

DIRECTOR'S REPORT

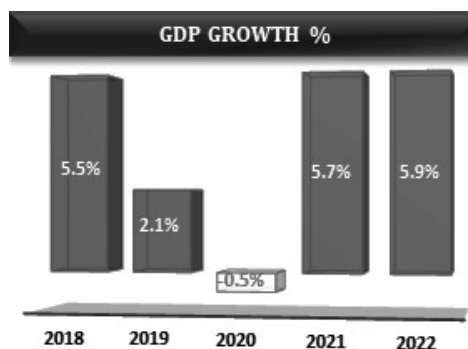
On behalf of the Board of Directors, we are pleased to present the thirty sixth annual report of OLP Financial Services Pakistan Limited (OLP/ the Company) together with the Unconsolidated Financial Statements for the year ended June 30, 2022.

The Company

OLP was established in 1986 as one of the pioneers in the leasing industry in Pakistan. The Company has an Investment Finance Services license from SECP under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. The Company provides financial services to corporate and individual customers with emphasis on serving the needs of Small and Medium Enterprise (SME) sector of the Country.

Overview of the Economy

Pakistan's economy is facing frequent boom-bust cycles for many years. Continuing with this trend, the economy achieved GDP growth of 5.74% and 5.97% in FY2021 and FY2022 respectively, however, it is again facing severe challenges owing to runaway inflation, current account deficit and political instability.

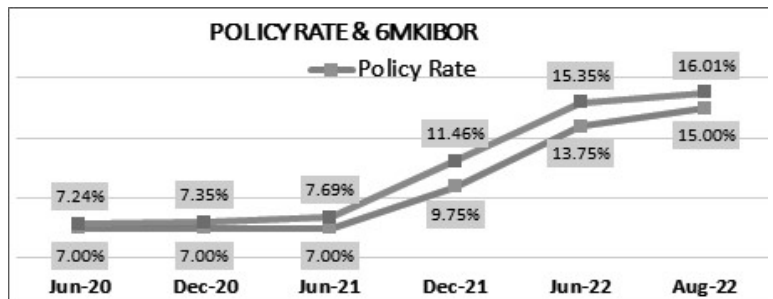


In FY2022, all major sectors performed well. The industrial sector grew by 7.2%, followed by services sector and agricultural sector at 6.2% and 4.4% respectively. However, international supply issues and high commodity prices, especially after the Russia-Ukraine conflict, created inflationary pressure during the year which exacerbated towards the end of the fiscal year. Annual inflation touched 25% in July 2022, which is one of the highest inflation rates the Country has faced. High commodity prices also caused sharp increase in current account deficit which necessitated the Country having to negotiate with the International Monetary Fund on tough conditions and approach other multilateral and bilateral lenders.

Given these challenges, political turmoil did not help the situation and severely dented business sentiment. Increasing current account deficit and political instability also caused freefall of the rupee against major currencies and it has depreciated by 44% against US Dollar since July 2021; reaching Rs. 223 per USD in September 2022. Increase in taxation of the already burdened documented sector of the economy also negatively affected the corporate sector and the KSE-100 index has fallen by 10% since April 15, 2022.

The SBP has taken a number of steps to control inflation and rupee depreciation, including raising the policy rate from 7% in September 2021 to 15% in July 2022. Other measures included increase in bank reserve requirements; tightening of consumer financing regulations and import curtailments through higher margin requirements.

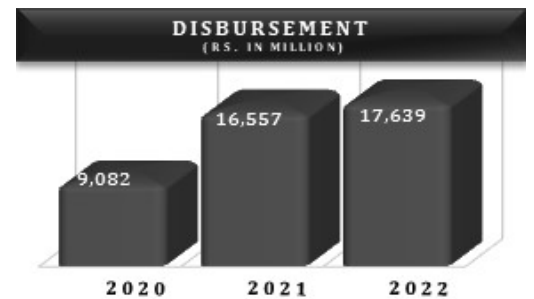
Despite high interest rates, unprecedented increase in car prices and restriction on consumer financing, car sales for the year increased by 55% to 234,180 units as compared to 151,182 units in FY2021. Truck sales also increased by 57% to 5,802 units in FY2022, indicating improved local and foreign trade in the Country. However, car sales are expected to decline substantially in FY2023, owing to persistent higher rates and high prices.



The challenging economic environment is expected to continue through the current fiscal year. With international demand for commodities remaining high, combined with COVID-related logistical issues and international conflicts, inflation is expected to remain high in the Country. The Government is taking difficult economic decisions which have already started impacting some businesses negatively. GDP growth of 3% to 4% has been projected by SBP for FY2023. Going forward, the Country's political situation will play a major role in the overall economic outlook for the current year.

Business Review

Given that economic conditions remained volatile in the second half of financial year 2021-22, OLP adopted a cautious approach and booked new business with enhanced diligence. Total disbursement for the year increased by 7% compared to last year. Vehicles leasing/financing (commercial vehicles and saloon cars) contributed 82% in total disbursements for the year. During the year, OLP introduced a new product of term financing secured by real estate. Contribution from this product in total business is expected to increase in coming years. The Company is also focusing on increasing fee based revenue through insurance agency business by leveraging its large customer base.

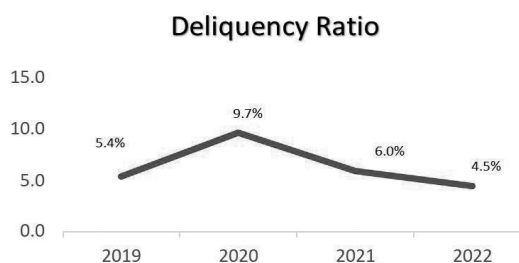


OLP's lease and loan portfolio increased by 16% during the year. Assets-wise, vehicles constituted 79% of the portfolio showing an increase of 19% over FY2021. This was followed by plant & machinery with an 18% contribution in total portfolio. The Company's portfolio is well diversified in a variety of economic sectors. Individual customers constituted the largest segment in the portfolio



with a share of 30.8% followed by Goods Transport sector with 14.6% share. OLP also endeavors to keep its portfolio diversified in different customers or groups. As of June 30, 2022, the highest exposure to a single customer is 0.57% of OLP's total portfolio.

The Company's non-performing portfolio and delinquency rate have improved over the past two years. While keeping tight control over overdue accounts in its current portfolio, the Company also made substantial recoveries from old overdue cases.



OLP's associated company, Yanal Finance Company improved its profitability this year. The share of profit from associate amounted to Rs. 64 million; 82% higher than last year's profit.

OLP Modaraba (OM) reported net profit of Rs. 111.5 million for the year; 27% lower than the previous year's profit of Rs. 152.5 million. The reduction was mainly due to taxation imposed on Modarabas in the current year. Total assets at 6,707 million were 1% lower than last year (June 30, 2021: Rs. 6,750 million) mainly due to reduction in Ijarah assets as OM is gradually moving towards a Diminishing Musharikah model. OM declared a cash dividend 20% for the year.

Financial Performance

OLP's financial results are summarized below:

	2022	2021
	-----Rupees-----	
Profit before taxation	1,376,781,079	1,283,979,509
Taxation	494,570,693	369,168,975
Profit for the year after taxation	882,210,386	914,810,534
Appropriations: transfer to statutory reserve	44,110,519	182,962,107
Earnings per share – basic and diluted	5.03	5.22

Profit before tax (PBT) for the year at Rs. 1,377 million was 7% higher than the PBT of Rs. 1,284 million earned last year. However, profit after tax was 4% lower at Rs. 882 million as compared to Rs. 915 million last year, as the Company's tax expense was 34% higher this year.

Dividend

The Directors are pleased to recommend a final cash dividend of 20% for the year ended June 30, 2022. This is in addition to interim cash dividend of 20% paid during the year which brings the total dividend for the year to 40% (2021: total cash dividend of 40%)

Revenue

Total revenue for the year increased by 22%, from Rs. 3,681 million in FY2021 to Rs. 4,489 million in FY2022. This increase is attributable to the growth in earning portfolio together with increase in interest rates in the Country.

Finance lease income at Rs. 2,252 million (FY2021: Rs. 2,219 million) was 1% higher than last year. The average lease portfolio during the year was Rs. 13,742 million, 3% lower than last year as the Company booked most of its saloon cars business under finance and loan portfolio. Despite the reduction in portfolio, revenue was maintained due to higher interest rates in the later part of the year.

Mark-up on term finance at Rs. 1,614 million was 66% higher than Rs. 971 million earned last year. This significant increase in income reflects increase in both portfolio and interest rates. The average portfolio of term finance and loans has increased from Rs. 6,034 million last year to Rs. 9,549 million in the current year. This portfolio mainly comprises of saloon cars financing and growth therein was facilitated by increase in car sales and car prices in the Country.

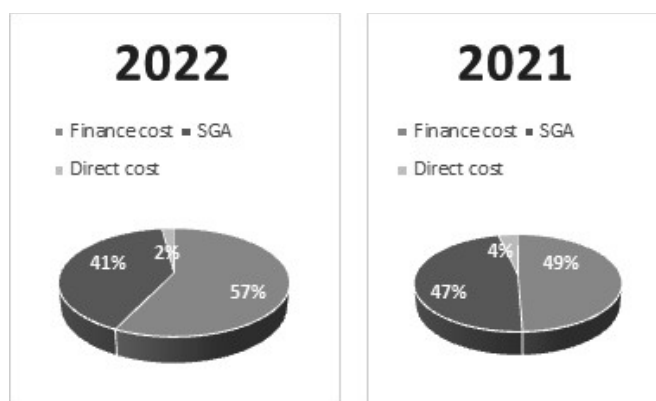
Income on operating leases was lower at Rs. 38 million in FY2022 compared to Rs. 88 million in the corresponding period. This income comprises of rentals from cranes provided to corporate customers on operating lease and rentals from the Ijarah finance portfolio. Prior year's income included rentals from a large Ijarah finance contract which concluded during that year.

Other income for the year of Rs. 520 million was 42% higher than the income of Rs. 367 million earned in FY2021. This income comprises of return on Government securities, documentation fee on new business and miscellaneous other incomes. In December 2021, the Company issued Privately Placed Term Finance Certificates (PPTFC) of Rs. 3,000 million. The excess liquidity available due to this issue was placed in Government securities which resulted in higher other income during the year.

Expenses

OLP's total expenses for the year at Rs. 3,142 million were 30% higher than the last year's expenses of Rs. 2,416 million. The breakup of expenses are follows:

- Finance cost for the year was Rs. 1,794 million, 50% higher than finance cost of Rs. 1,194 million last year. Higher borrowing portfolio in FY2022, coupled with the increase in interest rates in the later part of the year, resulted in increase in finance cost for the reported period.



- Administrative and general expenses at Rs. 1,285 million were 13% higher than the expenses of Rs. 1,135 million in the corresponding year. Despite high inflation in the Country, most of the expenses were contained during the year and the increase was mainly due to the increase in staff related expenses.
- Direct cost of Rs. 63 million (FY2021: Rs. 86 million) mainly comprises of stamp duty on new business, expenses associated with operating lease and Ijarah finance and other expenses directly attributable to lease and finance. The decline of 26% in this cost is mainly due to decrease of Ijarah finance portfolio as compared to last year.

Provision for Potential lease, loan and other losses

With strong recovery efforts, OLP managed to further reduce its non-performing assets portfolio during the year. Consequently, reversal of Rs. 65 million was made in provision for potential lease and loan losses as compared to the reversal of Rs. 40 million last year. OLP's model for calculation of provision against its lease and loan portfolio meets the requirements of IFRS 9. During the year, some amendments were made in this model in line with the regulatory requirements, which also resulted in lower provisioning requirement. Total provision balance of Rs. 1,055 million as of June 30, 2022 (June 30, 2021: Rs. 1,121 million) provided 94% coverage against the portfolio of 90+ days past due accounts (June 30, 2021: 87%).

Taxation

In the Finance Act, 2022, the Federal Government has levied a special tax, as super tax, for tax year 2022 and onwards on high earning companies. The rate of this new tax is based on the income earned by a company. For companies earning income of more than Rs. 300 million,

4% super tax will be levied. Further, the Government has also made amendments in taxability of capital gains arising on disposal of capital assets (investments). As per this amendment, the reduction of 25% on tax rate, applicable earlier on disposal of capital assets held for more than 1 year, has been removed. Such capital gains will now be fully taxable.

In line with these changes, higher tax of Rs. 495 million was recorded for the year, 34% higher than the tax expense of Rs. 369 million last year. This included super tax on current year's earning and deferred tax liability for subsequent years at the rate of 4% together with deferred tax liability for capital gains on disposal of investments in future.

Funding and Liquidity

Total borrowings of the Company as of June 30, 2022 were Rs. 18 billion as compared to Rs. 14.1 billion as of June 30, 2021. The increase in borrowing portfolio is in line with the increase in Company's earning asset portfolio. During the year, OLP issued Privately Placed Term Finance Certificates (PPTFC) of Rs. 3,000 million to further diversify its funding sources. The Company's debt to equity ratio as of June 30, 2022 was 2.02 (June 30, 2021: 1.65) while Capital Adequacy Ratio (CAR) was 27.32% (June 30, 2021: 31.8%) which is well above the regulatory requirement of 10%. This is indicative of the Company's strong capital position.

The breakup of borrowings is as follows:

	Rs. in millions	
	2022	2021
Bank borrowings	10,484	9,203
Certificates of Deposit	4,536	4,869
PPTFC	3,000	-
Total	18,020	14,073

The Company's bank borrowings are well diversified from 10 different banks. The largest exposure from a single bank was 18% of total borrowing of the Company as of June 30, 2022 (June 30, 2021: 15%).

Risk Management

As OLP's operations exposes it to different types of risks, a sound risk management framework has always played a significant role in Company's success. Risk management systems are the means of identifying, assessing, managing and controlling potential risks faced by the Company and provide reasonable assurance of OLP achieving its objectives. The Company's risk management framework consists of Board oversight, multi-tier supervision by head of departments and/or management committees, effective policies and procedures and strong IT systems. This framework is being continuously monitored and amendments are made in

line with changing market dynamics, regulatory requirements and change in the Company's business strategy.

In order to enhance the Board's role in the governance of risk and implementation of risk management policies, OLP has a Board's Risk Committee (BRC). The Committee comprises of 4 directors and is chaired by an Independent Director. It monitors, evaluates and manages the overall risk profile of the Company on an ongoing basis. Under BRC's supervision, the Company has an Enterprise Risk Management framework in place which allows the Board to review in detail risks faced by different operations and segments of the Company and provide guidelines for mitigating such risks while keeping in view the overall strategic objectives of the Company.

Major risks to which the Company is exposed to and the respective risk management framework are as follows:

Credit Risk

Credit risk is the risk of loss due to a borrowers' failure to fulfill their financial commitments. Being in the lending business, this is the biggest risk OLP is exposed to and extra efforts are made to bring this risk within the risk appetite acceptable to the Board.

OLP has a Board approved Credit Risk Policies which provides guidelines for extending credit to different segments of the economy. These policies also guides the Company on concentration of credit risk in different sectors and asset classes and for an entity or group. Credit approval authority has been delegated by the Board to different levels of management depending on the amount of the facility. The approving authorities ensure that all credit facilities are approved as per the Credit Risk Policies.

The Risk Management department performs an independent assessment of credit risk and reports the same to the Board's Credit Committee. New credit facilities above certain limits are reviewed by this department before approval. Additionally, a post-disbursement review of other approvals are also made to ensure that the Credit Policy is fully complied with at all levels of approving authorities. The department also ensures that Credit Policies are updated as per the changing business conditions.

The Board has also set exposures limits against each counterparty, sector and asset class. As a result, OLP maintains a well-diversified portfolio with no material concentrations of risk to any single party or sector.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they fall due or is unable to arrange sufficient funds to meet its financial commitments. The overall responsibility of managing liquidity risk lies with the Asset Liability Management Committee (ALCO). The Board has approved an Asset Liability Management Policy supplemented by

detailed Terms of Reference of ALCO, which sets out the risk appetite within which ALCO should function.

ALCO meets at least every month to review the impact of changing economic and market conditions on the Company's profitability, liquidity and fund management position. It also monitors ALM ratios, current and future cash flow position and devises strategy for appropriate funding mix between options in hand to maintain adequate diversity in the funding sources.

OLP's main sources of funding are bank borrowings and certificates of deposit. The Company maintains a diversified mix of lenders and ensures that sufficient unutilized lines are available at all times to meet future funding requirements.

Market Risk

Market risk is the risk that the value of market sensitive assets and liabilities may fluctuate due to the movement in market factors. OLP is exposed to market risk mainly in the form of movement in interest rates affecting its debt obligations and leases and loans receivables, whereas the Company has a policy not to assume any unhedged foreign currency position.

ALCO Monitor and control interest rate risk. Significant portion of lease and loan portfolio is linked to the KIBOR and any change in rates have impact on the earnings of the Company. Similarly, major debts of the Company are also benchmarked against KIBOR. The ALCO has devised pricing strategies and policies to control and manage interest rate risk by passing on the same to customers to the extent possible and by matching substantial portion of variable rate liabilities with variable rate assets. In case of a negative mismatch beyond acceptable limits, OLP has the option of repositioning its assets and/ or liabilities mix or executing interest rate swaps.

The Company is exposed to currency risk due to its strategic investments in foreign associates, which is realized only on any change in holding of those investments. The currency exposure also arises if any debt obligation is taken in foreign currency. As a policy, OLP does not take any such borrowings without having cross currency swap to fully cover against the movement in foreign currency.

Operational Risk

Operational risk is the risk of loss due to occurrence of an event which disrupts the normal operations of the Company. It may include a loss due to failure of systems or processes, loss due to fraud or human error and loss due to external events like accidents or natural disaster. It also includes non-compliance with the local laws and regulations. Risk of reputational damage to the Company due to the above events also comes under operational risk.

Due to the size of OLP operations and its geographical expansion, OLP is exposed to a number of operational risks. To minimize these risks internal policies and controls are regularly reviewed and strengthened and adherence to these policies are ensured. OLP has a disaster

recovery plan for any external event, accident or natural disaster, causing disruption to its operations, which is periodically reviewed and tested. New and existing staff is provided orientation and training on Company's Code of Conduct, Anti-money laundering and Anti-fraud and Whistleblowing Policies for prevention of fraud and unethical practices.

Regular checks by the Internal Audit and Compliance functions help in monitoring the implementation of approved policies and related preventative internal controls.

Corporate Governance, Internal Control and Compliance

OLP's strong corporate governance structure facilitates effective management of the Company and achievement of its long-term objectives by emphasizing transparency, accountability and compliance. Well established policies, well defined authorities and responsibilities and strong risk management framework are in place to achieve these objectives. The Board of Directors heads the governance structure of the Company. The Board comprises of 3 independent directors, 4 nominee directors and 2 executive directors. To discharge their duties more effectively, the Board has constituted following 4 sub-committees:

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

A Number of Management Committees further enhances the governance process throughout the organization. These consist of Management Committee, Credit Committee, Asset Liability Management Committee and IT Steering Committee. Senior staff members are part of Management Committees and bring their vast experience in making strategies, business planning and operations.

Internal audit and compliance departments report directly to the Board through the Audit Committee. The internal audit department develops a risk based audit plan at the start of the year which is reviewed and approved by the Audit Committee. The audits during the year are regularly reviewed by this Committee and it provides guidance to the management in enhancing the controls in line with the audit recommendations. The internal audit department not only provides independent view on compliance with the policies, procedures and regulatory requirements, it also advises on improvement of policies in line with the best industry practices.

The Company also places high emphasis on compliance with all regulatory requirements and ensures that the compliance culture is cascaded to all levels of organization. OLP is fully compliant with the regulatory framework of the Country and also aims to comply with industry best practices. OLP's compliance function is responsible for ensuring compliance with the existing and new regulations applicable to the Company. As the Country is enhancing its regulatory framework, the level of oversight by the SECP has increased, especially with

regards to anti-money laundering and terrorist financing. Apart from its lending business, OLP has a sizeable certificates of deposit portfolio which makes a strong compliance framework crucial for its success. The Company has implemented a number of measures to ensure full compliance with all regulatory requirements including UN / NACTA sanctions screening and Customer Due Diligence Process (CDD) / know your customers (KYC) requirements. Compliance department regularly conducts AML / CFT Compliance audit of business functions to ensure that all regulatory requirement applicable to the Company have been complied with. They also conduct training sessions on aspects of Anti-Money laundering (AML) / Countering Financing of Terrorism (CFT) to educate staff on AML / CFT regime and to comply with the requirement of AML / CFT Regulations. Guidelines and risk assessment processes have been strengthened across the board to ensure that employees fully comprehend and apply strict due diligence reviews

Corporate Social Responsibility

OLP's business objective revolves around making a social impact by creating a sustainable business model, creating maximum value for all stakeholders, fostering individual talent and financial inclusion of all segments of the society. OLP has presence in all major cities of the Country and endeavors to support local businesses especially those which have no access to the financial sector of the Country.

The Company has a CSR Policy and a CSR Committee in place which ensure that all CSR activities are in line with the Company's vision and resources are channeled to the deserving institutions/individual.

Future Outlook

As political instability continued in the Country, its negative effects are being felt on the overall economy. Pakistan's current account deficit is also under pressure due to high commodity prices internationally. With persistently high inflation, the SBP's policy rate is expected to remain high in FY 2023. Structural changes are required in the economy to control current account deficit.

The Government has been able to reach agreement with IMF for its seventh and eighth reviews for its \$6 billion facility and the IMF has approved much awaited \$1.2 billion. The deal was reached after Pakistan complied with the IMF conditions. The Government is also negotiating with other lenders to ease pressure on its current account.

Given the challenges on the economic front and the high interest rate environment, the Company will continuously review its strategy on business growth and risk management. Strong risk management will also play an important role in the success of the Company in a challenging environment.

Board of Directors and Board Committees

The composition of the Board of Directors and its sub-committees are given in the Statement of Compliance on page no. 12.

Evaluation of the Performance of the Board

OLP has a formal process of evaluation of the performance of the Board of Directors and its committees as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019. This evaluation is carried out on an annual basis either in-house or through external independent consultants. The Board members make full efforts to attend all Board Meetings and fully participate in the proceedings of the meetings. The Board ensures that the industry best practices are adopted by the Company and the Board in all its functions.

In this process of evaluation, the evaluation questionnaires are circulated to the Board members who send their replies to the Company Secretary while keeping the whole process confidential. The responses are compiled by the Company Secretary and the results are shared in the Board Meeting and the areas of improvements are highlighted.

Board's Remuneration Policy

The Company has a Board of Directors Remuneration Policy in place, which was duly approved by the Board. It provides a formal mechanism for determining the remuneration of the directors of the Company, for attending meetings. As per the Policy, only the Independent Non-Executive Directors are eligible for remuneration for attending the Board and its committees' meetings. Whereas, the Non-Executive Directors are only entitled to reimbursement of the expenses incurred for attending the meetings.

Disclosure with regards to remuneration of each director and chief executive officer is given in note 40 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 Financial Officer
- Chief Operating Officer
- Company Secretary
- Head of Internal Audit
- All 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, 2022, are stated within the Directors' Report.
8. Key operating and financial data for the last six years in a summarized form is given on page no. 52.
9. There are no statutory payments on account of taxes, duties, levies and charges outstanding as on June 30, 2022, except for those disclosed in the financial statements.
10. The value of investments of the recognized provident fund as at June 30, 2022, was PKR 645.20 million (unaudited), and as at June 30, 2021, was PKR 617.08 million (audited).

The value of investments of the Company's recognized gratuity fund as at June 30, 2022, was PKR 281.61 (unaudited), and as at June 30, 2021, was 259.04 million (audited).
11. Eight (08) out of nine (09) Directors of the Company have certification/exemption under the Directors Training Program.
12. During the year, five meetings of the Board of Directors, six meetings of the Audit Committee, four meetings of Board Human Resource Nomination and Remuneration Committee, two meetings of Board Risk Committee and one meeting of Board Credit Committee were held. The Directors, who were unable to attend the meetings, followed the progress of the proceedings of the Board.

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	5	Mr. Nasim Hyder	5
Ms. Aminah Zahid Zaheer	5	Mr. Yoshiaki Matsuoka (Non-resident)	5
Ms. Keiko Watanabe (Non-resident)	5	Mr. Shin Hamada (Non-resident) [1]	5
Mr. Daisuke Morita (Non-resident)	5	Mr. Shaheen Amin	5
Mr. Ramon Alfrey	5		

[1] Resigned as Director subsequent to the year end.

Audit Committee's Meetings

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Nasim Hyder	6	Ms. Aminah Zahid Zaheer	6
Ms. Keiko Watanabe (Non-resident)	6	Mr. Daisuke Morita (Non-resident) [1]	5

[1] Appointed as a member on September 23, 2021

Human Resource Nomination and Remuneration Committee's Meetings

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Khalid Aziz Mirza	4	Mr. Yoshiaki Matsuoka (Non-resident)	4
Mr. Shin Hamada (Non-resident) [1]	2	Mr. Shaheen Amin	4

[1] Appointed as a member on September 23, 2021 and resigned as Director subsequent to the year end.

Risk Committee's Meetings

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Ms. Aminah Zahid Zaheer	2	Mr. Nasim Hyder	2
Ms. Keiko Watanabe (Non-resident)	2	Mr. Daisuke Morita (Non-resident) ^[1]	2

[1] Appointed as a member on September 23, 2021

Credit Committee's Meetings

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

Subsequent to the year end, Mr. Shin Hamada resigned with effect from September 01, 2022. Mr. Katsumi Matsumoto was appointed as Director by the Board to fill the casual vacancy. The appointment will be subject to the approval of the SECP. The Board of Directors places on record its appreciation for services rendered by Mr. Shin Hamada. Further, the Board welcomes Mr. Katsumi Matsumoto as Director on the Board.

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 03, 2022. 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.

Auditors

M/s A.F. Ferguson & Co., Chartered Accountants were appointed as auditors for the year ending June 30, 2022. The Board of Directors endorses the recommendation of the Audit Committee for the appointment of M/s A.F. Ferguson & Co., Chartered Accountants, as auditors of the Company for the year ending June 30, 2023.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2022 is given on page no. 209.

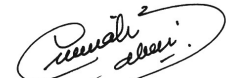
Acknowledgement

The Board would like to take this opportunity to thank the regulatory authorities for their continued support and guidance. We would like to express our appreciation to the bankers, business partners and all stakeholders for their support and cooperation in the success of the Company. We also thank our valued customers and depositors for their continued trust and confidence.

On behalf of the Board



Shaheen Amin
Chief Executive Officer



Aminah Zahid Zaheer
Director

September 16, 2022