BROKER MANAGEMENT RATING REPORT

AKD Securities Limited

REPORT DATE:
September 03, 2026

RATING ANALYSTS:

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Rating Category	Latest Rating
Broker Management Rating	**BMR1**
Rating Rationale	The rating signifies strong supervision framework, external controls, customer service, and HR and IT infrastructure, while basic regulatory requirements, internal controls, compliance and risk management, and financial management are considered sound.
Rating Date	September 03, 2026

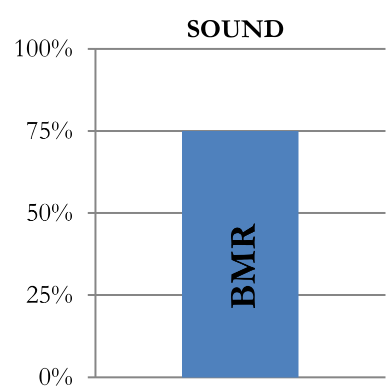
APPLICABLE METHDOLOGY:
Broker Management Ratings:
https://docs.vis.com.pk/Methodologies-2025/Broker-Management-2025.pdf
VIS Rating Scale
https://docs.vis.com.pk/docs/VISRatingScales.pdf

COMPANY INFORMATION	
Incorporated on May 2007	**External auditors:** RSM Avais Hyder Liaquat Nauman Chartered Accountants
Public Limited Company-Listed	**Chairperson of the Board:** Ms. Hina Dhedhi Junaid
Key Shareholders (with stake 5% or more):	**Chief Executive Officer:** Mr. Muhammad Farid Alam
AKD Group Holdings (Pvt.) Limited ~ 95.87%	

Corporate Profile

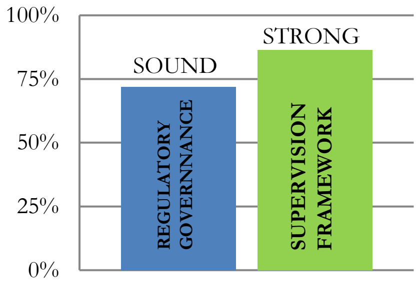
Listed on the Stock Exchange, AKD Securities Limited is licensed to operate as securities broker, consultant to the issue, and underwriter from the Securities Exchange Commission of Pakistan and holds a Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited and Membership card of Pakistan Mercantile Exchange Limited. The principal activities of the Company are brokerage of shares and/or commodities/ money market / forex trading, financial research, book building, underwriting, investments in securities/commodities, corporate advisory and consultancy services.

AKDSL is registered with Securities & Exchange Commission of Pakistan (SECP) and holds a Trading and Self-Clearing (TSC) license and Trading Rights Entitlement Certificate (TREC) granted by Pakistan Stock Exchange Limited (PSX). Moreover, the company also holds underwriting and corporate advisory licenses. External auditors of the company are RSM Avais Hyder Liaquat Nauman Chartered Accountants. External auditors from Category 'A' of State Bank of Pakistan's list of auditors



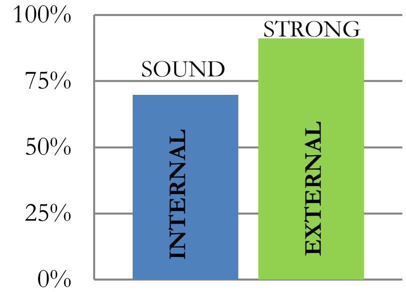
Rating Factors Scores

Regulatory Governance & Supervision Framework



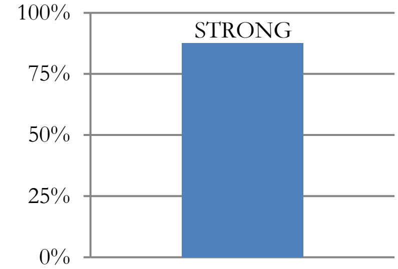
- The Company's governance framework is supported by a seven-member Board of Directors, comprising two independent directors and three female directors, which is considered commensurate with the scale of its operations.
- The functioning of the Board committees, namely the Audit, Investment, and Human Resource Committees, with two of these committees chaired by independent directors, supports effective oversight and decision-making.

Internal & External Control Framework



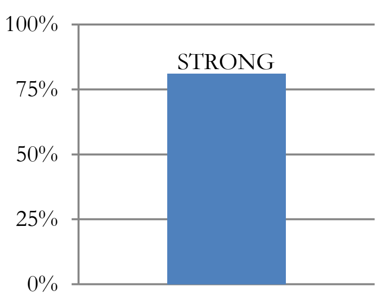
- Internal controls framework is considered sound, supported by documented policies and procedures. Nevertheless, the Company may consider expanding the scope of its policies and procedures and ensuring their effective communication across all relevant functions.
- The Company maintains strong disclosure standards, supported by its status as a publicly listed entity.

Client Relationship & Fairplay



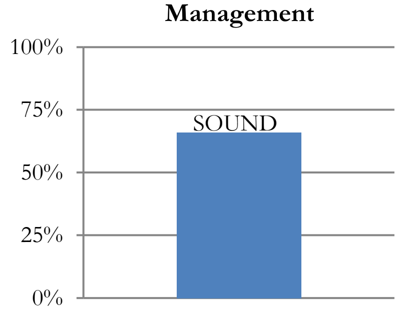
- The Company's management and client service functions are considered sound, supported by an ERP platform for back-office operations and online trading platforms to facilitate seamless execution of client transactions. The Company also provides research reports to assist clients in making informed investment decisions.
- Customer order recording mechanisms and trade alerts upon execution of transactions are in place. However, the Company may consider further strengthening the documentation of its systems and procedures.
- The Company's presence across major cities enhances its market reach and facilitates client accessibility.

HR & Infrastructure



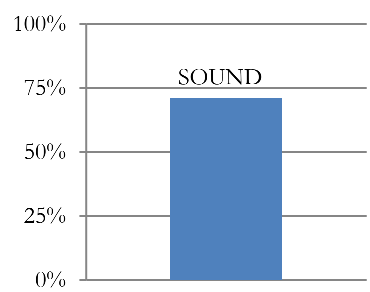
- HR & infrastructure of the Company is considered sound, with its organizational structure well aligned with the size of operations.
- Contingency measures are in place to support business continuity. However, maintaining off-site data backups with an independent third-party service provider may further strengthen the Company's disaster recovery and business continuity framework.

Compliance & Risk Management



- Compliance and risk management framework of the Company is considered sound.
- Adherence to all applicable regulations will remain important from the rating's perspective.

Financial Management



- The Company's operating revenue has continued to demonstrate an upward trend, primarily driven by strong growth in brokerage revenue, reflecting robust trading activity in the equity market amid favorable market conditions and improved investor confidence, with brokerage business continuing dominate the revenue mix. The Company also has an established market position in the advisory segment.
- The Company's operational efficiency has remained at fair level, with cost-to-income ratio reported at ~36% in 9MFY26(FY25: ~39%, FY24: ~36%).
- Exposure to market risk is considered moderate, with short-term investments to equity standing at ~55% as at Mar'26 (Jun'25: ~47%, Jun'24: ~24%).
- Liquidity profile of the Company is considered sound, with liquid asset covering 1.67x of total liabilities as at Mar'26 (Jun'25:1.53x, Jun'24: 1.42x). Short term investments account for ~52% of the liquid assets.
- Capitalization profile of the Company continues to draw support from small debt on its balance sheet, while leverage indicator is reported at 0.63x as at Mar'26 (Jun'25: 0.70x, Jun'24: 0.53x). The Company also maintains a sizeable equity base.
- Going forward, maintenance of the Company's revenue growth, operational efficiency, liquidity, and capitalization profile will remain important for the rating.

REGULATORY DISCLOSURES — Appendix I

Name of Rated Entity	AKD Securities Limited
Sector	Brokerage
Type of Relationship	Solicited
Purpose of Rating	Broker Management Rating (BMR)
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 management quality only and is not a recommendation to buy or sell any securities.
Probability of Default	N/A
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Rating History

Rating Date	Rating	Rating Outlook	Rating Action
RATING TYPE: BMR			
09/3/2026	BMR1	Stable	Reaffirmed
29/07/2025	BMR1	Stable	Reaffirmed
20/05/2024	BMR1	Stable	Reaffirmed
02/09/2023	BMR1	Stable	Upgrade
08/03/2022	BMR2+	Rating Watch Developing	Update
5/12/2022	BMR2+	Rating Watch Developing	Maintained
3/2/2021	BMR2+	Stable	Reaffirmed
3/31/2020	BMR2+	Stable	Reaffirmed
12/28/2018	BMR2+	Stable	Reaffirmed
10/17/2017	BMR2+	Stable	Initial