The Pakistan Credit Rating Agency Limited | PSX: GEMPACRA

Corporate Briefing Session

FY2026 | Year Ended June 30, 2026

November 27, 2026 | 3:00 PM (PKT) | Virtual session through zoom

AGENDA

What this presentation covers

01 **The company**
Pages 3–5 · Establishment, ownership, scale, portfolio and group structure

02 **Products & market**
Pages 6–7 · Rating products, target segments and regulatory drivers

03 **People & technology**
Page 8 · Analytical capacity, seniority and function-wise headcount

04 **The way forward**
Page 9 · Growth opportunities across regulation, bond markets, SMEs and ESG

05 **FY2026 financial results**
Pages 10–13 · Key figures, six-year record, performance and revenue drivers

06 **Risks & outlook**
Pages 14–15 · Diversification plans, disclaimer and questions

The core message PACRA opinions rest on a locked, rule-based architecture and independent oversight.

PACRA at a glance

1994

Established — a joint venture of the IFC, Fitch Ratings (then IBCA) and the former Lahore Stock Exchange

667

Outstanding rating opinions across 10 financial and 51 corporate sectors (30 June 2026)

45%

Of the KSE-100 index companies carry a PACRA rating opinion

PKR 363bn

Rated debt instruments outstanding; opinions span ~40% of Pakistan's PKR 10.8tn corporate debt

Ownership & listing

Listed on the PSX GEM Board on 30 June 2025 — the first Pakistani rating agency to list.

Four individual shareholders each hold more than 10% (54.24% combined); LSE Ventures Limited holds 32.91% (28 October 2026).

A listed, publicly reported franchise adds a further layer of disclosure discipline to a regulated business.

Beyond credit ratings

Specialised research covering 60+ sectors — annual sector studies with bi-annual dashboards.

A dedicated criteria function for designing methodologies, models, data analytics and validation.

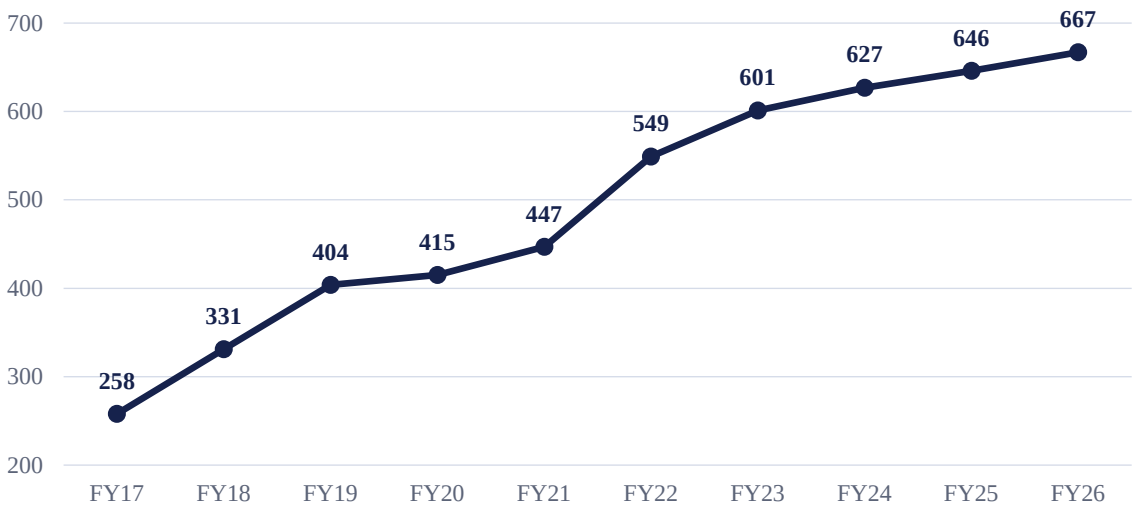
Solutions practice spanning risk advisory, feasibility, financial modelling, due diligence and training.

Recognitions

Recognised national rating agency — SECP · External Credit Assessment Institution (ECAI) — State Bank of Pakistan · Member - ACRAA

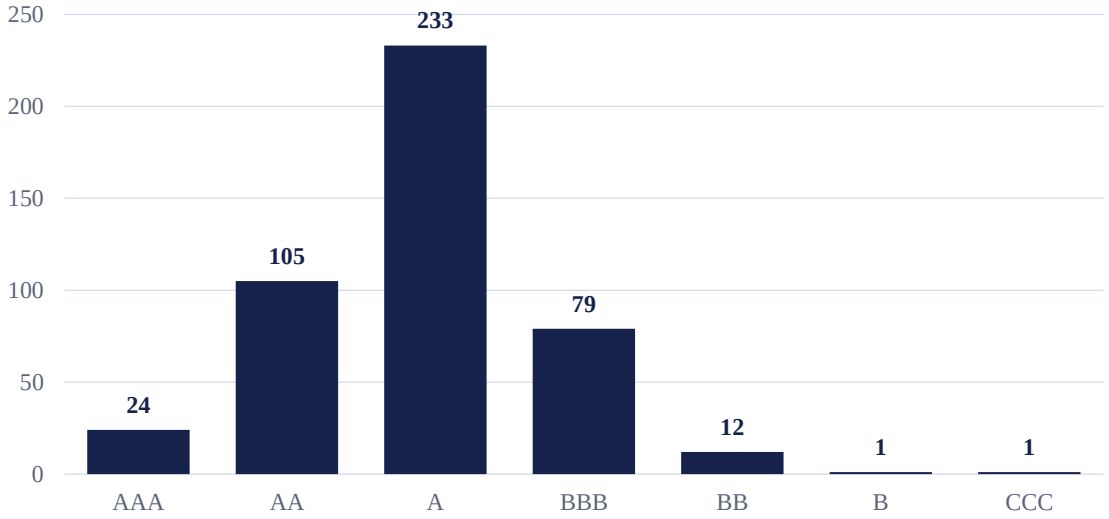
Growth and rating distribution

Outstanding opinions, FY17 – FY26



2.6× since FY17 — growth driven by mutual-fund, broker and specialised mandates alongside a steady corporate book.

Credit rating distribution — June 2026 (455 credit ratings)



Nearly 80% of credit ratings sit in the AA and A bands.

455 · Credit ratings

212 · Specialised ratings

382 · Issuer / entity ratings

73 · Instrument ratings

Subsidiary and associates

100%

SUBSIDIARY

PACRA Analytics (Pvt.) Ltd.

Non-rating services: financial modelling, risk advisory, training and research.

Revenue PKR 14.8m | PAT PKR 1.8m

10.81%

ASSOCIATE

Tasdeeq Information Services Ltd.

Pakistan's first SBP-licensed credit bureau. Listed on the PSX after its IPO in August 2026.

Revenue PKR 378.8m | Profit PKR 81.1m

13.70%

INVESTEE

Lanka Rating Agency Ltd.

Sri Lanka's domestic credit rating agency, to which PACRA provides technical services.

Revenue LKR 82.3m | Profit LKR 9.4m

Corporate history

Incorporated in Lahore on 18 August 1994 as a private limited company and converted to a public limited company on 30 April 2004. Licensed by SECP as a Credit Rating Company under the CRC Regulations, 2016.

Recent developments

MoU signed with Lianhe Ratings Global on 1 September 2026.
Tasdeeq Listed on PSX in August 2026

Subsidiary and associate figures are for each company's financial year ended in 2026.

Rating products and portfolio - 667

382

Entity / Corporate

Relative ability of an entity to meet its financial obligations

119

Mutual Fund

Stability ratings, performance rankings and capital preservation

73

Instrument

Ability to meet repayment obligations on Sukuk, TFCs and commercial paper

32

Broker Management / Fiduciary

Quality of management, client service and sustainability of operations

31

Insurer Financial Strength

Financial strength and business continuity from a policyholder's perspective

20

Asset Manager

Quality and expertise of an AMC, investment advisor or pension fund manager

7

REIT Manager / Fund / Rental REIT

Expertise of the RMC and prospects of the underlying real-estate projects

3

Social Impact & Performance

Ability to create intended social impact and sustain performance

Outstanding opinions as at 30 June 2026 — total 667. Long-term scale AAA→D; short-term scale A1+→D. Diversification beyond core credit ratings — into brokerage, microfinance, real estate and asset management — reflects deliberate product development.

Target segments and regulatory drivers

Regulator	Requirement	Who must be rated
State Bank of Pakistan	Basel capital adequacy (ECAI risk-weighting); annual entity rating since 2001	Banks & DFIs
SECP	Instrument rating required for issuance and listing	TFC, Sukuk & commercial-paper issuers
SECP	Insurer Financial Strength rating	Life and general insurers
SECP / PSX	Broker fiduciary and management rating	Securities brokers
SECP	Management-quality and fund-stability ratings	NBFCs, AMCs, mutual & pension funds
— (voluntary)	No mandate; scoring models under development	SMEs and unrated corporates

Breadth of coverage

10 financial sectors · 51 corporate sectors
45% of KSE-100 companies rated
~40% of Pakistan's PKR 10.8tn corporate debt covered

The emerging segment

SMEs account for only 4.1% of bank credit. A dedicated scoring model — built on alternative data — is under development to bridge the credit-information gap.

Mandatory requirements anchor demand — and also cap it. Voluntary, information-driven rating demand remains thin, because a corporate that can obtain bank finance without a rating has little commercial reason to buy one. Broadening the fundable universe will unlock growth.

Analytical capacity and human resource

68
Total staff (July 2026) — among the largest analytical benches in Pakistan

50+
Analysts across Ratings, Research, Criteria, Product Development and MIS

~4.5 yrs
Average experience across the team

60+
Sectors covered by the dedicated research function

Function-wise headcount

Rating	30
Solutions	17
Support & Operations	8
Senior Management	5
Regulatory Affairs	5
Business Development	3

Depth by seniority

Ladder: Associate → Analyst → Senior Analyst → Team Lead → Vertical Head

Opportunities for growth

1 Regulation-driven demand

The updated SBP capital-adequacy framework may raise banks' reliance on external ratings, as higher risk weights on unrated exposures encourage corporates to seek one.

2 Corporate bond market

Deepening TFC and sukuk issuance directly expands the rating pipeline and the role of ratings in price discovery.

3 Islamic capital markets

Short-term and sovereign sukuk and green instruments create new classes of rated assets.

4 SME ratings & scoring

~5 million SMEs hold only ~6% of bank credit. Specialised scorecards support credit access, supply-chain finance and risk-based lending.

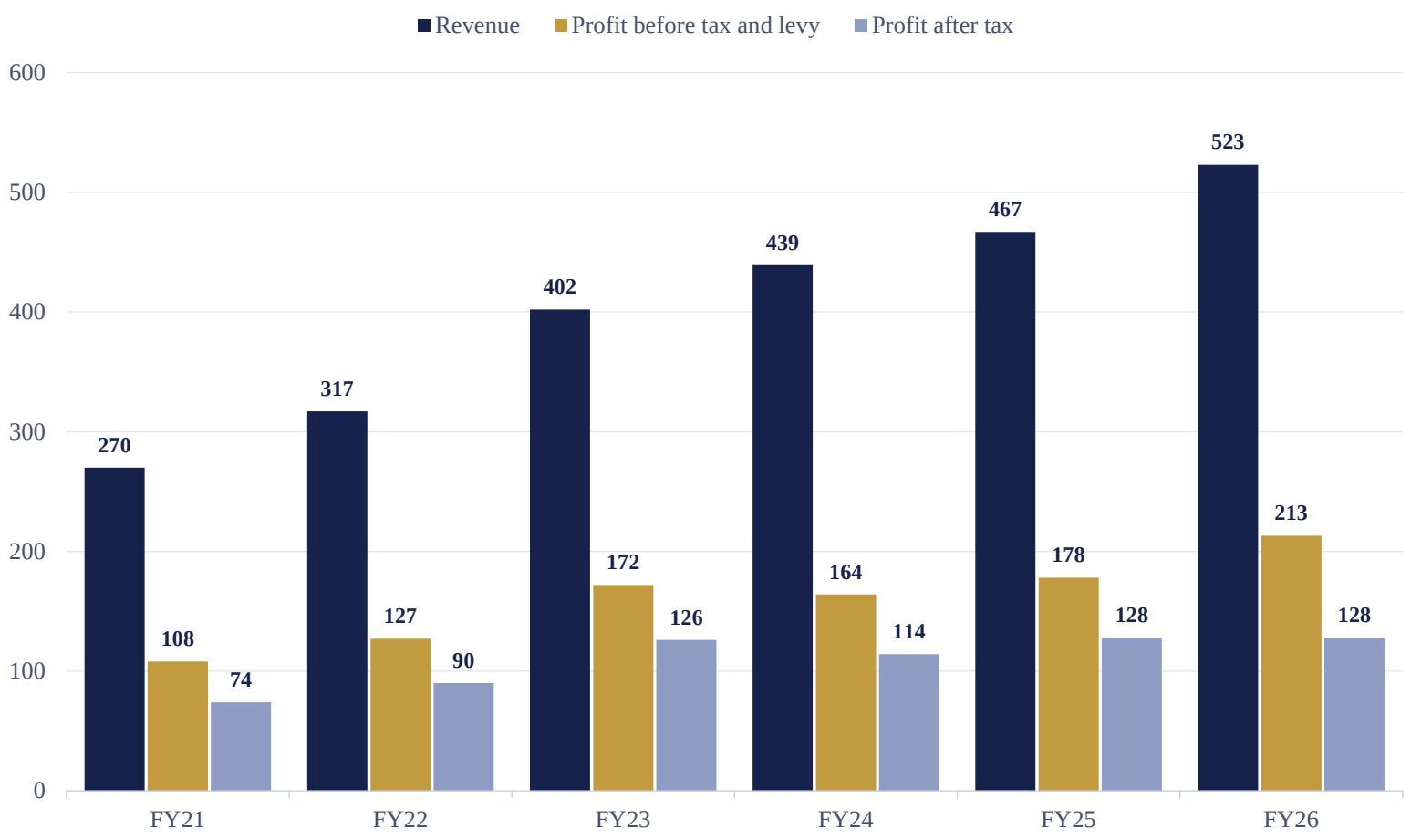
5 ESG & sustainable finance

ESG ratings, second-party opinions and green-bond assessments — PACRA has already built a locally-calibrated ESG methodology.

6 Regional expansion

Leveraging the Lanka Rating Agency and Bangladesh footprints, and exporting analytical capacity to international clients.

Six-year track record



14.1%
revenue CAGR, FY21–FY26

14.5%
profit before tax and levy CAGR

11.6%
profit after tax CAGR: slower, on a rising tax burden

Pre-tax margin held between 37% and 43% throughout.

PKR million, audited. Source: Six-year financial history, Annual Report 2026.

FY2026 key figures

Revenue

523.2 PKR million

FY2025: 466.8

Operating profit

200.8 PKR million

FY2025: 157.1

Profit before tax and levy

213.2 PKR million

FY2025: 178.5

Profit after tax

128.1 PKR million

FY2025: 127.7

Total assets

486.7 PKR million

FY2025: 401.8

Total equity

332.2 PKR million

FY2025: 204.2

Earnings per share

1.72 PKR

FY2025: 1.71

Cash dividend

Nil

FY2025: PKR 1.31 (interim)

Reading the result

Profit after tax was broadly flat on a 12.1% revenue increase: the levy rose from PKR 0.2 million to PKR 24.3 million and income tax rose 20%, absorbing most of the PKR 34.7 million gain in profit before tax and levy.

Standalone, audited. Year ended 30 June 2026.

Standalone financial performance

PKR million	FY2026	% of revenue	FY2025	% of revenue	Variance (PKR)	Variance (%)
Rating revenue	507.4	97%	451.6	97%	55.8	12%
Non-rating revenue	15.8	3%	15.2	3%	0.6	4%
Total revenue	**523.2**	**100%**	**466.8**	**100%**	**56.4**	**12%**
Remuneration cost	(250.6)	-48%	(240.8)	-52%	(9.8)	4%
Infrastructure cost	(36.7)	-7%	(37.7)	-8%	1.0	-3%
Administrative cost	(35.1)	-7%	(31.2)	-7%	(3.9)	13%
Total cost of revenue	**(322.4)**	**-62%**	**(309.7)**	**-66%**	**(12.8)**	**4%**
Operating profit	**200.8**	**38%**	**157.1**	**34%**	**43.7**	**28%**
Other expense	(8.4)	-2%	(8.0)	-2%	(0.4)	5%
Other income	23.0	4%	30.5	7%	(7.5)	-25%
Finance cost	(2.3)	0%	(1.2)	0%	(1.1)	91%
Profit before income tax and levy	**213.2**	**41%**	**178.5**	**38%**	**34.7**	**19%**
Levy	(24.3)	-5%	(0.2)	0%	(24.1)	n.m.
Profit before tax	188.9	36%	178.3	38%	10.5	6%
Income tax	(60.8)	-12%	(50.7)	-11%	(10.1)	20%
Profit after tax	**128.1**	**24%**	**127.7**	**27%**	**0.4**	**0%**
Earnings per share (PKR)	1.72		1.71		0.01	

Standalone, audited. % columns are percentages of revenue; variance % is the change in each amount against FY2025. Cost of revenue includes the staff bonus (FY26: PKR 19.5m; FY25: PKR 40.0m). Before bonus, operating profit was PKR 220.3m (FY25: PKR 197.1m), a 42% margin in both years.

Key revenue drivers

PKR million	FY26	FY25	Change	Mix
Entity ratings	347.8	313.5	+10.9%	66%
Instrument ratings	113.2	91.1	+24.3%	22%
Fund ratings	45.8	43.7	+4.8%	9%
Non-rating services	15.8	15.2	+3.9%	3%
Vendor assessment	0.6	3.3	-81.8%	0%
Total revenue	**523.2**	**466.8**	**+12.1%**	**100%**

Entity and instrument ratings generate 88% of revenue. The vendor assessment line fell to PKR 0.6 million (FY25: PKR 3.3 million).

+24%

instrument ratings: the fastest-growing line, on debt issuance

97%

of revenue from rating services; renewals and surveillance give a recurring base

97%

earned in Pakistan; Sri Lanka PKR 15.8m (technical services to LRA), UK PKR 2.0m

Source: Disaggregation of revenue, audited financial statements FY2026.

Going forward: diversification and investment

Future performance will depend mainly on debt issuance and the demand for ratings. Lower inflation, easing interest rates and a stable currency should make borrowing and bond issuance more attractive, while recurring renewals and surveillance continue to support growth. To diversify revenue, the Company is pursuing:

Sustainability

MoU with Lianhe Ratings Global (1 September 2026) for sustainable-finance ratings, including green and sustainability-linked instruments.

SME scoring models

Rating and scoring models built with credit bureaus, using repayment and transaction data in place of audited accounts.

Data and analytics

Turn PACRA’s database into subscription analytics, business intelligence and research, delivered digitally.

Technology and people

Automation and AI to lift analyst productivity; information security and internationally certified analysts for the Middle East and other markets.

Pipeline

Developer and PPP ratings, Social Impact Performance ratings for MFIs and NGOs, paid training, and helping set up rating agencies in new markets.

The trade-off

These initiatives need investment before revenue arrives. Benefits should build gradually, and margins may be lower in the meantime.

These initiatives depend on market acceptance and need investment in people and technology ahead of revenue. They are management expectations, not forecasts; actual results may differ.

Disclaimer and questions

Forward-looking statements

This presentation is for information purposes only and may involve known and unknown risks and uncertainties, and actual results may differ materially from those expressed or implied.

Forward-looking statements speak only as of the date of this presentation. The Company undertakes no obligation to update them to reflect events or circumstances after that date.

Figures are from the audited financial statements.

Questions and feedback

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"Questions received in advance will be addressed first, followed by questions from participants joining online.

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