VIS
Credit Rating Company Limited

RATING REPORT

OLP MODARABA (FORMERLY ORIX MODARABA)

Analyst:
Musaddeq Ahmed
(Musaddeq@vis.com.pk)

RATING DETAILS		
RATINGS CATEGORY	Initial Rating	
	Long-term	Short-term
ENTITY	AA	A1+
RATING OUTLOOK/ WATCH	Stable	
RATING ACTION	Initial	
RATING DATE	September 21, 2026	

Shareholding (5% or More)	Other Information
Individuals - 60.16%	Incorporated: 1987
Financial Institutions – 20%	Public Listed Modaraba
Modarabas/Modaraba Management and Mutual Funds – 10.07%	Chairman: Mr. Shaheen Amin
	Chief Executive Officer: Mr. Waqas Ahmad Khwaja
	External Auditor: KPMG Taseer Hadi & Co., Chartered Accountants

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Non-Bank Finance Company
https://docs.vis.com.pk/Methodologies-2025/NBFC-Nov-2025.pdf

Rating Scale

https://docs.vis.com.pk/docs/VISRatingScales.pdf

Rating Rationale

The rating assigned to OLP Modaraba ('the Modaraba') reflects its established franchise, strong governance framework, sound risk management practices, and adequate capitalization. The Modaraba benefits from its association with the broader OLP/ORIX franchise, supported by an experienced management team, structured policies and controls, and a diversified financing portfolio. Its Shariah governance framework remains well established, with ongoing oversight and compliance with applicable regulatory requirements. Asset quality has remained satisfactory, supported by prudent underwriting, active portfolio monitoring, and strengthening provisioning coverage. The financing portfolio continues to transition towards Diminishing Musharakah, with the gradual run-off of Ijarah assets. Profitability has come under pressure due to lower benchmark rates and reduced fresh disbursements; however, lower funding costs, sound asset quality and operating expense controls have provided some mitigation. Profitability is expected to remain constrained in the near term but should stabilize as the portfolio grows, digitalization supports operating efficiencies. Liquidity remains a key consideration, given the maturity mismatch between relatively shorter-tenor funding and longer-tenor financing assets, although this is partly mitigated by stable reinvestment behavior, diversified funding sources, cash buffers, and available financing lines. Capitalization remains adequate, supported by a stable record of earnings retention.

Company Profile

OLP Modaraba ('the Modaraba') was incorporated in 1987 as First Grindlays Modaraba and was initially controlled by ANZ Grindlays Bank. In 2000, Standard Chartered Bank acquired ANZ Grindlays Bank's operations in Asia, following which the Modaraba was renamed Standard Chartered Modaraba. In 2016, ORIX Leasing Pakistan Limited acquired Standard Chartered Modaraba and renamed it ORIX Modaraba. Subsequently, as part of the ORIX Group's rebranding initiative in Pakistan, the Modaraba was renamed OLP Modaraba. The Modaraba's association with Standard Chartered established a strong culture of structured policies, procedures and controls, which continues to be reflected in its operating framework. The Modaraba follows robust internal policies and SOPs, alongside applicable legal, regulatory and Shariah requirements.

The Modaraba is managed by OLP Services Pakistan (Private) Limited ('the Management Company'), which is a wholly owned subsidiary of OLP Financial Services Pakistan Limited. The Modaraba operates through a head office in Karachi and two branches in Lahore and Islamabad. It is a perpetual Modaraba and is primarily engaged in financing of plant and machinery, motor vehicles (both commercial and private), computer equipment and housing under the modes of Ijarah (Islamic leasing) and Diminishing Musharakah. The Modaraba may also invest in suitable commercial and industrial ventures and is listed on the Pakistan Stock Exchange Limited.

Group Profile

ORIX Corporation (ORIX) is a diversified financial services group providing leasing, lending, banking, insurance, automobile leasing, rentals, and real estate services to SMEs, corporates, and individuals. The Group also has investments across infrastructure, energy, environmental services, mobility, and real estate. Its operations are organized into six segments: Corporate Financial Services, Maintenance Leasing, Real Estate, Investment and Operation, Retail, and Overseas Business. ORIX has a global presence across the Americas, Asia, Oceania, the Middle East, and Europe. Headquartered in Tokyo, Japan, the company is listed on both the Tokyo and New York Stock Exchanges.

Management and Governance

BOARD STRUCTURE

BOARD OF DIRECTORS	26-Jul
Mr. Shaheen Amin	Chairman
Mr. Yacoob Suttar	Independent Director
Mr. Ahmad Kamal	
Ms. Nosheen Iqbal	Non- Executive Director
Mr. Ramon Alfrey	
Mian Faysal Riaz	
Mr. Waqas Ahmad Khwaja	CEO (Managing Director)

As of June 2024, the Board comprised seven directors, including six male and one female director, with three Independent Directors. The Board was chaired by Mr. Naveed Kamran Baloch, while Mr. Raheel Qamar Ahmad served as Chief Executive Officer. The positions of Chairman and Chief Executive Officer remained separate, supporting an appropriate governance structure. During FY25, there were no changes in the Board's composition, and the Board held four meetings. The directors also confirmed compliance with the prescribed limits on directorships of listed companies.

During FY26, the Company underwent changes in its Board and senior leadership. Following the resignation of Mr. Naveed Kamran Baloch in March 2026, Mr. Nausherwan Adil was appointed Chairman. Subsequently, Mr. Raheel Qamar Ahmad stepped down as Chief Executive Officer in May 2026, with Mian Faysal Riaz serving as Acting Chief Executive Officer until Mr. Waqas Ahmad Khwaja assumed the role of Chief Executive (Managing Director). Following the election of a new Board in May 2026, Mr. Shaheen Amin was appointed Chairman. The reconstituted Board included Mr. Waqas Ahmad Khwaja (CEO), Mr. Yacoob Suttar, Mr. Ahmad Kamal (Independent Directors), and Ms. Nosheen Iqbal (Female Non-Executive Director), while Mr. Ramon Alfrey and Mian Faysal Riaz continued as Non-Executive Directors. The separation of the Chairman and Chief Executive positions has been maintained, supporting continuity in the Company's governance framework.

Chairman – Mr. Shaheen Amin: Mr. Shaheen Amin has over four decades of experience in leasing, financial services, and investment management. He has held senior leadership positions within the ORIX Group across Pakistan and the GCC and currently serves as Chief Executive Officer of OLP Financial Services Pakistan Limited.

Managing Director / Chief Executive Officer – Mr. Waqas Ahmad Khwaja has over 28 years of experience in corporate finance, credit risk management, and business development. Prior to his appointment as Managing Director and Chief Executive Officer of OLP Modaraba, he held senior management positions at OLP Financial Services Pakistan Limited, Trust Investment Bank Limited, and SAMBA Bank Limited. He holds an MBA in Finance.

BOARD COMMITTEES

The Board has constituted three key committees, namely the Audit Committee, Human Resource & Remuneration (HR&R) Committee, and Risk Committee, to oversee financial reporting, internal controls, human resource matters, and enterprise risk management. During FY25, the Audit Committee met five times, reflecting regular oversight of financial reporting, internal controls, related party transactions, and Shariah compliance. The HR&R Committee met once to review staff benefits and annual compensation matters, while the Risk Committee held one meeting to oversee the Modaraba's risk management framework and key risk exposures.

SHARIAH COMPLIANCE:

The Modaraba has established a Shariah governance framework comprising a Shariah Advisor, Shariah Internal Auditor, and Shariah-approved products, policies, and process flows to ensure that its operations, transactions, investments, and documentation remain compliant with Shariah principles and the prospectus approved by the Religious Board of SECP. Mufti Faisal Ahmed serves as the Shariah Advisor to the Modaraba.

For FY25, the Shariah Advisor conducted the annual Shariah review in accordance with the Shariah Governance Regulations, 2023, concluding that the Modaraba's systems, policies, contracts, documentation, and overall operations were generally compliant with applicable Shariah principles and regulatory requirements. The review confirmed that financing agreements were executed using approved documentation, profit-sharing arrangements complied with Shariah principles, and no income was derived from prohibited sources. Amounts recovered as late payment charges were transferred to the charity account in accordance with Shariah requirements. During the year, the Modaraba also conducted in-house Shariah compliance training for employees and consultation sessions with Islamic banks' Shariah advisors to strengthen governance practices. The most recent SECP off-site Shariah review also did not identify any major observations, reflecting continued adherence to applicable regulatory and Shariah requirements. In line with the SECP's Shariah Governance Regulations, the Modaraba appointed Grant Thornton Anjum Rahman, Chartered Accountants, as its external Shariah auditor for FY25. The Shariah Advisor additionally recommended increasing the use of Takaful arrangements for the Modaraba's clients.

GOVERNANCE FRAMEWORK

The governance framework of OLP Modaraba is designed to promote accountability, transparency, and effective oversight in line with regulatory requirements and the Modaraba's strategic objectives. The Board oversees the Modaraba's strategic direction, governance practices, internal control environment, and key management decisions, while a formal schedule of matters reserved for the Board ensures an appropriate segregation of governance and executive responsibilities. The framework incorporates periodic assessment of strategic, operational, financial, and compliance risks, supported by defined mitigation measures and regular oversight.

To strengthen its control environment, the Modaraba has implemented system-based customer onboarding and anti-money laundering (AML) monitoring processes, supported by Microsoft Pro for AML compliance and AIB banking software for operational processing. A documented succession planning framework is also in place to support management continuity and organizational resilience. During FY25, the Modaraba remained compliant with the Listed Companies (Code of Corporate Governance) Regulations, 2019, Pakistan Stock Exchange Listing Regulations, and the applicable SECP financial reporting framework.

AUDITOR OPINION

KPMG Taseer Hadi & Co., Chartered Accountants, an ICAP QCR-rated firm categorized as 'Category A' on the SBP's Panel of Auditors, was appointed as the Modaraba's external auditor for FY25 following the mandatory rotation of A. F. Ferguson & Co., Chartered Accountants (PwC Pakistan) after completion of its five-year tenure. FY25 marked KPMG's first audit engagement of the Modaraba. The external auditor issued an unmodified opinion on the financial statements for the year ended 30 June 2025, with no emphasis of matter or key audit concerns noted.

Business Risk

INDUSTRY UPDATE

The NBFC sector picked momentum in FY25, with assets rising 36% to PKR 5.40tr by Mar'25. Growth was broad-based across lending segments, with NBMFCs and investment finance companies recording notable expansion, while Modarabas also registered growth in financing.

The increase in lending was supported by improved credit demand amid an easing interest-rate environment. In terms of overall sector composition, mutual funds remained the largest component, while leasing and housing finance remained marginal.

Modarabas expanded through Islamic structures, and non-bank microfinance institutions leveraged digital platforms to extend outreach. Lower borrowing costs from monetary easing supported credit flows and gradual demand recovery after prolonged high rates, though fiscal consolidation and weak private investment capped expansion. With a reversion of the interest rate trajectory and a challenging macroeconomic environment currently prevailing, growth in the NBFC sector will likely be relatively muted in the current year. SECP facilitated growth through digital onboarding, streamlined licensing, and enhanced sector oversight. Fiscal measures weighed in on disposable incomes and corporate investment appetite, though some budgetary adjustments (withdrawal of minimum rent provision, rationalized bank taxation) supported stability.

Looking ahead, NBFC growth will hinge on macroeconomic recovery, aligned with growth in the financial system. Improved capitalization and stronger governance frameworks will contribute to vesting investor confidence.

OPERATIONAL UPDATE

OLP Modaraba operates as a Shariah-compliant non-bank financial institution offering a diversified suite of financing solutions, including Ijarah, Diminishing Musharakah, House Finance Diminishing Musharakah (HFDM), Murabaha, Salam, Istisna, Certificates of Musharakah, and Syndicated Financing Facilities. The Modaraba primarily caters to corporates, SMEs, high-net-worth individuals (HNWs), and retail customers, while pursuing a strategy of steady, organic growth with emphasis on prudent risk management and portfolio quality. In line with its business strategy, management continues to expand its Diminishing Musharakah and housing finance portfolios.

The financing portfolio demonstrated consistent growth over the review period, increasing to PKR 7.55bn at end-FY25 (FY24: PKR 6.54bn; FY23: PKR 5.90bn), representing approximately 85% of the total asset base (FY24: 85%; FY23: 86%). The portfolio continued to transition towards Diminishing Musharakah, with outstanding financing increasing to PKR 6.81bn at end-FY25 (FY24: PKR 5.28bn), while the Ijarah portfolio declined to PKR 770.5mn (FY24: PKR 1.33bn). The transition reflects the Modaraba's strategic decision to phase out Ijarah financing in response to the prevailing taxation framework, with no new Ijarah disbursements being undertaken and the existing portfolio expected to run off by 2028. The average maturity of the earning asset portfolio remains approximately four to five years, providing visibility over future cash flows. Reflecting the evolving business mix, the Dimishing musharaka segment accounted for 62.0% of total revenue during FY25 (FY24: 54.1%), followed by Ijarah (32.9%) and Investments in Subsidiaries, Associates & Others (4.7%).

Sector-wise, the financing portfolio remained reasonably diversified, with Employee Finance of Corporate Entities (25.7%), Textile (16.7%), Others (6.8%), Sugar (6.5%), Steel (5.3%), FMCGs/Food & Allied (4.9%), Services (4.8%), Printing, Publishing & Packaging (4.4%), Pharmaceuticals (4.1%), and Poultry (3.5%) as of end-FY25. Employee finance has emerged as the Modaraba's largest portfolio exposure, reflecting its strategic focus on financing employees of selected blue-chip corporates under its Assurance Model, where repayments are supported through employer-backed arrangements, thereby strengthening the portfolio's overall credit profile.

GROSS PORTFOLIO (PKR mn)	FY23	%	FY24	%	FY25	%
Employee finance of corporate entities	-	-	-	-	1,899.38	25.73%
Confectionery	84.59	1.54%	39.27	0.63%	39.27	0.53%
FMCGs / Food and Allied	362.79	6.62%	317.55	5.11%	360.67	4.88%
Services	269.25	4.91%	277.73	4.47%	354.12	4.80%
Chemicals	81.44	1.49%	100.57	1.62%	236.58	3.20%
Sugar	399.53	7.29%	430.47	6.93%	478.60	6.48%
Textile	1,038.70	18.95%	1,240.27	19.95%	1,234.90	16.73%
Travel, transport, storage	357.23	6.52%	197.97	3.18%	140.52	1.90%
Printing, publishing and packages	371.29	6.77%	361.10	5.81%	323.80	4.39%
Individuals	848.27	15.47%	1,246.42	20.05%	-	-
Automobile	177.87	3.24%	111.74	1.80%	64.48	0.83%
Financial institutions	8.87	0.16%	6.78	0.11%	40.36	0.55%
Power, energy, water	54.48	0.99%	40.59	0.65%	29.53	0.40%
Gas	43.81	0.80%	12.14	0.20%	41.26	0.56%

Pharmaceuticals	125.63	2.29%	235.02	3.78%	300.65	4.07%
Steel	317.39	5.79%	293.47	4.72%	388.88	5.27%
Engineering	204.36	3.73%	144.84	2.33%	118.48	1.60%
Plastic	70.41	1.28%	243.67	3.92%	220.63	2.99%
Distribution	6.61	0.12%	55.59	0.89%	117.18	1.59%
Dairy, farming and allied	11.83	0.22%	19.80	0.32%	61.08	0.83%
Leather / tyre and rubber	109.41	2.00%	142.57	2.29%	173.25	2.35%
Poultry / poultry feeds	232.29	4.23%	245.21	3.94%	258.56	3.50%
Petroleum and allied	-	0.00%	-	0.00%	-	0.00%
Others	306.38	5.59%	453.07	7.29%	501.15	6.79%
Total	**5,482.43**		**6,215.85**		**7,383.35**	

PROFITABILITY

Total income declined by 10.5% to PKR 1,889.9mn in FY25 (FY24: PKR 2,111.4mn), primarily due to the decline in benchmark interest rates, which reduced returns on the financing portfolio. As the Return on Earning Assets moderated to 24.5% (FY24: 30.6%), the Cost of Funds also decreased to 13.6% (FY24: 18.4%), partially mitigating the impact, and resulting in a narrower financing spread of 10.9% (FY24: 12.2%). The diminishing musharika remained the Modaraba's principal earnings contributor during FY25, with segment revenue increasing by 2.5%. Conversely, revenue from the Ijarah segment declined by 25.7%, reflecting the continued run-off of the Ijarah portfolio. Additionally, dividend income and income on deposit also decreased by 26.1%.

Financial charges declined by 12.4% to PKR 955.4mn (FY24: PKR 1,090.5mn), while depreciation expense declined by 20.8% to PKR 406.4mn (FY24: PKR 513.1mn) owing to the smaller Ijarah portfolio. Other income doubled to PKR 90.2mn (FY24: PKR 44.9mn), primarily on account of gains realized from the disposal of Ijarah assets. These factors more than offset the increase in impairment provisions to PKR 52.8mn (FY24: PKR 14.0mn) and the marginal increase in operating expenses to PKR 303.6mn (FY24: PKR 301.2mn), resulting in a 10.4% increase in profit before taxation to PKR 252.4mn (FY24: PKR 228.6mn). Consequently, ROAE improved to 13.5% (FY24: 13.0%), while ROAA remained broadly stable at 2.1% (FY24: 2.2%).

During 3QFY26, total income significantly declined by 23.8% to PKR 1,123.9mn (3QFY25: PKR 1,474.2mn), reflecting lower benchmark rates and reduced fresh disbursements. The Return on Earning Assets further declined to 20.9% (FY24: 25.3%), while the Cost of Funds also decreased to 11.2% (FY24: 14.3%), resulting in further contraction in the financing spread of 9.7% (FY24: 11.0%). Financial charges declined by 30.0% to PKR 533.0mn (3QFY25: PKR 761.7mn) and depreciation reduced by 42.3% to PKR 181.2mn (3QFY25: PKR 314.2mn). Operating expenses increased marginally by 1.9% to PKR 230.9mn (3QFY25: PKR 229.7mn), reflecting continued cost discipline. Other income declined to PKR 25.2mn (3QFY25: PKR 71.5mn), while impairment provisions reduced to PKR 17.1mn (3QFY25: PKR 29.2mn). Consequently, profit before taxation declined to PKR 180.1mn (3QFY25: PKR 203.1mn). Nevertheless, profitability indicators remained satisfactory, with ROAE improving to 16.1% (3QFY25: 13.9%), while ROAA stood at 1.9% (3QFY25: 2.2%).

For the full year FY26, profitability is expected to have remained under pressure, primarily due to lower benchmark rates, and reduced fresh disbursements. For FY27, profitability is expected to stabilize as the portfolio transitions towards diminishing Musharakah, while increased digitalization is expected to reduce operating costs.

Financial Risk

ASSET QUALITY

The Modaraba's asset quality remained satisfactory, supported by a prudent underwriting framework, active portfolio monitoring, and oversight of material credit exposures at the Board level. The financing portfolio expanded to PKR 7.74bn as of Jun'25 (Jun'24: PKR 6.45bn), primarily driven by growth in Diminishing Musharakah financing, before moderating to PKR 7.38bn as of Mar'26 following lower fresh disbursements and the continued run-off of the Ijarah portfolio. Gross infection increased to 4.0% as of Jun'25, and remained unchanged at Mar'26, with lower stage 3 exposures, offset by the lower base effect from a slight contraction in the portfolio. Net infection also increased to 1.8% as of Jun'25 and subsequently declined to 1.4% at Mar'26, reflecting improved provisioning coverage. Total expected credit loss (ECL) provisions increased from PKR 126.0mn at Jun'24 to PKR 178.5mn as at Jun'25 and further to PKR 195.6mn at Mar'26, with Stage 3 provisioning coverage strengthening to 64.5% (Jun'25: 54.6%), demonstrating a prudent provisioning approach.

LIQUIDITY

A diversified funding base reduces liquidity risks and primarily comprises Certificate of Musharika (CoMs) at PKR 5.0bn as at Mar'26 (Jun'25: PKR 5.6bn), supplemented by longer-tenor financing facilities from Islamic banks and Islamic windows of conventional banks at PKR 1.1bn (Jun'25: PKR 0.9bn) and unutilized short-term running musharika lines of PKR 500mn. Cash and bank balances increased to PKR 604.6mn at Jun'25 (Jun'24: PKR 329.6mn) and further to PKR 645.3mn at Mar'26, strengthening the Modaraba's liquidity buffer. A cautious stance on exposure taking and a policy shift in maintaining current ratio at or around 1x is driving the improvement. A substantial contractual maturity mismatch is evident as CoMs – which dominate the funding mix - generally have shorter maturities (one year and below) than the financing portfolio. However, the behavioral maturity mismatch remains nominal as most maturing CoMs are reinvested, while longer-tenor borrowings and unutilized financing facilities provide additional mitigation.

CAPITALIZATION

The Securities and Exchange Commission of Pakistan (SECP) has issued "The Modaraba Regulations 2021" which established specific requirements for deposit-taking Modaraba companies. These requirements include:

- Minimum equity of PKR 500m
- Capital Adequacy Ratio (CAR) to be maintained at minimum 8% for the first two years of operations and 10% thereafter
- Minimum long term entity ratings should be a minimum of 'A-'

The Modaraba's capitalization remained adequate, supported by continued profit retention. Total equity increased to PKR 1.33bn at Jun'25 (Jun'24: PKR 1.24bn) and remained broadly stable at PKR 1.33bn as of Mar'26. Debt leverage increased to 5.69x in FY25 (FY24: 5.22x), before moderating to 5.14x at Mar'26 following repayments of term finance. The Modaraba's CAR stood at 17% in FY25, comfortably above the applicable regulatory minimum.

FINANCIAL SUMMARY	FY22	FY23	FY24	FY25	3QFY26	3QFY25
BALANCE SHEET						
Diminishing Musharika (incl. current portion)	3,762.9	4,269.9	5,284.6	6,810.2	6,754.7	6,869.5
Ijarah Asset	1,811.1	1,627.6	1,259.7	736.7	431.1	736.7
Ijarah Rental Receivables	124.8	103.8	69.8	33.7	11.3	33.7
Short-term Investment	-	123.9	350.9	159.7	0.0	159.7
Cash and Cash Balances	514.1	400.3	329.6	604.6	645.3	604.6
Advances, deposits, prepayment and other receivable	412.0	161.6	403.5	396.6	202.9	337.3
Other Asset	82.3	137.6	40.2	132.2	139.5	132.2
Total Assets	**6,707.1**	**6,824.6**	**7,738.3**	**8,873.7**	**8,184.9**	**8,873.7**
Finance Arrangement (Incl. current portion)	1,587.1	1,650.0	1,231.9	906.8	1,095.0	930.4
Security Deposit (Incl. current portion)	473.3	496.0	400.3	278.6	177.6	278.6
Redeemable Capital (Incl. current portion)	3,013.9	2,896.6	4,287.5	5,633.5	5,032.5	5,682.5
Lease Liability (Incl. current portion)	-	-	-	60.3	54.9	60.3
Running Musharika	-	-	-	150.0	-	155.9
Other Liabilities	494.2	605.3	575.1	517.8	490.9	439.1
Total Liabilities	**5,568.5**	**5,648.0**	**6,494.7**	**7,546.8**	**6,851.0**	**7,546.8**
Paid-up Capital	285.0	285.0	285.0	453.8	453.8	453.8
Total Equity	**1,138.6**	**1,176.6**	**1,243.6**	**1,326.9**	**1,333.9**	**1,326.9**
INCOME STATEMENT	FY22	FY23	FY24	FY25	3QFY26	3QFY25
Operating Income	1,531.1	1,896.8	2,111.4	1,889.9	1,123.9	1,474.2
Depreciation on Assets under Ijarah	(794.1)	(668.1)	(513.1)	(406.4)	(181.2)	(287.7)
Operating Expense	(211.2)	(265.5)	(301.2)	(303.5)	(230.9)	(229.7)
Reversal/(Provision) of provision for doubtful recoveries	2.3	6.5	(14.0)	(52.8)	(17.1)	(29.2)
Other Income	49.3	52.2	44.9	90.2	25.2	71.5
Financial Charges	(420.3)	(825.5)	(1,090.5)	(955.4)	(533.0)	(761.7)
Profit Before Levy and Tax	152.8	186.4	228.6	252.4	180.1	203.1
Profit (Loss) After Tax	**111.5**	**128.8**	**157.7**	**174.1**	**120.5**	**138.6**
RATIO ANALYSIS	FY22	FY23	FY24	FY25	3QFY26	3QFY25
Gross Infection (%)	-	3.1%	3.1%	4.0%	4.0%	NA
Net Infection (%)	-	1.8%	1.3%	1.8%	1.4%	NA
Efficiency (%)	13.8%	14.0%	14.3%	16.1%	20.5%	15.6%
ROAA* (%)	-	1.9%	2.2%	2.1%	1.9%	2.2%
ROAE* (%)	-	11.1%	13.0%	13.5%	16.1%	13.9%
Debt Leverage (x)	4.89	4.80	5.22	5.69	5.14	5.69
Cash to Current Liabilities (x)	0.14	0.09	0.06	0.09	0.15	0.09
Return on Earning Assets	27.5%	31.5%	30.6%	24.5%	15.6%	25.2%
Cost of Funds	8.3%	16.4%	18.4%	13.6%	8.4%	14.3%
Spread	19.2%	15.1%	12.2%	10.9%	7.3%	11.0%

**Annualized*

REGULATORY DISCLOSURES	Appendix II
Name of Rated Entity	OLP Modaraba (Formerly ORIX Modaraba)
Sector	Modaraba
Type of Relationship	Solicited
Purpose of Rating	Entity Ratings
Rating History	see table below
Instrument Structure	N/A
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.
Disclaimer	Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Copyright 2026 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.
Due Diligence Meetings Conducted	see table below

Rating History

Rating Date	Medium to Long Term	Short Term	Outlook/ Rating Watch	Rating Action
RATING TYPE: ENTITY				
9/21/2026	AA	A1+	Stable	Initial

Due Diligence Meetings Conducted

Name	Designation	Date
Mr. Muhammad Siddique	Chief Financial Offer (CFO)	28th July 2026
Mr. Waqas Ahmad Khwaja	Chief Executive Officer (CEO)	
Mr. Muhammad Ali	Financial Controller	