

DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the thirty ninth annual report of OLP Financial Services Pakistan Limited (OLP/ the Company) together with the Unconsolidated Financial Statements for the year ended June 30, 2025.

The Company

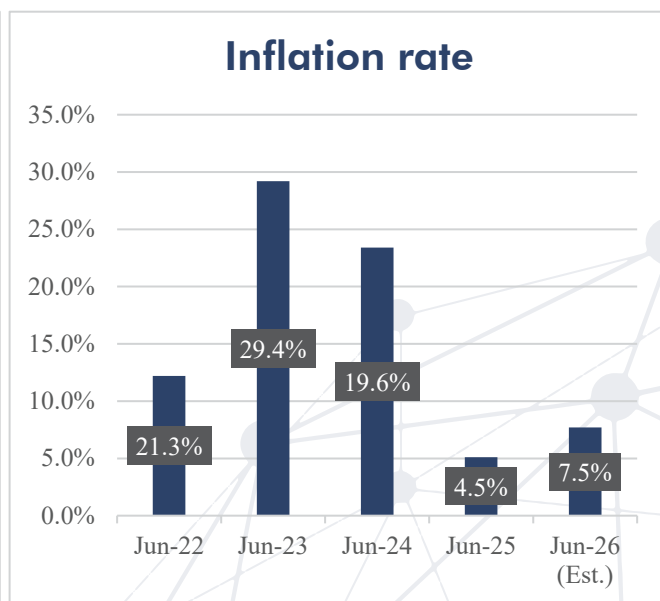
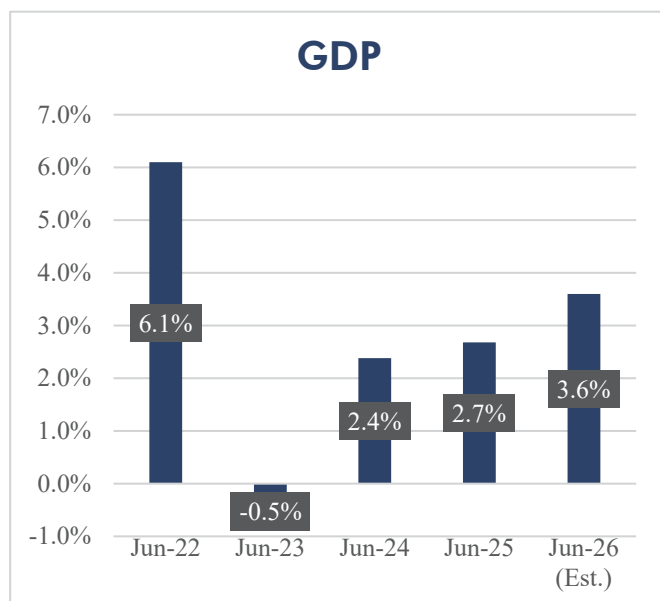
The Company was established in 1986 as a joint venture between ORIX Corporation, Japan (ORIX) and local investors. Licensed by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, OLP operates as an Investment Finance 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

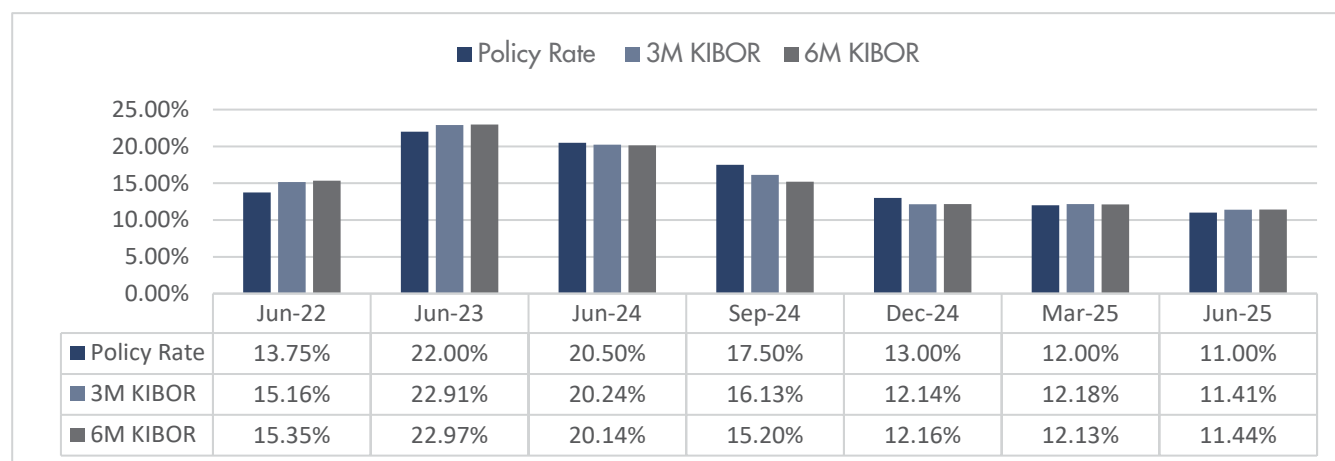
Pakistan's economy witnessed a turnaround in FY2025 despite structural challenges. Pakistan's real GDP recorded a growth of 2.68 percent in FY2025, underpinned by broad based stabilization across key macroeconomic indicators. The real, fiscal, financial and external sectors exhibited sustained resilience and continued signs of recovery. Fiscal consolidation efforts continued in FY2025, strengthening discipline through higher revenues and more efficient spending.

This is reflected in notable year-on-year growth in automobile sales, fertilizer offtake, credit to private sector, imports of intermediate goods and machinery and purchasing manager's index in recent months. This improvement in high-frequency indicators has now also started to reflect in Large Scale Manufacturing data, which showed year-on-year increase of 2.3% in the fourth quarter after five months of contraction. Supported by easing financial conditions, positive business sentiments and a gradually strengthening macroeconomic environment, real GDP growth is projected to rise to 3.25 – 3.6 % this year from the provisional estimate of 2.7 % in FY25. Inflation averaged 4.5% for FY2025, a substantial reduction from 19.6% during the same period last year. Standard and Poor (S&P) has upgraded Pakistan rating to (B-) due to implementation of reforms and reduction in sovereign default risk.

The following graphical presentations illustrate the key indicators of the country's economic performance:



The State Bank of Pakistan, in its latest monetary policy committee meeting, has projected inflation to stabilize around 7.5% for the year ending June 30, 2026. Progressive rate cuts during the year coincide with a significant easing of inflation. The benchmark policy rate is expected to remain aligned with inflation in the upcoming calendar year. The policy rate and KIBOR movement during the last few years follows:



Pakistan's budget for FY2026 was announced in June 2025. Projected total outlays are Rs. 17.6 trillion after netting off provincial share of Rs. 8 trillion, reflecting decrease of 7% compared to the budgeted outlay of FY2025. Gross revenue receipts are expected at Rs19.3 trillion, with Federal Board of Revenue (FBR) tax collection is envisaged at Rs. 14.13 trillion; nearly 9% higher than the outgoing fiscal year. The FY2026 budget has set an ambitious headline deficit target of 3.9% of GDP.

Business Review

Pakistan's economy is expected to maintain its recovery trajectory in FY2026, supported by improved macroeconomic fundamentals and rising investor confidence. Benefiting from these conditions, OLP executed a comprehensive strategy aimed at sustaining business operations, optimizing costs, and enhancing operational efficiency.

In line with improved economic activity, OLP achieved new disbursements of Rs. 19.11 billion, reflecting a growth of 32% compared to Rs. 14.56 billion in the previous year. The Company's vehicle leasing and financing segment, which comprises commercial vehicles and saloon cars, remained the major contributor, accounting for 84% of total disbursements during the year. As of June 30, 2025, OLP's finance and lease portfolio stood at Rs. 29.0 billion; 14% higher than the portfolio of Rs. 25.5 billion in the prior year.

OLP's extensive footprint, with 33 branches across Pakistan, enables the Company to serve a diverse customer base while effectively managing concentration risk. As of June 30, 2025, the largest single customer exposure represented just 0.9% of the portfolio, reflecting strong diversification. By asset type, vehicles accounted for 85.1% of the finance and lease portfolio, followed by plant and machinery at 12.8%.

During the year, the Company further strengthened its portfolio quality, achieving a notable reduction in delinquency level. This improvement was driven by prudent origination practices with a strong emphasis on risk and quality, effective portfolio management and close monitoring of overdue accounts. In parallel, OLP pursued out-of-court settlements with long-outstanding overdue customers while intensifying efforts to address newly delinquent accounts.



OLP Services Pakistan (Private) Limited (OSPL), a wholly owned subsidiary of OLP, initiated automobile service operations to assess the dynamics of the automobile service sector with a view to potential future integration with OLP's operating business segments. Receivables from OSPL represent expenses incurred on behalf of the subsidiary for these operations. During the year, however, the automobile service business was suspended due to a non-competitive market environment and the dominance of the informal sector. Consequently, the receivable of Rs. 97 million has been charged off under other provisions.

In addition, an impairment of Rs. 87 million has been recognized against the investment in OPP (Private) Limited, owing to limited availability of financial information, as the matter remains under litigation for winding up.

Yanal Finance Company, OLP's associated company operating in the Kingdom of Saudi Arabia, showed improved profit. OLP's share in profit from its associate amounted to Rs. 154 million (FY 2024: Rs. 139 million); a 10.7% increase over the preceding year.

OLP Modaraba (OLPM) reported net profit of Rs. 174 million for the year; 10% higher than the previous year's profit of Rs. 158 million. Total assets at Rs. 8,873 million were 15% higher than last year (June 30, 2024: Rs. 7,738 million). OLPM declared a cash dividend 25% for the year.

Financial Performance

OLP's financial results are summarized below:

	2025	2024
	-----Rupees-----	
Profit before taxation	2,012,384,635	2,290,853,975
Taxation	786,913,599	897,943,253
Profit for the year after taxation	1,225,471,036	1,392,910,722
Appropriations:		
transfer to statutory reserve	61,273,552	69,645,536
Interim dividend	350,815,294	350,815,294
Final dividend	613,926,765	526,222,941
	964,742,059	946,683,771
Earnings per share – basic and diluted	6.99	7.94

OLP recorded a pre-tax profit of Rs. 2.01 billion in FY2025 compared to Rs. 2.29 billion in FY2024, reflecting a decline of 12%. Profit after tax stood at Rs. 1.22 billion (FY2024: Rs. 1.39 billion); 12% lower than the previous year. Lower profit is primarily attributable to a declining interest rate environment, which reduced earnings on the Company's equity-funded portfolio.

Dividend

The Directors are pleased to recommend a final cash dividend of 35% for the year ended June 30, 2025. This is in addition to interim cash dividend of 20% paid during the year which brings the total dividend for the year to 55% (2024: total cash dividend of 50%).



Revenue

The Company reported annual revenue of Rs. 6,964 million; 13% lower than Rs. 7,984 million earned in the previous year.

Income from the lease and loan portfolio decreased by 14.7% to Rs. 5,892 million compared to Rs. 6,885 million in FY2024. The reduction was primarily due to a lower interest rate environment, as consistent downward KIBOR repricing contributed to reduced portfolio yields. However, the overall impact was partially offset by a 14% growth in the Company's lease / loan portfolio.

Other income for the year decreased by 4.4% to Rs. 917 million from Rs. 959 million in FY2024. This was supported 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 line with prudent risk management, OLP maintained excess liquidity in Government securities, ensuring stability.

Expenses

Total expenses for the year, excluding provision for potential lease and loan losses, were Rs. 4,868 million; 11.8% lower than last year's Rs. 5,519 million. A breakup of expenses follows:

- Finance cost for the year decreased by 18.5% to Rs. 3,158 million (FY2024: Rs. 3,876 million). Notably, total borrowings increased to Rs. 21.5 billion as of June 30, 2025 (FY2024: Rs. 18.2 billion). OLP's bank borrowings are priced on a variable-rate basis, accordingly, finance costs declined due to the easing interest rate trend during FY2025. The cost of the Company's Certificates of Deposit (COD) portfolio also decreased with the issuance of new CODs in line with declining interest rate.
- Administrative and general expenses increased 3.7% from Rs. 1,615 million to Rs. 1,675 million driven primarily by a 6.2% increase in staff costs. The increase was partly mitigated by a 3.6% reduction in total staff numbers from 494 to 476. Notably, other expenses were controlled.
- Direct cost increase by 24.5% to Rs. 34 million (FY2024: Rs. 27 million) during the current year. Direct cost mainly comprise of stamp duty on new business, expenses associated with portfolio, life insurance for retail clients and other expenses.

Expected Credit Loss / Provision for lease and loans

OLP's non-performing portfolio (over 90 days past due) stood at Rs. 655 million as of June 30, 2025 (FY2024: Rs. 641 million). The Company recorded a reversal of provision charge of Rs. 143 million in FY2025 compared to reversal of Rs. 42 million in FY2024.

Provisions for potential lease and loan losses are maintained in line with an Expected Credit Loss (ECL) model under accounting standard IFRS 9, supplemented by subjective provisions as management overlays which is allowed by the standard. The accumulated provision for potential lease and loan losses stood at Rs. 668 million, providing 100% coverage against all accounts over 90 days past due (FY2024: 119%).

Taxation

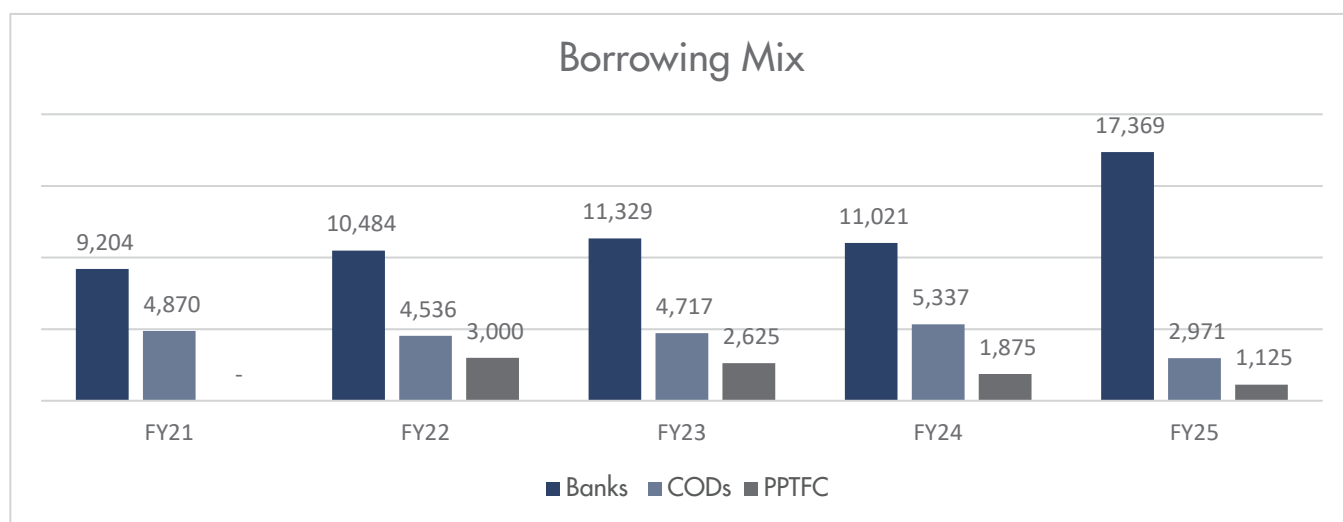
Tax expense of Rs. 787 million was recorded for the year; 15% lower than the tax expense of Rs. 898 million, which includes super tax of 10%.



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 ten financial institutions, securing secured loan facilities in the form of long-term loans and overdrafts at competitive market rates. 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, 2025 was 2.0 (June 30, 2024: 1.74) while Capital Adequacy Ratio (CAR) was 27.40% (June 30, 2024: 30.23%) 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:

- Oversight by the Board and committees
- 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. 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 consistent low non-performing loans ratio.

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 strengthened its Internal Audit, Risk Management, and Compliance functions, which ensure policy adherence and monitor key risk indicators, operational disruptions, and potential failures. 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.

Particular focus is maintained on high-risk areas such as system failures, breaches of internal controls, and instances of fraud or forgery. To mitigate these, OLP continuously enhances IT security, clearly defines individual responsibilities, and works to improve operational efficiency and effectiveness through both automation and human resource development. Orientation and training are regularly provided to new and existing staff on the Company's Code of Conduct, Anti-Money Laundering, Anti-Fraud, and Whistleblowing Policies to reinforce ethical standards and prevent misconduct.

Sustainability in Action

At OLP, Environmental, Social, and Governance (ESG) considerations form an integral part of our corporate ethos. During the year, we developed a comprehensive ESG policy that provides a strategic framework for embedding responsible practices across all aspects of our business. This policy ensures alignment with standards and reinforces our commitment to creating long-term value for stakeholders while addressing environmental and social challenges responsibly.

To strengthen oversight, the Board Audit & Risk Committee (BA&RC) has been empowered through enhanced Terms of Reference, enabling effective enforcement of sustainability practices across the company.

Building on our ESG framework, OLP has formally incorporated ESG considerations into its investment and financing decisions. Depending on the nature of ESG risks associated with a borrower or customer's operations, a corrective action plan may be developed with defined timelines for implementing appropriate mitigation measures to ensure compliance with OLP's ESG requirements. These plans are designed to reduce potential ESG risks to an acceptable level in the context of each transaction and are tailored to the specific risks identified during ESG due diligence or subsequent monitoring.

Notably, a significant part of the Company's energy requirements at the Head Office and selected branches are met through renewable sources, reflecting OLP's role as an early adopter of clean energy within the NBFC sector.

In line with this commitment, OLP is already financing solar power for its customers and is now working towards developing it into a dedicated product. Alongside this, the Company continues to explore additional green opportunities while assessing the impact of climate-related risks and opportunities on its business, strategy, and financial planning across short, medium, and long-term horizons. These initiatives not only strengthen the resilience of OLP's strategic direction but also reinforce its role as a catalyst of inclusion, extending the benefits of sustainable finance to individuals, businesses, communities and the environment.

Corporate Social Responsibility

While ESG and sustainability guide our business and operational practices, OLP's CSR initiatives reflect our direct commitment to the communities we serve. Our commitment to Corporate Social Responsibility (CSR) is demonstrated through sustained support for institutions that provide healthcare and education to underprivileged communities and individuals.



During the year, OLP broadened its philanthropic outreach by extending financial assistance to several deserving segments of society. In healthcare, the Company continued its tradition of supporting leading institutions, contributing to renowned hospitals such as LRBT, Indus Hospital, Lady Dufferin Hospital, Shaukat Khanum Memorial Trust, and The Kidney Centre, among others. Additional contributions were made to organizations including Friends of Burns Center and Marie Adelaide Leprosy Center, which play a vital role in providing specialized medical care.

In the field of education, OLP supported institutions dedicated to delivering quality education to underserved populations, including The Citizens Foundation, Family Education Services Foundation and Behbud Association. The Company also contributed to the IBP School of Special Education, promoting the welfare and development of differently-abled children.

In addition, OLP extended support to various NGOs working for the welfare of marginalized communities, thereby reinforcing its dedication to inclusive growth and social uplift.

Nurturing Talent, Culture and Purpose

People remain OLP's greatest strength. The Company is committed to leadership development and employee growth as central pillars of its Human Capital Development strategy. A structured succession planning process identifies and nurtures future leaders, while learning programs, spanning policy awareness, soft skills, and targeted upskilling, equip employees to meet evolving business challenges.

OLP fosters a motivating workplace culture through recognition initiatives such as annual awards, performance-based bonuses, and commemorative mementos. These efforts reinforce our belief that celebrating employee contributions is essential to sustaining engagement and high performance.

Collaboration across business units, geographies, and functions is at the core of our operations, strengthening team cohesion and aligning outcomes with corporate Purpose. By nurturing fairness, growth, and recognition, OLP ensures a supportive and inclusive environment where employees are empowered to thrive.

Diversity, inclusion and equality

Diversity and inclusion remain a cornerstone of OLP's strategic vision. During the year, a comprehensive DEI policy was introduced, grounded in industry benchmarks and global best practices. This framework drives measurable outcomes and fosters an equitable workplace.

For the year ended June 30, 2025, the Company reported a Mean Gender Pay Gap of 33.2% and a Median Gender Pay Gap of 24.4%, primarily due to the higher concentration of female staff in paraprofessional roles. We acknowledge the need for continued progress and remain committed to reducing these gaps by enabling equal opportunities for growth and leadership.

As part of embedding DEI principles into our culture, OLP offered internship opportunities to a record number of female candidates entering the financial industry, further reinforcing our commitment to building an equitable and representative workplace. Additionally, the Company has Protection Against Harassment Policy in line with the prevailing laws and regulations, strengthening safeguards against discrimination and harassment, and reinforcing a safe and respectful work environment.



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, 3 nominee directors, 2 non-executive directors and 1 executive director (chief executive as deemed director). 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

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. 41.



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 for year ended June 30, 2025 was conducted in-house. Within this evaluation process, assessment questionnaires were disseminated to Board members, who submitted their responses directly to the Company Secretary while maintaining confidentiality of the process. The compilation of these responses were overseen by the Company Secretary and was then presented to the Board Human Resource Nomination and Remuneration Committee for review. The final report was then subsequently shared during a Board Meeting and areas for improvement were highlighted.

Board's Remuneration Policy

The Company has a well-defined Board of Directors Remuneration Policy in place, which outlines the framework for determining compensation for directors participating in Board and sub-committee meetings. In accordance with the policy, independent and non-executive directors, subject to Board approval, are entitled to receive remuneration for their attendance at these meetings. Additionally, directors are eligible for reimbursement of expenses incurred in connection with their participation, ensuring transparency and fairness in the compensation process.

Disclosure with regards to remuneration of each director and chief executive officer is given in note 38 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, 2025, 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. 51.
9. There are no statutory payments on account of taxes, duties, levies and charges outstanding as on June 30, 2025, except for those disclosed in the financial statements.
10. The value of investments of the recognized provident fund as at June 30, 2025, was PKR 942 million (unaudited), and as at June 30, 2024, was PKR 847 million (audited).
11. The value of investments of the Company's recognized gratuity fund as at June 30, 2025, was PKR 371 million (unaudited), and as at June 30, 2024, was 332.8 million (audited).
12. Six (06) 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 one director having been recently appointed, will complete the Director Training Program (DTP) within the stipulated time as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019. The independent director, Mr. Anwar Mansoor Khan, is a distinguished senior lawyer designated as "Senior Advocate" by the Supreme Court of Pakistan. He has served as the Attorney General of Pakistan, Advocate General for the Province of Sindh and Judge of the High Court of Sindh. With over 43 years of distinguished service and expertise in corporate legal practice and governance, his knowledge and experience are considered to be at a level that effectively meets and exceeds the objectives of the Directors' Training Program.
13. During the year, 07 meetings of the Board of Directors, 07 meetings of the Board Audit & Risk Committee, 02 meetings of the Board Human Resource Nomination and Remuneration Committee and 01 meeting of the Board Credit Committee were held.

Composition of the Board

The Board comprises of 08 directors including seven (7) males and one (1) female director. The composition of the Board is as follows:

Independent Directors	Mr. Rashid Ahmed Jafer Mr. Anwar Mansoor Khan
Non-Executive Directors	Mr. Khalid Aziz Mirza Mr. Ramon Alfrey Mr. Yoshiaki Matsuoka Mr. Kazuhito Inoue
Female Directors	Ms. Keiko Watanabe
Executive Directors*	Mr. Shaheen Amin

*Serving as deemed director under section 188 of the Companies Act, 2017



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	7	Mr. Yoshiaki Matsuoka (Non-resident)	7
Mr. Rashid Ahmed Jafer	7	Ms. Keiko Watanabe (Non-resident)	7
Mr. Anwar Mansoor Khan	6	Ms. Mika Takeda[1] (Non-resident)	4
Mr. Ramon Alfrey	7	Mr. Kazuhito Inoue[2] (Non-resident)	2
Mr. Shaheen Amin	7		

[1] Resigned as Director with effect from February 14, 2025.

[2] Appointed as Director on February 14, 2025. Attended Board meetings via invitation

Audit and Risk Committee's Meetings

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Rashid Ahmed Jafer	7	Mr. Ramon Alfrey	7
Ms. Keiko Watanabe (Non-resident)	7	Ms. Mika Takeda[1] (Non-resident)	3
Mr. Kazuhito Inoue[2] (Non-resident)	2		

[1] Resigned as Director with effect from February 14, 2025.

[2] Appointed as Director on February 14, 2025. Attended Committee meetings via invitation.

Human Resource Nomination and Remuneration Committee's Meetings

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Anwar Mansoor Khan	2	Mr. Yoshiaki Matsuoka (Non-resident)	2
Mr. Shaheen Amin	2	Mr. Khalid Aziz Mirza	2



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. Kazuhito Inoue was appointed as a non-executive director on February 14, 2025 in place of Ms. Mika Takeda. His approval from SECP was received on July 10, 2025.
- 2) Ms. Mika Takeda resigned as Director with effect from February 14, 2025.

The Board of Directors places on record its appreciation for services rendered by Ms. Mika Takeda. Further, the Board welcomes Mr. Kazuhito Inoue as director on the Board of OLP.

Credit Rating

The VIS Credit Rating Company (VIS) issued credit rating of AAA (Triple A) for long term and A1+ (A oneplus) for short term on September 11, 2025. While 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 February 28, 2025. 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, 2025 is given at page no. 265.

Auditors

M/s. KPMG Taseer Hadi & Co., Chartered Accountants were appointed as auditors for the year ending June 30, 2025. 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, 2026.

Future Outlook



The IMF has projected GDP growth of 3.6% for FY2026. While the overall business environment is expected to remain challenging due to increasing competition in the financial sector, there are also signs of cautious optimism. With inflation trending downward will ease borrowing costs and encourage new investment activity. In an economy experiencing steady but modest growth, volatility in the financial sector is likely to persist, and returns from the existing customer base may moderate compared to previous years.

The recent floods in Pakistan add uncertainty, with impact assessment still underway. OLP will maintain a cautious approach through risk evaluation of affected regions while also supporting rehabilitation efforts.

Lower interest rates are expected to support capital formation and stimulate demand in the SME sector, while the rising preference for Islamic finance provides additional avenues for expansion. As a catalyst of inclusion, OLP remains committed to navigating these dynamics by broadening access to financial solutions, deepening its engagement with underserved sectors and leveraging innovative offerings to strengthen resilience and create long-term value for all stakeholders.

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, and to our employees whose commitment and dedication continue to drive the success of the Company.

On behalf of the Board



SHAHEEN AMIN
Chief Executive Officer
September 25, 2025



RASHID AHMED JAFER
Director

