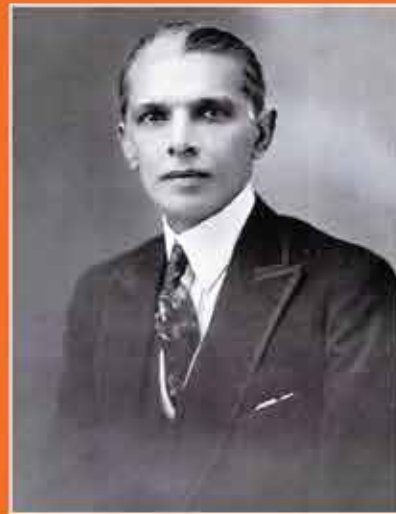


Newsletter



January-March 2017

JOURNEY TO 500+ BRANCHES & DEPOSITS





Rs. **30** BILLION

BOP FINANCING THE LARGEST EVER DOMESTIC TRANSACTION IN AVIATION INDUSTRY



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The Bank of Punjab is pleased to facilitate a national asset of the country - Pakistan International Airlines, by providing a financing facility of **Rs. 30 Billion**. As Pakistan's growing banking network and our improved PACRA ratings, BOP is proud to be the only bank for structuring and advising the largest domestic transaction in the history of the aviation industry.



President's Message



The bank has been able to enhance its branch network to over **450** branches and through introduction of new concept of smart branches; the bank has been heading the way to achieve the objective of financial inclusion through its presence in remote areas of the country. The newly opened smart branches are equipped with online connectivity and offer state-of-the-art modern banking services to the diverse clientele of remote areas. The Bank has planned to open 100 more branches during the year 2017 and by close of the year over all branch network will be expanded to over **550** branches across the country.

While the bank continued to clean up its balance sheet and take every possible available step to ensure recovery of legacy nonperforming loan portfolio. Tremendous business growth in last few years has paved the way for a new "Good Bank" when solid balance sheet, growth and robust financial result, the overall size of bank balance sheet has now crossed the landmark figure of **Rs. 500** billion. Similarly, bank deposits have also crossed the level of **Rs. 450** billion with substantial increase in low cost CASA to further remove Bank's net interest margin. While growing the asset base, it has been ensured that new relationships are within the overall risk appetite of the bank and credit lines are only allowed to credible borrowers. Accordingly, ratio of impaired relationships from among fresh lines remains at a very minimum level. It is evident from last few years' performance of the bank that the emerging "Good Bank" has out placed the remains of a difficult past to a great extent.

Despite low interest rates scenario, optimum utilization of available resources, procurement of low cost deposit and increase in the share of key based income have enabled the bank to improve its profitability position.

It is heartening to note that the performance of the bank has been duly acknowledged by all the stakeholders. The key players of financial market have also shown an enthusiastic and overwhelming support by subscribing first ever privately placed term finance certificates of the bank which would strengthen the capital structure of the bank.

The Bank has been contributing significantly towards the growth of the country by way of financing industrial sector and playing its due role in implementation of key initiatives of the government duly recognizing energy woes of the country. The bank has supported the initiatives taken for the development of alternative energy resources in the country. While the Bank takes pride being pioneer in extending loans to first and largest solar power project, the bank is also part of major energy related projects being set up in the country.

Besides improving upon its products and services, the Bank has also entered into several new business ventures to help improve fee based income and also to participate in the national economy. The Bank has established its footprint in the areas like Cash Management, Home Remittances and Branchless Banking. The Bank has taken a revolutionary initiative in collaboration with the Government of the Punjab for issuance of e-stamp papers through its network. A long and established relationship with several exchange companies is also being enjoyed for facilitating Pakistan Remittance initiative of Government of Pakistan for disbursement of home remittances through its network. Also, Branchless Banking initiative has been successfully launched which proved instrumental in disbursement of financial assistance to IDPs and establishment of Kissan Relief Package.

Your bank keeps investing in new IT related infrastructures embellishment. Besides continuously upgrading the IT equipments, establishment of fully functional disaster recovery site and ensuring availability of dual connectivity at all branches, the Bank is also in process of implementing an internationally renowned Oracle based core banking system "Flexcube". Currently, over **50 branches** are functioning at new core banking system and complete migration is expected to be secured by **2018**.

At current pace of growth financial institution in the industry and a very bright and prosperous future lies ahead. All these achievements of the Bank have been made possible by a team of dedicated and hardworking human resources led by a very professional management.

I desire to thank all staff members for their committed hard work which empowered the Bank to unify and consummate the strategic goals. The support and guidance of Government of the Punjab and State Bank of Pakistan remained essential in formulation of the Bank's policies for the year. I also extend my gratitude and appreciation to all shareholders and customers for their protracted support and patronage.

Naeemuddin Khan
President / CEO

BOP Partnerships

Telenor Signing Ceremony



LAHORE - February 10, 2017: Pakistan's first and largest branchless banking service, Easypaisa has entered into an agreement with the Bank of Punjab to provide financial services at grass root level. The agreement will facilitate efficient disbursement of funds to beneficiaries of Khidmat Cards across Punjab.

The ceremony was attended by Mr. Ahmed Shah Durrani – Group Head Retail, Mr. Waqas Anis - Head Payment Services & Mr. Latif Ahmad Hashmi - Head Branchless Banking and Muhammad Yahya Khan – Chief Financial Inclusion and Digital Officer, Telenor, Mr. Faisal Rauf – Manager Corporate Solutions along with other high ranking officials from both the organizations.

Under this agreement, Easypaisa will support and strengthen BOP through its ubiquitous operational web across the province in smooth execution of its large-scale government projects. Both BOP & Easypaisa have synergized their strengths and expertise to expedite disbursement of PKR 1.62 billion to 0.5 million deserving families in the province on a quarterly basis. Combined together their experience & vast networks will help remote beneficiaries in the most convenient manner.

The beneficiaries have been selected by the Government of Punjab to receive the stipend on pure need basis and the beneficiaries have been classified into groups to reach out to every segment of the society. For example, in Disabled Program only, disabled beneficiaries from poorest families of Punjab are selected in

Brick Kiln Program and the stipend is provided to children of brick kiln workers whose school attendance exceeds certain percentage in a quarter. Likewise in School girls' Stipend Program, stipend will be provided to secondary school girls of Punjab. Muhammad Yahya Khan, Chief Financial Inclusion and Digital Officer, Telenor said,

We look forward to showcasing the synergies that can be extracted by leveraging such partnerships, working together in capitalizing technology for positive social change.

Group Head Retail, Mr. Ahmed Shah Durrani added, *"We are pleased to join hands with Telenor for provision of financial services. This will help Bank of Punjab in expanding its presence at the grass-root level in the Punjab province and therefore will be having direct access to the underprivileged segment of the society. The bank has been aware of the opportunity and has attuned its products to provide unmatched services to the masses."*

About Easypaisa

Easypaisa is Pakistan's first and largest branchless banking solution launched in 2009. Easypaisa has the largest financial footprint in Pakistan with over 75,000 Easypaisa shops in more than 800 cities across the country. Nearly 655,000 transactions are conducted on Easypaisa every day by 21 million active customers. In 2015, Easypaisa moved nearly 3% of Pakistan's GDP.

Easypaisa has the largest product portfolio of services for its customers including remittances, payments, savings and insurance and offers ATM cards and IBFT services that work with all banks connected through 1-Link in Pakistan. In February 2014, out of more than 250 Mobile Money services around the world, Easypaisa was awarded two GSMA Awards, including the "Best Mobile Money Service in the World" at the Mobile World Congress, Barcelona, Spain.

For more information, visit: www.easypaisa.com.pk



About BOP

The Bank of Punjab (BOP) is one of the fastest growing commercial banks of the country offering services in all segments of the financial sector. BOP is already running a highly successful Branchless Banking venture – aiming at digitizing government payment flows to the masses in the Punjab province and among prominent financial institutions of the country with PACRA Ratings: AA – Long Term and A1 Short Term. Fortified with years of banking expertise and driven by the strategic goals set out by their board of directors and senior management, the bank has invested in revolutionary technology to have an extensive range of products and services.

BOP Partnerships

Afghan Delegation



National Institute of Banking & Finance (NIBAF) is playing a pivotal role by providing training in the area of banking & finance for the capacity building of friendly countries including Afghanistan.

In this regard the AIB-Group arranged a visit to the Bank of Punjab on 23rd of January 2017, in which almost all the higher management of BOP was present. The basic aim of the meeting was an interaction between the AIB team and the senior management of BOP. During the meeting the BOP's management gave an overview of the commercial banking sector of Pakistan and the problems faced by the people working in the credit department including CAD & SAM



This meeting not only portrayed the soft image of Pakistan but also helped the neighboring country to come abreast with the modern techniques and operations of the commercial banking in Pakistan.

As part of institutional arrangements, NIBAF has organized Specialized Training Program on Credit for senior officers of Afghanistan International Bank (AIB). It is a four week training program primarily oriented for commercial bankers including exposure visits/attachment with leading banks/financial Institutions.



BOP Partnerships

The Bank of Punjab joins the "Entrepreneurship Development Program by GoPb through PSIC -TEVTA - KOSGEB Collaboration"

As per the directives of the Competent Authority, the policy level group consisting of 14 high level officials headed by Punjab Finance Minister Dr. Ayesha Ghaus Pasha along with Sheikh Alauddin, Minister for Industries, Commerce & Investment visited Turkey as part of a business alliance program aimed at the development of institutional capacity, exchange of information and experience in collaboration with KOSGEB, the Small & Medium Enterprise development authority of Turkey. The Bank of Punjab was the only bank taken on board for the project by the Government of the Punjab. Mr. Tahir Masood Chishti, Head SME Division was nominated by the worthy President/CEO to represent BOP in the delegation.



The importance of SMEs in the Turkish economy can be gauged from the fact that **99.8%** of total enterprises in Turkey fall in the Small & Medium Enterprise sector. These SMEs employ **73.5%** of the total labor force, make up **62.5%** of total sales and **55%** of the total exports of the country.

The purpose of the visit was primarily to study the robust Turkish SME model and work alongside the experts/organizations in Turkey in order to identify the problem faced by the Small & Medium Enterprises of both the countries and work out practical solutions for them. During the visit, detailed information was shared about the structure, functions & activities of KOSGEB, OSTIM and other organizations part of the Turkey's SME Ecosystem. Subsequently, institutions taking part in creating & implementing processes of SME policy were identified and their roles/duties were defined which gives clarity of vision and ease in implementation.



Negotiations were also held on the fields of business cooperation between the two countries. The Small & Medium Enterprises of Turkey are regulated by "SME Strategy & Action Plan", which is the official policy document of Turkey. The policy was first announced in 2003 and its fourth plan (2015-2018) is in operation now.

The objectives of SME Strategy & Action Plan are to improve the competitive capacity of SMEs in the international markets & to increase the share of SMEs in the growth of the economy. The stepping stones towards achieving these goals are different strategic areas which have been identified after extensive R & D. These strategic areas are:

- 1) Improving the competitive capacity of SMEs.
- 2) Improving the exporting capacity of SMEs.
- 3) Improving the innovation capacity of SMEs.
- 4) Considering SMEs while enhancing the business environment.
- 5) Making access to finance easy for SMEs.



Each of the strategic area is divided into multiple strategic targets, further clarifying the course of action needed to achieve the main objective.

The strategic areas and targets are focused towards SMEs acting in service, industry & trade sectors. In addition, common problems of SMEs varying from one region to another and one sector to another are considered while developing this process in coordination with all the relevant agencies including KOSGEB and OSTIM. OSTIM is an industrial city in Turkey which houses **17** main sectors, **139** business units and **5200** employees. OSTIM Directorate provides all infrastructure and superstructure services to develop the competitiveness of the firms.

The Bank of Punjab is in close coordination with the relevant authorities like Govt. of the Punjab, SMEDA, PSIC, State Bank of Pakistan and KOSGEB to formulate different products under the program to facilitate the Small & Medium Enterprises of the country. It is expected that the collaboration between the authorities and institutions of the two countries will expand the growth horizons for the Small & Medium Enterprises of Pakistan, which serve as the blood line of the country's economy.

BOP Initiatives

Flexcube Universal Banking System

About two years ago, BOP took a critical decision to change its existing IT software "BOP 2001" in order to remain competitive in extremely demanding and ever growing banking sector of the country.

The core banking system acquired by the bank is "Flexcube Universal Banking System" from Oracle.

To change banking software in a bank is time consuming and exceptionally daunting task. The journey towards its successful accomplishment has to face a number of challenges which involve product configurations, migration of data from existing system to new system, devising coexisting policy for both systems, upgradation of IT hardware, training of new system in branches and managing acceptance of new system by the staff etc.

To take up this task, a project team was created under the umbrella of worthy President Mr. Naeemuddin Khan as Sponsor of the project and CIO and Group Head Operation as Directors. Further two sub teams were formed from Business and IT staff under Head Business Team and Head Technical Team. These teams are working day and night to make this project successful.

In May 2016, Mughalpura Branch Lahore was converted to Flexcube from BOP 2001 as a test branch. After its successful migration, bank decided to initially migrate its ten branches having most diversified range of products at different geographical locations across the county. It was also decided that all new branches would be opened on new system. By the grace of Almighty, 54 branches are now operating on Flexcube, which include Main Branches of Lahore, Multan and Silakot. Conversion of Main Branch Lahore, being the largest branch of the bank in terms of portfolio diversification was one of the major milestones of the project. Branches in Islamabad, Rawalpindi, Faisalabad, Karachi and Lahore are next in line for migration. After the migration of these ten branches, multi branch migration strategy would be adopted to speed up migration process.



Heir Branch Opening



BOP Initiatives

SME Seminar At Gujranwala

The SME Division of The Bank of Punjab conducted a seminar on SME Financing in Gujranwala on March 27, 2017.

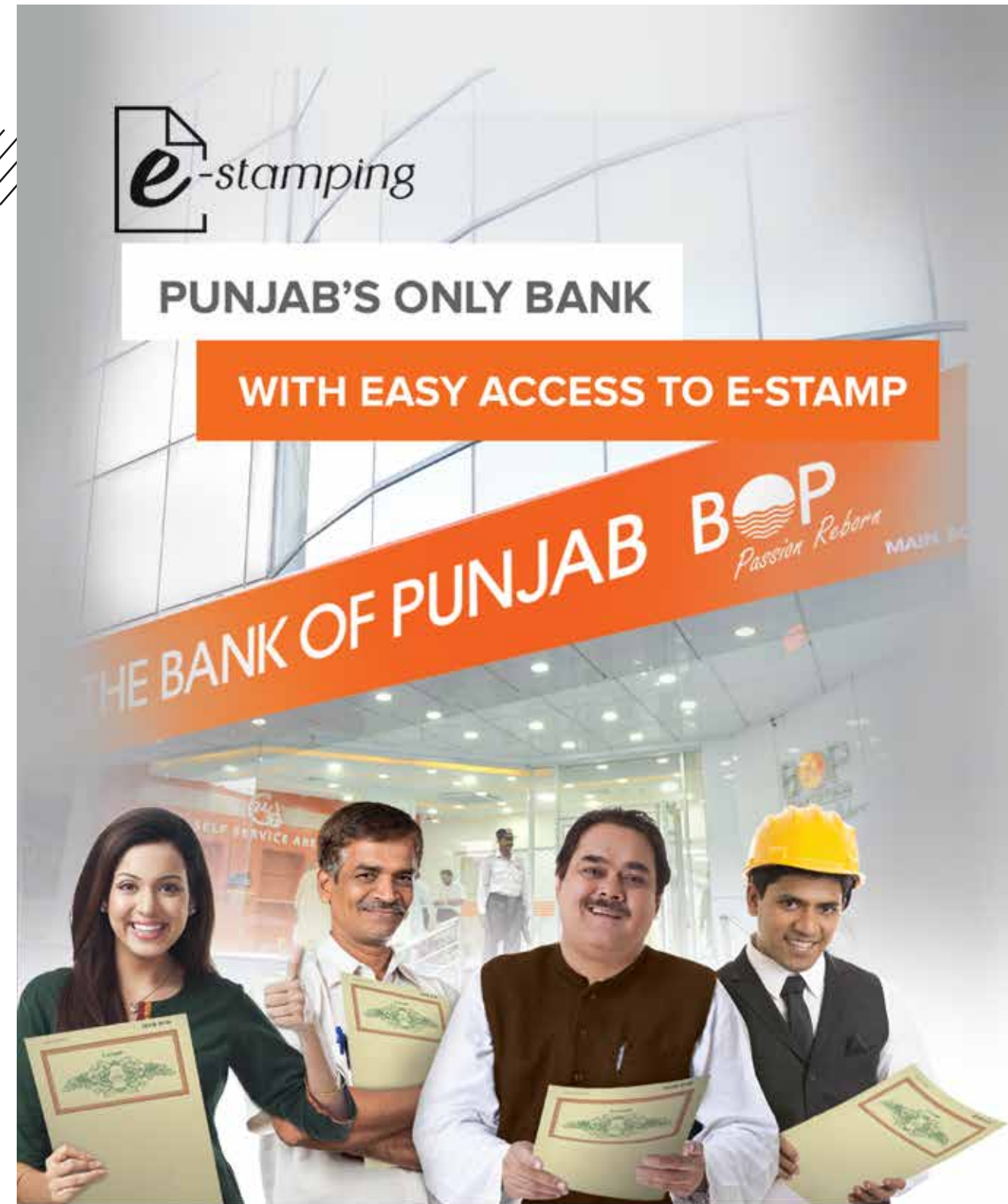
The seminar was attended by the current President of Gujranwala Chamber of Commerce and Industry Mr. Saeed Ahmed Taj along with the Ex-president of the chamber, Mr. Akhlaq Butt (Chairman Sonex group of companies). Moreover, the seminar was also attended by the leading local SMEs.



The participants of the seminar were informed about SME Financing in general and BOP SME Financing Products in specific.

Detailed briefing on the covenants of each product were emphasized/ discussed. The seminar was followed by a Question and Answer session which proved to be informative for both BOP and the SME participants. The participants were able to resolve their queries regarding the products and SME financing in general. Meanwhile, this gave the BOP SME team an opportunity to interact with the local businessmen and learn about their needs and requirements.

Overall, the seminar was a successful initiative and it is expected that potential business may be attracted due to such interactions with the end-users of the SME financing. Going forward, the SME Division plans on conducting such seminars/road shows in the major trade/ business hubs of the country to improve its market presence and to attract new business.



E-Stamping facility is now available in all BOP branches across Punjab. Bring printed Challan 32-A to any branch and receive Non-Judicial E-Stamp Paper worth Rs. 1000/- and above on fast track while conveniently deposit:

- Capital Value Tax (CVT)
- Registration Fee
- Comparison Fee
- Penalty
- Deficiency Duty/Amount



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BOP Initiatives

SBP's Agri Awareness Program at Okara



State Bank of Pakistan is actively engaged in educating the farming community regarding flow of credit to Agriculture sector and arrange awareness programs in different parts of the country through followings stakeholders:-

- Commercial Banks
- Concerned SBP BSC,
- Micro Finance Banks
- Different Farmer associations
- Non Government Organizations

In this context an Agri Finance Awareness Session for Farmers was organized at District Okara which was attended by all above stake holders, Mr. Qasim, Managing Director from State Bank of Pakistan Karachi was Chief guest.

Agriculture Credit Heads from commercial banks and chair persons of Farmer association of Pakistan and different farmers attended the program.

The whole program was very well organized and in order to encourage the commercial / microfinance banks there was a competition for the most organized bank and our Corporate Communication department worked very hard till late night and set up a stall which not only represents our bank's corporate culture but also BOP's Agriculture lending. After a stiff competition our bank's stall was declared the BEST STALL, and the certificate was given by MD SBP to BOP, Head ACD in this regard.



SBP's Agri Awareness Program at Okara

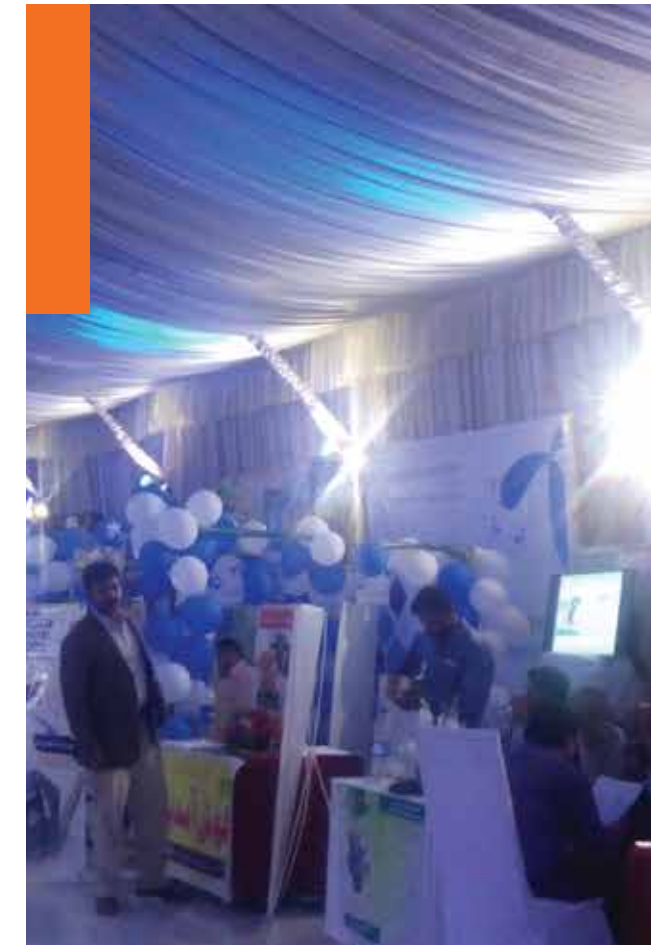
The participants were briefed about BOP's initiatives & lending products for servicing the Agri sector which includes following:-

Initiatives

- Green Tractor Scheme
- Development of Fisheries Sector
- E Credit to small farmers of Punjab
- Lead arranger in Wheat procurement campaign
- 1st Bank to implement Crop Loan Insurance Scheme in Punjab

Products

- Tractor Leasing
- Production / input loans Agriculture Nonfarm Lease
- Vehicles Poultry / Cold store Financing



The participants of farming / Banking community & SBP appreciated our bank's efforts in development of financing in agriculture sector.

BOP Tribute to a Legend Quaid-e-Azam Tribute

Mohammad Ali Jinnah was the originator of the dream that became Pakistan, architect of the state and father of the world's largest Muslim nation.

The President of the Bank of Punjab, as a tribute to the greatest leader; had a coffee table book compiled under his guidance which contained rare photos of the legend along with a short description as to where and when each photo was taken.





March 31, 2017

Mr. Naeemuddin Khan
President
The Bank of Punjab
Head office, BOP Tower,
10-B, Block E/II,
Main Boulevard, Gulberg III,
Lahore
Tel: 042-35793711-12

Sub: Thank you.

Dear Naeem Bhai,

I would like to take this opportunity to thank you for sending me a beautiful book "A Tribute to the Legend". Your gesture has been graciously appreciated and on behalf of Amreli Steels Limited, I would like to personally thank you.

Best Regards,

Shayan Akberali
Managing Director

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Registered Office
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Tel: +92-21 32587232-9
Fax: +92-21 32587240, 38798328
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info@amrelisteels.com



www.amrelisteels.com



March 31, 2017

Mr. Naeemuddin Khan
President & CEO
The Bank of Punjab
Lahore

Dear Mr. Naeemuddin,

Thanks a lot for sending me the most valuable book "THE LEGEND". I must say that this is the most impressive book on Quaid-e-Azam, reflecting his struggle for the creation of Pakistan through photographs. Some of the photographs are rare and private, you must have put numerous efforts to get these historical photos in a way the whole struggle of Pakistan comes into mind.

The book had touched my heart because my father Qazi Zahid Ali was also a worker of Muslim League. The elder brother of my father, Hamid Ali was General Secretary of Delhi Provisional Muslim League, they both were close to Quaid-e-Azam. You have done a great job by publishing this book which reflects true history and spirit.

I would like to congratulate you and the Bank of Punjab for this noble cause. I like the slogan "Passion Reborn" This book will have prominent position in my library.

Thanking you very much,

Best regards,

Qazi Sajid Ali
Chief Executive Officer

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March 29, 2017

Mr. Naeemuddin Khan
President & CEO
The Bank of Punjab
BOP Tower
10-B, Block E II
Main Boulevard
Gulberg III
Lahore.

Dear Naeemuddin,

Thank you for the book "A Tribute to The Legend" you sent me. It's so nice to be remembered by you! Your thoughtfulness means a lot to me.

Best regards,

RUHAIL MOHAMMED
Chief Executive Officer

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March 30, 2017

Mr. Naeemuddin Khan
President & CEO
The Bank of Punjab
BOP Tower, 10-B, Block E-II,
Main Boulevard Gulberg III
Lahore

Dear Mr. Khan,

Thank you very much for sending me A Tribute to Quaid-e-Azam. It is a very well put together book and a treat to look at.

Warm regards,

Yours sincerely,

Shaheen Amin
Chief Executive Officer

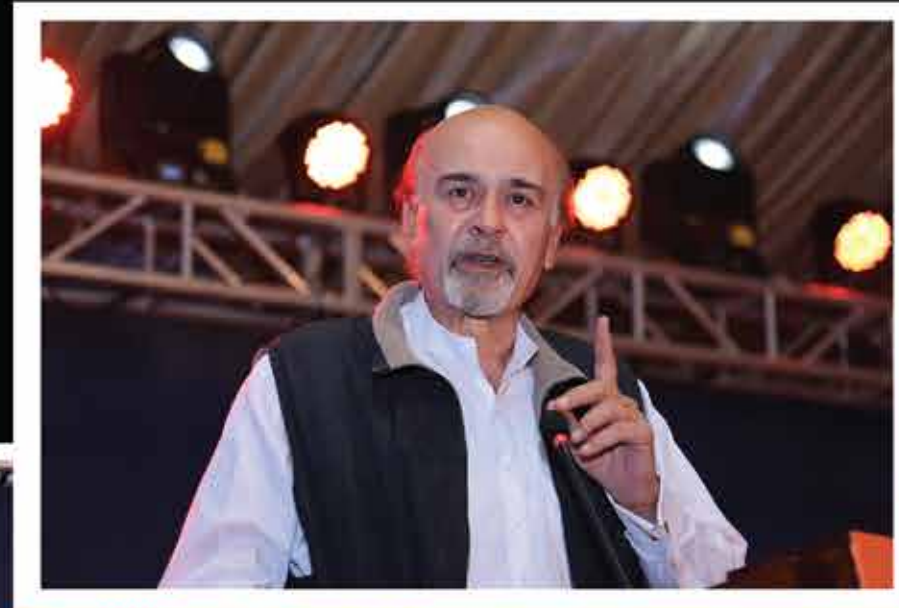
Regd. Office: 10th Floor, Block E-II, Gulberg III, Lahore. T: 35810609 F: 35810608

BOP Social

Annual Dinner 2017

An annual dinner was organized by the bank on 3rd March 2017 at Royal Palm Golf & Country Club which was attended by the management and a large number of staff members.

The venue was beautifully decorated & branded. The theme of the dinner was the journey to 500+ branches & billion deposits.



President addressed the gathering and said that now the responsibility to convert this 500 benchmark into a reality lies on the shoulders of bank's staff.



The DCEO Mr. Khalid Tirmizey also addressed the annual dinner and highlighted the significant achievements that the bank had made in the last 8 years. A certificate distribution ceremony was held to acknowledge the hard-working staff members of different departments & divisions. A singing competition was also held in which many employees participated and entertained the audience with their melodious voices. The audience voted Fahad as the winner. The president graciously announced cash rewards for the winner as well as participants of the competition. In the end, a sumptuous dinner was served which everyone enjoyed.



BOP Social
Annual Dinner 2017



BOP Social

BOP Polo Cup

The BOP Polo Cup was held at the Lahore Polo Club, from 20th March to 26th March, 2017.

The Bank of Punjab Corporate Communication and Quality Assurance Head Aalya Mawaz graced the final as Chief Guest and gave away shields/trophies to the winners of the match. BOP officials and a great number of Polo lovers were present on the occasion to witness highly-charged Polo final.



BOP Press Releases

BOP Polo Cup Announcement

BOP Polo Cup Final



PSL Final

The Pakistan Super League is a professional franchise Twenty20 men's cricket league. The league is headquartered in Lahore and, as of 2017, consists of five franchises nominally representing cities in Pakistan. It is operated by the Pakistan Cricket Board (PCB) and was established in 2016. Due to the security situation in Pakistan, the first season of the league operated entirely in the United Arab Emirates (UAE). The final of the 2017 season was held in Lahore.

The Bank of Punjab paid for an enclosure for the Final Match, this was mainly for our privileged clients. A VIP enclosure with food, refreshments and an interesting match; what more could one ask for.



We are growing...
because of you



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	2016 Rs. In Millions	2015 Rs. In Millions	+ / (-) Rs. In Millions
Deposits	453,220	374,961	78,259 ↑
Advances	293,922	250,342	43,580 ↑
Total Assets	545,214	472,284	72,930 ↑
Shareholders' Fund	27,854	22,678	5,176 ↑
Profit Before Tax	8,050	7,529	521 ↑
Capital Adequacy Ratio	12.28%	10.49%	1.79% ↑
No. of Branches	453	406	47 ↑

BOP Achievements

Ahmed Raza's Achievement

It is with profound gratitude that BOP family member, Dr. Ahmad Raza Bilal (Regional Business Head WB-I, Faisalabad) participated in Global Conference on Business and Finance Research at the platform of Institute of Business and Finance, USA with collaboration of University of Hawaii and Massachusetts Research Institute at The United States in January, 2017.

In this seminal Banking & Finance research platform, he presented a novel theoretical framework on "Cost of Equity Modeling in Emerging Markets". Among banking & finance research scholars of 40 countries, he received Outstanding Research Award a special souvenir and certificates for outstanding international financial researcher from the organizing institution. This is a great pleasure for BOP that our institution's resource solely participated from Pakistan on the platform of BOP and attained this significant international award. This also shows that BOP is an equal opportunities provider that promotes an innovative, distinctive and progressive employment culture. We believe in taking benefits from latest business research to satisfy the real business needs and improve our services for our valuable customers.



NEWSLETTER

January-March 2017

Many thanks to Team BOP who generated this opportunity to highlight our institution's name in the global banking, business and research community, and encourage continuous research culture to maximize values for our stakeholders.



**SUCCESS OF YOUR
BUSINESS,
OUR BUSINESS!**

- Free Business Assets Insurance (On Maintaining Monthly Average Balance of Rs. 1 Million)
- Free Over the Counter/ATM Cash Withdrawal Insurance (On Maintaining Monthly Average Balance of Rs. 100,000/-)
- Free Online Cash Deposit and Withdrawal
- Free ATM/Debit Card and Cheque Book
- Free Universal Cheque (All Free Features Start on Maintaining a Monthly Average Balance of PKR 25,000/-)