

# Chairman's Message

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Your Company achieved another year of profitable operations by crossing the milestone of Rs. 1 billion net profit for the second consecutive year. This year's performance is commendable as it was achieved primarily through core operations in a challenging business environment.

With the Country experiencing slower economic growth, we at OLP are focused on meeting the changing financial needs of the local market to achieve long term sustainability in our operations. Emphasis this year was on consolidation of operations and concentrating on maintaining portfolio quality and risk diversification. At the same time, efforts were made to establish the base for launching new products in future when market conditions stabilize. The Company's ability to adjust with changing business conditions has been its strength and focus will be re-diverted towards business growth as soon as conditions warrant.

During the year under review, the Company achieved new business disbursement of Rs. 13.9 billion, 19% lower than the disbursement of Rs. 17.2 billion last year. Rising interest rates and a depreciating currency have both had a significant impact on demand, especially for vehicles, both commercial and saloon; purchasing power of individuals has reduced while cost of business for corporates has risen. Higher competition in a contracted market required more caution. Resultantly, asset base reduced from Rs. 26.7 billion last year to Rs. 26.0 billion at the end of FY2019. Although, overall profit before tax for the year was 16% lower than last year, the profit from core operations showed a healthy growth of 22%. Financially, the Company is strong with low gearing and a healthy capital adequacy ratio, which will provide sufficient room for future growth.

Governance structure was further strengthened this year with the formation of a Risk Committee of the Board. The objective of the Committee is to oversee and implement effective risk management policies and direct the Company's strategies towards managing those risks which could impact the achievement of strategic objectives. The benefits of implementing such an enterprise risk management framework are multifold and will add considerable strength to OLP's risk management and internal control frameworks to safeguard the interests of all stakeholders.

OLP has once again outshone its peers in the NBFIs sector and has been bestowed with Corporate Excellence award of Management Association of Pakistan for the fourth consecutive year. We also received best NBFIs award from NBFIs and Modaraba Association of Pakistan and the Achievement award from Federation of Pakistan Chamber of Commerce & Industry in respective category. These awards are a testament of the continued exemplary performance of your Company and the hard work and commitment of the management and staff.

I would like to extend my appreciation to the Board, management and all employees of the Company for their contributions towards its success. I would also like to thank the regulators for their guidance and support, especially the Securities and Exchange Commission of Pakistan.



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**Khalid Aziz Mirza**

Chairman Board of Directors