

BROKER FIDUCIARY RATING REPORT

Next Capital Limited

REPORT DATE:

November 05, 2025

RATING ANALYSTS:

Shaheryar Khan Mangan

shaheryar@vis.com.pk

RATING DETAILS

Broker Fiduciary Rating

BFR2*Strong Fiduciary Standards*

Rating Rationale

The rating signifies strong ownership & governance and management and client services, along with sound internal control and regulatory compliance. Business and financial sustainability is considered adequate.

Rating Date

November 05, 2025

COMPANY INFORMATION

Incorporated in 2009

External auditors: Grant Thornton Anjum Rahman Chartered Accountants

Public listed Company

Chairperson of the Board: Ms. Hanna Khan

Shareholders with stake 5% or more:

Chief Executive Officer: Ms. Humaira Asad

Mr. Muhammad Najam Ali ~ 27.48%

Mr. Muhammad Zulqarnain ~ 15.82%

Mr. Adnan Afridi ~ 9.99%

MCB Bank Limited – Treasury ~ 9.69%

Mrs. Hanna Khan ~ 7.74%

Maple Leaf Cement Factory Ltd. ~ 7.50%

APPLICABLE METHODOLOGY

Applicable Rating Criteria: Broker Fiduciary Ratings:

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

APPLICABLE RATING SCALE(S)

VIS Issue/Issuer Rating Scale:

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

Next Capital Limited

CORPORATE PROFILE	OVERALL GRADING
Incorporated in Dec'2009, Next Capital Limited (NCL) has completed more than 15 years in the business of brokerage and advisory services. 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 brokerage operations through a branch in Lahore.	100% 80% 60% 40% 20% 0% BFR1 BFR2 BFR3 BFR4 BFR5 ■ Outstanding ■ Strong ■ Good ■ Adequate ■ Weak ○ Score

The Company holds a Trading Right Entitlement Certificate (TREC) issued by the Pakistan Stock Exchange Limited (PSX) for Trading and Self-Clearing Services. The Company has also acquired a license to act as Securities Manager. Recently, Finqalab, a digital trading and investment platform, has been transferred to a wholly owned subsidiary of the Company. 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).

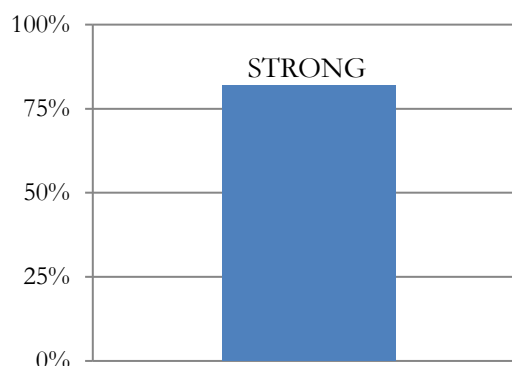
Business and Financial Sustainability Indicators			
	FY25	FY24	FY23
Size of Net Worth (Rs. In Millions)	435.1	406.3	428.0
Gearing x (Total Borrowing/ Total equity)	0.44x	0.50x	0.43x
Leverage x (Total liabilities/ Total equity)	1.56x	1.13x	0.91x
Liquid Assets/ Total Liabilities (x)	0.82x	0.90x	0.86x
Short term Investments/ Total Equity (%)	0.0%	24.9%	48.1%

Next Capital Limited

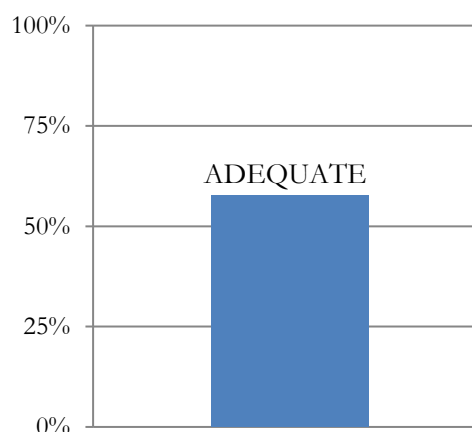
Rating Indicators

Ownership & Governance

- Overall, the ownership and governance framework is considered strong, 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.
- Disclosure levels of the Company are considered sound.

Ownership & Governance**Business & Financial Sustainability**

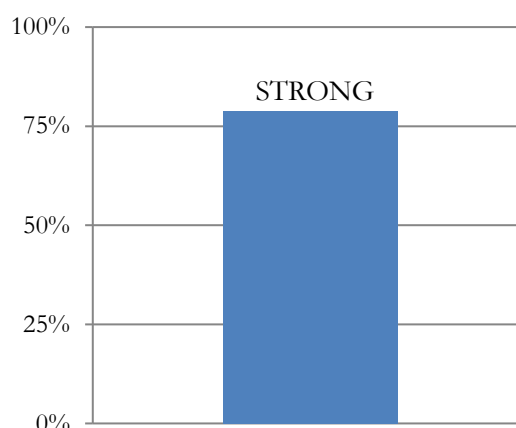
- During FY25, the Company continued to record growth in operating revenue, increasing further from FY24, primarily driven by higher brokerage income in line with the overall positive industry trend, followed by increase in income from advisory and consultancy services. The Company's revenue mix continued 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.

Business & Financial Sustainability

Management & Client Services

- 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.
- While contingency measures are in place, increasing the frequency of disaster recovery exercises may further strengthen the same.

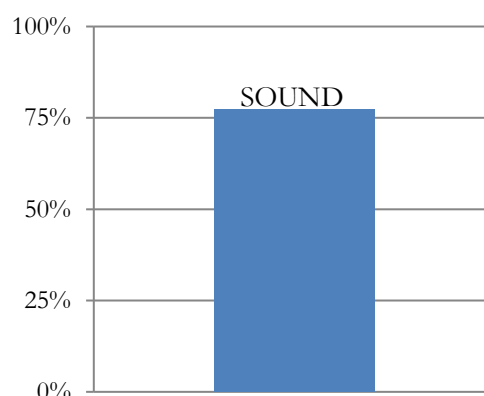
Management & Client Services



Internal Controls & Regulatory Compliance

- 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.
- 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.

Internal Controls & Regulatory Compliance



Broker Fiduciary Rating Explained

In Securities Broker Fiduciary Rating (SBF), the strength of fiduciary role of the securities brokers is captured through the relative financial strength of the securities broker firm and its sponsors along with depth of internal control and governance framework, which are key rating ingredients. Responsiveness of the risk and internal control structure, quality of HR and soundness of the business infrastructure determine the strength of management and level of service quality of a stock broker. VIS Credit Rating Co. Ltd. (VIS) has developed a rating system that evaluates brokerage firms on the basis of such practices and the systems instituted to safeguard investor interests are at the forefront.

Next Capital Limited

REGULATORY DISCLOSURES				Appendix I
Name of Rated Entity	Next Capital Limited			
Sector	Brokerage			
Type of Relationship	Solicited			
Purpose of Rating	Broker Fiduciary Rating (BFR)			
Rating History	Rating Date	Rating	Rating Outlook	Rating Action
	RATING TYPE: BFR			
	11/05/2025	BFR2	Stable	Reaffirmed
	10/31/2024	BFR2	Stable	Reaffirmed
	09/14/2023	BFR2	Stable	Reaffirmed
	05/18/2022	BFR2	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	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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