

Passion Reborn

HO/Corp. Affairs/17/152

March 29, 2017

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

DECLARATION OF RIGHT SHARES

Dear Sir,


We would like to inform you that the Board of Directors of the Bank in their meeting held on March 29, 2017 at 3:00 p.m. in the Bank's Board Room at its Head Office, Lahore have decided to issue 70% Right Shares at a premium of Rs.2/- per share in the proportion of 70 shares for every 100 shares subject to regulatory approvals.

The purpose/benefits accruing out of the proposed right issue along with the financial projections and Board Resolution are enclosed as **(Annexure-I & II)** herewith in order to comply with the requirements of clause 5(ii) & (iii) of the Companies (Issue of Capital) Rules, 1996.

The Book Closure date for determining entitlement of right shares to the transferees shall be communicated shortly.

You may please inform the TRE Certificate-holders of the Exchange accordingly.

Yours truly,


(RAZA SAEED)
Secretary to the Board
Encl. As Above.

**RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF THE BANK
IN THEIR MEETING HELD ON MARCH 29, 2017 AT ITS HEAD OFFICE,
LAHORE.**

“Resolved that the ordinary paid-up share capital of The Bank of Punjab (the “Bank”) be and is hereby increased from Rs. 15,551,132 thousand to Rs. 26,436,924 thousand by issue of further =1,088,579,215= ordinary shares to be offered as Right Shares at Rs. 12.00 per share inclusive of Rs.2.00 as premium per share in the ratio of 70 Right Shares for every 100 ordinary share of Rs.10/- each (i.e. @70%) and that these Ordinary Right Shares be and are hereby offered to the Bank’s existing ordinary shareholders as provided under Section 86 of the Companies Ordinance 1984 against payment of value of shares to the Bank upto the date as per Right Allotment Letters to be issued. These shares shall rank *pari passu* in all respect with the existing ordinary shares of the Bank.

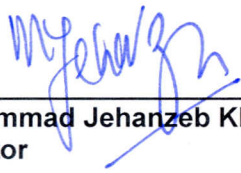
Resolved further that the President/CEO and / or Company Secretary be and are hereby singly authorized to appoint/negotiate with the underwriter(s) for the allotment of unsubscribed portion of Right Shares to any / or all of the underwriter(s) and to appoint consultant / advisor for Right Issue.

Resolved further that the President/CEO and / or Company Secretary be and are hereby singly authorized to announce book closure dates or any change therein and to prepare the schedule for issue of Right Shares and to make any amendment in the said schedule and to take all necessary approvals required if any, by Securities & Exchange Commission of Pakistan, Pakistan Stock Exchange Limited and Central Depository Company of Pakistan or any other authority, and to take all necessary actions as may be required in this regard on behalf of the Bank.

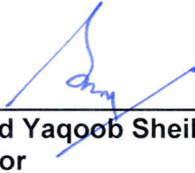
Resolved further that the President/CEO and / or Company Secretary be and are hereby singly authorized to appoint the Bankers to collect the amount of subscription towards right shares.

Resolved further that the President/CEO and / or the Company Secretary be and are hereby singly authorized to handle the fractional shares that arise out of the rights. Any proceeds of the sale of fractional shares not claimed within a period of one year will be paid to any registered charitable organization.

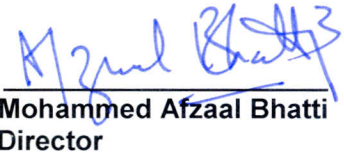
Resolved further that the President/CEO and / or the Company Secretary be and are hereby singly authorized to issue the notices and circular under Section 86(3) of the Companies Ordinance, 1984 to all the existing shareholders of the Bank offering the right shares and are further authorized to do all acts, deeds and things and take all necessary steps to complete all legal formalities, to file all necessary documents and to appear before all relevant authorities, including the Court, the Securities & Exchange Commission of Pakistan and / or any other competent body and / or authorities to give effect to the foregoing resolutions.



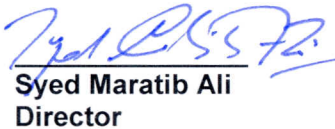
Mohammad Jehanzeb Khan
Director



Hamed Yaqoob Sheikh
Director



Mohammed Afzaal Bhatti
Director



Syed Maratib Ali
Director



Dr. Umar Saif
Director

- on leave -

Dr. Muhammad Amjad Saqib
Director



Khawaja Farooq Saeed
Director



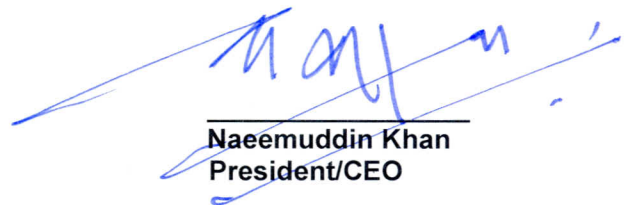
Saeed Anwar
Director



Omar Saeed
Director



Dr. Pervez Tahir
Chairman



Naeemuddin Khan
President/CEO

The Bank of Punjab

Purpose of right issue:

The purpose of the Right Issue is to support the business growth, strengthen capital structure of the Bank, comply with Basel-III Capital Requirements and to support retirement of LOCs issued by GOPb. 1,088,579,215 shares are to be issued at a price of PKR 12.00 per share (inclusive of share premium of PKR 2.00), raising Tier-I Equity by PKR 13,062,950,580 of which PKR 7,000,000,000 is already available with the bank as advance against equity, deposited by majority shareholder (Government of the Punjab) in 2011. Fresh equity of PKR 6,062,950,580 (including premium of PKR 2,177,158,430) will be raised through the Right Issue.

Use of the proceeds of the issue:

The funds generated from the right issue will be utilized for deployment in line with Bank's Operational requirements.

Expected Benefits:

The Right Issue will lead to a stronger equity base for the Bank thereby allowing the Bank to pursue growth opportunities in line with requirements of State Bank of Pakistan's Basel III Guidelines. Furthermore, a stronger balance sheet will also provide additional comfort to financial institutions and other stakeholders and may also result in improved credit rating of the Bank.

Financial Projections:

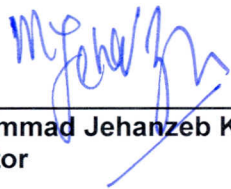
	(Rs. in Millions)		
Y e a r	2017	2018	2019
Deposits	477,961	518,891	550,213
Advances (gross)	325,373	340,315	355,454
Total Assets	575,636	616,670	648,841
Profit Before Provisions	8,232	8,637	9,161
Profit After Tax (*)	4,054	4,656	5,620
Net Assets per Share (Rs.)	13.95	15.54	17.59

(*) The projected profit after tax includes impact of provision charge on account of staggered provisioning requirement of State Bank of Pakistan to discharge Letters of Comfort (LOCs) issued by the GOPb.

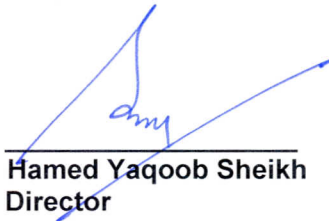
Risk Factors associated with the Right Issue:

Risks related to right issue have been mitigated through already deposited share deposit money of Rs. 7.0 billion by the majority shareholder (Government of the Punjab) and underwriting arrangements for remaining amount of the right issue.

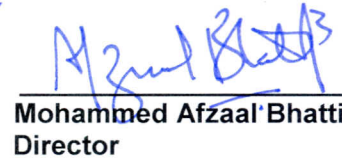
Note: The above Financial Projections reflect the Management and Board's view on how the Bank is expected to perform as per Business Plan under the foreseeable economic conditions and competitive market. It is usually the case that some events and circumstances do not occur as expected or cannot be anticipated. Accordingly, the actual results during the projection period may differ from the above projections and the differences at any time be material. So, neither the Bank nor any of its Directors or members of the management accept any responsibility for any conclusion drawn or investment decision made by Shareholder or any other person based on above information.



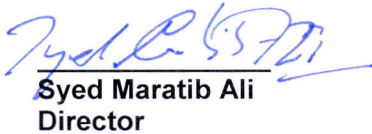
Mohammad Jehanzeb Khan
Director



Hamed Yaqoob Sheikh
Director



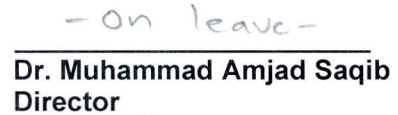
Mohammed Afzaal Bhatti
Director



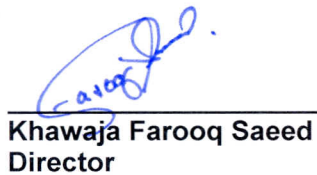
Syed Maratib Ali
Director



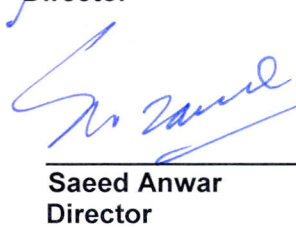
Dr. Umar Saif
Director

- on leave -


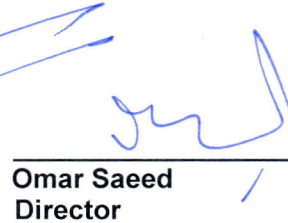
Dr. Muhammad Amjad Saqib
Director



Khawaja Farooq Saeed
Director



Saeed Anwar
Director



Omar Saeed
Director



Dr. Pervez Tahir
Chairman



Naeemuddin Khan
President/CEO