BROKER FIDUCIARY RATING REPORT

AKD Securities Limited

REPORT DATE:
September 03, 2026

RATING ANALYSTS:
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RATING DETAILS	
Broker Fiduciary Rating	**BFR2++** *Strong Fiduciary Standards*
Rating Rationale	The rating signifies strong regulatory compliance, client ownership and governance, management and client services, and business and financial sustainability, while internal controls and regulatory compliance is sound.
Rating Date	September 03, 2026

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

APPLICABLE METHODOLOGY

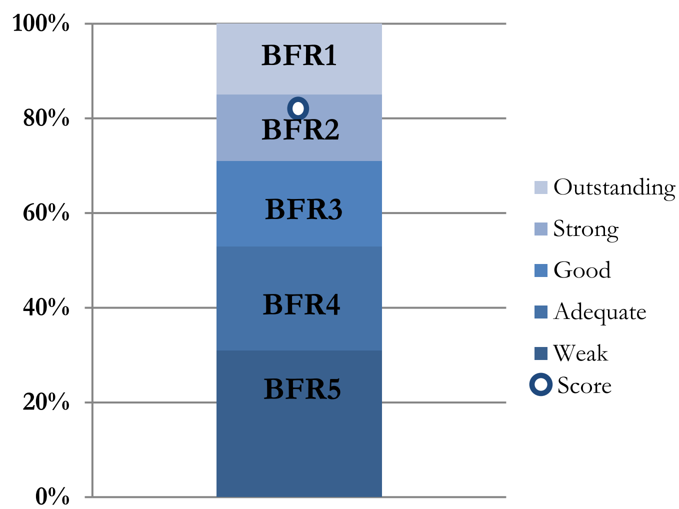
Applicable Rating Criteria: Broker Fiduciary Ratings:
https://docs.vis.com.pk/Methodologies-2025/BrokerFiduciaryRating-Nov25.pdf
VIS Rating Scale
https://docs.vis.com.pk/docs/VISRatingScales.pdf

AKD Securities Limited

CORPORATE PROFILE

Listed on the Stock Exchange, AKD Securities Limited ("AKDSL" or "the Company") 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 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.

OVERALL GRADING



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 are from Category 'A' of State Bank of Pakistan's list of auditors.

Business & Financial Sustainability Indicators

	9MFY26*	FY25	FY24
Adjusted Size of Net Worth (Rs. In Millions)	13,799	11,542	8,990
Adjusted Gearing x (Total interest-bearing debt/ Total Equity)	0.02x	0.04x	0.06x
Adjusted Leverage x (Total liabilities/ Total equity)	0.63x	0.70x	0.53x
Liquid Assets/ Total Liabilities (x)	1.67x	1.53x	1.42x
Short term Investments/ Total Adjusted Equity (%)	55%	47%	24%

**Unaudited Accounts*

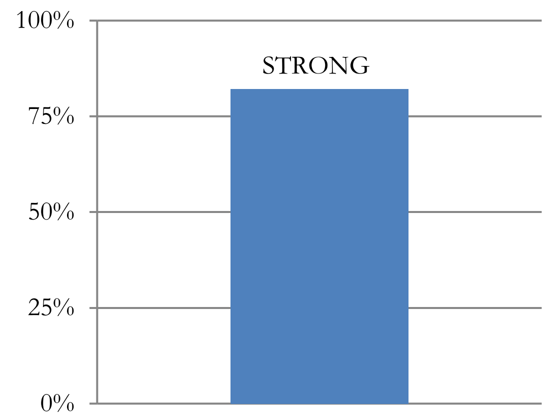
AKD Securities Limited

Rating Indicators

Ownership & Governance

- 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.
- The Company maintains strong disclosure standards, supported by its status as a publicly listed entity.

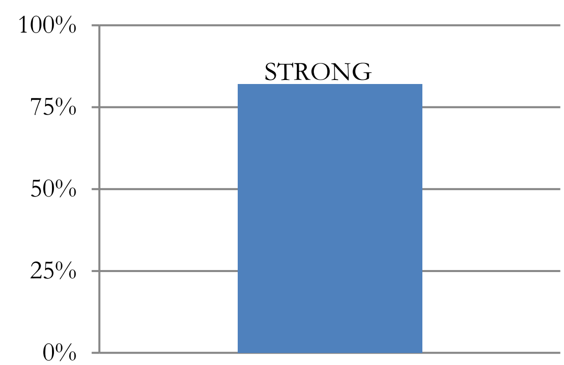
Ownership & Governance



Business & Financial Sustainability

- 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.

Business & Financial Sustainability

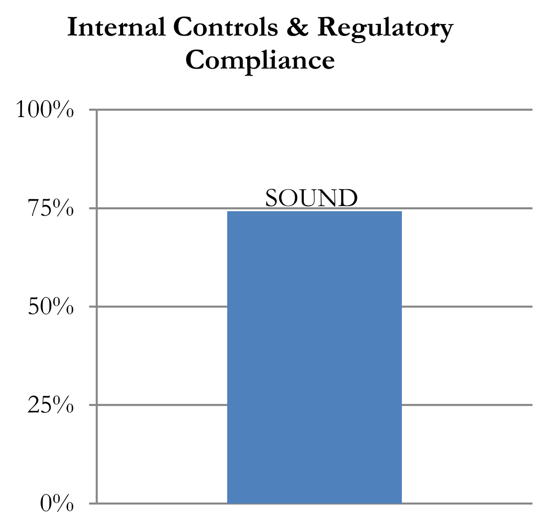


Management & Client Services

- 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.
- 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.

Internal Controls & Regulatory Compliance

- Internal controls and regulatory compliance are 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.
- Adherence to all applicable regulations will remain important from the rating's perspective.



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.

AKD Securities Limited

REGULATORY DISCLOSURES				Appendix I
Name of Rated Entity	AKD Securities 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			
	09/3/2026	BFR2++	Stable	Reaffirmed
	07/29/2025	BFR2++	Stable	Reaffirmed
	05/15/2024	BFR2++	Stable	Reaffirmed
	02/09/2023	BFR2++	Stable	Upgrade
	08/03/2022	BFR3++	Rating Watch Developing	Update
	04/08/2022	BFR3++	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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