# BROKER FIDUCIARY RATING REPORT

## Pearl Securities Limited

**REPORT DATE:**
November 10, 2026

**RATING ANALYSTS:**
Muhammad Azeem Khan
azeem.khan@vis.com.pk

| RATING DETAILS | |
|---|---|
| **Broker Fiduciary Rating** | **BFR3+** |
| **Rating Rationale** | The rating signifies sound ownership & governance, adequate business & financial sustainability, sound management & client services, and sound internal controls & regulatory compliance. |
| **Rating Date** | November 10, 2026 |

## COMPANY INFORMATION

| | |
|---|---|
| **Incorporated in 2000** | **External auditors:** Junaidy Shoaib Asad Chartered Accountants |
| **Public Unlisted Company** | **Chairman of the Board:** Sajid Khan |
| **Key Shareholders (with stake 5% or more):** | **Chief Executive Officer:** Farah Zubair |
| - Government of Khyber Pakhtunkhwa – GPI Fund – 39.340% | |
| - Fatima Usman – 30.65% | |
| - Amir Nazeer Dhedi – 13.5% | |
| - Muhammad Arfeen Dhedi – 13.5% | |

## APPLICABLE RATING SCALE(S)

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

## APPLICABLE METHODOLOGY

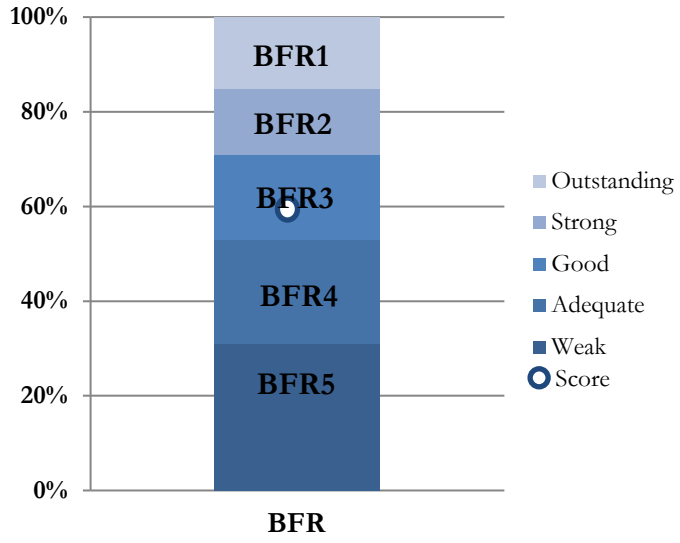
***Applicable Rating Criteria: Broker Fiduciary Ratings***
*docs.vis.com.pk/Methodologies-2025/BrokerFiduciaryRating-Nov25.pdf*

## Pearl Securities Limited

### CORPORATE PROFILE

Incorporated in 2000, Pearl Securities Limited (PSL) is engaged in provision of equity, commodities, money market & interbank foreign exchange brokerage services. Majority shareholding of the Company is vested with Government of Khyber Pakhtunkhwa-GPI Fund and Ms. Fatima Usman. Presently, the Company operates through its head office based in Karachi and six branches in the provinces of Sindh, Punjab and KP.

### OVERALL GRADING




The Company holds a Trading Right Entitlement Certificate (TREC) from PSX for Trading and Self-Clearing Services and a member of Pakistan Mercantile Exchange Limited (PMEX). External auditors of the Company changed from M/s Crowe Hussain Chaudhry & Co. Chartered Accountants to Junaidy Shoaib Asad Chartered Accountants. The incoming auditors belong to category 'B' on the approved list of auditors published by the State Bank of Pakistan (SBP).

### Business and Financial Sustainability Indicators

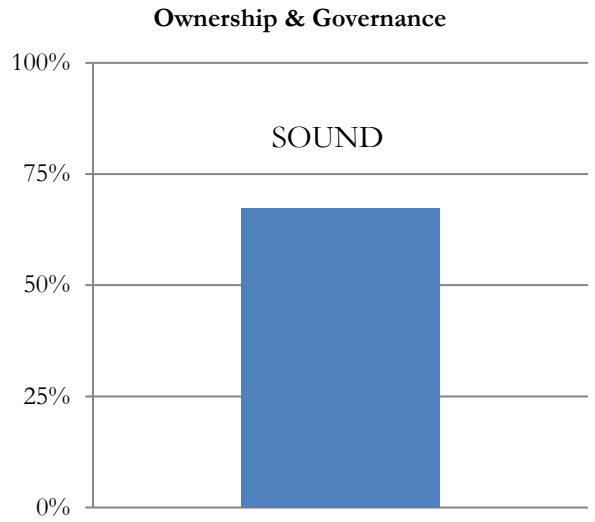
| | FY26 | FY25 | FY24 |
|---|---|---|---|
| **Total Equity (Rs. In Millions)** | 640.09 | 423.1 | 224.1 |
| **Gearing x (total interest-bearing debt/ total equity)** | 0.76x | 1.71x | 5.61x |
| **Leverage x (total liabilities/ total equity)** | 2.02x | 2.91x | 8.25x |
| **Liquid Assets/ Total Liabilities (x)** | 0.75x | 0.69x | 0.24x |
| **Short term Investments/ Total Equity (%)** | 103.3% | 91.5% | 90.3% |

## Pearl Securities Limited

## Rating Indicators

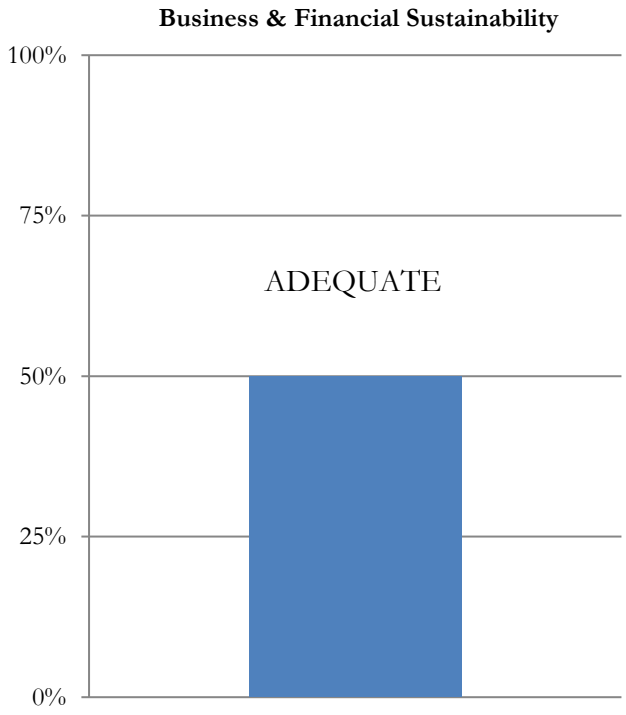
### Ownership & Governance

- The Board consists of seven members. Five elected directors represent 60% of the shareholding. Two nominated directors represent the Government of Khyber Pakhtunkhwa Gratuity Fund. However, there is no independent representation on the Board.
- PSL has three Board committees, namely Audit, Investment, and HR Committee. The Investment and HR Committees have been expanded to four and three members, respectively, from two members each.
- Disclosure practices may be enhanced through inclusion of the CEO's statement on fraudulent and illegal transactions and the corporate governance compliance statement in the online annual reports.
- The external auditors, Junaidy Shoaib Asad (JSA), Chartered Accountants, were upgraded from Category C to B on the SBP's panel of auditors, effective December 4, 2025, positively contributing to the governance framework.




### Business & Financial Sustainability

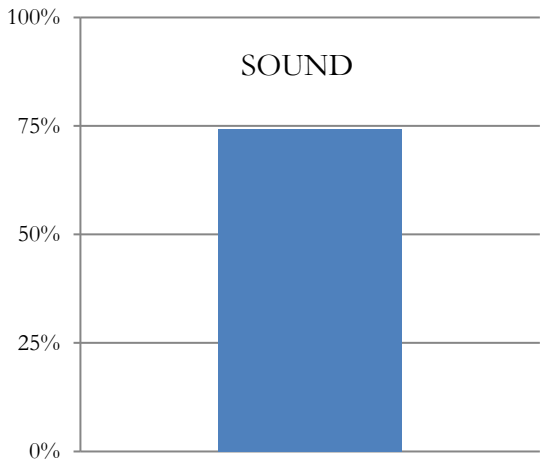
- Brokerage revenue increased to PKR 365.33m in FY26 (FY25: PKR 197.27m; FY24: PKR 155.68m; FY23: PKR 105.92m).
- Total revenue nearly doubled to PKR 336.64m in FY26 (FY25: PKR 195.55m; FY24: PKR 161.41m; FY23: PKR 106.94m), while the cost-to-income ratio increased to 57.8% (FY25: 46.3%), reflecting higher operating costs alongside significant revenue growth.
- Liquid assets coverage against total liabilities improved to 0.75x as at Jun'26 (Jun'25: 0.69x; Jun'24: 0.23x).
- Short-term investments to equity increased to 103.27% in FY26 (FY25: 91.52%), indicating higher market risk exposure.
- Equity increased to PKR 640.09m in FY26 (FY25: PKR 423.10m; FY24: PKR 224.10m; FY23: PKR 241.80m).
- PAT increased to PKR 54.19m in FY26 (FY25: PKR 30.70m; FY24: loss of PKR 9.82m).
- Capitalization metrics have demonstrated considerable improvement, with gearing and leverage ratios declining to 0.76x and 2.02x, respectively, in FY26 (FY25: 1.71x and 2.91x; FY24: 5.61x and 8.25x).
- Going forward, capitalization, liquidity, market risk management, and operational efficiency will remain key rating considerations.



### Management & Client Services

- Overall management and client services are considered sound, with provision of mobile and web-based trading platforms to facilitate clients in executing transactions. However, The Company may consider revamping its website to enhance user experience and client engagement.
- A Research Advisor with an established track record has been added to strengthen PSL's research function.
- PSL launched its Islamic Window Operations in September 2026, as well as targeting to seek licenses for services as consultant to the issue and underwriting for diversification.
- The Company's contingency framework may be further strengthened through outsourcing offsite data backups to a third-party warehouse, along with increasing the frequency of disaster recovery exercises.

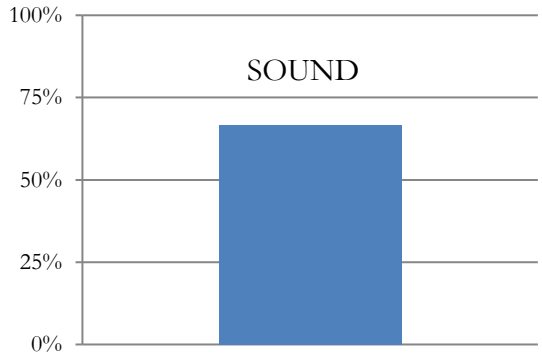
**Management & Client Services**




### Internal Controls & Regulatory Compliance

- While internal policies are in place, the Company may consider broadening their scope to further strengthen the internal control framework.
- In addition, regular internal audit reviews may further support strengthening of internal controls.
- Rating takes note of PSX order dated May 04, 2026 regarding violations and penalization, against which, as per management, the Company is in the process of filing an appeal. Going forward, ensuring compliance with all applicable regulations will be important from the rating's perspective.

**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.*

## Pearl Securities Limited

| REGULATORY DISCLOSURES | Appendix I |
|---|---|
| **Name of Rated Entity** | Pearl Securities Limited |
| **Sector** | Brokerage |
| **Type of Relationship** | Solicited |
| **Purpose of Rating** | Broker Fiduciary Rating (BFR) |
| **Rating History** | See table below |
| **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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| Rating Date | Rating | Rating Outlook | Rating Action |
|---|---|---|---|
| RATING TYPE: BFR+ | | | |
| 10-11-2026 | BFR3+ | Stable | Upgrade |
| 11-05-2026 | BFR3 | Stable | Reaffirmed |
| 16-01-2025 | BFR3 | Stable | Initial |