

BROKER MANAGEMENT RATING REPORT

Next Capital Limited

REPORT DATE:

February 23, 2026

RATING ANALYSTS:

Shaheryar Khan Mangan

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APPLICABLE METHDOLOGY:

Broker Management Ratings:

<https://docs.vis.com.pk/Methodologies%202024/Broker-Management.pdf>

APPLICABLE RATING SCALE(S):

VIS Issue/Issuer Rating Scale: <https://docs.vis.com.pk/docs/VISRatingScales.pdf>

Rating Category	Latest Rating
Broker Management Rating	BMR2++
Rating Rationale	The rating signifies strong external controls, compliance & risk management and client relationship and fairplay. Regulatory requirements, supervisory framework, internal controls, HR & infrastructure are considered sound while financial management is considered adequate.
Rating Date	February 23, 2026

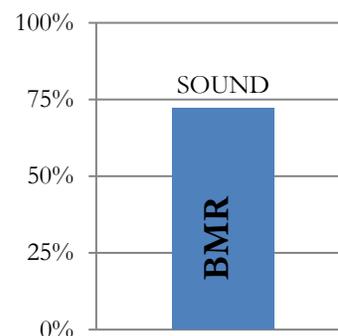
COMPANY INFORMATION

Incorporated in 2009	External auditors: Grant Thornton Anjum Rahman Chartered Accountants
Public listed Company	Chairman of the Board: Mrs. Hanna Khan
Shareholders with stake 5% or more (As of December, 2021):	Chief Executive Officer: Ms. Humaira Asad
<p><i>Mr. Mubammad Najam Ali ~ 27.48%</i> <i>Mr. Mubammad Zulqarnain ~ 15.82%</i> <i>Mr. Adnan Afridi ~ 9.99%</i> <i>MCB Bank Limited – Treasury ~ 9.69%</i> <i>Mrs. Hanna Khan ~ 7.74%</i> <i>Maple Leaf Cement Factory Ltd. ~ 7.50%</i></p>	

Corporate Profile

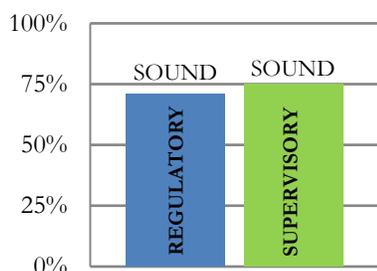
Incorporated in Dec'2009, Next Capital Limited (NCL) has been in the business of brokerage and advisory services for almost 14 years. NCL caters primarily to equity broking services to domestic retail and high net worth (HNWI) clients, local institutions and foreign broker dealers. Alongside, the company has a reputable presence in investment banking & corporate financial advisory business in Pakistan. NCL, besides a head office based in Karachi, runs its retail operations through a branch in Lahore.

The company is a member of Pakistan Mercantile Exchange Limited and holds a Trading Right Entitlement (TRE) certificate issued by the Pakistan Stock Exchange Limited (PSX). Recently, the Company has moved the digital and investment platform, Finqalab, into a wholly owned subsidiary. External auditors of the company are Grant Thornton Anjum Rahman Chartered Accountants and belong to category 'A' on the approved list of auditors published by the State Bank of Pakistan (SBP).



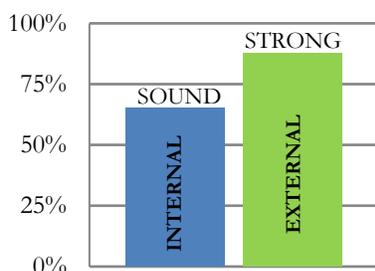
Rating Factors Scores

Regulatory and Supervision Framework



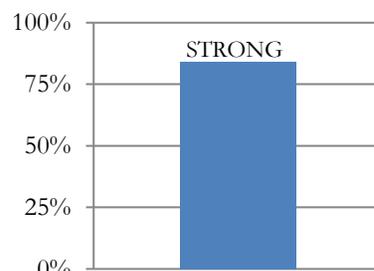
- Overall, the ownership and governance framework is supported by a seven-member board of directors, including two independent directors.
- The Company's board committees comprise Audit, Human Resource & Remuneration, Risk Management, and Investment, with three of these committees headed by an independent director. Nevertheless, repetition of members is observed across the committees.

Internal & External Control Framework



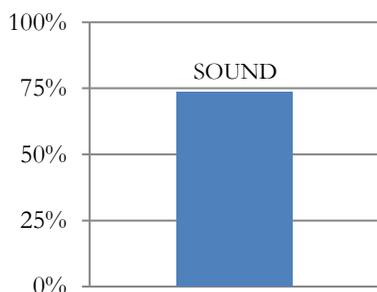
- Internal control policies are in place at the Company. However, expanding the scope of these policies, particularly the conflict-of-interest policy, and ensuring its dissemination to all stakeholders may further strengthen the Company's internal control framework.
- Moreover, increasing the frequency of trade review procedures, ensuring daily reporting of personal trade details to the compliance officer, and establishing an independent risk department remain areas that may further strengthen the Company's internal control framework
- External control framework is considered strong.

Client Relationship & Fairplay



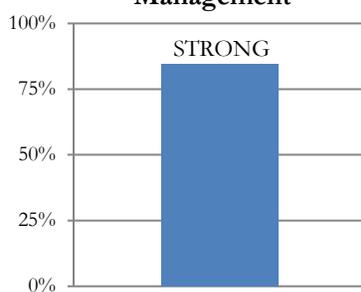
- The Company's client services are considered strong, supported by online trading platforms that facilitate seamless transactions, a complaint management system whereby grievances are filed and acknowledged via SMS, and the availability of research materials, including equity reports, weekly reviews, and daily morning briefings, on its website.
- The Company may consider enhancing the investor grievance procedures, ensuring greater visibility on the website. Moreover, undertaking invitations and advertisement along with expanding geographical footprint may enhance customer reach.

HR & Infrastructure



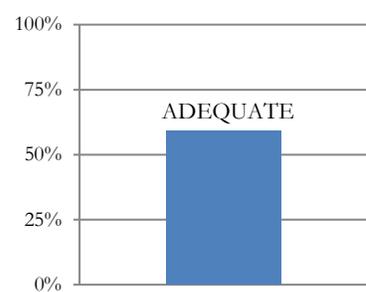
- HR & Infrastructure of the Company may be improved by establishing an independent risk management function.
- While contingency measures are in place, increasing the frequency of disaster recovery exercises may further strengthen the same.

Compliance and Risk Management



- While the Company has client risk management policy in place, assignment of tighter credit limits to institutional clients and high net worth individuals may improve operational risk management of the Company.

Financial Management



- During FY25, the Company continued to record growth in operating revenue, increasing further from FY24, primarily driven by higher brokerage income in line with the overall positive industry trend, followed by increase in income from advisory and consultancy services. The Company's revenue mix continued to be dominated by brokerage income, which contributed ~72% to total operating revenue. The Company's bottom line turned positive in FY25.
- Operational efficiency of the Company depicted improvement in FY25, with cost to income ratio declining to 80.0% (FY24: 111.1%, FY23: 133.7%). However, it remained on the higher side.
- Liquidity profile of the Company is assessed as adequate, with liquid assets providing a coverage of 0.82x against its total liabilities as at June'25 (June'24: 0.90x, Jun'23: 0.86x).
- The Company has phased out proprietary investments, thereby limiting its exposure to market risk.
- In line with profitability reported in FY25, the Company's equity base has increased to PKR 435.1m as at June'25 (June'24: Rs. 406.3m, June'23: PKR 428.1m). On the other hand, gearing ratio of the Company has declined to 0.44x as at June'25 (Jun'24: 0.50x, Jun'23: 0.43x) while leverage indicator has increased to 1.56x as at June'25 (June'24: 1.13x, June'23: 0.91x), which is at adequate levels.
- Going forward, enhancement in the revenue base, along with managing operational efficiencies, as well as improvement in capitalization and liquidity profile will remain imperative for the rating.

REGULATORY DISCLOSURES		Appendix I		
Name of Rated Entity	Next Capital Limited			
Sector	Brokerage			
Type of Relationship	Solicited			
Purpose of Rating	Broker Management Rating (BMR)			
Rating History	Rating Date	Rating	Rating Outlook	Rating Action
	<u>RATING TYPE: BMR</u>			
	23/02/2026	BMR2++	Stable	Reaffirmed
	10/02/2025	BMR2++	Stable	Reaffirmed
	11/01/2023	BMR2++	Stable	Reaffirmed
	06/21/2022	BMR2++	Stable	Reaffirmed
	03/24/2021	BMR2++	Stable	Reaffirmed
	04/08/2020	BMR2++	Stable	Reaffirmed
	02/26/2019	BMR2++	Stable	Reaffirmed
02/23/2018	BMR2++	Stable	Initial	
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	N/A			
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