of 10.00% for Shareholders for the year 2020 as against 7.50% announced for the year 2019.

During the year 2020, owing to global recession witnessed in all sectors of economy due to COVID-19, the Bank opted for a long term investment strategy resulting in to piling up of substantial capital gains on books of the Bank. Consequently, Non-Markup/ Interest Income increased to Rs. 13.0 billion as against Rs. 3.9 billion showing a substantial increase of 233%. Whereas, Net Interest Margin (NIM) remained a little subdued and was recorded at Rs. 23.3 billion. During year 2020, pre-provision profit improved to Rs. 18.9 billion as against Rs. 15.8 billion during last year thereby registering a rise of 20%. However, in view of risks of shocks in the COVID-19 aftermath, in addition to subjective assessment, the Bank also opted to create general provision against loans and advances on prudent basis. During the year, provision against advances amounting to Rs. 1.7 Billion has been recorded on account of subjective classification on self-assessment basis for the first time in the history of the Bank. Further, general provision of Rs. 3.3 Billion has also been made.

Despite above mentioned provisioning, the Bank posted After Tax Profit of 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. Earnings per Share (EPS) for year 2020 remained at the level of Rs. 2.63 per share.

On Deposits side, the Bank registered a growth of 21% and reached the level of Rs. 835.1 Billion as against Rs. 691.0 Billion as on December 31, 2019. Investments and Gross Advances were recorded at Rs. 567.8 billion and Rs. 442.8 billion, respectively. Book Value per share (excluding surplus on assets) improved to Rs. 17.52 as against Rs. 15.63 as on December 31, 2019.

As on December 31, 2020, the Equity remained at Rs. 52.3 billion and 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.

The Bank has been assigned long term entity rating of "AA" by The Pakistan Credit Rating Agency (PACRA) with short term rating being at the highest rank of "A1+". The Bank currently has a countrywide branch network of 636 online branches, including 104 Taqwa Islamic Banking Branches. Further, Bank also has a vast network of 588 ATMs providing 24/7 banking services to the customers.