



ORIX



OLP

OLP Financial
Services Pakistan
Limited

(PSX Symbol: OLPL)

**CORPORATE
BRIEFING
SESSION**

November 17, 2022
04:00 PM

Agenda

1

Introduction

2

Corporate Governance

3

Operational Information

4

Financial Information

5

OLP's Position in Lending NBFCs

6

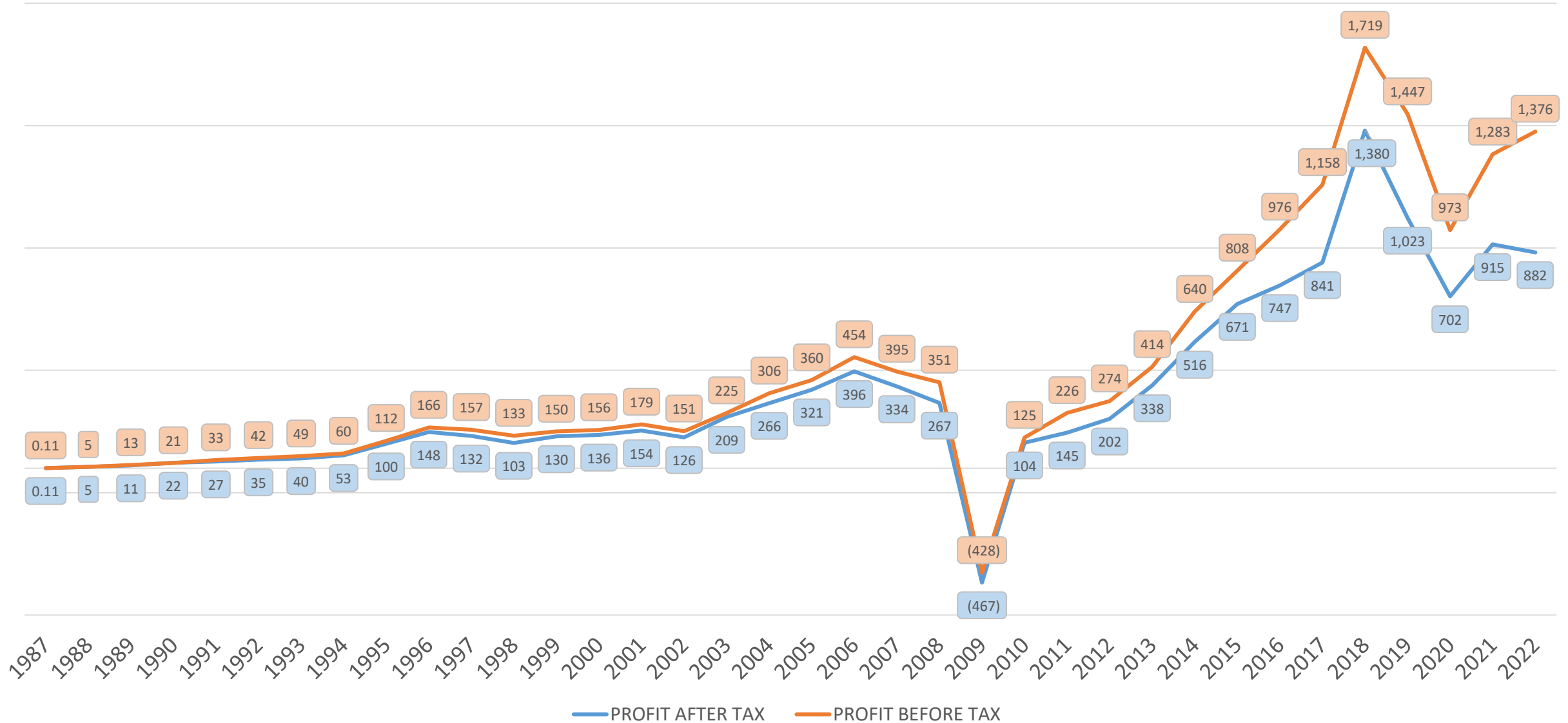
Future Strategy

OLP's Timeline

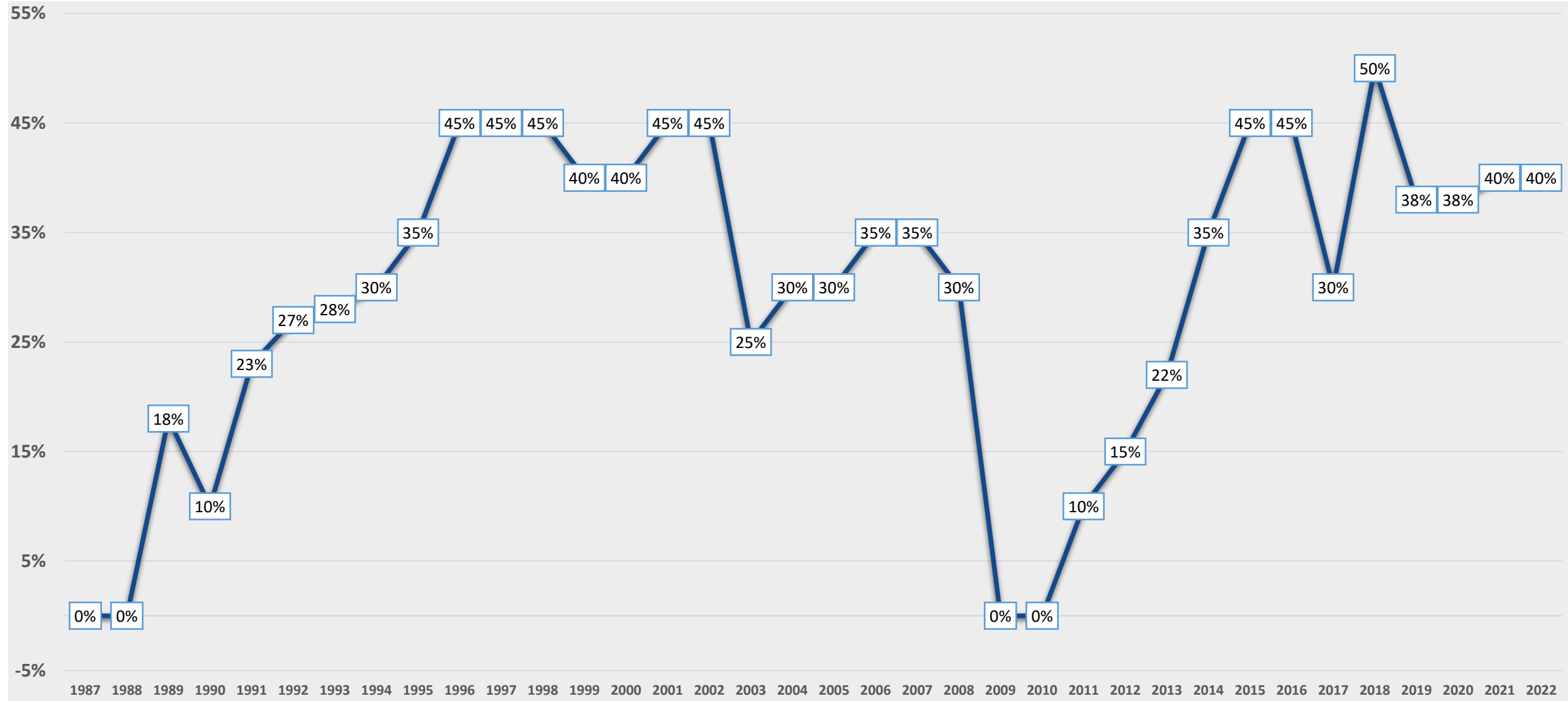
Year	Milestones
1987	Introduced Corporate Lease
1992	Launched Consumer Auto Lease Product
1993	- Commenced Certificate of Deposits - First Joint Venture in Oman (Exited in 2018)
1997	Joint Venture In Egypt
2000	Started Operating Lease Business
2001	Joint Venture In Saudi Arabia
2002	Joint Venture In UAE
2003	Launch of Micro Finance Product
2005	Joint Venture in Kazakhstan (Exited in 2016)
2008	Launch of Commercial Vehicle Product
2011	Launch of Islamic Finance Product
2016	Acquisition of Standard Chartered Leasing & Standard Chartered Modaraba (Renamed OLP Modaraba)
2018	Upgraded License to 'Investment Finance Services'
2021	Change of name from ORIX Leasing Pakistan Limited to 'OLP Financial Services Pakistan Limited'

Annual Profit (Rs. Million)

Rs. In Millions



Dividend Incl. Bonus Shares



Corporate Governance

Internal Governance Structure



Internal Governance Structure – Board & Board Committees

		Board of Directors	Audit Committee	Human Resource, Nomination and Remuneration Committee	Risk Committee	Credit Committee
1	Mr. Khalid Aziz Mirza	Chairman and Independent Director		Chairman		
2	Mr. Nasim Hyder	Independent Director	Chairman		Member	
3	Ms. Aminah Zahid Zaheer	Independent Director	Member		Chairperson	
4	Mr. Yoshiaki Matsuoka	Non Executive Director		Member		Chairman
5	Ms. Keiko Watanabe	Non Executive Director	Member		Member	
6	Mr. Katsumi Matsumoto	Non Executive Director		Member		
7	Mr. Daisuke Morita	Non Executive Director	Member		Member	
8	Mr. Shaheen Amin	Chief Executive Officer and Executive Director		Member		Member
9	Mr. Ramon Alfrey	Deputy Chief Executive Officer and Executive Director				Member

OLP's Risk Management Framework

OLP's Risk Management Framework is overseen by Board's Risk Committee and ultimately by the Board. Various Management Committees also oversee each risk.

OLP has also implemented Enterprise Risk Management framework (ERM) to control the risk at strategic level.

The Risk Management Framework consists of three lines of defense

1ST Line of Defense

Governance

- Board approved policies
- Internally approved SOPs
- Management Committee oversight

Internal control system

- Manual controls implemented through defined SOPs
- IT application controls

2ND Line of Defense

Risk Management

- Performs both First and Second line defense roles
- Is primarily managing credit risk

Information Security Officer

- Reviews gaps in implementation of IT security policies
- Advises ITSC on future strategy and corrective measures

3RD Line of Defense

Compliance

- Checks adherence to laws and regulations
- Assesses readiness of Company for potential regulatory changes.

Internal Audit

- Risk based Internal Assurance

Core Values



CUSTOMER FOCUS

We are because of our customers and our success lies in their satisfaction



INTEGRITY

We promote honesty and fairness in all our actions



RESPECT

We respect each others' feelings and opinions



OWNERSHIP

We protect the interest of the Company as if It is our own Business.



INNOVATION

We seek continuous improvement and encourage creativity



TEAMWORK

We work together to create synergies

Operational Information

Operations

OLP is headquartered at Karachi with 36 branches situated in 34 cities across Pakistan.

Staff strength of 456 permanent employees.

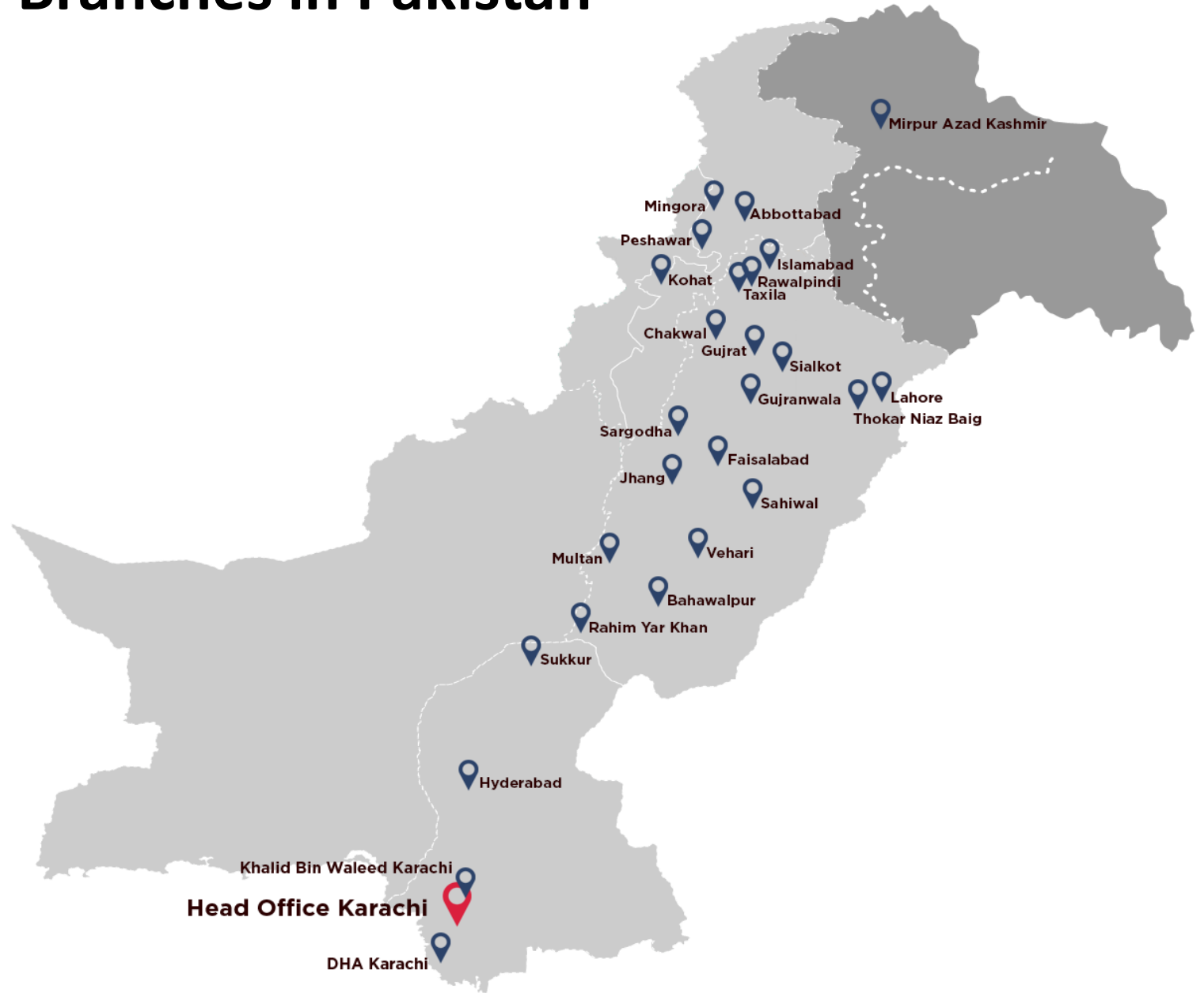
The Pakistan Credit Rating Agency Limited (PACRA) has assigned OLP a long term rating of (AA+) and a short term rating (A1+) (maintained same rating since 2013).

Over the last 35 years, OLP has disbursed Rs. 232 billion with majority to SME sector.

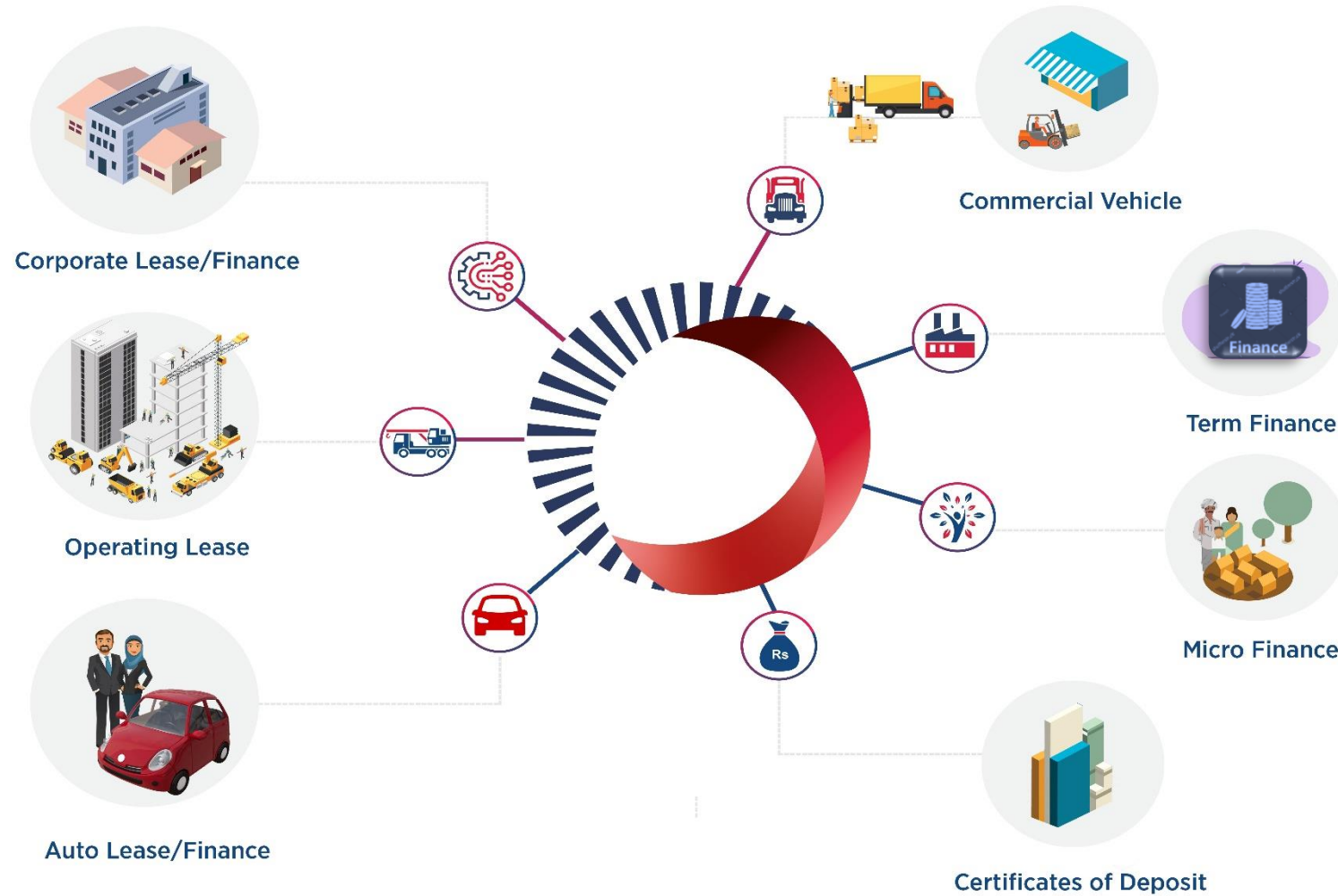
OLP Modaraba is our Islamic financing subsidiary offering shariah compliant products.

Main Branches in Pakistan

ZONAL OFFICES	BRANCHES
KARACHI - (HEAD OFFICE)	KHALID BIN WALEED
	DHA
HYDERABAD	HYDERABAD
	SUKKUR
ISLAMABAD	ISLAMABAD
	CHAKWAL
	MIRPUR
	RAWALPINDI
	TAXILA
FAISALABAD	FAISALABAD
	JHANG
	SAHIWAL
	SARGODHA
LAHORE	LAHORE
	THOKAR NIAZ BAIG
MULTAN	MULTAN
	BAHAWALPUR
	RAHIM YAR KHAN
	VEHARI
PESHAWAR	PESHAWAR
	KOHAT
	MINGORA
	ABBOTABAD
SIALKOT	SIALKOT
	GUJRAT
	GUJRANWALA
TOTAL ZONES - 8	TOTAL BRANCHES - 26
OTHERS	
MICRO FINANCE	TOTAL BRANCHES - 10

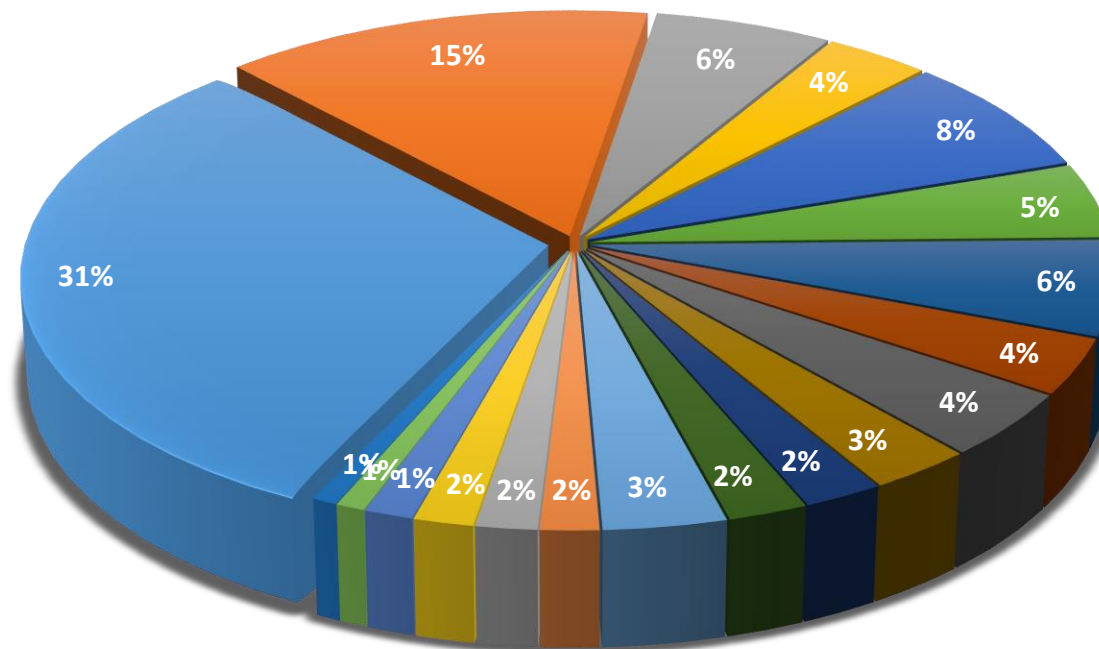


OLP Products



Sector Wise Portfolio - June 30, 2022

- INDIVIDUAL
- GOODS TRANSPORT
- PUBLIC TRANSPORT
- DISTRIBUTOR
- SERVICES
- TEXTILE & ALLIED
- TRADING
- FUEL & ENERGY
- CONSTRUCTION
- FOOD & ALLIED
- CHEMICAL & PHARMACEUTICAL
- GLASS, CERAMICS & PLASTIC
- STEEL & ENGINEERING
- PAPER, BOARD & PRINTING
- MISCELLANEOUS
- NATURAL RESOURCE & FARMING
- AUTOMOTIVE INDUSTRY
- SUGAR
- CABLES, ELECTRIC AND ELECTRONIC GOODS



SECTOR	NFA & OTHER FINANCES & LOANS (Rs. Million)
INDIVIDUAL	7,704
GOODS TRANSPORT	3,638
SERVICES	1,911
PUBLIC TRANSPORT	1,504
TRADING	1,521
TEXTILE & ALLIED	1,208
CONSTRUCTION	1,049
FUEL & ENERGY	894
DISTRIBUTOR	893
STEEL & ENGINEERING	861
FOOD & ALLIED	719
CHEMICAL & PHARMACEUTICAL	555
GLASS, CERAMICS & PLASTIC	555
NATURAL RESOURCE & FARMING	418
PAPER, BOARD & PRINTING	411
AUTOMOTIVE INDUSTRY	344
SUGAR	202
CABLES, ELECTRIC AND ELECTRONIC GOODS	175
MISCELLANEOUS	430
GRAND TOTAL	24,992

Financial Information

Financial Performance

Statement of Profit or Loss	June	June	June	June	June
Amount in Rs. million	2018	2019	2020	2021	2022
Income from operations	3,478	3,856	4,048	3,278	3,905
Other income	896	273	359	368	520
Share of profit from associates	98	51	28	35	64
Total income	4,472	4,180	4,435	3,681	4,489
Finance cost	1,390	1,542	1,845	1,194	1,794
Administrative, general and other expenses	1,344	1,371	1,293	1,221	1,348
Total expenditure	2,734	2,913	3,138	2,415	3,142
Profit before provision and taxation	1,738	1,267	1,297	1,266	1,347
Provisions / (reversal in provision) – net	18	(181)	324	(18)	(29)
Profit before tax	1,720	1,448	973	1,284	1,376
Taxation	340	425	271	369	494
Profit after tax	1,380	1,023	702	915	882

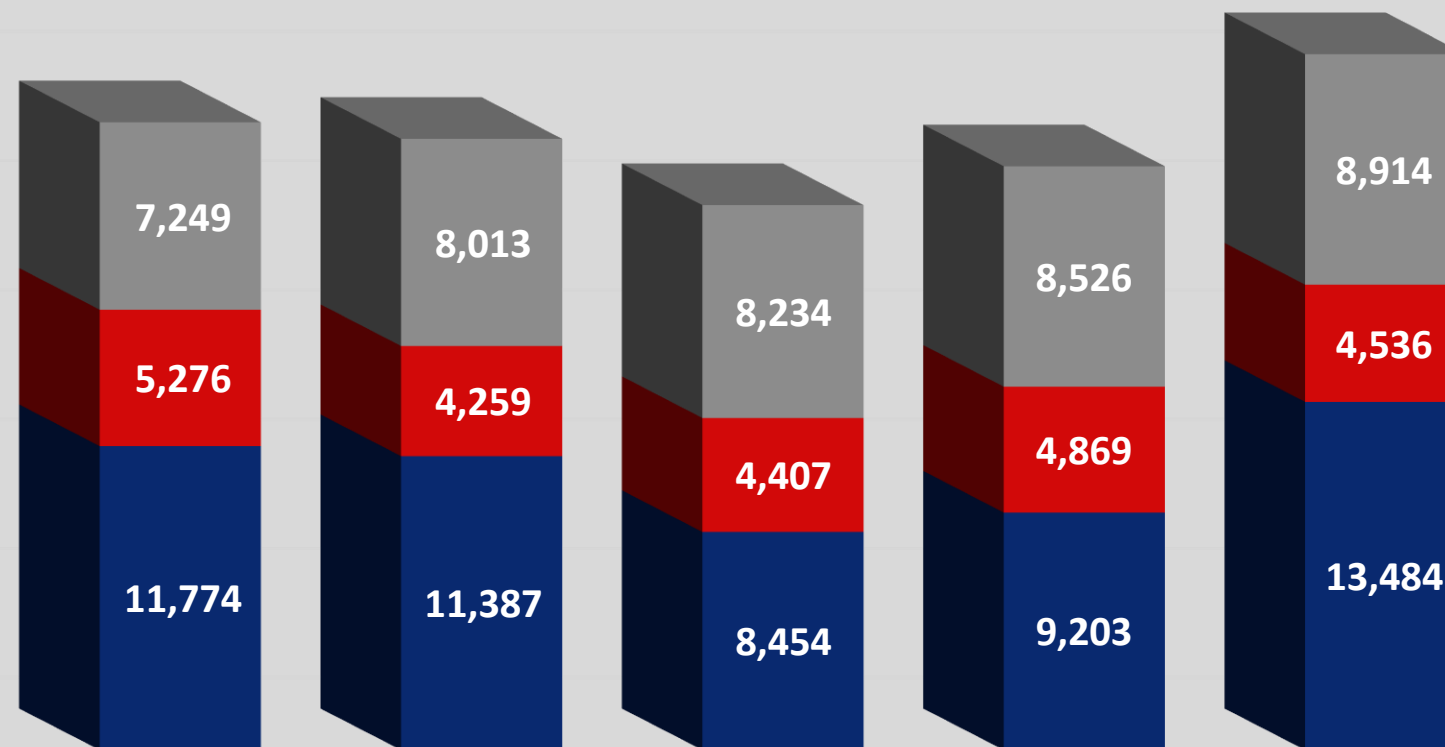
Financial Position

Statement of Financial Position Amounts in Rs. million	June 2018	June 2019	June 2020	June 2021	June 2022
Net investment in finance lease	17,917	17,287	13,488	13,209	12,684
Finances and loans	4,460	4,714	4,501	7,526	11,556
Total portfolio – net of provision	22,377	22,001	17,989	20,735	24,240
Investments	2,341	2,375	2,772	2,278	2,956
Other assets	1,981	1,615	2,238	1,773	2,534
Total Assets	26,699	25,991	22,999	24,786	29,730
Bank borrowings (incl. PPTFC)	11,774	11,387	8,454	9,203	13,484
Certificates of deposit	5,276	4,259	4,407	4,869	4,536
Total borrowings	17,050	15,646	12,861	14,072	18,020
Other liabilities	2,400	2,332	1,904	2,187	2,796
Equity	7,249	8,013	8,234	8,526	8,914
Total Equity and Liabilities	26,699	25,991	22,999	24,786	29,730

Funding Analysis

Rs. in millions

- Equity
- COD (Retail Deposits)
- Bank



2018

2019

2020

2021

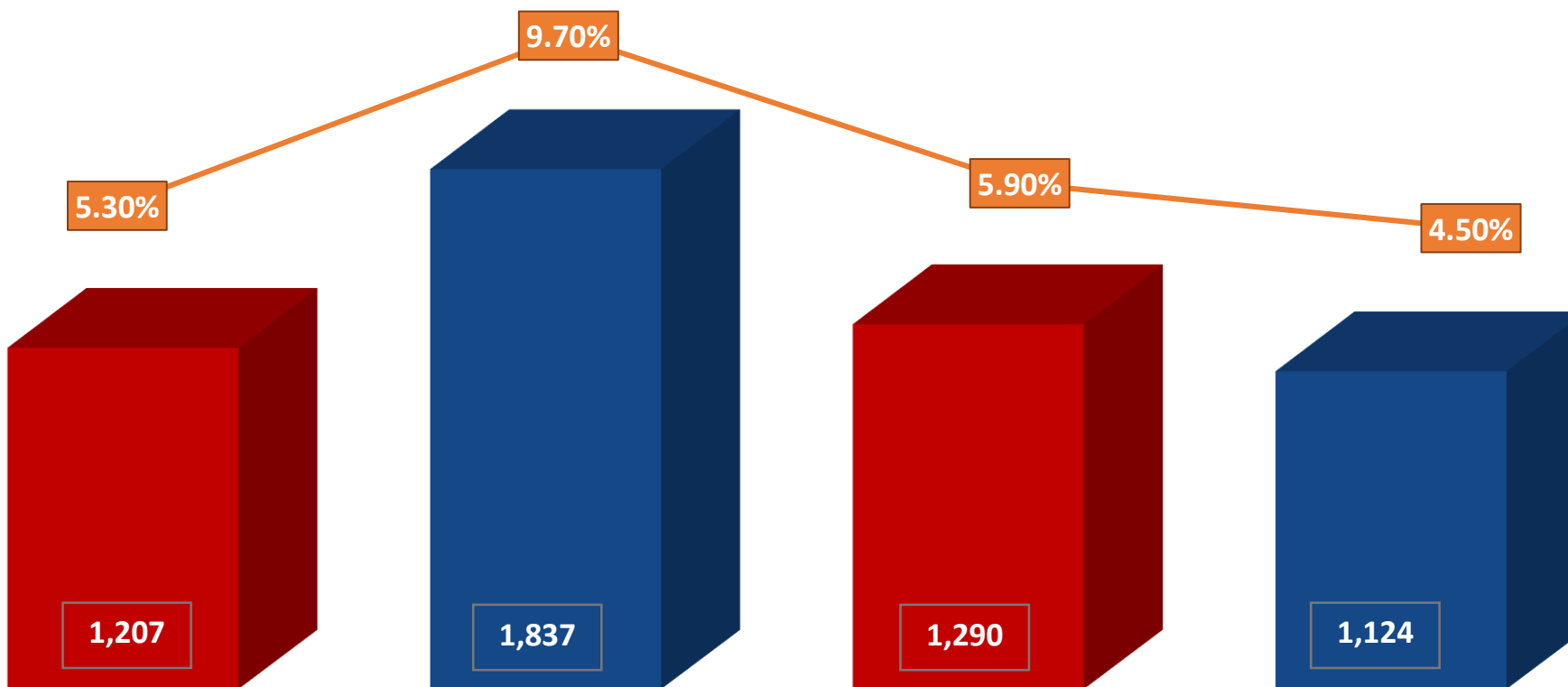
2022

Total Borrowing	17,050	15,646	12,861	14,072	18,020
D/E Ratio (times)	2.35	1.95	1.56	1.65	2.02

Overdue Trend Analysis (> 90days)

Rs. in millions

● Infection Ratio



June-19

June-20

June-21

June-22

Provision

871

1,173

1,121

1,055

Provision Coverage %

72%

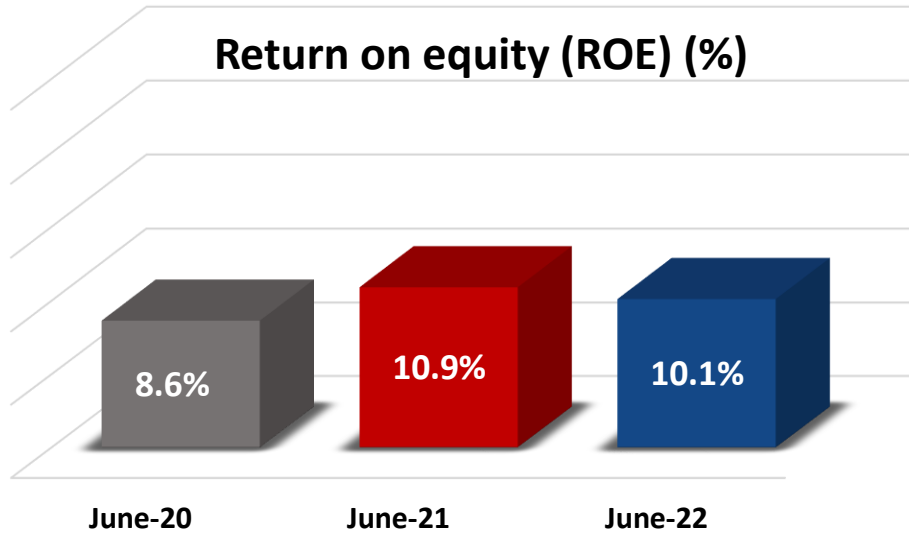
64%

87%

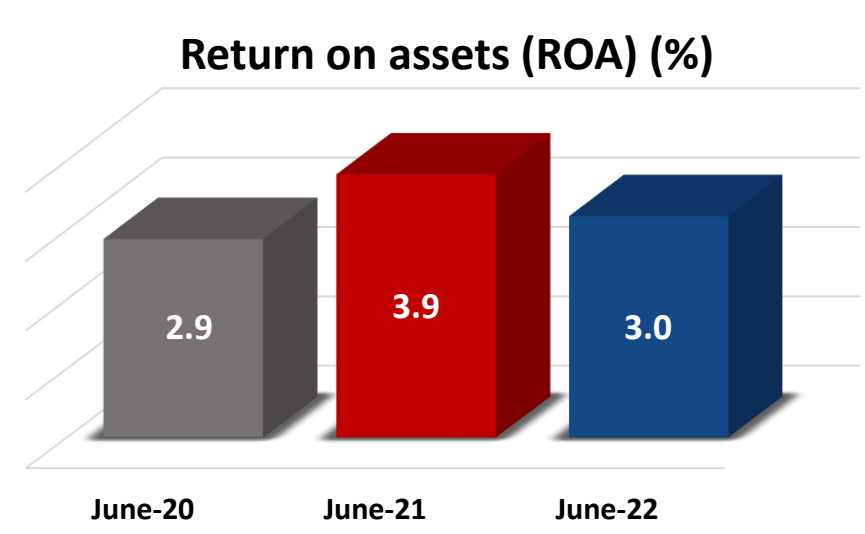
94%

FINANCIAL RATIOS (2020-2022)

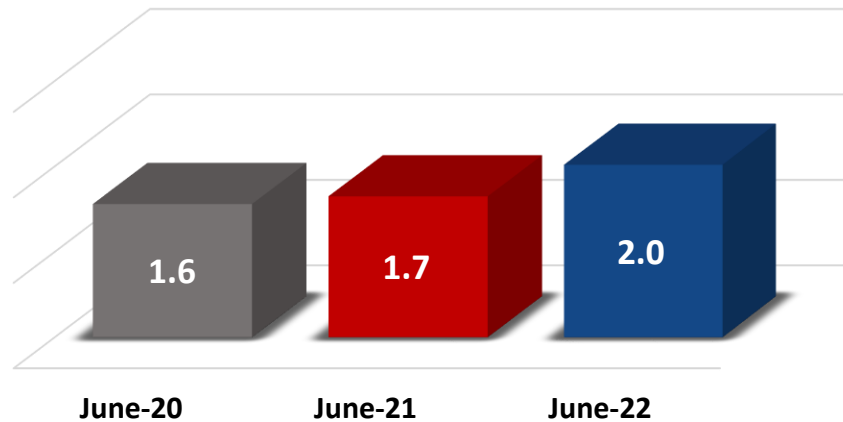
Return on equity (ROE) (%)



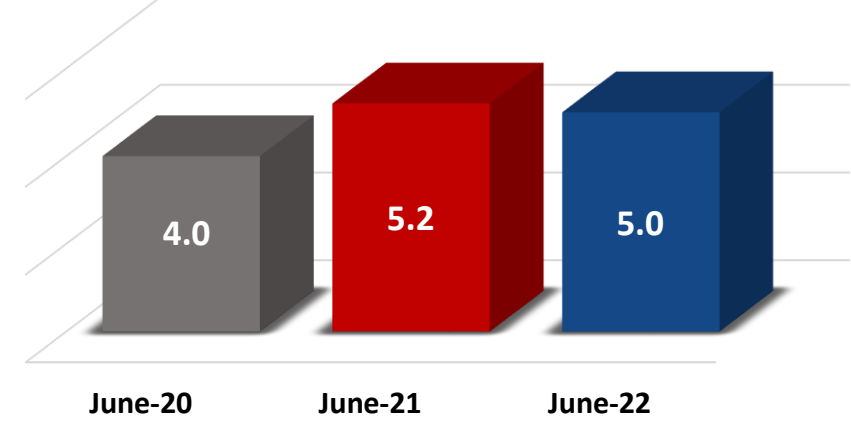
Return on assets (ROA) (%)



Debt equity ratio (Times)

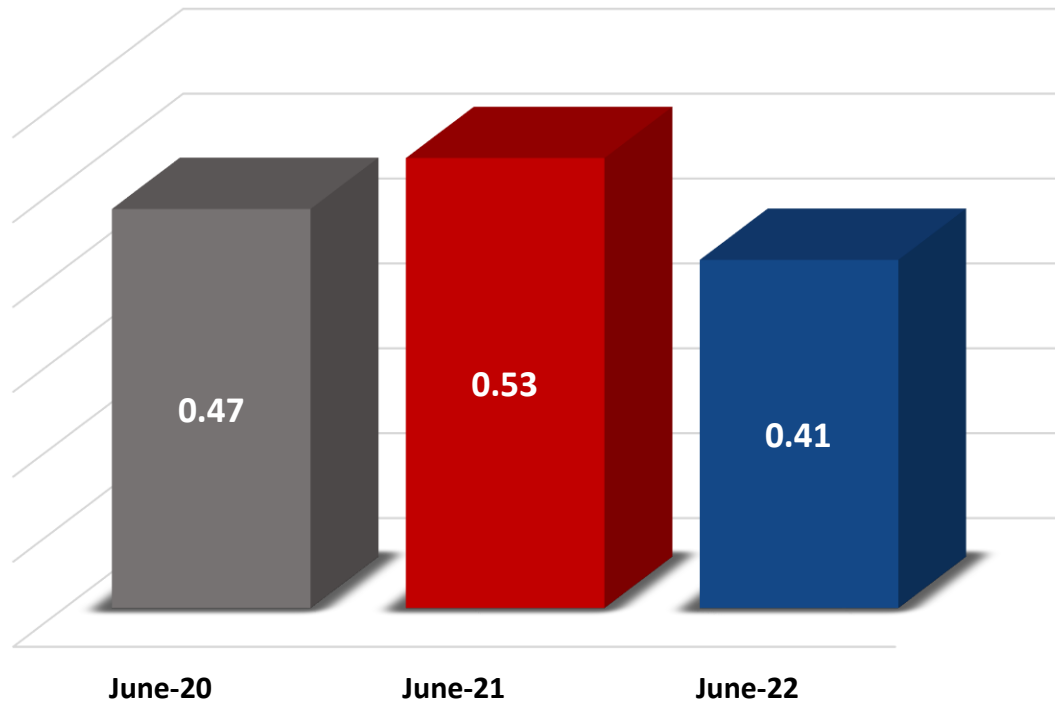


Earnings per share (EPS) (Rs.)

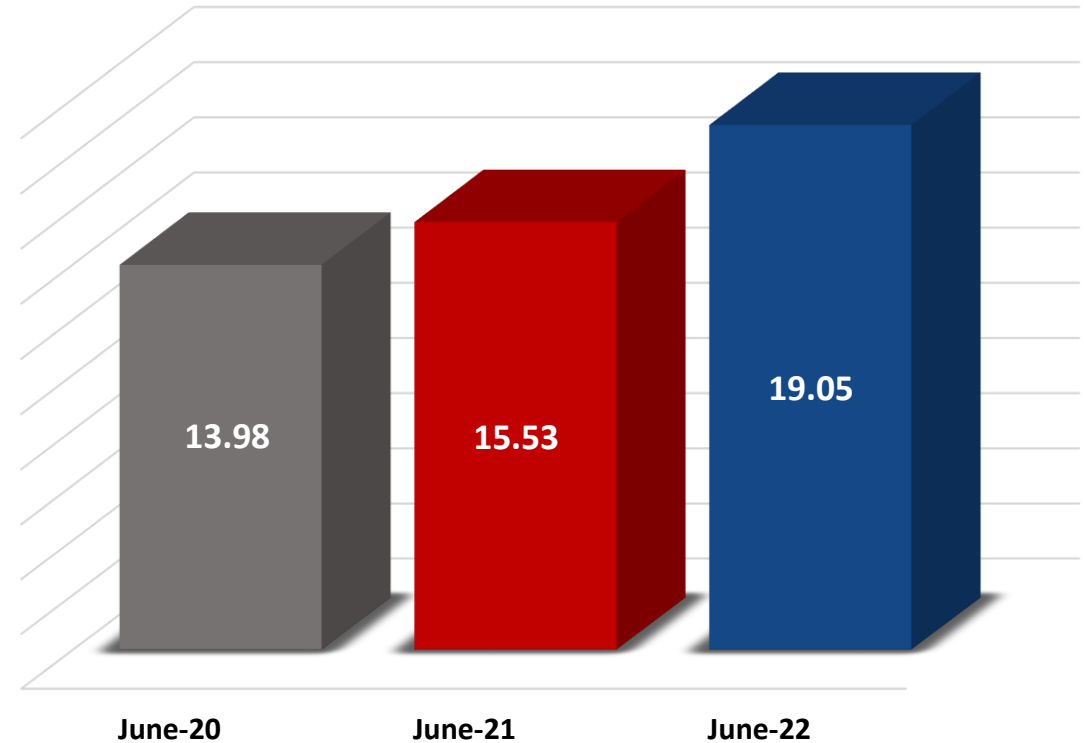


FINANCIAL RATIOS (2020-2022)

Price to Book ratio (Times)



Dividend Yield (%)



Financial Performance

Description Amounts in Rs. Million	Sep 2022	Sep 2021	Variance %
Income from operations	1,280	836	53%
Other income	187	84	124%
Share of profit from associates	22	11	109%
Total Income	1,489	930	60%
Finance cost	687	323	113%
Administrative, general expenses and other expense	360	319	13%
Total Expenditure	1,047	642	63%
Profit before provision and taxation	443	288	54%
Provision / (reversal of provision)– net	38	(12)	408%
Profit before taxation	405	300	35%
Taxation	139	87	60%
Profit after taxation	266	214	24%
Earnings per share	1.52	1.22	24%

Financial Position

Description Amount in Rs. million	Sep-2022	Jun-2022	Variance
Net investment in finance lease	12,074	12,684	-5%
Finances and loans	12,450	11,556	8%
Total Portfolio - Net	24,524	24,240	2%
Investments	4,667	2,956	58%
Other assets	1,807	2,534	-28%
Total Assets	30,998	29,730	4%
Bank borrowings (incl. PPTFC)	14,106	13,484	5%
Certificates of deposit	4,721	4,536	4%
Total Borrowings	18,827	18,020	4%
Other liabilities	2,893	2,796	3%
Equity	9,278	8,914	4%
Total Equity and Liabilities	30,998	29,730	4%

OLP's Position in Lending NBFCs

Financial Highlights

Non Banking Financial Institution Sector

Rs. in million

Industry	2016	2017	2018	2019	2020	2021
No. of Companies (Lending Institutions)	33	32	35	35	37	35
Total assets	76,825	80,024	81,248	81,574	78,265	78,426
Profit after taxation	1,818	2310	2,869	2,130	1,823	2,761
OLP & OLP Modaraba (OLP Group)						
No. of Companies	2	2	2	2	2	2
Total Assets	40,591	40,539	33,652	32,957	30,245	31,537
Net profit after tax	915	969	1,500	1,149	830	1,067
OLP Group Share						
Percentage of Total Assets	53%	51%	41%	40%	39%	40%
Percentage of Total Profit	50%	42%	52%	54%	46%	39%

Source: NBFY Year Book | <http://nbfi-modaraba.com.pk/>

Future Strategy

Future Strategy



Introduction / development of new products to diversify product range:

- Term Finance (backed by real estate)
- Introduction of new products under Micro Finance.

New Lessees:

- OLP will focus on increasing its client base to ensure continuous growth.

Product differentiation:

- Offer vehicle lease bundled with insurance and maintenance by leveraging the OLP group's auto workshop.

Vendor relationships and brand visibility:

- Vendor relationships will be explored with new players in the vehicle market.
- Sufficient resources will be devoted for brand awareness.

Staff training:

- To further enhance employees technical skills while emphasizing on compliance and transparency.

Thank You