TAURUS SECURITIES LIMITED

Analysts:
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RATING DETAILS				
RATINGS CATEGORY	Latest Rating		Previous Rating	
	Long-term	Short-term	Long-term	Short-term
ENTITY	A	A2	A	A2
RATING OUTLOOK/ WATCH	Stable		Stable	
RATING ACTION	Reaffirmed		Maintained	
RATING DATE	October 30, 2026		October 22, 2025	

Shareholding (5% or More)	Other Information
National Bank of Pakistan – 58.3%	Incorporated in 1993
The Bank of Khyber –30.0%	Public Unquoted Company
Saudi Pak Industrial and Agricultural Investment Company limited- 8.3%	Chief Executive Officer: Syed Zain Hussain
	External Auditor: BDO Ebrahim and Co Chartered Accountants

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Broker Entity Rating:

https://docs.vis.com.pk/Methodologies-2026/BrokerEntityRating-2026.pdf

Rating Scale

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

Rating Rationale

The assigned ratings continue to draw strength from the strong sponsor profile, with majority shareholding vested with National Bank of Pakistan (NBP), a state-owned institution, followed by Bank of Khyber (BoK) and Saudi Pak Industrial & Agricultural Investment Company Ltd. (SAPICO). All three sponsors possess sound financial standing and established track records in the financial sector. Support from the sponsors extends through financial and operational synergies, business referrals, and oversight from experienced professionals on the Board.

The ratings further incorporate the Company's improved operating revenue and profitability, as reflected by growth in brokerage income amid an uptick in market activity during the review period. The Company's credit risk profile and market risk profile remain sound as it has comprehensive risk management policies and clearly defined trading limits, providing support to its credit risk profile, and the absence of proprietary investments limits exposure to market risk. The Company's Equity base increased, supported by

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profitability, but continued to remain small relative to its peers. The gearing remained low but the leverage remained elevated despite a modest improvement.

The ratings also incorporate the inherently high business risk of the brokerage industry, given its cyclicality, intense competition and strong regulatory oversight. Geopolitical uncertainty, particularly developments in the Middle East and their implications for the domestic economy and investor sentiment, continues to pose risks to market activity. conflict in middle east and the economic aftermath of the same, the business risk has further elevated.

The Company's limited market presence also continues to cap overall business scale and competitive positioning. Going forward, achieving a sustained improvement in the leverage profile, maintainence of market risk profile and credit risk profile, improvement in the liquidity profile and sustained improvement in earnings performance and diversification of revenue streams will remain key rating drivers.

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Company Profile

Taurus Securities Limited ('TSL' or 'the Company') is a public unquoted company incorporated in 1993. It operates as a subsidiary of National Bank of Pakistan (the Holding Company), which holds ~58% of its shareholding. The Company's principal activities include stock brokerage, investment advisory, and fund placement services. The Company holds Trading Rights Entitlement Certificate (TREC) for Trading & Self Clearing Services granted by Pakistan Stock Exchange Limited (PSX) and is also a license holder of Pakistan Mercantile Exchange Limited (PMEX). The registered office of the Company is located in Karachi, Pakistan.

Management and Governance

Shareholders/Owners/Sponsors

Major shareholding of the Company is vested with National Bank of Pakistan (58.32%), which is the largest public sector bank in the country. Other major shareholders of the Company include Bank of Khyber (30%) and Saudi Pak Industrial & Agricultural Investment Company Limited (8.3%), both possessing sound risk profile. Support from parent company encompasses financial support, business generation, and the presence of seasoned professionals on the board.

Corporate Governance

The Company's Board consists of 8 directors out of which 3 are independent directors. At present, the Company has 3 Board Committees, namely Audit Committee, Risk Management Committee and the Human Resource Committee. The Audit Committee and the Human Resource Committee comprise of 3 members and the Risk Management Committee consists of 5 members. Overall, the Company maintains a strong Corporate Governance framework.

Management, Internal controls & IT

Mr. Syed Zain Hussain serves as the Company's Chief Executive Officer. Mr. Zain holds a bachelor's degree from South Eastern University in Marketing. He has over 20 years of work experience in stock brokering and fund management. His responsibilities at TSL include managing the overall operations and resources of the company and working with the board in developing & implementing strategies and making major corporate decisions.

The Company has an ERP platform in place for its back-office operations, acquired from VisionMax (Pvt.) Limited, which serves as a back-office automation system covering client interfacing, accounts, settlements, and ledgers. The Company has undertaken investments in digital onboarding and mobile application development, aligning its platform with the NBP to facilitate seamless customer onboarding and integrated fund transfers. These initiatives are expected to enhance operational efficiency, strengthen customer experience, and support future business scalability.

Contingency and disaster recovery mechanisms of the Company are also in place, with offsite data backups maintained under their own control. Furthermore, the Company has Know Your Customer (KYC), Customer Due Diligence (CDD), and Anti-Money Laundering / Countering Financing of Terrorism (AML/CFT) policies and procedures in place, in line with the Securities and Exchange Commission of Pakistan (SECP) guidelines, all of which have been duly implemented.

Business Risk

INDUSTRY

The performance of the brokerage sector remains closely linked to the macroeconomic indicators of the country. The sector is inherently volatile and is characterized by high business risk due to its cyclicality, fragmented structure, intense competition, and strong regulatory oversight.

During FY25, the KSE-100 Index recorded a return of ~60%, marking the second consecutive year of strong double-digit growth (FY24: ~89%) and reaching 125,627 points. Pakistan consequently ranked among the better-performing equity markets globally during the period. Market performance was supported by a gradual economic recovery, easing monetary conditions, and relative stability in the exchange rate. In addition, the staff-level agreement with the International Monetary Fund on the first review of the 37-month Extended Fund Facility (EFF), along with approval of a new 28-month Resilience and Sustainability Facility (RSF), contributed to improved investor confidence. Improvements in key economic indicators, including private sector credit growth, auto financing, petroleum sales, power generation, exports, and remittance inflows, also supported market activity. The trend of broadening of the investor base continued during FY25, with the

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number of Unique Identification Numbers (UINs) increasing to 392,775 from 329,292, primarily driven by increased participation from younger investors, reflecting greater awareness of capital market opportunities, and wider adoption of digital investment platforms.

The equity market of Pakistan continued to benefit from the positive market momentum during the first six months of FY26, with the KSE-100 Index closing calendar year 2025 at 174,054 points, representing an increase of ~39% over the FY25 close. The benchmark had initially touched 179,034 points in early January 2026; however, the rally strengthened further and the latest peak close was 189,166.18 points (rounded: 189,167), which was achieved in late January 2026. Market performance during the period remained underpinned by supportive monetary conditions, relative exchange rate stability, and continued progress under Pakistan's IMF program, which helped sustain investor participation. Furthermore, the continuation of improving trends in key macroeconomic indicators, particularly private sector credit expansion, auto financing, and remittance inflows, remained supportive of market participation. In addition, enhanced diplomatic and strategic engagement, reflected in increased regional cooperation and international interactions, contributed positively to overall market sentiment.

Subsequent to its peak in January, the index fell sharply in March, through recovering through the middle of the year. The downturn could be attributed mainly to weakening macroeconomic and geopolitical environment, including the upholding of the super tax by the Federal Constitutional Court, heightened security concerns in Baluchistan and KPK, and the escalation of tensions between Pakistan and Afghanistan, thereby dampening investor sentiments. Additionally, heightened global geopolitical tensions, particularly the escalation of the United States– Israel conflict with Iran and its spillover into the broader Middle East, further exacerbated the decline in the equity market, resulting in a sharp correction and broad-based selling pressure across regional markets, including Pakistan. Furthermore, disruptions in global oil supply chains and the resultant increase in international oil prices have weighed on the country's macroeconomic outlook. During this period, the Pakistan Stock Exchange (PSX) transitioned to a T+1 settlement cycle, aimed at improving efficiency and timeliness of trade settlements. Nevertheless, the KSE-100 index managed to deliver a return of ~44% during FY26, increasing to 180,302 points, reflecting continued double-digit growth in the equity market. Despite heightened market volatility during FY26, investor participation continued to grow at an unprecedented pace. As at June 16, 2026, the investor base had expanded to nearly 563,000 UINs, representing an increase of approximately 170,000 investors over FY25.

Going forward, while the equity market is expected to remain volatile due to its susceptibility to geopolitical developments in the Middle East and its impact on macroeconomic indicators particularly inflation and interest rates, the continued broadening of the investor base, supported by increasing financial literacy, digital accessibility, and greater retail participation, is expected to provide structural support to market activity over the medium term.

The IPO market in Pakistan exhibited strong momentum during FY26, with 11 companies raising an aggregate of PKR 18.4bn through Main Board listings. This exceeded capital raised in both FY25 and FY24, when PKR 4.4bn and PKR 6.0bn were raised through four and six listings, respectively, reflecting improved investor confidence and favorable market conditions. The FY26 listings spanned a diverse range of sectors, including tire manufacturing, petroleum, REITs, insurance, logistics, technology and communications, and food and personal care. Going forward, supported by improving market liquidity and sustained investor interest, the IPO market is expected to maintain its positive momentum

Financial Risk

CAPITAL STRUCTURE

The Company's equity base increased to Rs. 419.98m as at Jun 30, '26 (Dec'24: Rs. 360.36m; Dec'25: Rs. 400.46m), supported by profitability during the period. However, the equity base remains relatively small compared to peers. The gearing ratio stood at 0.67x as at Jun'26 (Dec'24: 0.68x; Dec'25: 0.65x), primarily reflecting short-term borrowings availed to meet working capital requirements, with credit lines provided by the sponsors. Meanwhile, the leverage ratio remained elevated at 3.01x as at Jun'26 (Dec'24: 3.16x; Dec'25: 3.07x), despite a modest improvement. Despite being on the higher side, the leverage ratio is supported by the Company's trade receivables, which amounted to Rs. 517.23 million as at June 30, 2026, including Rs. 416.48 million receivables from NCCPL. Going forward, achieving a sustained improvement in the leverage profile will remain an important rating consideration.

PROFITABILITY

During CY25, the Company's brokerage commission increased significantly by 61.4% to Rs 284.30m (CY24: Rs 176.15m), reflecting the positive momentum witnessed at the PSX. The client mix has remained the same with individual clients corresponding to ~95% of the total client base. Corporate clients contributed Rs 172.07m, accounting for 60.5% of total brokerage commission, while individual clients

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contributed Rs 112.24m, representing 39.5% of the total commission. During 1HCY26, the positive market momentum persisted, with the Company reporting a brokerage revenue of Rs 168.64m (1HCY25: Rs 111.1m), with the corporate clients contributing ~64% to the overall brokerage commission. This followed the trend of a higher corporate clients contribution (CY24: ~58%) despite retail clients representing ~95% of the total client base during CY24. The brokerage commission has increased in line with the positive momentum witnessed at the PSX and increased company brokerage volumes. The average daily brokerage volume increased to 12.39m shares during CY25 (CY24: 10.5m) and 11.59m shares during 1HCY26(1HCY25:4.1m shares).

The Company's operational efficiency declined slightly, with the cost-to-income ratio increasing to 76.1% during 1HCY26 (CY25: 74.4%; CY24: 73.5%). During CY25, the cost to income ratio increased as the administrative expenses increased by 37.5% to Rs. 248m (CY24: Rs. 180.36m), primarily due to an increase in commission paid out to sales staff. The cost-to-income ratio further increased during 1HCY26, reflecting a 31.4% year-on-year increase in administrative expenses, primarily due toan increase in commission paid out to sales staff. Taurus's profit after tax increased to Rs 50.23m (CY24: Rs. 32.11m), primarily driven by higher brokerage revenue. This positive trend continued during 1HCY26, with the Company reporting a profit after tax of Rs 19.5m (1HCY25: Rs 18.3m), supported by higher brokerage revenue.

The Company has recently obtained a Shariah Compliance Certificate for its designated Islamic brokerage window, which is expected to support business growth by enabling it to cater to investors seeking Shariah-compliant brokerage services. The Company's initiative to diversify its revenue streams through commodity trading has gained limited traction, reflecting the narrow market scope of this segment, according to management. The Company has also undertaken investments in digital onboarding and mobile application development, aligning its platform with the NBP to facilitate seamless customer onboarding and integrated fund transfers. Going forward, group synergies are expected to drive business expansion and support revenue generation. Sustained improvement in earnings performance and diversification of revenue streams will remain key rating drivers.

CREDIT RISK

As at June 2026, the Company reported trade debts of Rs 517.23m (Dec 2024: PKR 132.65m; Dec 2025: Rs 264.94m). ~90% of these pertained to receivables from National Clearing Company Limited (NCCPL), representing the proceeds of trades through NCCPL, thereby reducing credit risk exposure. Additionally, a major portion of commission income from corporate clients is collected through the Institutional Delivery System (IDS), which further mitigates credit risk. The Company has comprehensive risk management policies and clearly defined trading limits, providing support to its credit risk profile.

MARKET RISK

The Company does not engage in proprietary investments, thereby carrying minimal exposure to market risk and foregoing returns therein, if any.

LIQUIDITY RISK

As at June 26, the Company's liquid assets, comprising cash balances and exposure deposits with NCCPL, amounted to Rs 987m (Dec'24: Rs 1237.3m; Dec'25: Rs 1177.4m). Total liabilities, including lease liabilities, deferred taxation, trade and other payables, and short term running finance, stood at Rs 1,266.10m, translating into a liquid assets coverage ratio of 0.78x (Dec'24: 1.09x, Dec'25: 0.96x). As at June'26, the Company's Net Capital balance stood at Rs 256.70m. Going forward, improvement in the liquidity profile is going to be important from the ratings perspective.

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FINANCIAL SUMMARY (amounts in PKR millions)				
BALANCE SHEET	CY23A	CY24A	CY25A	6MCY26M
Trade Debts	209.5	132.7	264.9	517.2
Long Term Investments	-	-	-	-
Short term Investments	15.4	-	-	-
Cash and Bank balances	372.7	835.7	722.1	521.4
Total Assets	999.4	1499.2	1631.8	1686.1
Trade and Other Payables	569.3	893.2	968.7	981.1
Short term borrowings	100	235	220	240
Paid Up Capital	135.0	135.0	135.0	135.0
Net Worth (excluding revaluation surplus)	301.9	360.4	400.5	420.0
INCOME STATEMENT	CY23A	CY24A	CY25A	6MCY26M
Operating Revenue	106.1	179.3	284.3	168.6
Administrative Expenses	136.6	180.4	248.1	138.8
Finance Costs	5.0	8.8	12.1	10.0
Profit Before Tax	30.1	62.9	75.9	33.5
Profit After Tax	15.4	32.1	50.2	19.5
RATIO ANALYSIS	CY23A	CY24A	CY25A	6MCY26M
Liquid Assets to Total Liabilities	96.8%	108.6%	95.6%	78.0%
Liquid Assets to Total Assets	66.5%	82.5%	72.2%	58.5%
Leverage	2.3	3.2	3.1	3.0
Gearing	0.39	0.68	0.65	0.67
Current Ratio (x)	1.3	1.2	1.2	1.2
Efficiency (%)	85.2%	73.5%	74.4%	76.1%
ROAA (%)*	1.3%	2.6%	3.2%	2.4%
ROAE (%)*	5.2%	9.7%	13.2%	9.5%

A-Actual Accounts

M-Management Accounts

* Annualized, if required

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REGULATORY DISCLOSURES — Appendix II

Name of Rated Entity	Taurus Securities Limited
Sector	Brokerage
Type of Relationship	Solicited
Purpose of Rating	Entity Ratings

Rating History

Rating Date	Medium to Long Term	Short Term	Rating Outlook	Rating Action
RATING TYPE: ENTITY				
30-10-2026	A	A2	Stable	Reaffirmed
22-10-2025	A	A2	Stable	Reaffirmed
04-10-2024	A	A2	Stable	Maintained
17-08-2023	A	A2	Negative	Maintained
24-03-2022	A	A2	Stable	Reaffirmed
18-01-2021	A	A2	Stable	Reaffirmed
03-12-2019	A	A2	Stable	Reaffirmed
31-12-2018	A	A2	Stable	Reaffirmed
02-10-2017	A	A2	Stable	Reaffirmed
28-06-2016	A	A2	Stable	Reaffirmed
26-06-2015	A	A2	Stable	Reaffirmed
21-11-2014	A	A2	Stable	Reaffirmed
31-12-2013	A	A2	Stable	Reaffirmed
26-11-2012	A	A2	Stable	Upgrade
23-12-2011	A-	A2	Stable	Reaffirmed

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
Mr. Syed Zain Hussain	CEO	September 30, 2026
Mr. Iqbal Rasheed	Head of Internal Audit	

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