

CORPORATE BRIEFING SESSION (FY 2023)

(Thursday, 23rd November, 2023)

Company
Profile

Governance

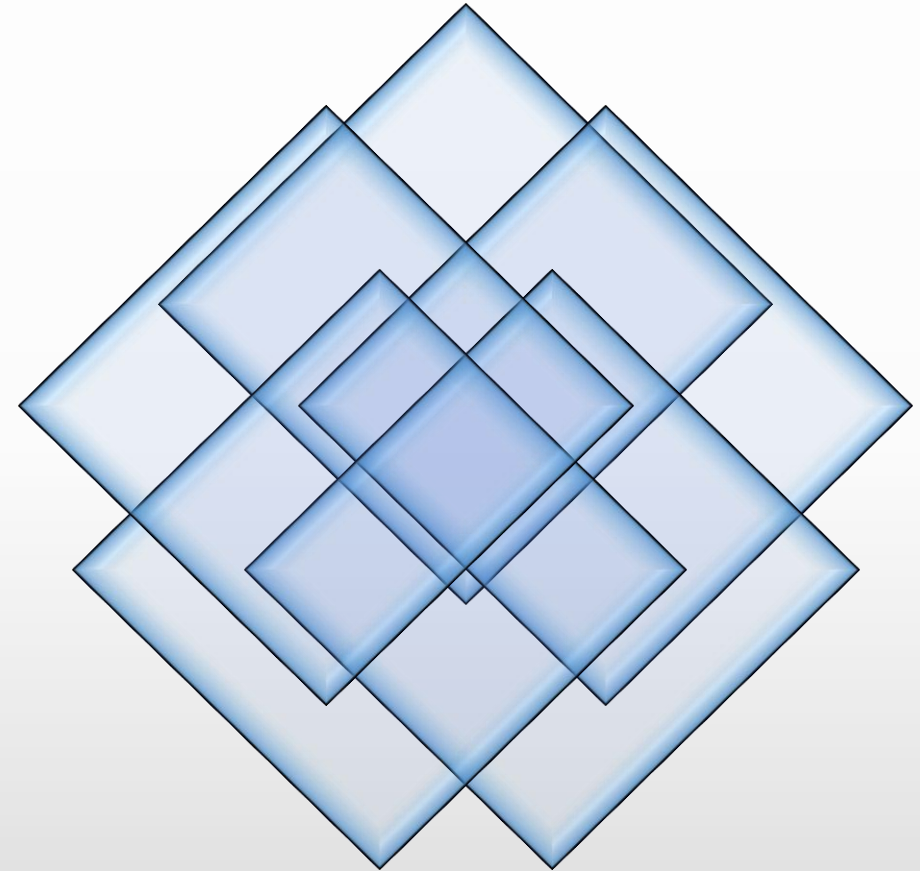
Operations

Financial
Performance

Future
Prospects

Company Profile

- Date Of Incorporation:**
27 December 1994
- Date Of Commencement Of Business:**
16 September 1996
- Type Of Entity:**
Deposit Taking Leasing Company (NBFC)
- Nature of Products:**
Conventional Lease Finance / Auto Loan
- Source of Fund**
Equity, CoIs, Banks borrowings
- Registered Office:**
Karachi, Sindh, Pakistan
- Branch Office:**
Lahore, Punjab, Pakistan



➔ **Legal Advisors**

M/S Mohsin Tayebally & Co.
M/S Rasheed Razvi & Associates
M/S Mansoob Ali Qureshi & Co.

➔ **Tax Advisors:**

Mukhtar Law Associates

➔ **Shariah Advisor:**

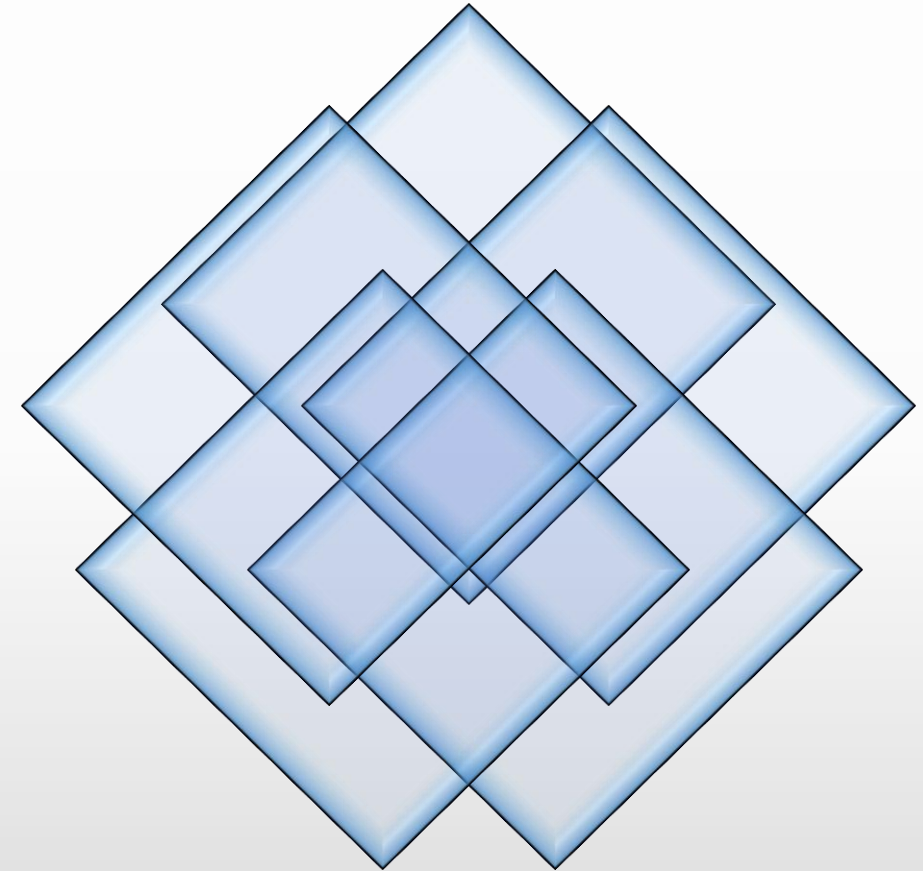
M/S Alhamd Shariah Advisory Services (Private)
Limited

➔ **Registrar / Share Transfer Office:**

M/S THK Associates (Pvt) Ltd.

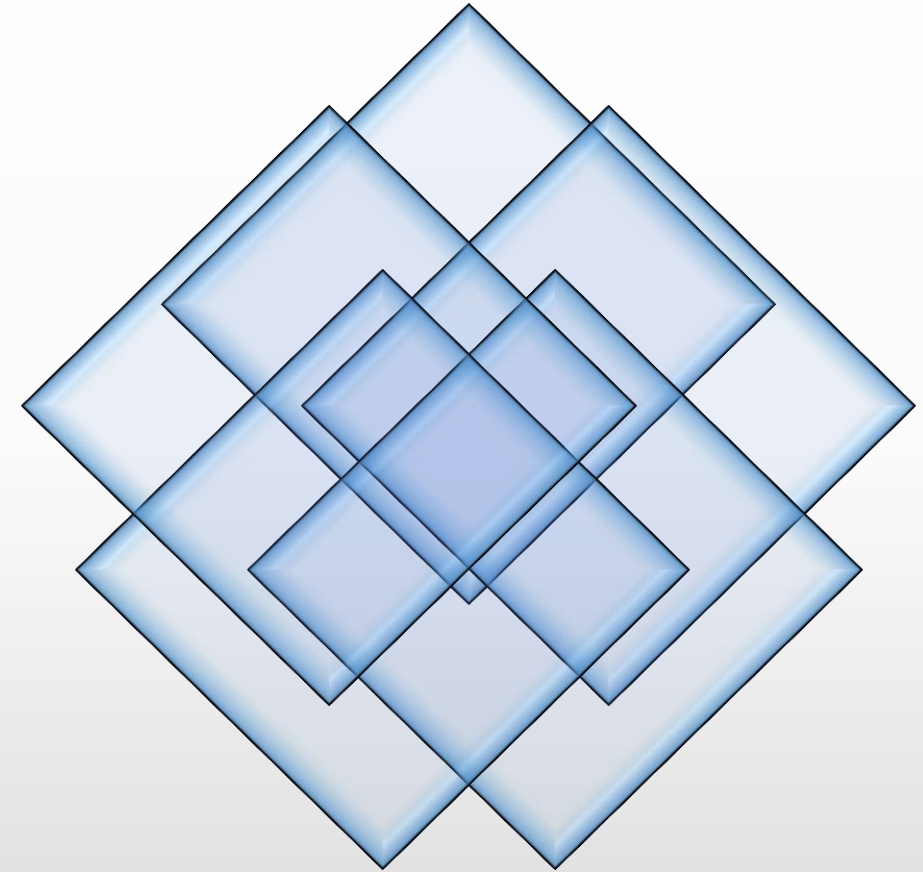
➔ **Auditors:**

M/S BDO Ebrahim & Company



Bankers:

- Bank Al-Habib Limited
- Allied Bank Limited
- Silk Bank Limited
- Al-Baraka Bank (Pakistan) Limited
- Askari Bank Limited
- Bank Al-Falah Limited
- Habib Bank Limited
- JS Bank Limited
- MCB Bank Limited
- MCB Islamic Bank Limited
- National Bank of Pakistan
- Soneri Bank Limited
- The Bank of Punjab

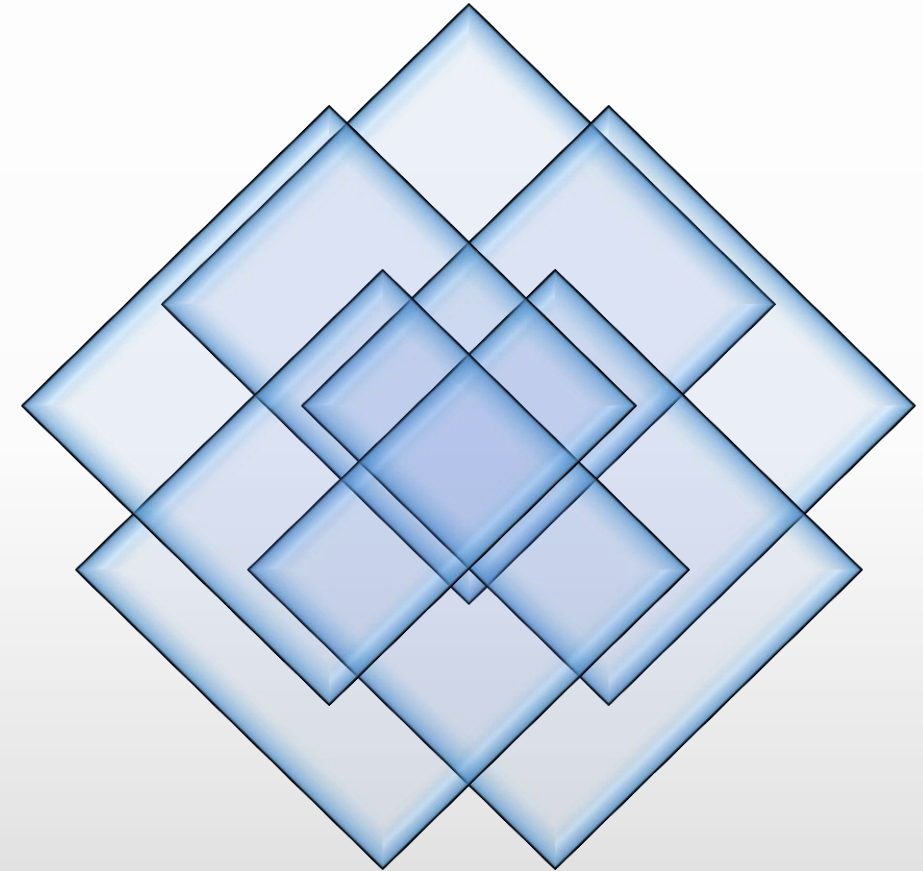


Rating Agency: VIS Credit Rating Company Limited

Entity's Credit Rating:

VIS, following a detailed analysis and evaluation of the Company's performance on September 21, 2023 has re-affirmed its Ratings for PGL as under:

- Medium to Long-term Rating: **A-**;
- Short-term Rating: **A-2**; and
- Outlook: **Stable**.



| DATE | RATING TYPE | LONG TERM | SHORT TERM | OUTLOOK |
|------------|-------------|-----------|------------|----------|
| 09/21/2023 | Entity | A- | A-2 | Stable |
| 05/16/2022 | Entity | A- | A-2 | Stable |
| 06/30/2021 | Entity | A- | A-2 | Negative |
| 06/30/2020 | Entity | A- | A-2 | Stable |
| 04/15/2019 | Entity | A- | A-2 | Stable |
| 01/30/2018 | Entity | A- | A-2 | Stable |
| 12/30/2016 | Entity | A- | A-2 | Stable |
| 11/27/2015 | Entity | A- | A-2 | Stable |
| 09/25/2014 | Entity | A- | A-2 | Stable |
| 04/8/2013 | Entity | BBB+ | A-3 | Stable |
| 07/29/2011 | Entity | BBB+ | A-3 | Stable |
| 03/18/2010 | Entity | BBB | A-3 | Positive |
| 02/25/2009 | Entity | BBB- | A-3 | Stable |

**Entity's Credit
Rating History:**

The Company's
historical Ratings
have been as under:

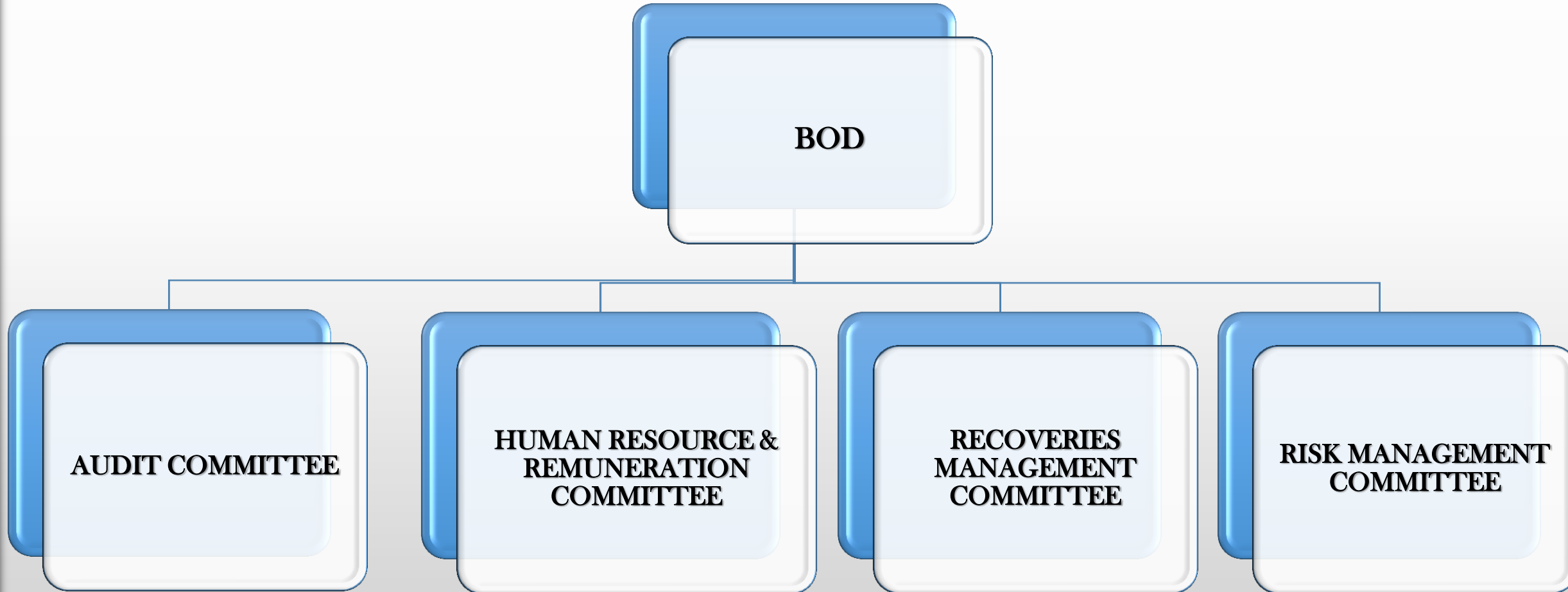


Governance

BOARD OF DIRECTORS

| S. No. | NAME | POSITION |
|--------|---------------------------------|-------------------------|
| 1. | Mr. Sohail Inam Ellahi | Chairman |
| 2. | Mr. Pervez Inam | Non-Executive Director |
| 3. | Mr. Fawad Salim Malik | Non-Executive Director |
| 4. | Brig. Naveed Nasar Khan (Retd.) | Non-Executive Director |
| 5. | Mr. Ismail H. Ahmed | Independent Director |
| 6. | Mr. Jan Ali Khan Junejo | Independent Director |
| 7. | Mr. Naeem Ali Muhammad Munshi | Non-Executive Director |
| 8. | Ms. Naueen Ahmed | Independent Director |
| 9. | Brig. Haris Nawaz (Retd.) | Independent Director |
| 10. | Mr. Mahfuz-ur-Rehman Pasha | Chief Executive Officer |

Governance Structure



Governance

- Approved policies in line with the applicable laws and regulations
- Internally approved SOPs for various processes
- Oversight by Board Committees

Risk Management

- Management / minimization of credit risk

Compliance

- Adherence to laws and regulations

Internal Control System

- IT application controls and SOPs to mitigate the potential risks
- AML / CFT Compliance

Information Security

- To cover gaps in the implementation of IT security policies
- Focus on future strategy and corrective measures

Internal Audit

- Annual Internal Audit Plan
- Audit controls to:
 - mitigate potential risks
 - to ensure compliance with SOPs
 - to ensure compliance with applicable laws and regulations



OPERATIONS

FINANCING

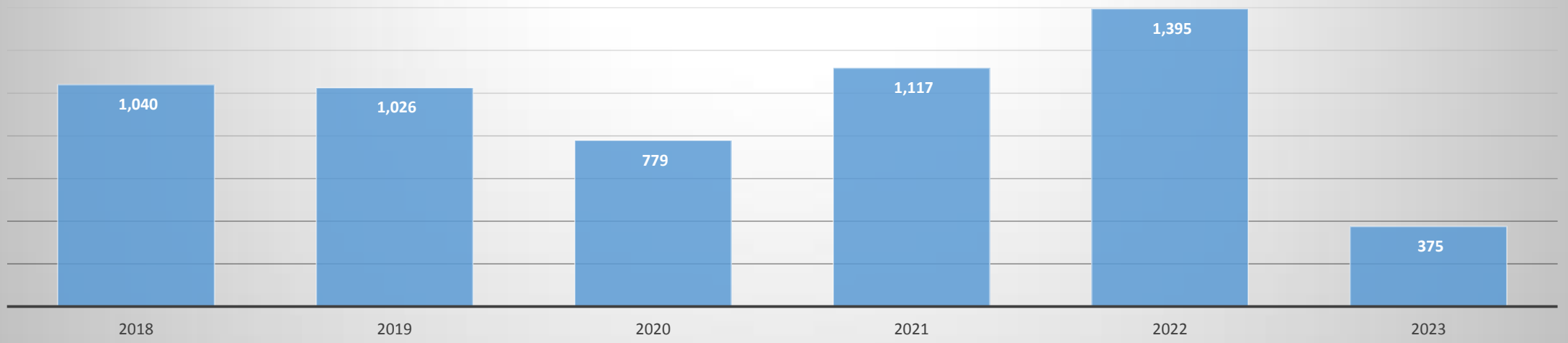
Financing Products

- *Conventional Finance:*
 - Leasing of all Moveable Assets
 - Vehicle Finance
- *Islamic Finance:*
 - Diminishing musharakah

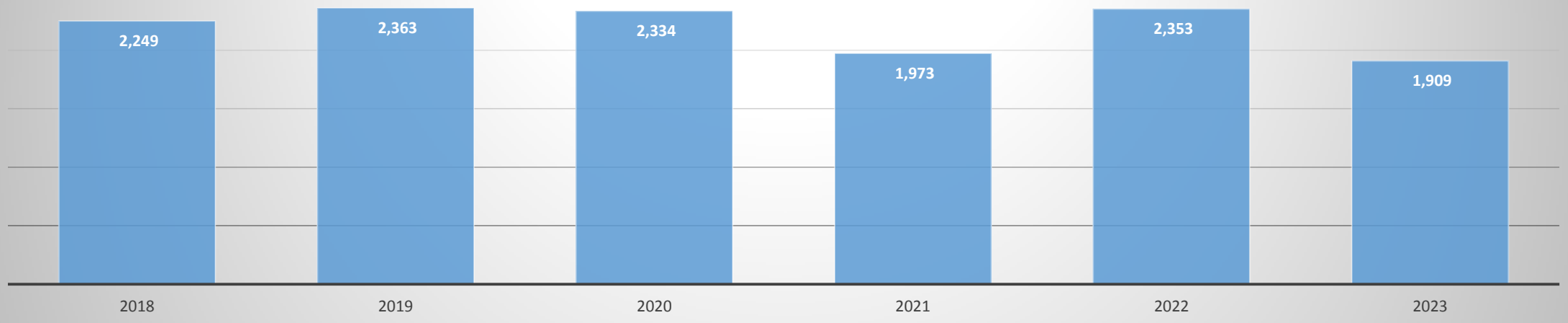
DEPOSIT TAKING

- Issue of Certificates of Investments for a period of 12 Months to 03 Years at Fixed Rates of Return

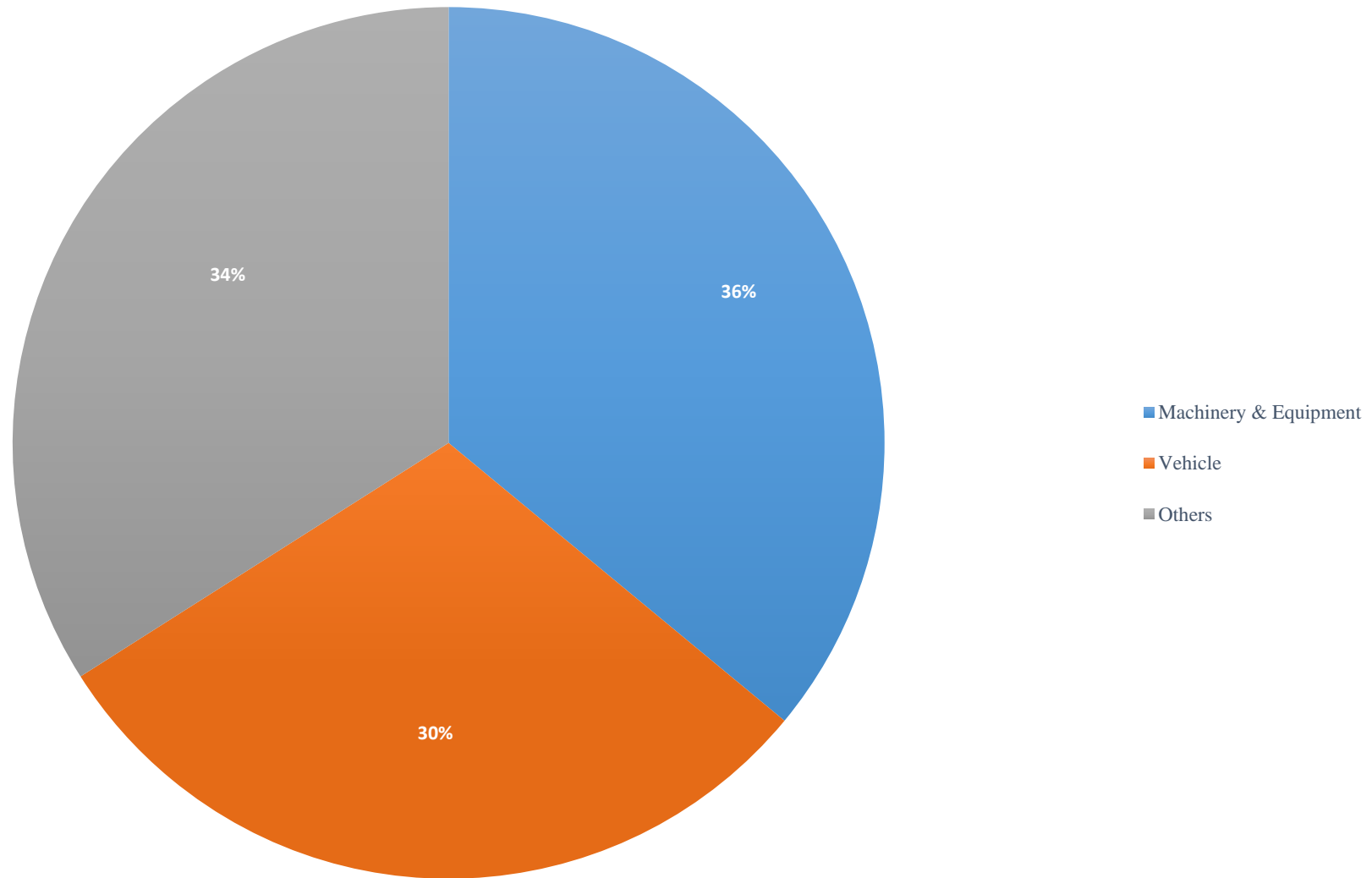
Lease / Auto-finance loan written (Rs. in Million)



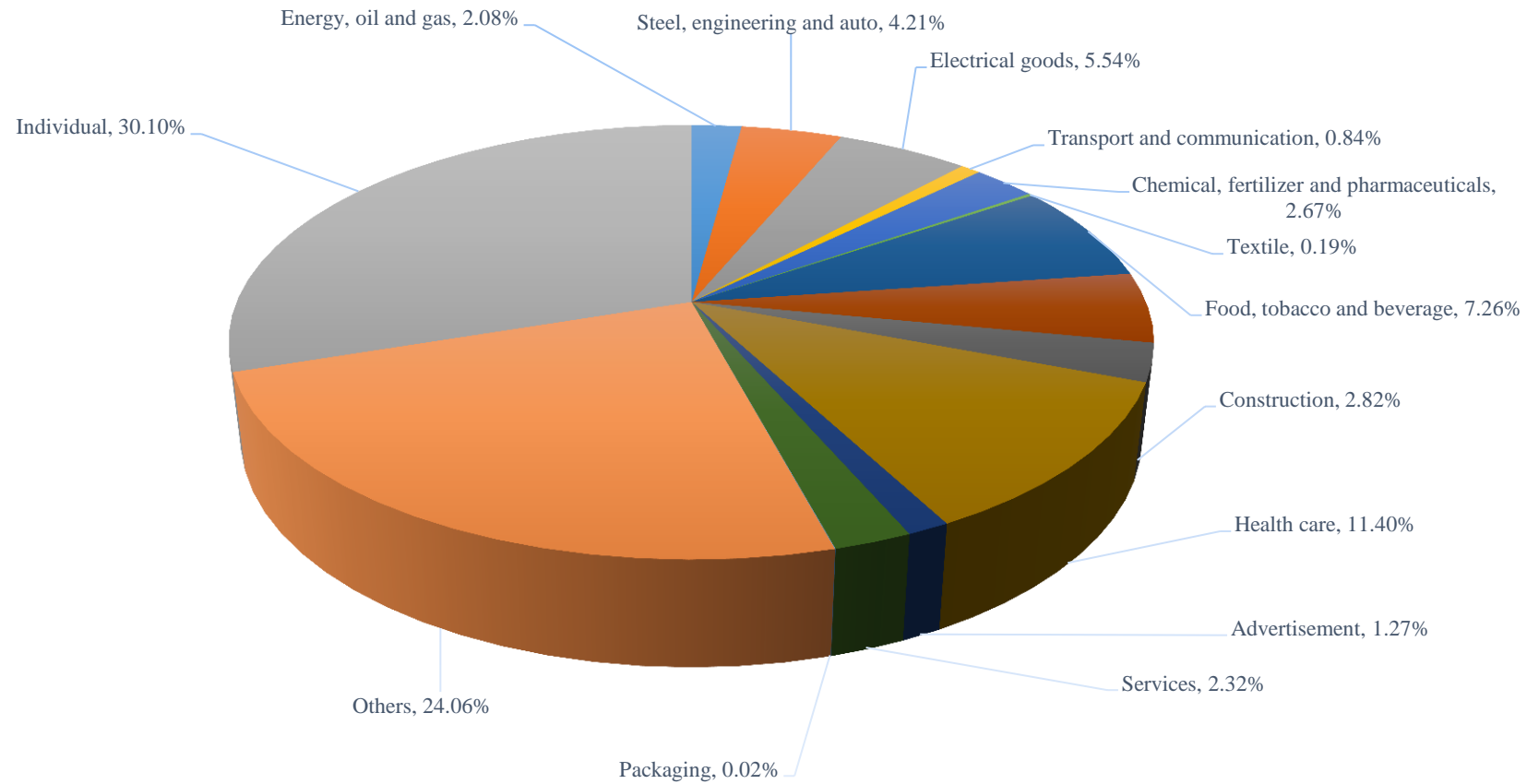
Net Investment in Leases (Rs. in Million)



Main Categories of Investment in Lease



Sector-wise portfolio (FY-2023)



- | | | | |
|--|-------------------------------|------------------------------|-------------------------------|
| ■ Energy, oil and gas | ■ Steel, engineering and auto | ■ Electrical goods | ■ Transport and communication |
| ■ Chemical, fertilizer and pharmaceuticals | ■ Textile | ■ Food, tobacco and beverage | ■ Construction |
| ■ Health care | ■ Advertisement | ■ Services | ■ Packaging |
| ■ Others | ■ Individual | | |



Financial Performance

The background of the slide features a blurred financial chart with orange and teal bars and white lines. Faint numerical values are visible, including 102, 154, and 289.33.

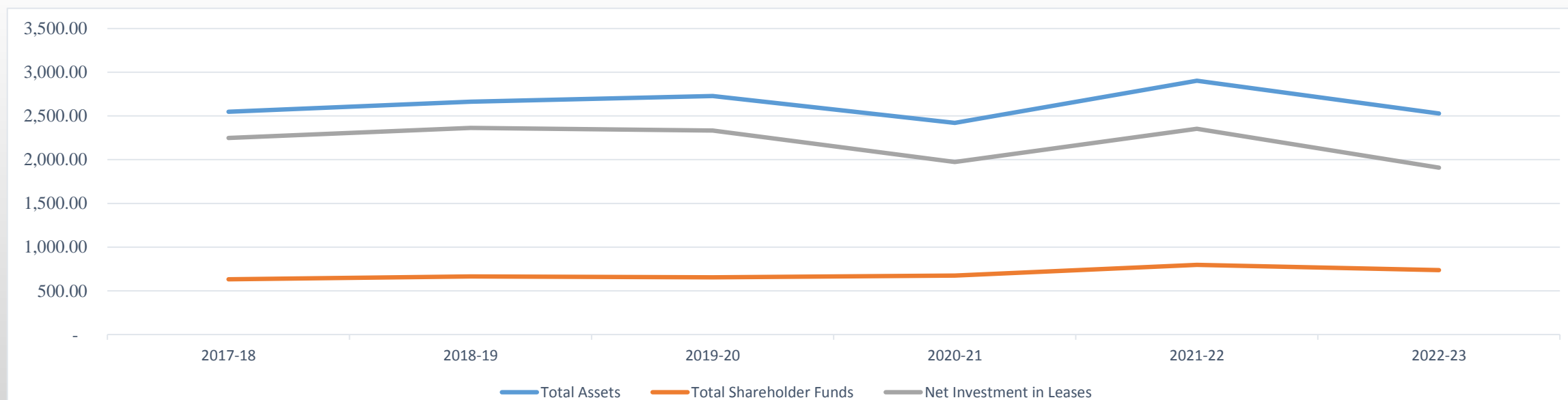
COMPARISION OF KEY OPERATING & FINANCIAL DATA (FY 2018- FY 2023)

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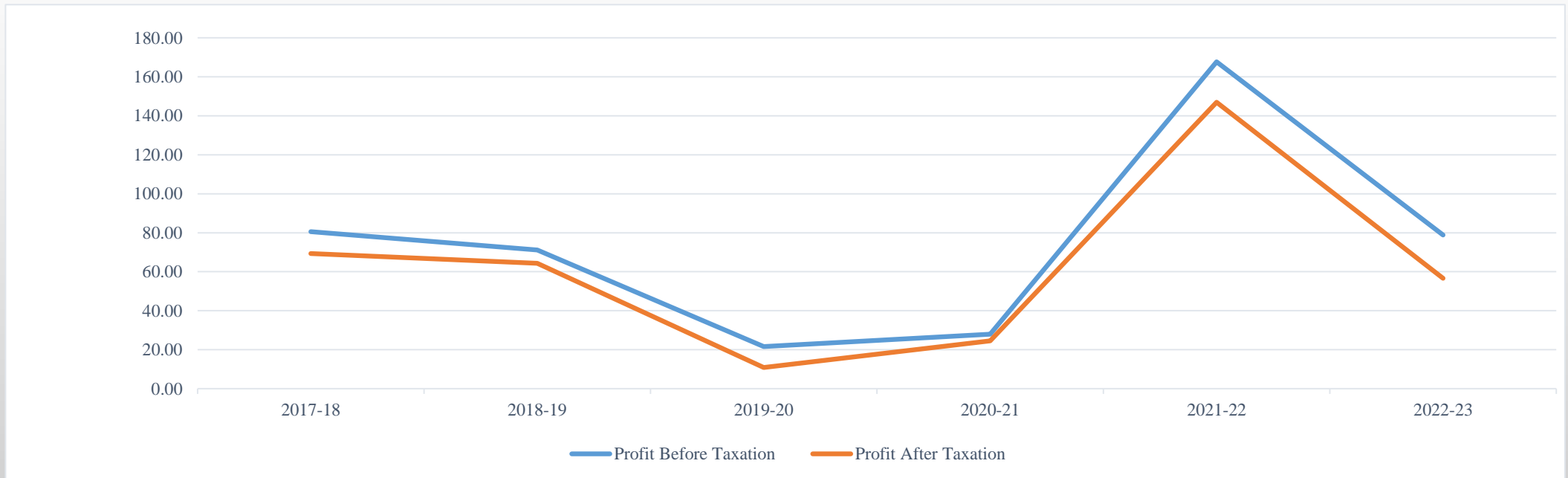
| Year ended 30th June | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | | | | | | | |
|---|--------------------------------|---------------|---------------|---------------|---------------|-------------|---------------------------------|----------|-----------|----------|----------|----------|----------|
| Operational Results: | | | | | | | | | | | | | |
| Revenues | 262,202,401 | 255,230,917 | 206,094,628 | 265,444,647 | 243,892,047 | 200,380,195 | | | | | | | |
| Revenue from financing operations | 227,292,442 | 228,427,580 | 191,485,801 | 245,567,212 | 218,862,571 | 178,154,663 | | | | | | | |
| Profit before Taxation | 78,816,891 | 167,687,787 | 28,015,220 | 21,619,234 | 71,185,355 | 80,602,379 | New Lease Written | 375.00 | 1,395.00 | 1,117.00 | 778.86 | 1,025.51 | 1,040.13 |
| Profit after Taxation | 56,635,687 | 146,979,027 | 24,566,337 | 10,894,248 | 64,378,140 | 69,368,392 | Gross Revenue | 262.20 | 255.23 | 206.09 | 265.44 | 243.89 | 200.33 |
| Finance Cost | 89,848,800 | 69,054,807 | 42,062,089 | 114,025,954 | 78,012,463 | 47,682,251 | Profit Before Tax | 78.82 | 167.69 | 28.02 | 21.62 | 71.19 | 80.62 |
| Provision for Potential Lease & Loan Losses | (47,207,690) | (10,807,355) | 3,625,701 | (30,838,117) | (1,307,173) | (442,820) | Profit After Tax | 56.64 | 146.98 | 24.56 | 10.89 | 64.38 | 69.33 |
| Interim / Final Dividend % | 35.00% | 10.00% | 0.00% | 2.50% | 7.50% | 12.50% | Net Investment in Lease Finance | 1,909.13 | 2,352.94 | 1,973.08 | 2,333.69 | 2,363.31 | 2,248.60 |
| Interim / Bonus Issue | 95 shares for every 100 shares | - | - | - | - | - | | | | | | | |
| Balance Sheet: | | | | | | | | | | | | | |
| Shareholders' Equity | 737,474,869 | 796,707,062 | 675,435,528 | 655,727,867 | 664,814,384 | 632,104,936 | | | | | | | |
| Surplus on Revaluation of Assets | 90,504,204 | 90,504,204 | 90,504,204 | 90,504,204 | 90,504,204 | 90,504,204 | Total Shareholders Equity | 737.47 | 796.71 | 675.44 | 655.73 | 664.81 | 632.10 |
| Other Reserves | 244,318,378 | 543,640,182 | 424,678,818 | 405,412,115 | 414,443,364 | 382,833,609 | | | | | | | |
| Working Capital | 490,189,387 | 26,801,934 | 186,123,903 | 381,076,282 | 208,524,942 | 10,454,214 | Total Assets (footing) | 2,528.85 | 2,901.88 | 2,420.74 | 2,727.33 | 2,661.79 | 2,548.83 |
| Non-current Liabilities | 1,016,637,986 | 1,330,132,844 | 1,016,256,185 | 1,262,394,151 | 1,286,555,078 | 986,792,933 | Earnings per Share (Rs.) | 1.14 | 2.97 (*) | 0.97 | 0.43 | 2.54 | 2.73 |
| Long-term Loans | 104,166,661 | 133,333,324 | 95,833,329 | 29,166,665 | 49,999,996 | 20,833,331 | Current Ratio | 1.72 | 1.04 | 1.29 | 1.53 | 1.34 | 1.03 |
| Investments | 55,575,097 | 55,205,847 | 34,002,899 | 64,508,233 | 63,465,086 | 62,555,748 | | | | | | | |
| Financial Ratios: | | | | | | | | | | | | | |
| Income / Expense Ratio | 1.84 | 1.92 | 2.00 | 1.46 | 1.55 | 1.66 | Break up Value per Share (Rs.)* | 16.77 | 17.95 (*) | 20.91 | 20.55 | 20.00 | 20.00 |

KEY PERFORMANCE INDICATORS FY 2018 TO FY 2023 (Rupees in Million)

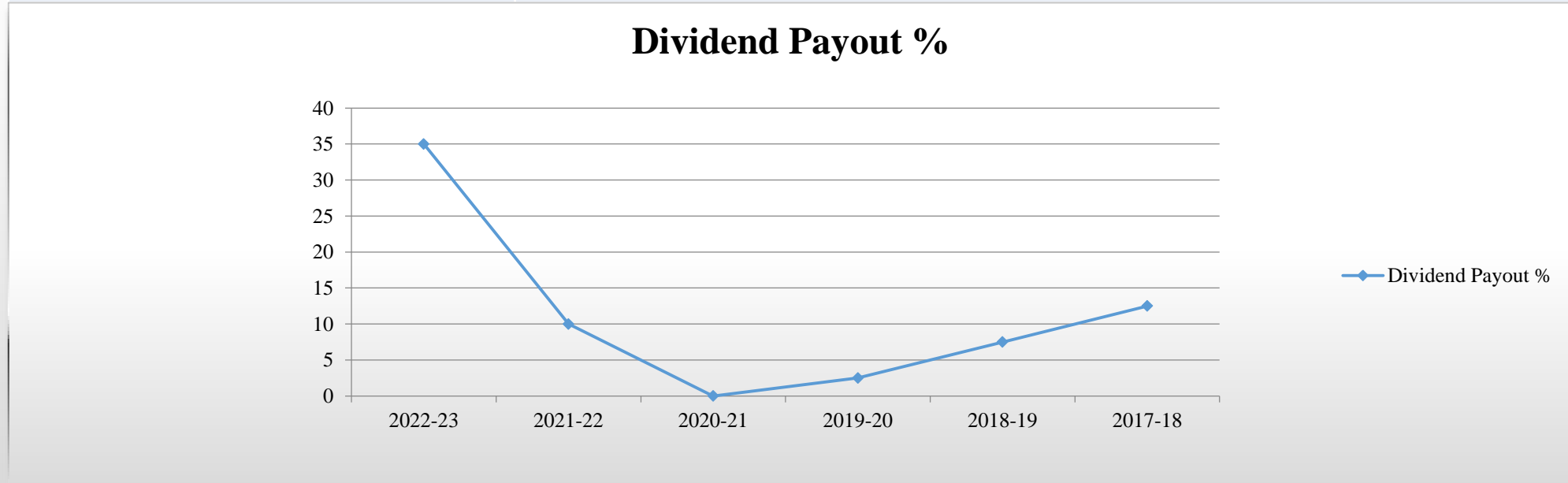
| Financial Year | Total Assets | Total Shareholder Funds | Net Investment in Leases |
|----------------|--------------|-------------------------|--------------------------|
| 2022-23 | 2,528.85 | 737.47 | 1,909.13 |
| 2021-22 | 2,901.88 | 796.71 | 2,352.94 |
| 2020-21 | 2,420.74 | 675.44 | 1,973.08 |
| 2019-20 | 2,727.33 | 655.73 | 2,333.69 |
| 2018-19 | 2,661.79 | 664.81 | 2,363.31 |
| 2017-18 | 2,548.82 | 632.10 | 2,248.60 |



| Financial Year | Profit Before Taxation | Profit After Taxation |
|-----------------------|-------------------------------|------------------------------|
| 2022-23 | 78.82 | 56.64 |
| 2021-22 | 167.68 | 146.98 |
| 2020-21 | 28.02 | 24.57 |
| 2019-20 | 21.62 | 10.89 |
| 2018-19 | 71.18 | 64.38 |
| 2017-18 | 80.60 | 69.37 |



| Financial Year | Dividend Payout % |
|-----------------------|--------------------------|
| 2022-23 | 35 |
| 2021-22 | 10 |
| 2020-21 | 0 |
| 2019-20 | 2.5 |
| 2018-19 | 7.5 |
| 2017-18 | 12.5 |



TIME-LINE OF ACHEIVEMENTS

| Date / Financial Year | Event | Date /Financial Year | Event |
|-----------------------|--|----------------------|---|
| 27 December 1994 | Company Incorporated | | |
| 10 June 1996 | Public Floation of Shares | FY 2009 | Paid-up Capital Increased to Rs.253.698 Million through 6 Million Right Shares issued at par value of Rs.10.0 per share |
| 30 June 1996 | Paid-up Capital Rs.50.0 Million | FY 2010 | 5.00 % Cash Dividend Declared |
| 03 September 1996 | Leasing License Issued | | |
| 15 September 1996 | Permission to Commence Business | 30-Jun-14 | Total Assets cross the Rs.1.0 billion mark at Rs. 1,209.129 Million |
| 18 September 1996 | Listing on the Stock Exchanges | | |
| 04 November 1996 | 1 st Lease Written | 25-Sep-14 | Credit Rating Upgraded to A- |
| FY 1997 | Paid-up Capital Increased to Rs.100 Million | 30-Jun-15 | Equity crosses the Rs.500 Million Mark |
| FY 1998 | 10% Cash Dividend Declared | | |
| FY 1999 | 09.50% Cash Dividend Declared | FY 2016 | 5.00 % Cash Dividend Declared |
| FY 2000 | 09% Cash Dividend Declared | FY 2017 | 7.50 % Cash Dividend Declared |
| FY 2001 | Purchased Company's own Premises at The Forum, Clifton, Karachi | 30-Jun-17 | Total Assets cross the Rs.2.0 billion mark at Rs. 2,151.261 Million |
| FY 2002 | Paid-up Capital Increased to Rs.140 Million through Right Shares | Jul-17 | Lahore Branch Opened |
| FY 2003 | Paid-up Capital Increased to Rs.170 Million through Right Shares | 30-Jun-18 | Net Profit After Tax crosses the Rs.50.0 Million mark at Rs. 69.368 Million |
| FY 2003 | 7.5% Cash Dividend Declared | FY 2018 | 12.50 % Cash Dividend Declared |
| FY 2003 | Permission granted by SECP for issuing Certificates of Investments | FY 2019 | 7.50 % Cash Dividend Declared |
| FY 2006 | Paid-up Capital Increased to Rs.179.35 Million through Stock Dividend @5.50% | 30-Jun-19 | Total Assets cross the Rs.2.5 billion mark at Rs. 2,661.792 Million |
| FY 2007 | Paid-up Capital increased to Rs.193.698 Million through Stock Dividend @8.0% | 30-Jun-20 | The Company crossed the milestone of having existed for 25 years. |
| FY 2009 | Authorized Capital Increased to Rs.500 Million | 30-Jun-20 | 2.5% Cash Dividend Declared |
| | | 30-Jun-22 | 10% Cash Dividend Declared |
| | | 30-Jun-23 | 35% Interim Cash Dividend Declared Interim Bonus Issue (95 shares for every 100 shares) |



Future Prospects

FUTURE PLANS

- Limited and Cautious approach in further financing till the rationalization of market interest rates.
- Recovery from non performing clients.
- Improvement and consolidation of Risk Assets.

Thank You