VIS
Credit Rating Company Limited

RATING REPORT

INSIGHT SECURITIES (PRIVATE) LIMITED

Analysts:
Zunain Arif
(zunain.arif@vis.com.pk)

RATING DETAILS

RATINGS CATEGORY	Latest Rating		Previous Rating	
	Long-term	Short-term	Long-term	Short-term
ENTITY	BBB+	A2	BBB+	A2
RATING OUTLOOK/ WATCH	Stable		Stable	
RATING ACTION	Reaffirmed		Reaffirmed	
RATING DATE	November 10, 2026		October 20, 2025	

Shareholding (5% or More)	Other Information
Mrs. Munira Ghulam Hussain – 55.55%	Incorporated in 2006
Mr. Zubair Ghulam Hussain – 44.44%	Private Limited Company
	Chief Executive Officer: Mr. Zubair Ghulam Hussain
	External Auditor: Grant Thornton Anjum Rahman Chartered Accountants

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Broker Entity Rating:
https://docs.vis.com.pk/Methodologies-2026/BrokerEntityRating-2026.pdf

Rating Scale

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

Rating Rationale

The assigned ratings incorporate the inherently high business risk associated with the brokerage industry, given its cyclical nature, intense competition, and stringent regulatory oversight. Geopolitical uncertainty, particularly the ongoing conflict in the Middle East and its potential implications for the domestic economy and investor sentiment, has further heightened business risk and may adversely affect market activity.

The assigned ratings also reflect the Company's financial risk profile, supported by growth in brokerage revenue in line with the positive industry trend. However, profitability declined due to a significant increase in operating and administrative expenses, coupled with a substantial reduction in capital gains from the sale of equity securities. Operational efficiency also weakened, as reflected in the higher cost-to-income ratio due to increased operating and administrative expenses. The Company maintains a strong liquidity profile, while market risk remains elevated given the significant exposure to proprietary investments. The capitalization profile is supported by a sizeable equity base and the absence of debt on the Company's books, which is a company policy. Similarly, the company does not intend to offer margin financing till a suitable shariah approved product is available and neither do they currently plan to enter into investment banking.

Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. For conducting this assignment, analyst did not deem necessary to contact external auditors or creditors given the unqualified nature of audited accounts and diversified creditor profile. Copyright 2026 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.

Going forward, sustained revenue growth and diversification, improved profitability, prudent management of market risk, and maintenance of the liquidity and capitalization profile will remain important considerations for the ratings.

Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. For conducting this assignment, analyst did not deem necessary to contact external auditors or creditors given the unqualified nature of audited accounts and diversified creditor profile. Copyright 2026 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.

Company Profile

Insight Securities (Pvt) Limited ('INSL' or 'the Company') is engaged in provision of equity brokerage services mainly to domestic retail and institutional clients. Established in 2016, INSL is a family-owned brokerage house operating in Pakistan through its office based in Karachi.

Management and Governance

Shareholders/Owners/Sponsors

Major shareholding of the Company is vested with Mrs. Munira Ghulam Hussain (~56%) and Mr. Zubair Ghulam Hussain (~44%). Mr. Zubair Ghulam Hussain, the Chief Executive Officer, has over 20 years of experience in the capital markets. He previously served as Head of Equity Sales and Trading at KASB Securities from 2003 to 2008, and later as Head of Equities at Foundation Securities (Pvt.) Limited from 2009 to 2016, before establishing the Company. Ms. Munira Ghulam Hussain, mother of Mr. Zubair Ghulam Hussain, has been serving as Director since the Company's inception. She holds a Bachelor's degree in Arts from the University of Karachi.

Corporate Governance

The Company has a small board size comprising only three members. Increasing the board size, coupled with the addition of independent directors and certified members, may improve the overall governance framework of the Company. At present, the Company has three board committees namely audit, risk management and investment. Increasing the board size will also enable in establishing more board committees.

Management, Internal controls & IT

The Company has an ERP platform in place for its back-office operations, acquired from VisionMax (Pvt.) Limited, which functions as an automation system to streamline the trading processes. Contingency and disaster recovery mechanisms are also in place, including secure offsite data backups maintained under the Company's control. Furthermore, the Company has established Know Your Customer (KYC), Customer Due Diligence (CDD), and Anti-Money Laundering / Countering Financing of Terrorism (AML/CFT) policies and procedures in line with Securities and Exchange Commission of Pakistan (SECP) guidelines, all of which have been duly implemented.

Business Risk

INDUSTRY

The performance of the brokerage sector remains closely linked to the macroeconomic indicators of the country. The sector is inherently volatile and is characterized by high business risk due to its cyclicality, fragmented structure, intense competition, and strong regulatory oversight.

Pakistan Stock Exchange's (PSX) benchmark KSE-100 Index surged 44% in FY2025-26, capping the fiscal year on a strong note as improved macroeconomic stability under the IMF-supported programme boosted investor confidence and fueled a sustained stock market rally. Over the three fiscal years (FY24, FY25 and FY26), the KSE-100 Index recorded a total gain of 335% in PKR terms (USD terms 347%). Despite escalating geopolitical tensions in the Middle East, the index posted strong gains in FY26, driven by improved macroeconomic stability. Market performance during FY26 can be divided into two halves. During 1HFY26, the market posted a return of 39%, while in 2HFY26, it posted a return of 4%. The 1HFY26 performance was driven by improving economic indicators despite floods in July-August 2025. Meanwhile, 2HFY26 was quite eventful, with the index testing a low of 146,480 on March 9, 2026 and a high of 189,167 on January 23, 2026, representing a variance of 29%. The significant volatility factor in 2H was due to Iran–US/Israel war which resulted in sharp surge in petroleum prices. Since Pakistan imports over 80% of its energy requirement, the concerns over slippage on external account increased. These concerns were further amplified when Pakistan decided to return UAE deposits of $3.5 billion in the month of Apr 2026. However, later, Pakistan managed to avert both the risk of higher oil prices and the repayment pressure by announcing proactive measures to manage petroleum demand and securing additional financial support from KSA. Pakistan also managed to raise $750 million in Eurobond and $250 million in Panda bond during month of Apr 2026 and May 2026, respectively. These measures helped market to return to pre-war level of over 168,000+ points index in mid of April 2026. Thereafter, on successful signing of MoU on Iran-US conflict and all time high monthly remittances of $4.3 billion in May 2026, the index reached +180,000 level. Sugar, Jute, Transport sectors outperformed the market during FY26, while Vanaspati, Synthetic rayon, and Woolen sectors lagged behind. Meanwhile, foreign corporates remained net sellers in the market with net selling of $895 million in FY26. Among the local participants, mutual funds and companies were key buyers during the year while Banks, Insurance, and Brokers were top sellers.

Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. For conducting this assignment, analyst did not deem necessary to contact external auditors or creditors given the unqualified nature of audited accounts and diversified creditor profile. Copyright 2026 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.

The IPO market in Pakistan exhibited strong momentum during FY26, with 11 companies raising an aggregate of PKR 18.4bn through Main Board listings. This exceeded the capital raised in both FY25 and FY24, when PKR 4.4bn and PKR 6.0bn were raised through four and six listings, respectively, reflecting improved investor confidence and favorable market conditions. The FY26 listings spanned a diverse range of sectors, including tire manufacturing, petroleum, REITs, insurance, logistics, technology and communications, and food and personal care. Going forward, supported by improving market liquidity and sustained investor interest, the IPO market is expected to maintain its positive momentum.

Going forward, while the equity market is expected to remain volatile due to its susceptibility to geopolitical developments in the Middle East and its impact on macroeconomic indicators particularly inflation and interest rates, the continued broadening of the investor base, supported by increasing financial literacy, digital accessibility, and greater retail participation, is expected to provide structural support to market activity over the medium term.

Financial Risk

CAPITAL STRUCTURE

The Company's equity base increased to Rs. 1,583.89m as at Jun'26 (Jun'25: Rs. 1,329.68m), supported by profitability during the period and a rights issue. During the year, the Company allotted 600,000 ordinary rights shares to a key management personnel at a price of Rs 120 per share amounting to Rs 72,000,000. However, as at June 30, 2026, these shares were transferred to the CEO of the Company. The gearing ratio continued to remain nil, reflecting no debt on the Company's books and the leverage ratio continued to remain low at 0.58x as at June'26 (June: 25: 0.47x, June'24: 0.62x). Going forward, the capitalization profile is expected to remain conservative as the Company has no plans to borrow and the Equity base is expected to be supported by retained earnings. The maintenance of the capitalization profile will remain important for the ratings.

PROFITABILITY

During FY26, the Company's brokerage commission increased significantly by 97.8% to Rs 400.79m (FY25: Rs 202.61m), supported by positive momentum in the PSX, which drove a substantial increase in brokerage volumes and overall transaction value. Domestic retail clients contributed Rs 214.22m, accounting for 53.5% of total brokerage commission (FY25: 50.6%), while domestic institutional clients contributed Rs 186m, representing 46.4% of the total (FY25: 47.6%).

Despite the significant increase in the Company's brokerage commission, the operational efficiency declined as the cost to income ratio increased to 81.5% (FY25: 58.9%). This was primarily attributable to a substantial increase in operating and administrative expenses to Rs. 416.75m (FY25: Rs. 164.03m), mainly driven by higher salaries, allowances and benefits, directors' remuneration, service transaction charges, traveling and conveyance expenses, and donations. Salaries, allowances and benefits increased significantly to Rs. 178.95m (FY25: Rs. 77.85m), primarily driven by performance incentives, bonuses and gratuity expenses, which amounted to Rs. 171.9m, representing 96% of the total.

During FY26, the Company's Profit after tax declined significantly to Rs 182.15m (FY25: Rs 664.44m) primarily due to an increase in the administrative and operating expenses and a significant decline in the capital gain from the sale of Equity securities. During FY26, the capital gain from the sale of Equity securities declined to Rs 91.61m (FY25: 624.85m). Going forward, diversification of revenue and improvement in profitability will remain important for the ratings.

CREDIT RISK

As at Jun'26, the Company's trade debts stood at Rs 146.4m (Jun'25: Rs 105.2m) with aging profile of receivables considered satisfactory. To mitigate credit risk, the Company has established procedures for assigning credit limits based on customers' profiles and payment histories. Management regularly monitors outstanding receivables and credit exposures, with allowances for ECLs recognized against balances considered doubtful of recovery.

MARKET RISK

The Company's operations have significant exposure to proprietary investments, with short-term investments amounting to Rs 1,356.44m as at Jun'26 (Jun'25: Rs.1,218.76m). These investments represented 86% of the Company's equity (Jun'25: 92%; Jun'24: 91%), indicating a notable exposure to market risk. Effective management of this risk remains an important consideration for the ratings.

LIQUIDITY RISK

As at Jun'26, the Company's liquid assets, comprising short-term investments, cash balances, and NCCPL deposits, were recorded at Rs 2,230.0m (Jun'25: Rs 1782.8m; Jun'24: Rs 809.6m). Coverage of liquid assets against total liabilities stood at 2.44x as at Jun'26 (Jun'25:

Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. For conducting this assignment, analyst did not deem necessary to contact external auditors or creditors given the unqualified nature of audited accounts and diversified creditor profile. Copyright 2026 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.

2.87x; Jun'24: 1.96x). The Company also continued to maintain a strong current ratio of 2.8x as at Jun'26 (Jun'25: 3.2x; Jun'24: 2.7x). Going forward, maintenance of the liquidity profile is going to be important for the ratings.

Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. For conducting this assignment, analyst did not deem necessary to contact external auditors or creditors given the unqualified nature of audited accounts and diversified creditor profile. Copyright 2026 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.

FINANCIAL SUMMARY (amounts in PKR millions)

BALANCE SHEET	FY23A	FY24A	FY25A	FY26A
Trade Debts	69.7	225.5	105.2	146.4
Long Term Investments	0.0	0.0	0.0	0.0
Short term Investments	329.9	606.5	1218.8	1356.4
Cash and Bank balances	33.2	120.5	390.4	681.2
Total Assets	488.5	1078.0	1950.8	2497.6
Trade and Other Payables	90.6	394.9	574.2	865.1
Short term borrowings	0.0	0.0	0.0	0.0
Paid Up Capital	120.0	120.0	120.0	126.0
Net Worth (excluding revaluation surplus)	389.0	665.7	1329.7	1583.9
INCOME STATEMENT	**FY23A**	**FY24A**	**FY25A**	**FY26A**
Total Recurring Revenue	72.1	155.3	278.6	511.3
Brokerage Income	40.0	104.1	202.6	400.8
Dividend Income	21.1	29.5	51.8	53.9
Research Income	4.3	3.2	2.2	2.6
Capital Gain on sale of investments	-1.1	150.7	624.8	93.4
Administrative Expenses	-50.5	-93.6	-164.0	-416.7
Finance Costs	-0.1	-0.1	-0.1	-0.4
Profit Before Tax	-38.6	302.2	861.7	280.5
Profit After Tax	-44.3	272.7	664.4	182.1
RATIO ANALYSIS	**FY23A**	**FY24A**	**FY25A**	**FY26A**
Liquid Assets to Total Liabilities	381.7%	196.4%	287.0%	244.1%
Liquid Assets to Total Assets	77.7%	75.1%	91.4%	89.3%
Leverage	0.26	0.62	0.47	0.58
Gearing	0.00	0.00	0.00	0.00
Current Ratio (x)	5.11	2.65	3.21	2.77
Efficiency (%)	70.0%	60.3%	58.9%	81.5%
ROAA (%)	-8.8%	34.8%	43.9%	8.2%
ROAE (%)	-10.8%	51.7%	66.6%	12.5%

A- Annual Accounts

M- Management Accounts

Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. For conducting this assignment, analyst did not deem necessary to contact external auditors or creditors given the unqualified nature of audited accounts and diversified creditor profile. Copyright 2026 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.

REGULATORY DISCLOSURES — Appendix II

Name of Rated Entity	Insight Securities (Pvt.) Limited
Sector	Brokerage
Type of Relationship	Solicited
Purpose of Rating	Entity Ratings

Rating History

Rating Date	Medium to Long Term	Short Term	Rating Outlook	Rating Action
RATING TYPE: ENTITY				
10-11-2026	BBB+	A2	Stable	Reaffirmed
20- 10-2025	BBB+	A2	Stable	Reaffirmed
20-09-2024	BBB+	A2	Stable	Reaffirmed
26-05-2023	BBB+	A2	Stable	Reaffirmed
16-03-2022	BBB+	A2	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.
Disclaimer	Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Copyright 2026 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.

Due Diligence Meetings Conducted

Name	Designation	Date
Mr. Irfan Arif	CFO	October 20, 2026
Mr. Zubair Ghulam Hussain	CEO	

Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. For conducting this assignment, analyst did not deem necessary to contact external auditors or creditors given the unqualified nature of audited accounts and diversified creditor profile. Copyright 2026 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.

.com.pk Credit Rating Company Limited