

FIRST CREDIT AND INVESTMENT BANK LIMITED

Analyst:

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RATING DETAILS

RATINGS CATEGORY	Latest Rating		Previous Rating	
	Long-term	Short-term	Long-term	Short-term
ENTITY	A	A1	A	A1
RATING OUTLOOK/ WATCH	Stable		Stable	
RATING ACTION	Reaffirmed		Upgrade	
RATING DATE	June 29, 2026		May 16, 2025	

Shareholding (5% or More)

National Bank of Pakistan (NBP) ~ 30.8%
Water and Power Development Authority (WAPDA) ~30.8%
Sardar Mohammad Ashraf D. Baluch & Co. (Pvt.) Ltd ~19.7%
Lilley International (Pvt.) Ltd ~10.2%
Sardar Mohammad Ashraf D. Baluch (Pvt.) Limited ~7.4%

Other Information

Incorporated in 1989
Non-Banking Finance Company
Chairman of the Board: Mr. Faisal Ahmed Topra
Chief Executive Officer: Muhammad Mohsin Ali
External Auditor: Muniff Ziauddin & Co., Chartered Accountants

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Non-Bank Financial Companies

<https://docs.vis.com.pk/Methodologies-2025/NBFC-Nov-2025.pdf>

Rating Scale

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

Rating Rationale

FCIBL is a Non-Banking Finance Company (NBFC) with non-deposit taking status and its primary operations include the provision of funded and non-fund-based facilities and advisory services. The assigned ratings incorporate the strong sponsorship profile of the Investment Bank with two government-owned entities, namely, National Bank of Pakistan (NBP) and Water and Power Development Authority (WAPDA), having majority shareholding.

The assigned ratings also factor in FCIBL's adherence to the regulatory governance framework. The Board has further strengthened governance practices through the appointment of a Shariah Advisor to oversee compliance with Islamic principles and support the Investment Bank's planned Islamic product initiatives.

FCIBL's asset profile remains predominantly concentrated in government securities, primarily PIBs, which significantly limit the company's credit risk levels. During the review period, the Investment Bank continued to capitalize on arbitrage opportunities through repo-based funding and sovereign investments, supporting profitability. Lending activity also gained momentum through growth in secured term finance facilities, while asset quality indicators remained manageable. Liquidity profile remained adequate, supported by sizeable liquid assets, access to unutilized borrowing lines, and the repo-able nature of the sovereign investment portfolio.

Going forward, FCIBL plans to diversify its business operations through the introduction of new financing products and expansion into digital financing solutions. Management intends to enter the consumer financing segment through Islamic auto finance facilities, while also pursuing

the launch of a fintech product in collaboration with an IT partner. In addition, FCIBL has applied for a deposit-taking license, which, if obtained, may enhance funding diversification and support future business growth. The ratings remain dependent on the Investment Bank's ability to sustain profitability, prudently manage liquidity and refinancing risks associated with short-term borrowings, and successfully execute its planned business expansion strategy while maintaining asset quality indicators within manageable levels.

Company Profile

FCIBL was incorporated in August 1989, as a private company with its liability limited by shares under the name of 'First Credit and Discount Corporation (Private) Limited', and thereafter converted into a public company. Subsequently, the name of the Investment Bank was changed to 'First Credit and Investment Bank Limited'. The Investment Bank is licensed to undertake business of investment finance services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP). The Investment Bank is holding the status of Non-Deposit Taking with effect from July 01, 2018. The Investment Bank is an associated undertaking of Water and Power Development Authority (WAPDA) and National Bank of Pakistan (NBP), which each hold 30.8% shareholding in the Investment Bank. FCIBL is listed on Pakistan Stock Exchange (PSX).

AUDITORS OPINION

The CY25 financial statements were audited by Muniff Ziauddin & Co., Chartered Accountants, which is a QCR Rated Firm and categorized as 'Category A' on the SBP's Panel of Auditors. The auditor issued an unqualified opinion on the financial statements.

Sponsor Profile

National Bank of Pakistan (NBP): NBP is a state-owned commercial bank operating under a government-backed institutional framework, which supports alignment with national financial sector development objectives. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,503 (December 31, 2025: 1,503) branches in Pakistan and including 312 (December 31, 2025: 312) Islamic Banking branches and 14 (December 31 2025: 14) overseas branches (including the Export Processing Zone branch, Karachi). As at March'26, the Bank had an asset base of PKR 7,184.7bn (CY25: PKR 7,067.0bn) and a deposit base of PKR 4,108.7bn (CY25: PKR 4,429.3bn).

Water and Power Development Authority WAPDA: It is a statutory public sector organization in Pakistan, established in 1958 to oversee the development and management of the country's water and power resources. Operating under the Government of Pakistan, WAPDA is primarily responsible for planning and executing large-scale infrastructure projects, including dams, hydropower generation facilities, and irrigation systems. Following sectoral reforms and the unbundling of the power sector, its mandate has been streamlined to focus mainly on water resource management and hydropower development, while distribution and thermal power functions have been transferred to separate entities.

Management and Governance

BOARD OF DIRECTORS

The Board of Directors (BoD) of FCIBL comprises eight members, including the Chief Executive Officer (CEO). One change was noted in BoD with Mr. Asad Ullah Saleem exiting the panel and his place having been taken up by Mr. Osman Malik. The Board includes three independent directors, four non-executive directors, and one executive director, who also serves as the CEO.

Board of Directors

Mr. Faisal Ahmed Topra	Chairman/ Non-Executive Director/ Nominee (NBP)
Mr. Osman Malik	Non-Executive Director/ Nominee (NBP)
Mr. Syed Irfan Husnain Rizvi	Non-Executive Director/ Nominee (WAPDA)
Mr. Masood Raza	Non-Executive Director/ Nominee (WAPDA)
Ms. Nina Afridi	Independent Director

Mr. Jamal Naseem	Independent Director
Mr. Amjad Iqbal	Independent Director
Mr. Muhammad Mohsin Ali	Executive Director/CEO

One-third of the Board comprises independent directors, including female representation. Additionally, the Board has established three committees: the Board Audit Committee (BAC), the Board HR & Remuneration Committee (BHR&RC), and the Board Risk Management Committee (BRMC). Both BAC, and BHR&RC are chaired by independent directors.

As required under the Code of Corporate Governance 2019, an annual evaluation of the Board of Directors of the Investment Bank is conducted. In FY25, the Board's overall performance, assessed based on approved criteria, was rated as Satisfactory. Additionally, FCIBL complies with the Directors' Training requirements as per the Listed Companies (Code of Corporate Governance) Regulations 2019.

Board has appointed a qualified Shariah Advisor to ensure compliance with Islamic principles in business operations. Advisor reviews transactions and policies to certify compliance on an ongoing basis. The Shariah Advisor also reviews transactions and policies to certify compliance on an ongoing basis and provide training to Board members and senior management to enhance their understanding of Shariah governance, Islamic financial principles, and regulatory expectations.

CHAIRMAN/ CEO PROFILE

Mr. Faisal Ahmed Topra (a nominee of NBP) is a seasoned professional with cumulative experience of over 25 years in product development, strategic planning, credit and investment banking. He holds an MBA degree from Southeastern University Washington (USA) and M. Phil in Management Sciences from Szabist University

Mr. Muhammad Mohsin Ali has been the CEO & President of the bank since FY17. Mr. Mohsin Ali is a fellow member of Institute of Cost & Management Accountants (ICMA). He has around three decades of diverse professional experience in the financial services sector.

Business Risk

INDUSTRY UPDATE:

The NBFC sector expanded significantly in FY25, with total assets increasing by 42% to PKR 5.64 trillion, and rising a further 21% to PKR 6.84 trillion by December 2025. Growth was broad-based, led by mutual funds (over two-thirds of sector assets), followed by non-bank microfinance companies and investment banks, while leasing and housing finance remained marginal. Despite a 50-bps policy rate cut to 10.5% in December 2025, investor preference for money market and income funds persisted, reflecting demand for liquid, lower-risk instruments amid volatile equity markets.

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, though fiscal consolidation and weak private investment capped expansion. SECP facilitated growth through digital onboarding, streamlined licensing, and enhanced sector oversight.

Leasing remained a small segment (0.1% of NBFC assets), with only three players operating as of December 2025. Policy rate cuts reduced funding costs and lease rentals, driving a gradual demand recovery after prolonged high rates. Fiscal measures weighed 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. Mutual funds are expected to dominate, modarabas to deepen Islamic offerings, and microfinance players to expand digitally. Leasing prospects will depend on rate stability, SME demand, and investment in transport and manufacturing assets. The recent reversal in the policy rate direction and further possibility of rate hikes will likely depress economic activity, enhance systemic risks and reduce margins in the near-term.

ASSET MIX

ASSET MIX (In PKR Millions)	FY24	%	FY25	%	9MFY26	%
Cash	139.9	3.5%	254.8	6.2%	111.3	2.5%
Investment	3,323.5	84.0%	3,368.1	81.9%	3,782.2	83.8%
Advances	212.9	5.4%	290.0	7.1%	375.0	8.3%
Other Assets	279.7	7.1%	200.8	4.9%	243.1	5.4%
Total Assets	3,955.9		4,113.8		4,511.7	

FCIBL's asset base increased to PKR 4.5bn (FY25: PKR 4.1bn) at end-9MFY26, marking a 9.7% increase. The growth is attributable to higher investments of PKR 3.8bn (9MFY25: PKR 3.4bn) that are financed through Short-term repo borrowings, primarily aimed at capitalizing on the spread between the cost of repo-based funding and the returns on government securities, thereby enabling the Investment Bank to generate a low-risk arbitrage income and improve profitability without materially increasing credit exposure. Additionally, lending activity gained momentum as evidenced by its increase to PKR 375mn (FY25: PKR 290.0mn) at end-March'26.

PROFITABILITY

FCIBL's profitability profile continues to be primarily driven by its treasury portfolio, comprising government securities funded through short-term market borrowings. During FY25, treasury spreads improved materially, with the spread between investment returns and funding costs increasing to 0.5% from a negative spread of 0.3% in FY24. The improvement was supported by stronger returns on government securities and TFCs/Sukuks, which generated an average return of 15.4% (FY24: 14.1%), while the average cost of funds declined to 14.6% (FY24: 15.7%). In addition to recurring spread income, treasury performance continued to benefit from investment-related gains, including reversals against diminution in long-term investments amounting to PKR 26.3mn (FY24: PKR 27.1mn). Consequently, net markup income increased by 39% to PKR 102.7mn (FY24: PKR 73.8mn), remaining the principal driver of profitability.

Income from financing activities remained comparatively modest. Despite growth in performing advances to PKR 277.0mn (FY24: PKR 199.8mn), markup income from long-term financing declined to PKR 36.3mn (FY24: PKR 64.6mn), resulting in the average yield on advances moderating to 15.2% (FY24: 24.9%) amid the declining interest rate environment. Income from placements with financial institutions also declined to PKR 17.5mn (FY24: PKR 22.8mn), with the corresponding yield reducing to 8.9% (FY24: 17.4%).

Outside treasury and financing activities, fee and commission income increased to PKR 17.9mn (FY24: PKR 10.4mn), supported by brokerage commissions from money market transactions. Resultantly, profit after tax increased to PKR 56.3mn (FY24: PKR 31.7mn).

During 9MFY26, profitability remained supported by positive treasury spreads despite the lower interest rate environment prevailing through most of the period. However, following the 100-bps increase in the policy rate during Apr'26, spreads may face near-term compression, as funding liabilities are generally shorter-tenor than investment assets and are therefore expected to reprice more rapidly. Over the longer term, if the higher interest rate environment persists, the predominantly floating-rate investment portfolio is expected to reprice upward, supporting recovery in spreads. Accordingly, earnings remain sensitive to the direction of interest rates and the relative repricing dynamics of assets and liabilities.

Going forward, FCIBL plans to expand its core business operations through increased auto finance and the planned launch of a fintech platform post-FY26 in collaboration with an IT company focused on providing earned wage access financing. Under the proposed arrangement, the technology partner will manage the digital infrastructure and operational platform, while FCIBL will provide the underlying financing. The platform is expected to primarily cater to employees of blue-chip corporates through institutional arrangements with respective employers.

Financial Risk

LOAN PORTFOLIO AND ASSET QUALITY

The gross long-term advances portfolio increased to PKR 369.6mn as at end-Mar'26 (FY25: PKR 291.1mn; FY24: PKR 214.5mn), primarily comprising secured term finance facilities. The growth in advances reflects management's strategy to gradually expand lending activities. Non-performing loans (NPLs) remained stable at PKR 13.0mn (FY25: PKR 13.0mn), while related provisioning stood at PKR 2.4mn (FY25: PKR 2.4mn; FY24: PKR 0.9mn). Consequently, and along with the base effect of growth, asset quality indicators improved, with gross infection and net infection ratios declining to 3.53% (FY25: 4.49%; FY24: 6.12%) and 2.91% (FY25: 3.71%; FY24: 5.07%) as at end-9MFY26. Provision coverage against NPLs remained modest at 18.07% as at end-Mar'26. The non-performing loan is secured through a pari passu charge over all

fixed assets of the borrower. Provisions have been maintained for the full outstanding amount, net of the Forced Sale Value (FSV) of the underlying collateral, after applying a regulatory margin of 25%, in accordance with the applicable regulations and reporting standards.

As per management, the advances portfolio is projected to reach PKR 450mn by end-FY26, primarily driven by planned expansion into the consumer financing segment through the introduction of Islamic auto finance facilities. The proposed product is expected to be priced at KIBOR + 5%. Management intends to capitalize on the existing regulatory cap of PKR 3.0mn on auto financing imposed on banks, which may create additional demand for financing through non-bank financial institutions. The auto finance segment is expected to contribute approximately PKR 100mn to the advances portfolio initially, with financing limits expected to increase gradually over time.

MARKET AND LIQUIDITY RISK

FCIBL's market and liquidity risk profile is primarily driven by its treasury portfolio, which accounted for 83.8% of total assets as at end-Mar'26 (FY25: 81.9%; FY24: 84.0%). The investment portfolio increased marginally to PKR 3.4bn at end-Jun'25 (FY24: PKR 3.3bn), while remaining predominantly concentrated in Government Securities, primarily Pakistan Investment Bonds (PIBs). The PIB book largely comprised long-tenor instruments with maturities extending up to 10 years; notably, around 96.8% of these securities were floating-rate PIBs, providing repricing flexibility and partially mitigating interest rate risk in a volatile interest rate environment. During FY25, the Investment Bank also introduced exposure in Market Treasury Bills (MTBs). Meanwhile, the carrying value of quoted equity investments increased to PKR 47.3mn (FY24: PKR 20.7mn), resulting in a modest increase in market risk exposure.

As at end-Mar'26, the investment portfolio increased further to PKR 3.8bn, primarily driven by higher exposure in PIBs, which constituted 94.5% of total investments. Exposure to quoted shares increased further to PKR 65.7mn.

INVESTMENTS (In PKR Millions)	FY24	%	FY25	%	9MFY26	%
Investment in Government Securities (PIBs)	3,179.9	95.68%	2,985.3	88.6%	3,573.3	94.5%
Investment in Term Finance Certificates/Sukuk-Unlisted	103.0	3.10%	103.17	3.1%	107.85	2.9%
Investment in Term Finance Certificates/Sukuk-Listed	16.9	0.51%	29.9	0.9%	32.4	0.9%
Quoted Shares	20.7	0.62%	47.3	1.4%	65.7	1.7%
Certificate of Deposit	3.0	0.09%	3.0	0.1%	3.0	0.1%
T-Bills	-	0.00%	199.4	5.9%	-	0.0%
Total Investments	3,323.5		3,368.1		3,782.2	

The liquidity profile remains supported by domination of highly marketable securities with liquid assets constituting 83.9% of total assets as at end-Mar'26 (FY25: 84.3%; FY24: 84.9%), while liquid assets relative to total borrowings remained comfortable at 105.8% (FY25: 108.8%; FY24: 108.3%). Funding primarily comprises short-term repo borrowings secured against government securities and almost no leverage, after adjusting for repo borrowings taken to capitalize on arbitrage opportunities available. In addition, FCIBL maintained aggregate approved money market borrowing lines of PKR 18.0bn as at end-Jun'25, against which utilization stood at PKR 3.2bn, providing considerable funding flexibility. Furthermore, as a non-deposit-taking institution, FCIBL is not exposed to liquidity pressures arising from deposit withdrawals.

LIQUIDITY	FY23	FY24	FY25	9MFY26
Liquid Asset to Total Borrowings (%)	113.6%	108.2%	108.9%	105.7%
Liquid Asset to Total Assets (%)	66.0%	84.9%	84.4%	83.8%
Current Ratio (x)	0.38	0.23	0.23	0.15

The contractual maturity profile reflects the longer duration of the sovereign investment portfolio relative to the tenor of funding liabilities. Given the absence of clean liabilities, this profile is viewed to pose limited liquidity risk. Moreover, FCIBL has applied for a deposit-taking license which, subject to regulatory approval and achievement of the prescribed equity threshold, may further diversify its funding profile going forward.

CAPITALIZATION

CAPITALIZATION	FY23	FY24	FY25	9MFY26
Total Equity (incl. re-measurement on investments) (In PKR Millions)	723.9	786.9	875.5	877.7
Leverage (x)	1.45	3.95	3.77	3.96
Leverage (x)*	0.07	0.08	0.06	0.06
Gearing (x)	1.38	3.87	3.71	3.91
Gearing (x)*	-	-	-	-

*Adjusted for Short-Term Repo borrowings

FCIBL's equity base rose marginally to PKR 877.7mn (FY25: 875.5mn; FY24: PKR 786.9mn) as at end-March'26. Despite improvement in the accumulated profits, equity growth was constrained due to a sizable deficit of PKR 38.9mn on investments classified under fair value through other comprehensive income (FVOCI) as opposed to a surplus of PKR 16.5mn as of FY25.

Capitalization indicators depicted a weakening trend, with Gearing and Leverage ratios increasing to 3.91x (FY25: 3.71x; FY24: 3.87x) and 3.96x (FY25: 3.77; FY24: 3.95x) respectively at end-March'26. This increase was primarily attributable to higher growth in Short-Term borrowings in relation to growth in equity base. Adjusting these metrics for short-term repo borrowings gearing and leverage ratios were reported at 0.00x and 0.06x, respectively, indicating a conservative underlying capital structure and limited utilization of debt.

FINANCIAL SUMMARY (Rs. in millions)				
BALANCE SHEET	FY23	FY24	FY25	9MFY26
Property and equipment	21.6	24.8	25.4	22.6
Long Term Investments (incl. current portion)	1,138.5	3,272.8	3,091.4	3,686.5
Long-term loans and Finances (incl. current portion)	334.1	212.9	290.0	375.0
Deferred Tax Assets	74.1	56.7	37.7	53.4
Short-term investments	46.6	50.7	276.7	95.8
Mark-up/Interest Accrued	74.3	153.6	93.7	124.4
Cash and Bank Balances	122.1	139.9	254.8	111.3
Other Assets	40.1	44.7	44.0	42.7
Total Assets	1,851.3	3,955.9	4,113.8	4,511.7
Lease Liability (incl. current portion)	16.5	18.7	8.7	3.7
Long-term loan (incl. current portion)	0.0	0.0	0.0	0.0
Short-term repo- borrowing	1,075.6	3,101.5	3,186.4	3,579.5
Total borrowings	1,075.6	3,101.5	3,186.4	3,579.5
Other Liabilities	35.3	48.9	43.2	50.8
Total Liabilities	1,127.4	3,169.1	3,238.3	3,634.0
Total Equity (excl. re-measurement on investments)	777.7	802.4	859.0	916.5
Total Equity (incl. re-measurement on investments)	723.9	786.9	875.5	877.7
INCOME STATEMENT	FY23	FY24	FY25	9MFY26
Income from term finances and funds placements	84.6	87.4	53.7	43.5
Income from investments	192.4	347.0	530.1	111.7
Unrealized gain/(loss) on investments	0.0	3.9	0.0	-0.5
Other Income	2.3	10.6	18.3	16.0
Operating Expenses	86.4	96.9	98.6	77.8
Reversal / (Provision)	28.8	20.2	26.4	26.1
Finance Cost	191.2	329.8	461.8	45.6
Profit Before Tax	29.8	42.0	67.6	72.4
Profit After Tax	13.0	31.7	56.3	55.7
RATIOS	FY23	FY24	FY25	9MFY26
Gross Infection (%)	4.18%	6.07%	4.48%	3.47%
Provisioning Coverage (%)	6.65%	18.07%	18.07%	18.07%
Net Infection (%)	3.92%	5.03%	3.70%	2.86%
Efficiency (%)	99.65%	96.03%	93.21%	72.70%
ROAA (%)	0.67%	1.09%	1.39%	3.09%
ROAE (%)	1.68%	4.01%	6.77%	13.29%
Leverage (x)	1.45	3.95	3.77	3.96
Leverage (x)*	0.07	0.08	0.06	0.06
Gearing (x)	1.38	3.87	3.71	3.91
Gearing (x)*	0.00	0.00	0.00	0.00
Liquid Asset to Total Borrowings (%)	113.58%	108.25%	108.83%	105.81%
Liquid Asset to Total Assets (%)	65.99%	84.87%	84.29%	83.94%

* Annualized

REGULATORY DISCLOSURES Appendix II

Name of Rated Entity	First Credit and Investment Bank Limited				
Sector	Non-Bank Financial Companies				
Type of Relationship	Solicited				
Purpose of Rating	Entity Ratings				
Rating History	Rating Date	Medium to Long Term	Short Term	Outlook/ Rating Watch	Rating Action
	RATING TYPE: ENTITY				
	06/29/2026	A	A1	Stable	Reaffirmed
	05/16/2025	A	A1	Stable	Upgrade
	02/26/2024	A	A2	Stable	Reaffirmed
	12/30/2022	A	A2	Stable	Reaffirmed
	12/31/2021	A	A2	Stable	Upgrade
	12/31/2020	A-	A2	Stable	Reaffirmed
	12/31/2019	A-	A2	Stable	Reaffirmed
	12/28/2018	A-	A2	Stable	Reaffirmed
	12/29/2017	A-	A2	Stable	Reaffirmed
	12/30/2016	A-	A2	Stable	Reaffirmed
12/30/2015	A-	A2	Stable	Upgrade	
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.				
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Due Diligence Meetings Conducted	Name	Designation		Date	
	Amin Khatri	Head of Risk		7 th May, 2026	
	S.A Mohsin	CFO			
	Amir Hameed Khan	Corporate and Investment Banking			