

Press Release

VIS Reaffirms Entity Ratings of Pak-Gulf Leasing Company Limited

Karachi, 12 May 2026: VIS Credit Rating Company Limited (VIS) has reaffirmed the entity ratings of Pak-Gulf Leasing Company Limited ('PGLC' or the 'NBFC') at 'A-/A2' (Single A Minus/A Two). The medium to long-term rating of 'A-' denotes good credit quality, with adequate protection factors. Risk factors may vary with possible changes in the economy. Short-term rating of "A2" denotes good likelihood of timely repayment of short-term obligations with sound short-term liquidity factors. Outlook on the assigned rating is 'Stable'. The previous rating action was announced on December 24, 2024.

The assigned ratings to PGLC reflect its long-standing operational track record in the leasing sector, albeit within a contracting domestic leasing segment characterized by limited scale and competition from commercial banks. The ratings incorporate the NBFC's cautious business strategy during the review period, wherein management maintained prudent risk selection and focused on financially sound existing clients. Portfolio volumes remained contained, with total exposure levels witnessing moderation despite a gradual increase in fresh disbursements, particularly in the vehicle financing segment

Profitability indicators exhibited pressure due to reduced leasing activity and lower net interest income, resulting in a decline in spreads and earnings levels. While operating expenses remained broadly contained and finance costs declined in line with reduced borrowings, overall profitability weakened during 3QFY26 due to subdued business volumes. Asset quality indicators reflected marginal improvement during Dec'25 supported by recoveries, with lease-related NPLs declining slightly and provisioning coverage strengthening.

The ratings further incorporate the NBFC's adequate capitalization profile, supported by modest internal capital generation and limited reliance on borrowings, resulting in stable gearing and improved leverage indicators. Going forward, the NBFC's ratings remain sensitive to its ability to restore portfolio growth, sustain asset quality indicators, and maintain adequate liquidity coverage while operating within a constrained industry environment.

For further information on this ratings announcement, please contact at 042-35723411-12 or email at info@vis.com.pk.

Applicable Rating Criteria: Non-Bank Financial Companies

<https://docs.vis.com.pk/Methodologies%202024/NBFCs202003.pdf>

VIS Issue/Issuer Rating Scale

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

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