

Towering
Strength



OLP Financial
Services Pakistan
Limited
(PSX Symbol: OLPL)

CORPORATE BRIEFING SESSION

October 26, 2023
12:00 PM

Agenda

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Introduction

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Financial Information

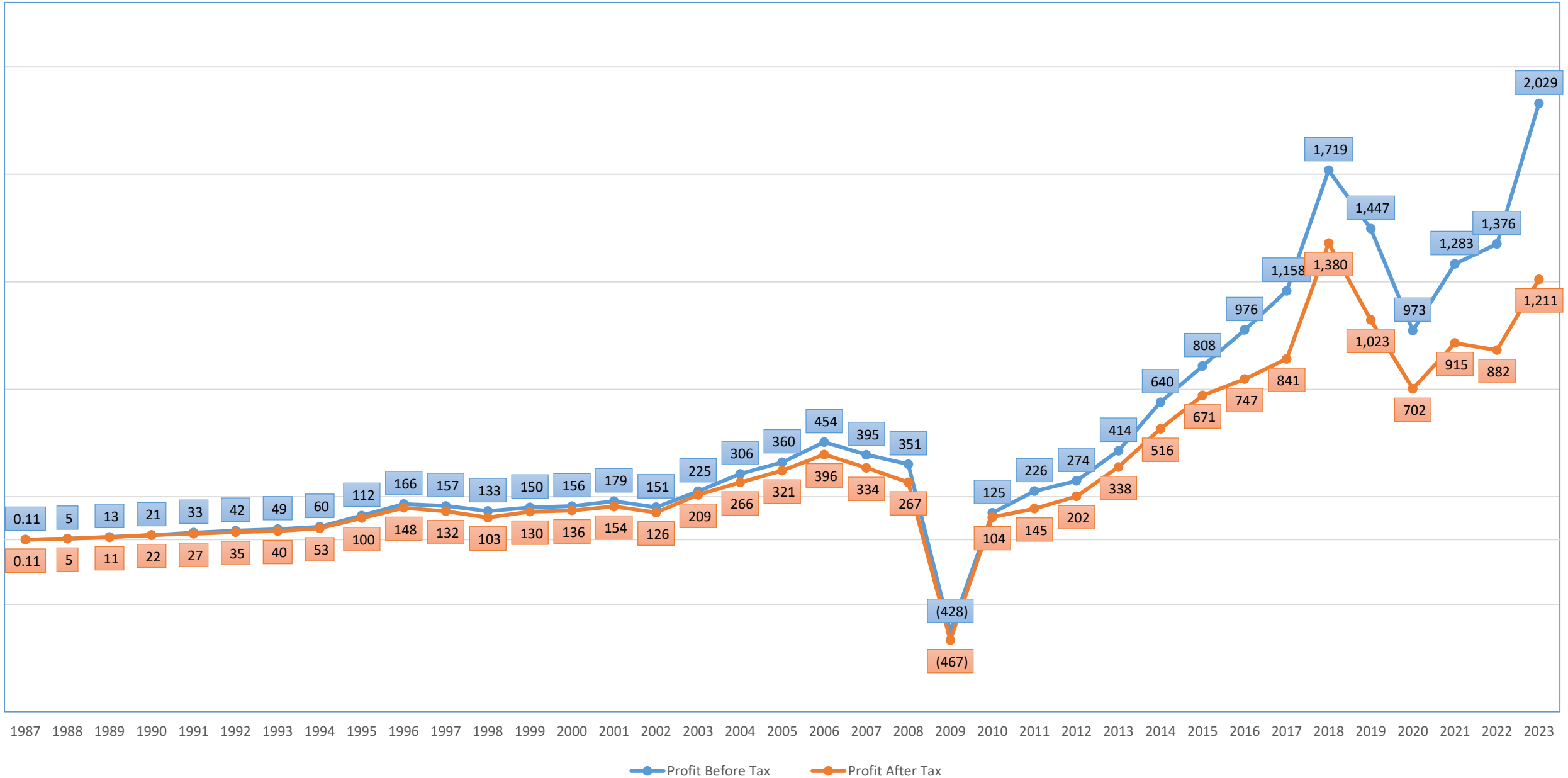
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OLP's Position in Lending NBFCs

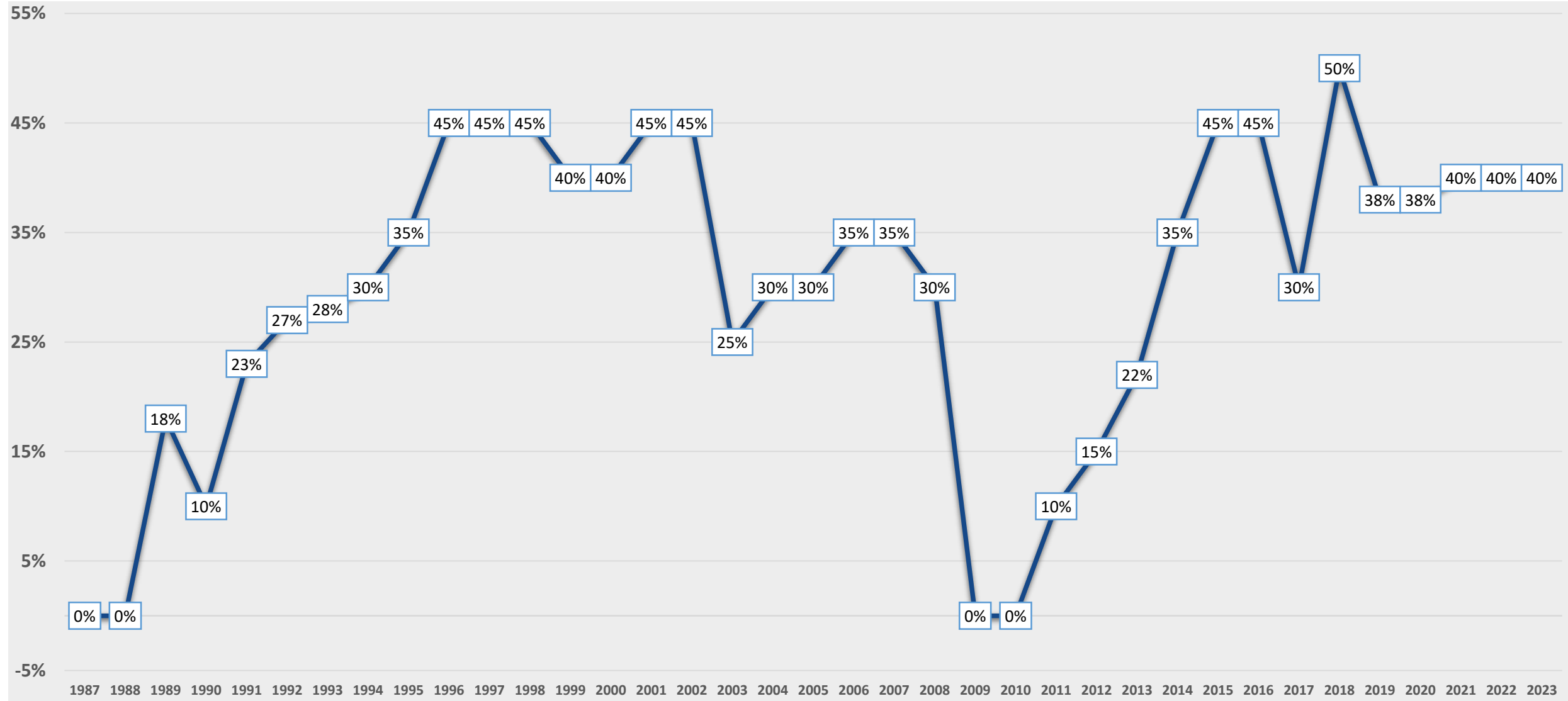
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Future Strategy

Annual Profit (Rs. Million)



Dividend Incl. Bonus Shares



Corporate Governance



DIRECTORS	PROFILE
Mr. Khalid Aziz Mirza	Khalid Mirza has nearly 50 years of work experience. He served in the Securities & Exchange Commission of Pakistan in various capacities including Chairman. Currently He has been teaching in Lahore School of Economics as Professor of Practice.
Mr. Rashid Ahmad Jafer	Mr. Rashid Ahmed Jafer has an experience of 37 years with M/s. A.F. Ferguson & Co., including 23 years as a partner at the organization. He is a fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) and enjoys an expertise in statutory audit. He has been a member of the Professional Standards and Technical Advisory Committee of ICAP for several years and is also a member of the SBP – ICAP Coordination Committee.
Mr. Yoshiaki Matsuoka	Mr. Matsuoka is graduated from The Kwansei Gakuin University, Japan. He joined ORIX Corporation in April 1991 and served in various senior capacities within ORIX Corporation, Japan and other ORIX Group Companies. Currently he is serving as Operating Officer Group Strategy Business Unit, Head of Global Business Group ORIX Corporation and Chairman and Chief Executive Officer in ORIX Corporation Europe N.V
Ms. Keiko Watanabe	Ms. Keiko Watanabe joined ORIX Corporation in 1991, and has served in various senior positions in ORIX Group including overseas consolidated and joint-venture companies. Currently, she is appointed as Director and Deputy President of ORIX Leasing Malaysia Berhad which has almost 50 years' history and provides diversified financial services in the region. She is a graduate of Gakushuin University, Japan

DIRECTORS	PROFILE
Ms. Mika Takeda	Ms. Takeda joined ORIX Corporation in 2001, after graduation from Keio University, Japan. She has assumed various roles in ORIX Corporation. Currently she is serving as Senior Vice President of Global Business Group in ORIX Corporation, appointed as non executive director of ORIX Australia Co. Ltd, and Thai ORIX Leasing Co. Ltd since September 2022
Mr. Shaheen Amin	Mr. Amin joined OLP in December 1986 and after serving in various capacities was appointed Deputy Managing Director in January, 1992. Mr. Amin was appointed the founding General Manager of Oman ORIX Leasing Company SAOG and in the year 2000 was appointed the founding General Manager of Saudi ORIX Leasing Company. Mr. Amin has an MBA from Booth School of Business, University of Chicago and an Executive MS in Risk Management from Stern School, New York University
Mr. Ramon Alfrey	Mr. Alfrey joined OLP Financial Services Pakistan Limited-OLP (Formerly ORIX Leasing Pakistan Limited) in April 1990. He has served the Company in various senior capacities in Pakistan and UAE. His more recent appointments at OLP include Company Secretary, Chief Financial Officer and Group General Manager Planning and Strategy. In April 2020, he assumed the responsibility of Deputy Chief Executive Officer. Mr. Alfrey also serves as a nominee Director on the Board of OLP Services Pakistan Limited, the management company of OLP Modaraba. Mr. Alfrey is a fellow member of the Institute of Chartered Accountants of Pakistan

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

Operational Information

Operations

OLP is headquartered at Karachi with 36 branches situated in 33 cities across Pakistan.

Staff strength of 438 permanent employees.

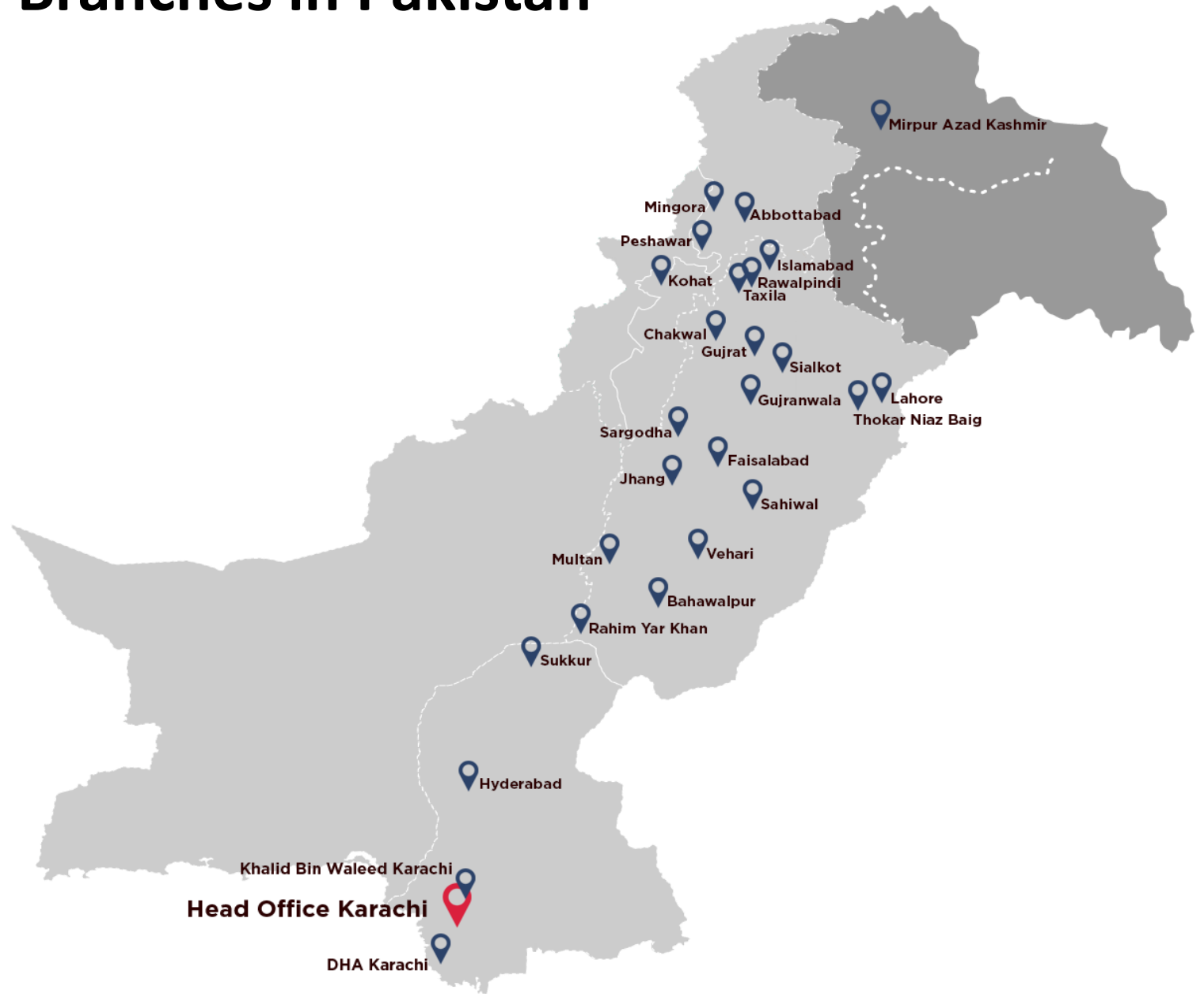
The Pakistan Credit Rating Agency Limited (PACRA) has assigned OLP a long term rating of (AA+) and a short term rating (A1+) (maintained same rating since 2013).

Over the last 36 years, OLP has disbursed Rs. 248 billion with majority to SME sector.

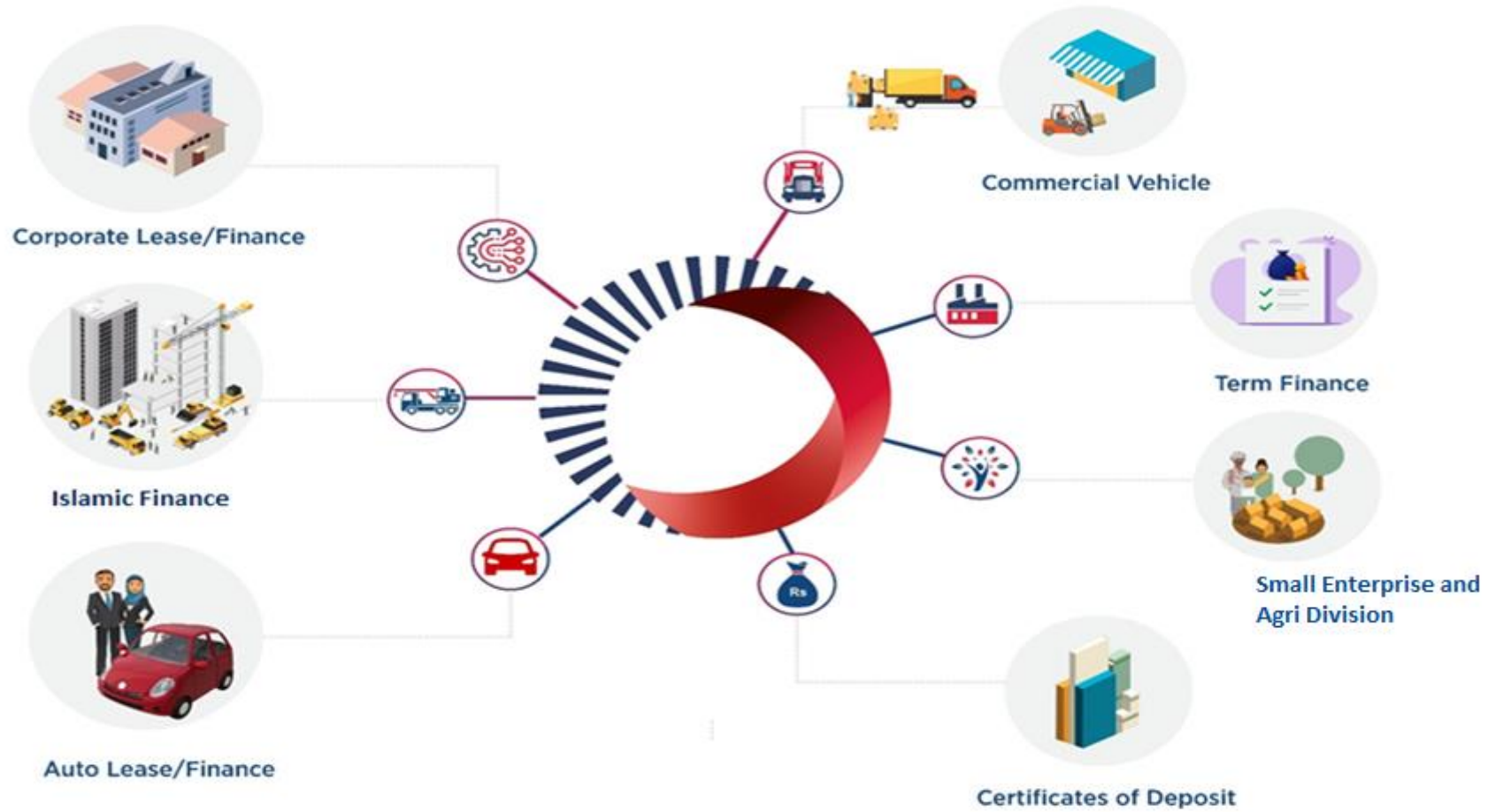
OLP Modaraba is our Islamic financing subsidiary offering shariah compliant products.

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

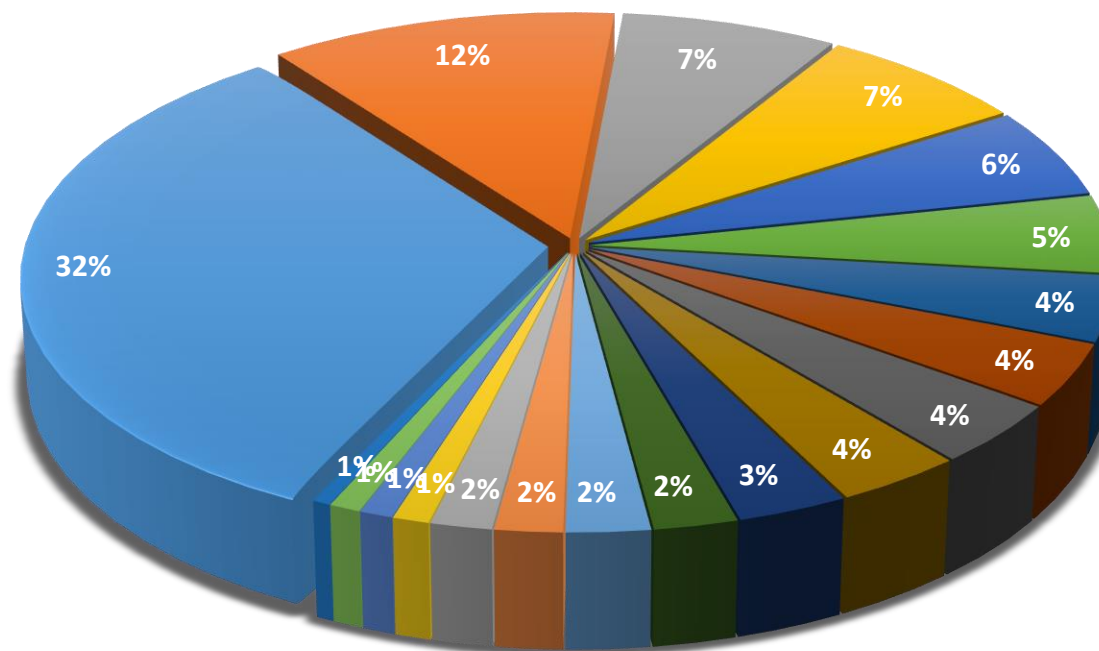


OLP Products



Sector Wise Portfolio - June 30, 2023

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



SECTOR	NFA & OTHER FINANCES & LOANS (Rs. Million)
Individuals	8,343
GOODS TRANSPORT	3,022
SERVICES	1,879
TRADING	1,834
PUBLIC TRANSPORT	1,491
FUEL & ENERGY	1,296
DISTRIBUTER	1,070
CONSTRUCTION	1,028
TEXTILE & ALLIED	1,016
FOOD & ALLIED	916
STEEL & ENGINEERING	793
NATURAL RESOURCE AND FARMING	603
CHEMICAL & PHARMACEUTICAL	602
GLASS, CERAMICS & PLASTIC	487
PAPER, BOARD & PRINTING	442
MISCELLANEOUS	263
AUTOMOTIVE INDUSTRY	241
SUGAR	224
CABLES, ELECTRIC AND ELECTRONIC GOODS	130
Grand Total	25,678

Financial Information

Financial Performance

Statement of Profit or Loss Amount in Rs. million	June 2023	June 2022
Income from operations	5,904	3,868
Other income	774	558
Share of profit from associates	118	64
Total income	6,796	4,490
Finance cost	3,158	1,794
Administrative, general and other expenses	1,472	1,348
Total expenditure	4,630	3,142
Profit before provision and taxation	2,166	1,348
Provisions / (reversal in provision) – net	137	(29)
Profit before tax	2,029	1,377
Taxation	818	495
Profit after tax	1,211	882

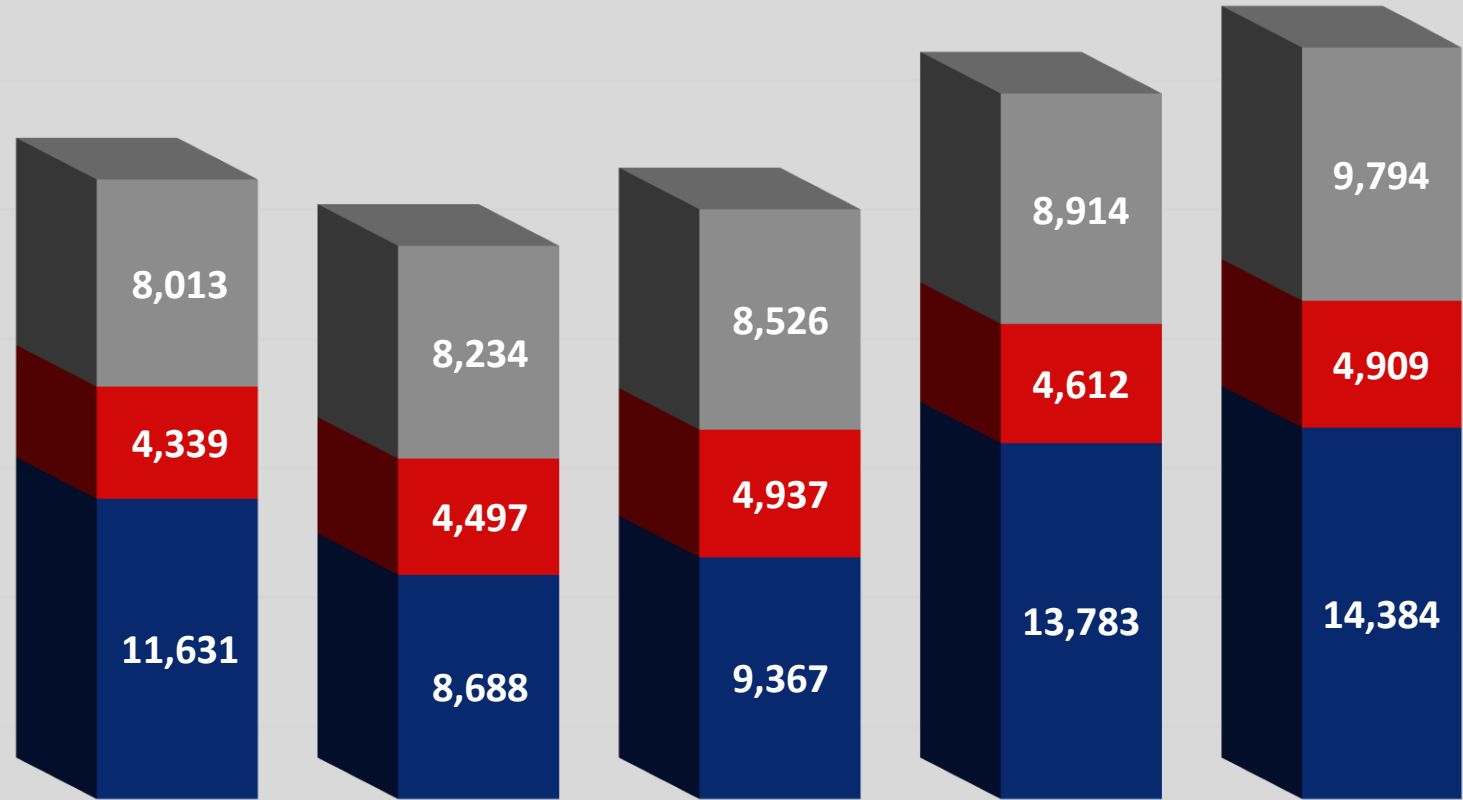
Financial Position

Statement of Financial Position Amounts in Rs. million	June 2023	June 2022
Net investment in finance lease	11,257	12,684
Finances and loans	14,191	11,764
Total portfolio – net of provision	25,448	24,448
Investments	4,952	2,975
Other assets	1,553	2,307
Total Assets	31,953	29,730
Bank borrowings	14,384	13,783
Certificates of deposit	4,909	4,612
Total borrowings	19,293	18,395
Other liabilities	2,866	2,421
Equity	9,794	8,914
Total Equity and Liabilities	31,953	29,730

Funding Analysis

Rs. in millions

■ Equity ■ COD ■ Bank



2019

2020

2021

2022

2023

Total Borrowing

15,970

13,185

14,304

18,395

19,293

D/E Ratio (times)

1.99

1.60

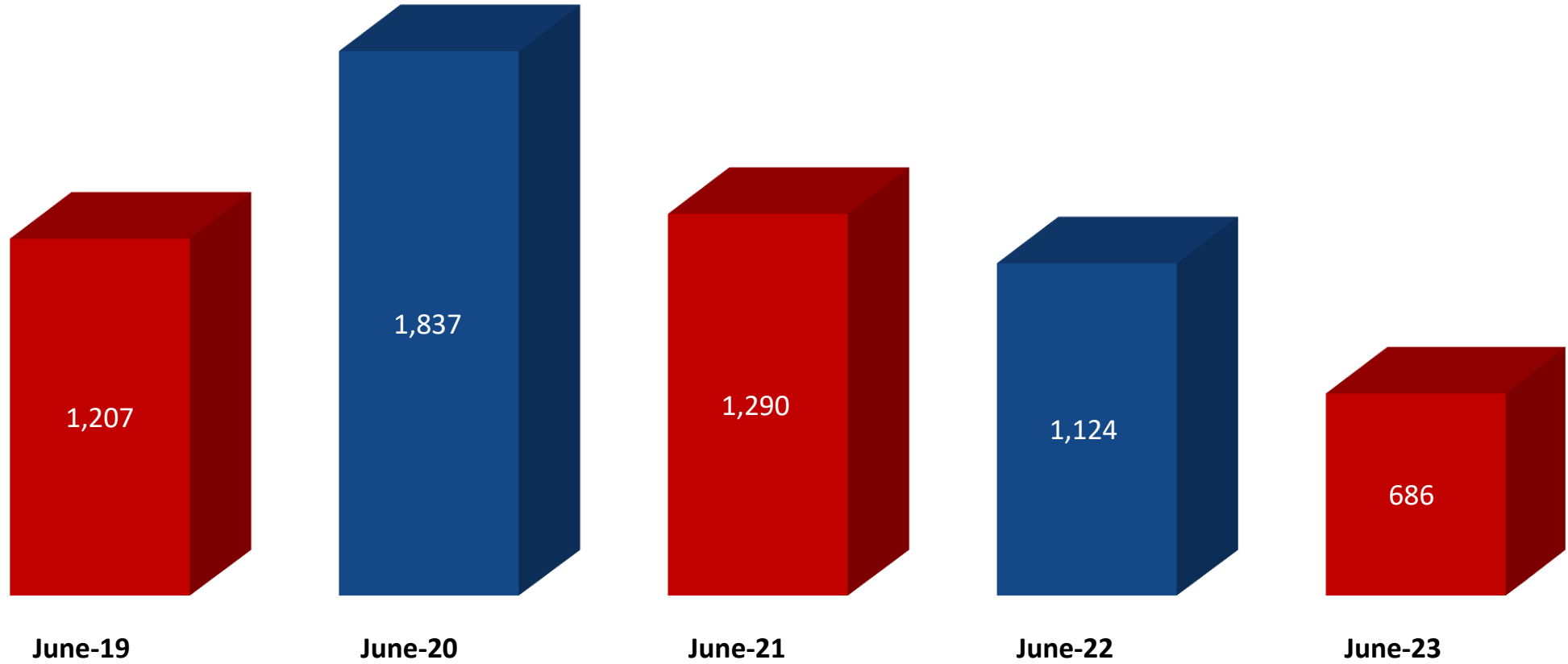
1.67

2.06

1.96

Overdue Trend Analysis (> 90days)

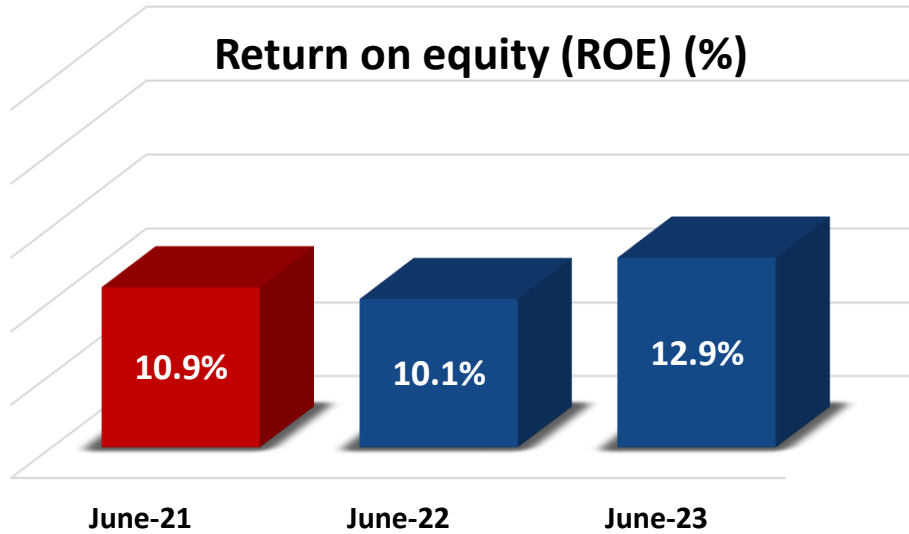
Rs. in millions



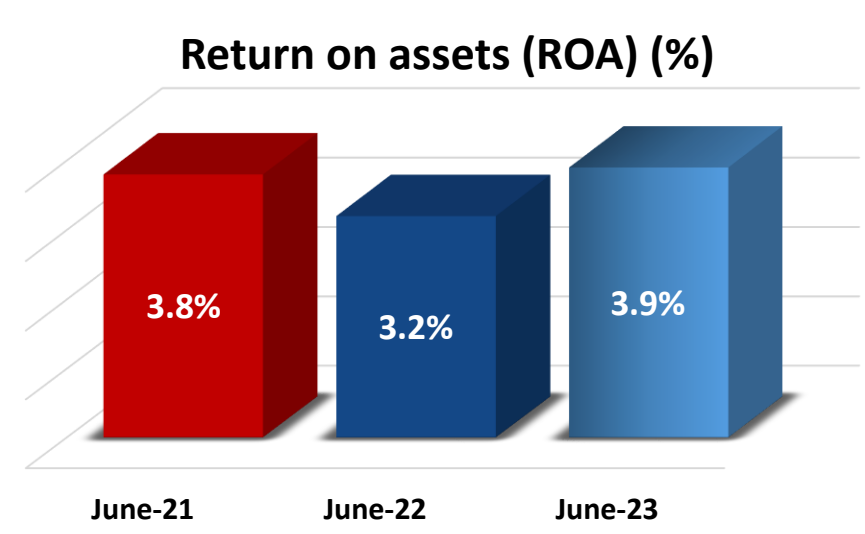
Provision	871	1,173	1,121	1,055	889
Provision coverage	72%	64%	87%	94%	129%
Infection ratio	5.30%	9.70%	6.00%	4.50%	2.7%

FINANCIAL RATIOS (2021-2023)

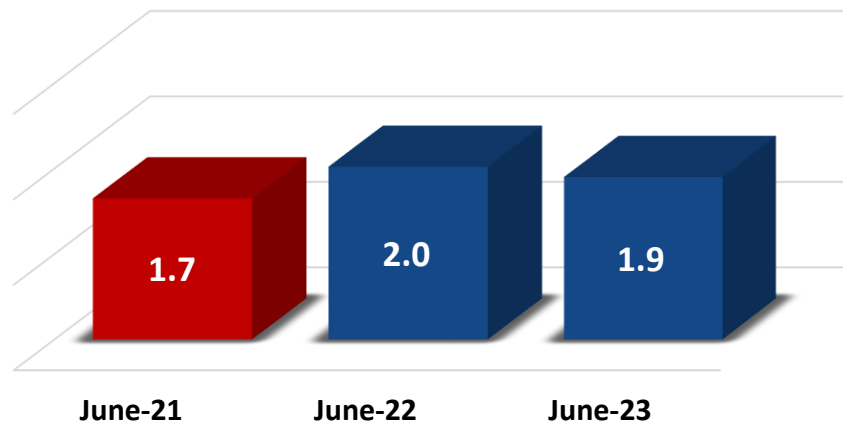
Return on equity (ROE) (%)



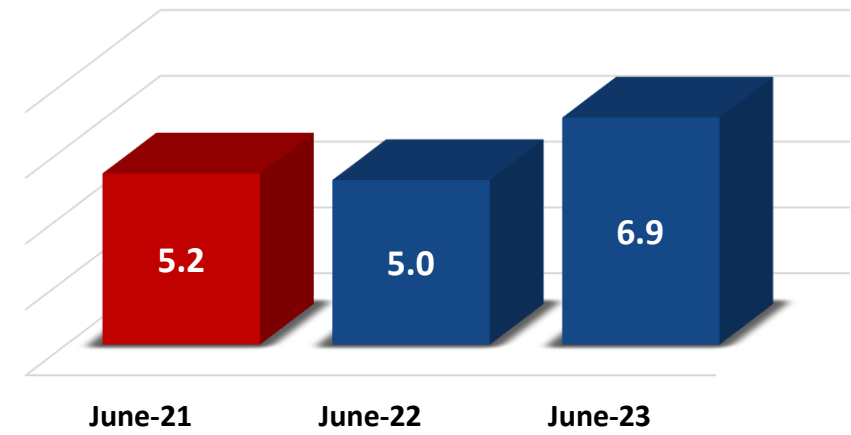
Return on assets (ROA) (%)



Debt equity ratio (Times)

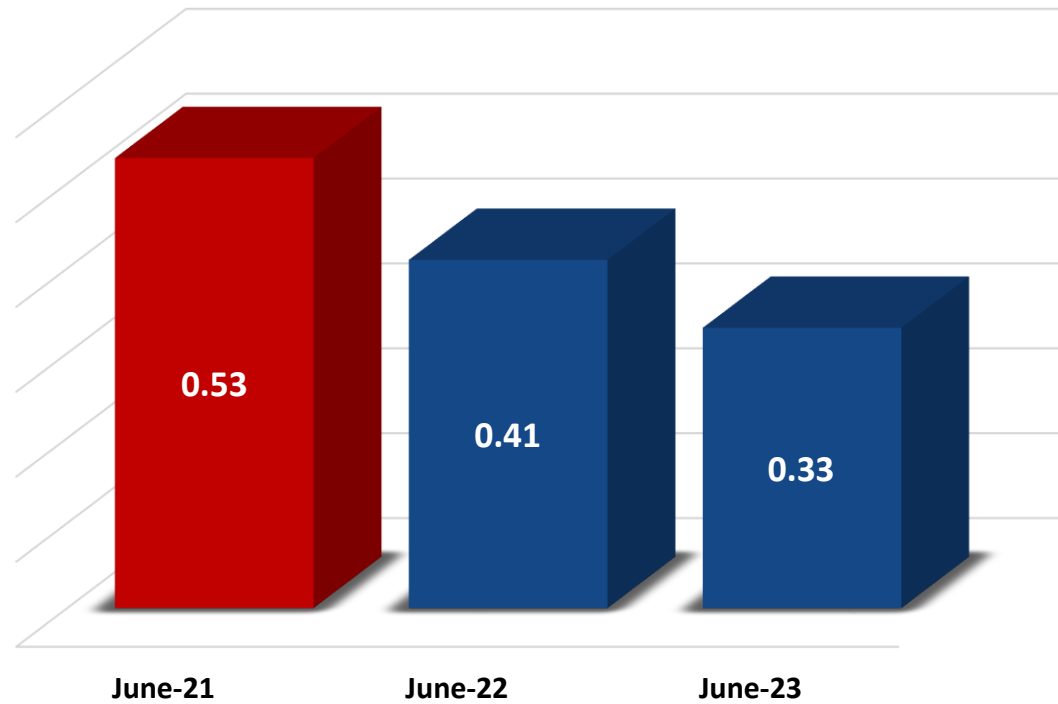


Earnings per share (EPS) (Rs.)

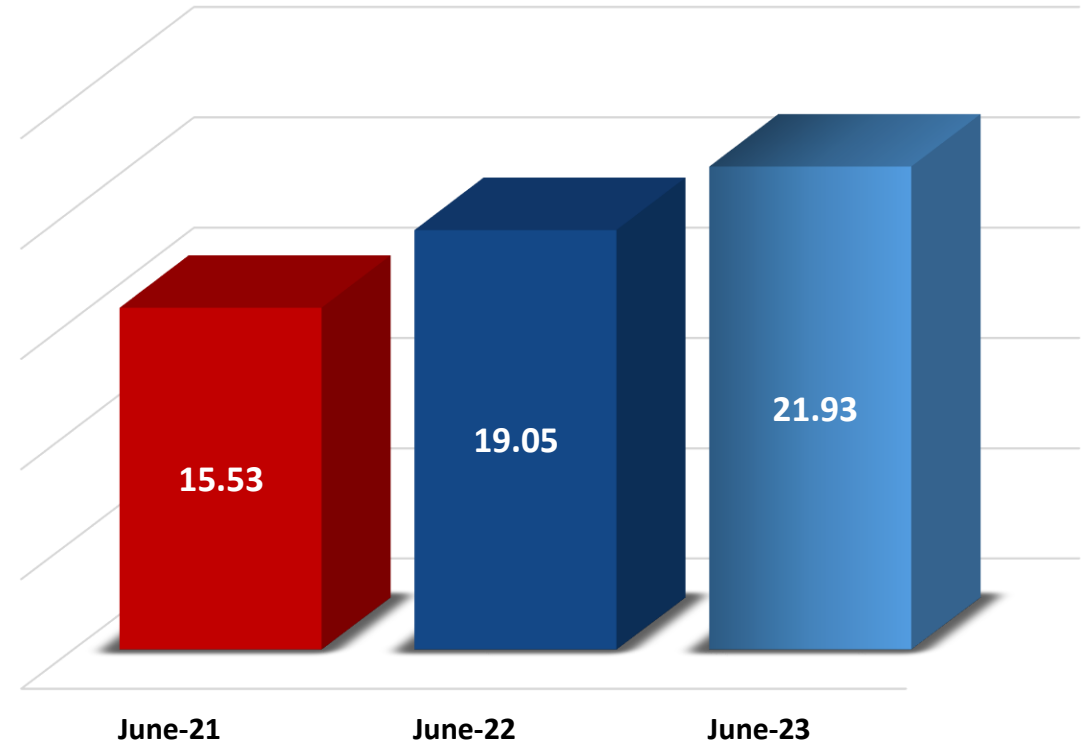


FINANCIAL RATIOS (2021-2023)

Price to Book ratio (Times)



Dividend Yield (%)



Future Strategy

Future Strategy



New products as primary growth drivers:

- Term Finance (backed by real estate) to be expanded
- Introduction of new products under Small Enterprise and Agri Division.

New Lessees:

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

Portfolio Management:

- Close monitoring of overall economic conditions with particular emphasis on sectors where OLP has outstanding exposures
 - Effective management of existing portfolio

Staff training:

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

Thank You