

Directors' Report

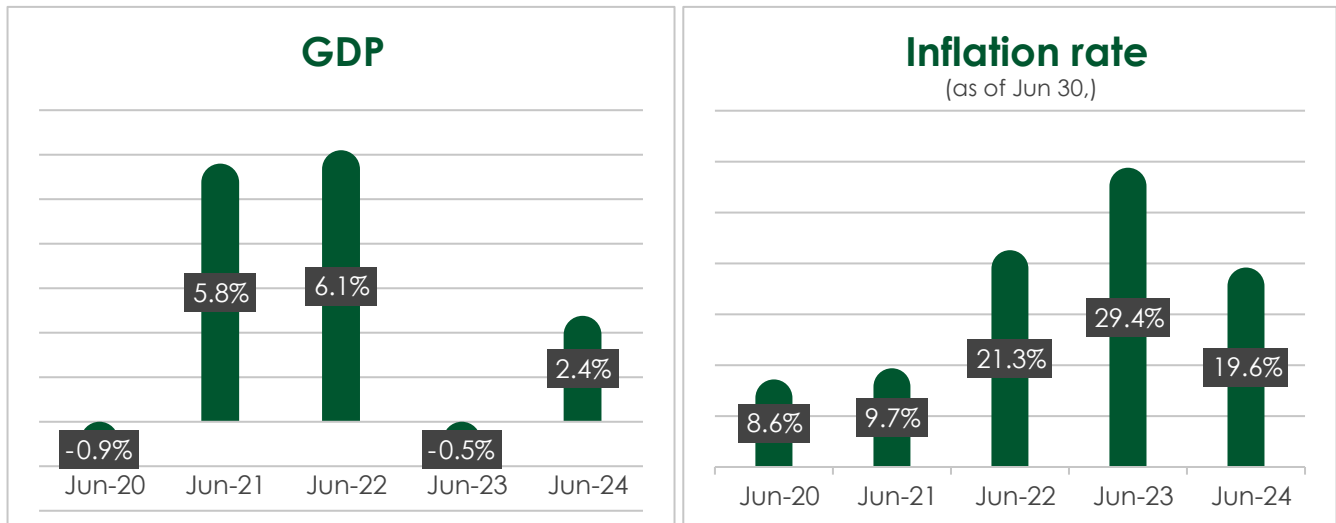
On behalf of the Board of Directors, we are pleased to present the thirty eighth annual report of OLP Financial Services Pakistan Limited (OLP/ the Company) together with the Unconsolidated Financial Statements for the year ended June 30, 2024.

The Company

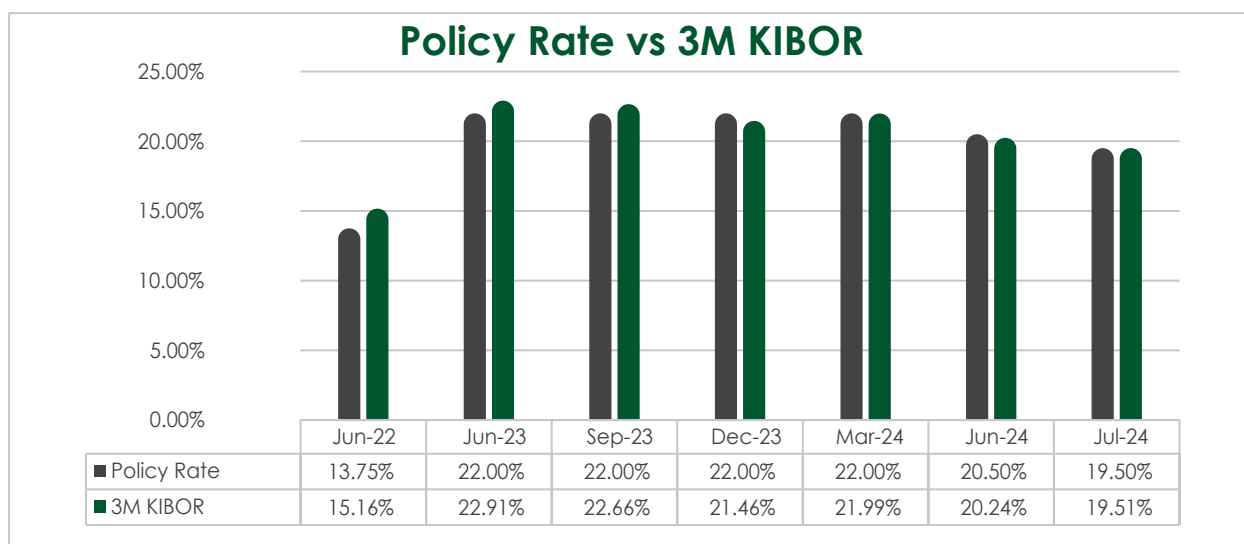
The Company was established in 1986 as a joint venture between ORIX Corporation, Japan (ORIX) and local investors. Licensed by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, OLP operates as an Investment Finance Services provider. OLP caters to the diverse financial needs of corporate and individual clients. With a focus on empowering the Small and Medium Enterprise (SME) sector, OLP delivers customized financial solutions to support business growth and development.

Overview of the Economy

Pakistan's economy witnessed a moderate recovery in FY 2024 despite challenges of fiscal consolidation, monetary tightening, geopolitical tensions, and persistently high inflationary pressure. The following graphical presentations illustrate the key indicators of the country's economic performance:



During the first nine months of last year, inflation remained persistently high at around 26.0%. However, the prolonged inflationary impact began to subside in the last quarter, with inflation easing to 19.6% as of June 30, 2024. This downward trend continued into July 2024, with inflation standing at 12% (year on year). The State Bank of Pakistan, in its latest monetary policy committee meeting, has projected inflation to stabilize around 15% for the year ending June 30, 2025. The recent rate cuts coincide with a significant easing of inflation. The benchmark policy rate is expected to further reduce in the upcoming calendar year. The government stands to gain significantly from the rate cut as it will reduce interest payments on its mounting debt, providing fiscal space for necessary development expenditures and stimulating economic activities. The policy rate and KIBOR movement during the last few years follows:



Pakistan's budget FY2025 was announced in June 2024 with a total outlay of Rs. 18.9 trillion (up 30% compared to the budgeted outlay of FY2024), and gross revenue receipts are expected at Rs. 17.8 trillion. The Federal Board of Revenue (FBR) tax collection is envisaged at Rs. 12.97 trillion; an amount nearly 38% higher than the outgoing fiscal year. The FY2025 budget has set ambitious targets; a headline deficit of 5.9% of total GDP and a 2.0% primary surplus (i.e. total revenue over total expenses), compared to 7.4% and 0.4% in FY2024 respectively. The Government and IMF has predicted Pakistan's economy will grow 3.5% in FY2025.

Business Review

Faced with challenging economic conditions throughout the year, OLP responded with a comprehensive strategy, focusing on sustaining business operations, optimizing costs and boosting operational efficiency.

Despite subdued business and economic activity, disbursements at Rs. 16.04 billion was in line with previous year's figure of Rs. 16.07 billion. OLP remains cautious in writing new business with focus on maintaining a high-quality portfolio. The Company's vehicle leasing and financing segment, which comprises of commercial vehicles and saloon cars, contributed 72% of total disbursements for the year. OLP's finance/lease portfolio amounted to Rs. 25.4 billion as of June 30, 2024, compared to Rs. 25.7 billion in the prior year.

OLP's widespread presence, spanning 27 core branches and 8 small finance branches across Pakistan, enables the company to serve a diverse customer base and effectively manage concentration risk. As of June 30, 2024, the largest single customer exposure is 0.9% of portfolio, demonstrating a well-diversified portfolio. In terms of asset type, vehicles account for 73% of the finance/lease portfolio followed by plant and machinery at 16%.

During the year, the Company succeeded in reducing its delinquency ratio to 2.5% from 2.7% last year. This was achieved through effective portfolio management and close monitoring of overdue accounts. The focus was on a conservative approach when writing new business and rigorous risk management protocols. Additionally, efforts were directed towards negotiating out-of-court settlements with long-outstanding overdue customers, while vigorously pursuing new delinquent accounts.

Yanal Finance Company, OLP's associated company operating in Kingdom of Saudi Arabia, showed significant improvement in its profitability. OLP's share in profit from its associate amounted to Rs. 139 million (FY 2023: Rs. 118 million); an 18% increase over the preceding year.

OLP Modaraba (OM) reported net profit of Rs. 157.7 million for the year; 22% higher than the previous year's profit of Rs. 128.8 million. Total assets at Rs. 7,738 million were 13% higher than last year (June 30, 2023: Rs. 6,825 million). OM declared a cash dividend 20% for the year.

Financial Performance

OLP's financial results are summarized below:

	2024	2023
	-----Rupees-----	
Profit before taxation	2,290,853,975	2,029,035,717
Taxation	897,943,253	818,302,927
Profit for the year after taxation	1,392,910,722	1,210,732,790
Appropriations:		
transfer to statutory reserve	69,645,536	60,536,640
Interim dividend	350,815,294	350,815,294
Final dividend – Proposed	526,222,941	350,815,294
	946,683,771	762,167,228
Earnings per share – basic and diluted	7.94	6.90

Despite difficult market conditions, OLP achieved its highest ever pre-tax profit of Rs. 2.29 billion (FY2023: Rs. 2.03 billion). Pre-tax profit was 12.9% higher than last year. Profit after tax of Rs. 1.39 billion (FY2023: Rs. 1.21 billion) was 15% higher than last year. The strong results were due to the high interest environment which resulted in higher earnings on equity funded portfolio of the Company.

Dividend

The Directors are pleased to recommend a final cash dividend of 30% for the year ended June 30, 2024. This is in addition to interim cash dividend of 20% paid during the year which brings the total dividend for the year to 50% (2023: total cash dividend of 40%).

Revenue

The Company reported a 17.5% increase in annual revenue, which amounted to Rs. 7,984 million compared to Rs. 6,796 million earned in the previous year.

Income from the lease and loan portfolio increased by 16.6% to Rs. 6,885 million, compared to Rs. 5,904 million in the preceding year. The high interest rate environment prevalent throughout the year contributed significantly to revenue growth, as most of the portfolio's earnings are linked to KIBOR which was regularly re-priced upward. The rate increase was the primary contributor to the growth in income as the size of the lease and loan portfolio remained close to previous year's level.

Other income for the year increased by 23.9% to Rs. 959 million from Rs. 774 million in FY2023. This increase was driven by a diversified mix of income streams, including returns on Government securities, gains from premature contract cancellations, documentation fees from new business, and miscellaneous other incomes. In response to the current volatile economic environment, OLP has maintained excess liquidity in Government securities.

Expenses

Total expenses for the year, excluding provision for potential lease and loan losses, were Rs. 5,519 million; 19.2% higher than last year's expense of Rs. 4,630 million. The breakup of expenses are as follows:

- Finance cost for the year increased by 22.7% to Rs. 3,876 million from Rs. 3,158 million in FY2023. OLP's bank borrowings are priced on a variable rate basis and higher KIBOR rates prevalent throughout the year resulted in increased finance cost. Additionally, the cost of the Certificate of Deposit (COD) portfolio increased with the issuance of new CODs at competitive market rates. Notably, total borrowings decreased to Rs. 18.2 billion as of June 30, 2024, from Rs. 18.7 billion on June 30, 2023.
- Administrative and general expenses increased by 12.5% to Rs. 1,615 million driven primarily by a 12% increase in staff costs to Rs. 1,171 million. Increase in staff cost was largely due to inflation-driven compensation adjustments necessary to retain staff. The effect of higher staff compensation cost was partly mitigated by a 6% reduction in total staff numbers from 408 to 435. Notably, other expenses were controlled; increasing by only 13.6% amidst high inflationary pressures.
- Direct cost decreased by 26.3% to Rs. 27 million (FY2023: Rs. 37 million) during the current year. Direct cost mainly comprised of stamp duty on new business, expenses associated with Ijarah finance and other expenses directly attributable to lease and finance.

Provision for Potential lease, loan and other losses

OLP's non-performing portfolio (over 90 days past due) declined to Rs. 641 million as of June 30, 2024, from Rs. 687 million in the previous year. The company recorded a reversal of provision charge of Rs. 42.2 million in FY2024, compared to Rs. 106.2 million in FY2023. OLP maintains provisions for potential lease and loan losses in accordance with the Expected Credit Loss (ECL) model under IFRS 9, supplemented by subjective provisions for specific cases as required by NBFC Regulations. The accumulated provision for potential lease and loan losses stood at Rs. 810 million, providing 119% coverage against all accounts over 90 days past due, compared to 129% in FY2023.

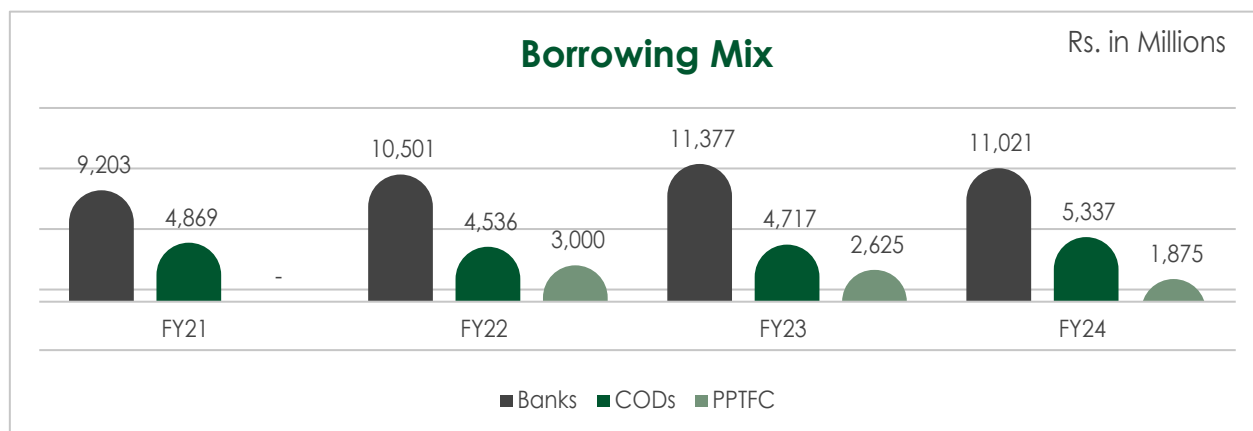
Taxation

Tax expense of Rs. 898 million was recorded for the year; 9.7% higher than the tax expense of Rs. 818 million. This included a super tax of 10% imposed in last year's Federal Budget.

Funding and Liquidity

The Company's borrowings comprise a diversified mix of funding sources, including bank loans, Certificate of Deposit (COD) and Privately Placed Term Finance Certificates (PPTFC). The Company has established strong relationships with nine banks, securing loan facilities in the form of long-term loans and overdrafts at competitive market rates, collateralized by OLP's lease and loan portfolio. Additionally, OLP issues CODs, which are unsecured borrowings from individual and institutional investors.

A breakup of OLP's borrowings follows:



The Company's debt to equity ratio as of June 30, 2024 was 1.74 (June 30, 2023: 1.91) while Capital Adequacy Ratio (CAR) was 30.2% (June 30, 2023: 27.2%) which is well above the regulatory requirement of 10%. This is indicative of the Company's strong capital position.

Risk Management

OLP has established a comprehensive risk management framework, which is crucial to the Company's success. This framework enables proactive identification and management of potential risks through:

- Board oversight
- Multi-tier supervision by department heads and management committees
- Effective policies and procedures
- Strong control mechanisms
- Robust IT systems

The framework is regularly updated to reflect changes in business dynamics, regulatory requirements, and overall business strategies.

The Board's Audit & Risk Committee (BA&RC), comprising four directors and chaired by an Independent Director, enhances governance and implementation of risk management policies. The Management Committee oversees and executes Board-approved guidelines, while day-to-day risk management activities are delegated across various levels.

OLP has implemented an Enterprise Risk Management (ERM) framework, which applies to all functions, ensuring a consistent approach to risk management. This framework enables the Board to comprehensively review risks across operations and segments, providing guidelines for mitigation while aligning with strategic objectives.

Our proactive risk management strategy, underpinned by regular monitoring and reporting, allows us to manage uncertainties, positioning OLP for long-term success while upholding the interests of our stakeholders. The following section outlines the risk management measures adopted by the Company to address major risks.

Credit Risk

OLP has Board-approved Credit Risk Policies that provide guidelines for extending credit to various economic segments and product lines. These policies enable the Company to manage and control credit risk by setting exposure limits, monitoring adherence, and continuously reviewing guidelines to address evolving market dynamics.

The Risk Management Department (RMD) oversees credit risk policy adherence and reports to the Board's Credit Committee. OLP emphasizes portfolio monitoring, early risk identification, and implements tools to support business growth while managing credit risks.

The Company uses a scorecard approach to assess corporate customer credit risk at inception and reporting dates, monitoring for any deterioration. In challenging economic conditions, RMD closely monitors high-risk sectors, escalates concerns to management, and collaborates with the Marketing Department to manage existing portfolio exposure.

OLP's robust credit risk management approach has resulted in a well-diversified portfolio with a low non-performing loans ratio, even in the current economic environment.

Liquidity Risk & Market Risk

OLP's Board-approved Asset Liability Management Policy outlines the Company's risk appetite for liquidity and market risks, overseen by the Asset Liability Management Committee (ALCO). ALCO meets monthly to review economic and market conditions' impact on profitability, liquidity, and fund management. The committee monitors ALM ratios, current and future cash flow position and manages liquidity risk by diversifying funding sources, securing credit lines, and balancing lending and borrowing. OLP's funding sources include bank borrowings, certificates of deposit, and privately placed term finance certificates, ensuring a diversified mix of lenders.

A liquidity contingency plan ensures alternative funding strategies and maintains liquidity reserves in liquid Government securities, besides liquid securities which are also held for compliance with statutory requirements. ALCO also manages market risk from interest rate fluctuations by formulating pricing strategies, monitoring market interest rates, and matching lending and borrowing portfolios.

The Company limits interest rate risk by ensuring a substantial portion of its lease/loan portfolio's interest rate profile matches financial obligations, with acceptable limits. OLP can reposition assets and liabilities or execute interest rate swaps if necessary. A sufficient profit margin is charged to cover rapid rate fluctuations.

Operational Risk

OLP has established policies and procedures to manage operational risks systematically and consistently, with regular reviews to ensure relevance in the evolving operational landscape. Operational risks are mitigated through a control framework, proactive monitoring, and addressing potential risks.

To minimize operational risks, OLP has enhanced its Internal Audit, Risk Management, and Compliance functions, which ensure policy adherence and monitor key risk indicators, operational disruptions, and potential failures. High-risk areas, such as system failures, internal control breaches, and fraud, receive strong focus.

OLP prioritizes improving IT security, defining individual responsibilities, and enhancing operational efficiency and effectiveness through automation and human resource development. The Company provides orientation and training on its Code of Conduct, Anti-money laundering, Anti-fraud, and Whistleblowing Policies to prevent fraud and unethical practices.

A comprehensive regulatory risk management process is in place, with the Compliance Function ensuring the effectiveness of controls around regulatory requirements on an ongoing basis.

Strong focus is maintained on high risk areas like system failures, breach of internal controls and any event of fraud or forgery. Emphasis is placed on improving IT security, defining individual responsibilities, and improving operational efficiency and effectiveness through automation and elevating quality of human resources through trainings and development. Orientation and trainings are provided to new and existing staff on Company's Code of Conduct, Anti-money laundering and Anti-fraud and Whistleblowing Policies for prevention of fraud and unethical practices.

Corporate Governance, Internal Control and Compliance

A strong corporate governance structure plays an important role in the success of a company, especially in volatile business conditions. OLP's governance framework, which includes well-established policies, clearly defined roles and strong internal controls, is instrumental in the success of the Company. This framework places a strong emphasis on transparency, accountability, and adherence to regulations.

The Board of Directors heads OLP's governance structure. The Board comprised of 2 independent directors and 5 non-executive directors. To discharge their duties more effectively, the Board has constituted the following sub-committees:

- i. Board Human Resource, Nomination and Remuneration Committee (BHRN&RC)
- ii. Board Audit & Risk Committee (BA&RC)
- iii. Board Credit Committee (BCC)
- iv. Board Compensation Committee

The Board Compensation Committee has been constituted after the year end, in September 2024. Apart from the Board Committees, the Company has management committees with clear responsibilities and Terms of References (TOR). These committees include the Management Committee, Credit Committee, Asset Liability Management Committee, and IT Steering Committee. Each of these committees adds value to the governance process by involving senior staff members who contribute their extensive expertise in devising strategies, formulating business plans, and overseeing operations.

The Internal Audit and Compliance departments maintain a direct reporting line to the Board via the Audit & Risk Committee (BA&RC). At the beginning of each year, the internal audit department formulates an audit plan based on risk assessment, which is reviewed by the BA&RC. During the year, the BA&RC assesses the progress of internal audits and offers insights to management for refining controls in line with the audit suggestions.

The internal audit department's role extends beyond merely evaluating adherence to policies, procedures, and regulatory mandates; it also includes advisory support for improving policies to align with industry benchmarks and best practices.

The Company places significant emphasis on adhering to all regulatory requirements to foster a culture of compliance across all organizational levels. OLP is fully aligned with the Country's regulatory framework and also strives to align with best industry practices. The Company's compliance function is responsible for ensuring conformity with prevailing regulations pertaining to the Company's operations. Given the heightened regulatory focus, particularly concerning anti-money laundering and counter-terrorist financing, the Company has also increased its oversight measures.

In addition to its lending activities, OLP manages a considerable portfolio of certificate of deposit. A robust compliance framework is imperative for the success of this product. The Company has taken numerous measures to guarantee full compliance with regulatory mandates, including sanctions screening as per UN/NACTA requirements, rigorous Customer Due Diligence (CDD) and Know Your Customer (KYC) procedures. Regular AML/CFT compliance audits of business functions are conducted by the compliance department to verify adherence to all relevant regulations.

Moreover, the compliance department conducts training sessions on Anti-Money Laundering (AML) and Countering Financing of Terrorism (CFT) regulations. These sessions aim to educate staff about AML/CFT protocols and ensure alignment with the corresponding regulatory mandates.

Board of Directors and Board Committees

The composition of the Board of Directors and its sub-committees are given in the Statement of Compliance at page no. 48.

Evaluation of the Performance of the Board

OLP follows a structured procedure for assessing the performance of its Board of Directors and committees, as stipulated by the Listed Companies (Code of Corporate Governance) Regulations, 2019. This evaluation is conducted annually; in-house for two years and by an independent external consultant in the third year.

During the year, the evaluation exercised was conducted by an independent consultant FAMCO Associates (Pvt.) Limited. Within this evaluation process, assessment questionnaires were disseminated to Board members, who submitted their responses directly to the external consultant while maintaining confidentiality of the process. The responses were compiled in the form of a report and were presented to the Board Human Resource Nomination and Remuneration Committee by external consultant. The final report was then subsequently shared during a Board Meeting and areas for improvement were highlighted.

Board's Remuneration Policy

The Company has an established Board of Directors Remuneration Policy in place. This Policy establishes a process for defining the compensation to Company's directors who participate in board and sub-committee meetings. As outlined by the policy, independent directors and non-executive directors (subject to Board approval) are entitled to receive compensation for attending Board and committee meetings. Directors are also eligible for reimbursement of the costs they incur when attending these meetings.

Disclosure with regards to remuneration of each director and chief executive officer is given in note 36 of unconsolidated financial statements.

Compliance with Pakistan Stock Exchange Limited (PSX) Regulations

In compliance with rule 5.6.1 and 5.6.4 of the PSX Regulations in respect of dissemination of price-sensitive information relating to the business and mandatory disclosure to PSX on buying and selling of shares by Directors, CEO, substantial shareholders and executives, the Board has set the following threshold for the term "Executive":

- Chief Executive Officer
- Deputy Chief Executive Officer
- Chief Operating Officer
- Group General Manager
- Chief Financial Officer
- Company Secretary
- Head of Internal Audit
- Departmental Heads

Directors' Declaration

1. The financial statements of the Company fairly represent its financial state of affairs, the results of its operations, cash flows and changes in equity.
2. Proper books of accounts of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards as applicable in Pakistan have been followed in the preparation of financial statements, and any departure has been adequately disclosed and explained.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There is no reason to doubt the Company's ability to continue as a going concern.
7. Details of significant deviations in the Company's operating results during the year ended June 30, 2024, are stated within the Directors' Report.

8. Key operating and financial data for the last six years in a summarized form is given at page no. 57.
9. There are no statutory payments on account of taxes, duties, levies and charges outstanding as on June 30, 2024, except for those disclosed in the financial statements.
10. The value of investments of the recognized provident fund as at June 30, 2024, was PKR 844.6 million (unaudited), and as at June 30, 2023, was PKR 741.6 million (audited).

The value of investments of the Company's recognized gratuity fund as at June 30, 2024, was PKR 332.8 million (unaudited), and as at June 30, 2023, was 308.2 million (audited).
11. Seven (07) out of eight (08) directors of the Company, including the CEO as a deemed director, have certification / exemption under the Directors Training Program (DTP) and the remaining one (01) director, being recently appointed, will complete DTP within the stipulated time as provided under Listed Companies (Code of Corporate Governance) Regulations, 2019.
12. During the year, 06 meetings of the Board of Directors, 05 meetings of the Board Audit & Risk Committee, 03 meetings of the Board Human Resource Nomination and Remuneration Committee and 01 meeting of the Board Credit Committee were held.

Board of Directors' Meetings

The attendance at the meetings of the Board of Directors is given below:

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Khalid Aziz Mirza	6	Mr. Nasim Hyder[1]	2
Ms. Aminah Zahid Zaheer[2]	2	Mr. Yoshiaki Matsuoka (Non-resident)	5
Ms. Keiko Watanabe (Non-resident)	6	Ms. Mika Takeda (Non-resident)	6
Mr. Kenro Seishima (Non-resident)[3]	2	Mr. Rashid Ahmed Jafer[4]	4
Mr. Shaheen Amin[5]	6	Mr. Ramon Alfrey	6
Mr. Anwar Mansoor Khan[6]	Nil		

[1] Retired as Director on October 26, 2023.

[2] Retired as Director on October 26, 2023.

[3] Retired as Director on October 26, 2023.

[4] Elected as an Independent Director on October 26, 2023.

[5] Resigned as director on April 30, 2024. However, he continues as a deemed Director under section 188 of the Companies Act, 2017.

[6] Appointment as an Independent Director on June 10, 2024.

Audit and Risk Committee's Meetings

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Rashid Ahmed Jafer	3	Mr. Ramon Alfrey	3
Ms. Keiko Watanabe (Non-resident)	5	Ms. Mika Takeda (Non-resident)	4
Mr. Nasim Hyder[1]	2	Ms. Aminah Zahid Zaheer[2]	2

Board Audit Committee and Board Risk Committee were merged and became Board Audit and Risk Committee with effect from October 27, 2023.

[1] Retired as Director on October 26, 2023.

[2] Retired as Director on October 26, 2023.

Human Resource Nomination and Remuneration Committee's Meetings

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Khalid Aziz Mirza	3	Mr. Yoshiaki Matsuoka (Non-resident)	3
Mr. Shaheen Amin	3		

Risk Committee's Meetings

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Ms. Aminah Zahid Zaheer	1	Mr. Nasim Hyder	1
Mr. Kenro Seishima (Non-resident)	1	Mr. Ramon Alfrey	1

Board Risk Committee was merged with Board Audit Committee to become Board Audit and Risk Committee with effect from October 27, 2023.

Credit Committee's Meeting

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Yoshiaki Matsuoka (Non-resident)	1	Mr. Shaheen Amin	1
Mr. Ramon Alfrey	1		

Board Changes

During the year, following changes were made in the Board:

- 1) Mr. Nasim Hyder, Mr. Kenro Seishima and Ms. Aminah Zahid Zaheer retired from the Board after completion of their tenures.
- 2) Mr. Rashid Ahmed Jafer was elected as an independent director on the Board in the election of directors held at the 37th AGM on October 26, 2023.
- 3) Mr. Shaheen Amin resigned as Director with effect from April 30, 2024. However, he continues as a deemed Director under section 188 of the Companies Act, 2017.
- 4) Mr. Anwar Mansoor Khan was appointed as an Independent Director on the Board to fill the casual vacancy with effect from June 10, 2024, subject to SECP approval which was subsequently received on August 13, 2024.

The Board of Directors places on record its appreciation for services rendered by Mr. Nasim Hyder, Mr. Kenro Seishima and Ms. Aminah Zahid Zaheer. Further, the Board welcomes Mr. Rashid Ahmed Jafer and Mr. Anwar Mansoor Khan as Independent Director on the Board of OLP.

Credit Rating

The Pakistan Credit Rating Agency Limited (PACRA) maintained the Company's long term rating of AA+ (Double A plus) and short term rating of A1+ (A one plus) on March 01, 2024. These are among the highest ratings in the Non-Banking Financial Sector.

Major Shareholder

ORIX Corporation, Japan hold 49.58% of the Company's shareholding.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2024 is given at page no. 247.

Auditors

M/s. A.F. Ferguson & Co., Chartered Accountants were appointed as auditors for the year ending June 30, 2024. The present auditors M/s. A.F. Ferguson & Co., Chartered Accountants have completed the statutory period of five years, mandated by the Code of Corporate Governance. The Board of Directors endorses the recommendation of the Board Audit and Risk Committee for the appointment of M/s. KPMG Taseer Hadi & Co. Chartered Accountants, as auditors of the Company for the year ending June 30, 2025.

Embracing ESG Principles

We are committed to embedding Environmental, Social, and Governance (ESG) principles into our corporate DNA. Currently, we are in process of developing a comprehensive ESG policy to serve as a guiding framework for our initiatives and ensure alignment with global benchmarks.

Nurturing Talent, Culture and Purpose

The Company is committed to leadership development and employee growth as central elements of our Human Capital Development approach. A core component of our Human Capital strategy is a succession planning process aimed at identifying and nurturing future leaders from within the organization. Our learning and development programs are diverse, offering policy awareness sessions, extensive soft skills training, and targeted upskilling opportunities.

In addition, we actively cultivate a dynamic organizational culture through regular initiatives such as annual awards ceremonies, bonuses, and mementos to recognize exceptional employee contributions. We strive to inspire our talented professionals to consistently deliver exceptional value to clients while providing an enriching career experience within an inclusive and collaborative environment.

Our work is driven by a collaborative ethos, bringing together teams across different business units, geographies, and skill sets to deliver measurable, impactful results aligned with our Purpose. This dedicated focus on fostering a culture of fairness, growth, and recognition strengthens team cohesion, celebrates achievements, and promotes a supportive, engaging, and inclusive workplace.

Diversity, inclusion and equality

At OLP, we are dedicated to creating a culture of diversity, equity, and inclusion (DEI), which is a core aspect of our strategic objectives. We are developing a comprehensive DEI policy, informed by a thorough analysis of industry benchmarks and best practices, to establish a framework that further promotes inclusivity and drives transformative change throughout our organization. The Company goal is to ensure tangible results and a genuinely inclusive workplace. For the year ended June 30, 2024, the Company reported a Mean Gender Pay Gap of 42.6% and a Median Gender Pay Gap of 25.6%, primarily due to the higher number of female staff in paraprofessional roles. We recognize that there is still work to be done, and we are committed to continuing our efforts to create a more inclusive and equitable workplace.

Additionally, we have Protection against Anti-Harassment Policy implemented to eradicate all forms of discrimination, bullying, retaliation, harassment, and victimization, creating a supportive work environment that protects employees' well-being and health, which is critical to the overall performance of an employee.

Corporate Social Responsibility

OLP's CSR activities include supporting institutions focused on providing healthcare and educational facilities to under privileged communities and individuals.

During the year, OLP continued its philanthropic activities in the form of monetary donations to various institutions. The Company donated to various hospitals that included LRBT, Indus Hospital, Lady Dufferin Hospital, Shaukat Khanum Memorial Trust, Kidney Center and others. In the area of education, OLP contributed to various academic institutions imparting quality education to the deserving segment of society. It donated to IBP School of special education for the welfare of differently abled children. Moreover, OLP contributed to different NGOs and shelter houses looking after the welfare of underprivileged sections of society.

Future Outlook

The IMF has projected GDP growth of 3.5% for FY2025. However, the business environment will remain challenging in the coming months. SBP's policy rate is expected to decrease further due to downward trend in inflation. In a subdued economy with interest rates witnessing downward trends, the financial sector will remain volatile and returns from the existing customer base are expected to reduce significantly when compared with previous years. OLP will closely monitor the economic environment and will adjust its business operations accordingly.

Acknowledgement

The Board places on record its appreciation of the guidance and support provided by the regulatory authorities. We would also like to thank our bankers, business associates, and all stakeholders for their assistance and collaboration in the Company's achievements. We also extend our appreciation to our customers and depositors for their ongoing faith and trust.

On behalf of the Board



SHAHEEN AMIN
Chief Executive Officer
September 18, 2024



RAMON ALFREY
Director