BROKER FIDUCIARY RATING REPORT

Rafi Securities (Pvt) Limited

REPORT DATE:
September 03, 2026

RATING ANALYSTS:

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RATING DETAILS	
Broker Fiduciary Rating	**BFR3**
Rating Rationale	The rating signifies sound management & client services, while business & financial sustainability, ownership & governance, and internal controls & regulatory framework are considered adequate
Rating Date	September 03, 2026

COMPANY INFORMATION	
Incorporated in 2001	**External auditors:** Nasir Javaid Maqsood Imran Chartered Accountants
Private Limited Company	**Chief Executive Officer:** Mr. Naeem Rafi
Key Shareholders (with stake 5% or more):	
Mr. Naeem Rafi - 97%	

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

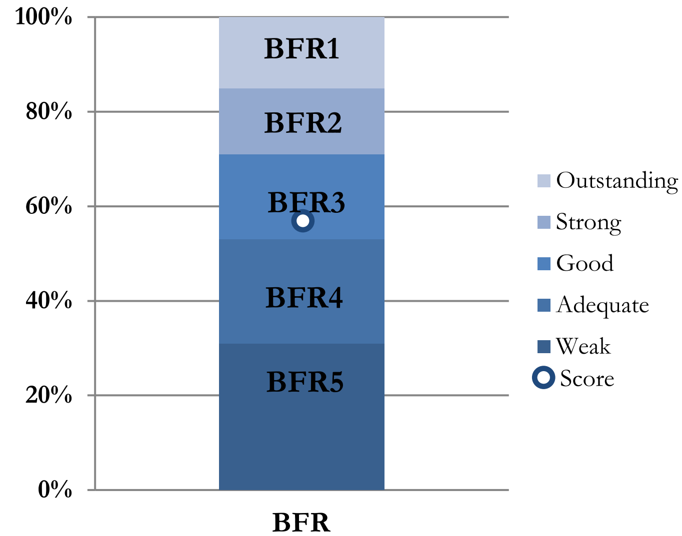
APPLICABLE RATING SCALE(S)
VIS Issue/Issuer Rating Scale:
https://docs.vis.com.pk/docs/VISRatingScales.pdf

Rafi Securities (Pvt) Limited

CORPORATE PROFILE

Rafi Securities (Pvt.) Limited ("RSPL" or "the Company") is involved in investments, share and inter-bank brokerage, underwriting, advisory, and consultancy services. The majority shareholding (~97%) is held by the Chief Executive Officer (CEO), Mr. Naeem Rafi.

OVERALL GRADING



RSPL is registered with Securities & Exchange Commission of Pakistan and holds Trading Rights Entitlement Certificate (TREC) issued by Pakistan Stock Exchange Limited (PSX) for Trading and Self-Clearing Services. External auditors of the company are Nasir Javaid Maqsood Imran Chartered Accountants. Auditors are rated 'B' on the approved list of auditors published by the State Bank of Pakistan (SBP).

Business and Financial Sustainability Indicators

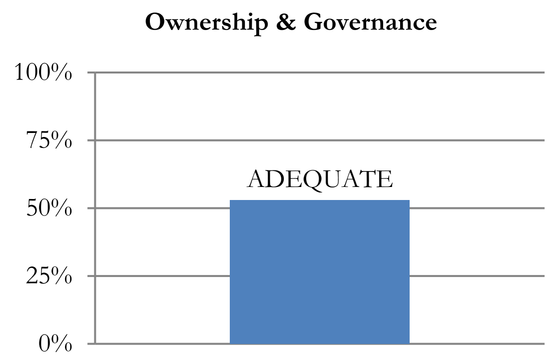
	1HFY26*	FY25	FY24
Size of Net Worth (Rs. In Millions)	557.7	365.4	248.3
Gearing x (total interest-bearing debt/ total equity)	0.37x	0.54x	0.40x
Leverage x (total liabilities/ total equity)	0.73x	1.15x	0.56x
Liquid Assets/ Total Liabilities (x)	1.50x	1.31x	1.72x
Short term Investments/ Total Equity (%)	77.6%	98.9%	83.3%

**Unaudited Accounts*

Rating Indicators

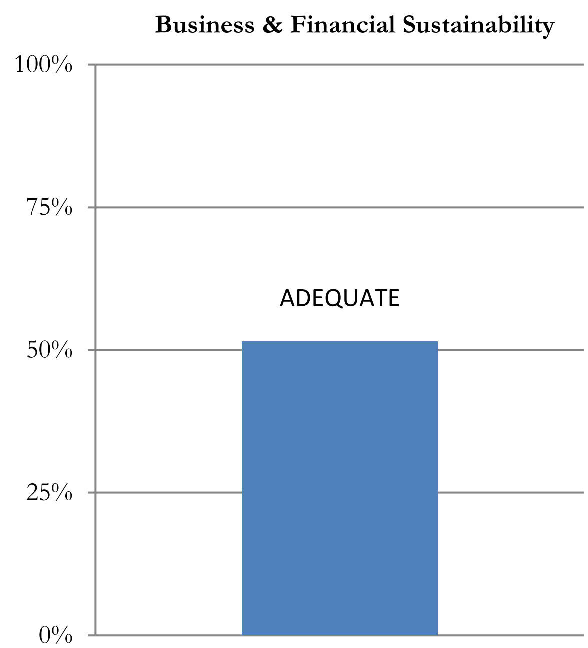
Ownership & Governance

- The Company's governance framework remains constrained by its small board size, comprising only three members, with no independent representation.
- The governance framework may be strengthened through board expansion and the appointment of independent and certified directors. This would also ensure a more diversified composition of board committees.
- Disclosure levels of the Company are considered sound.



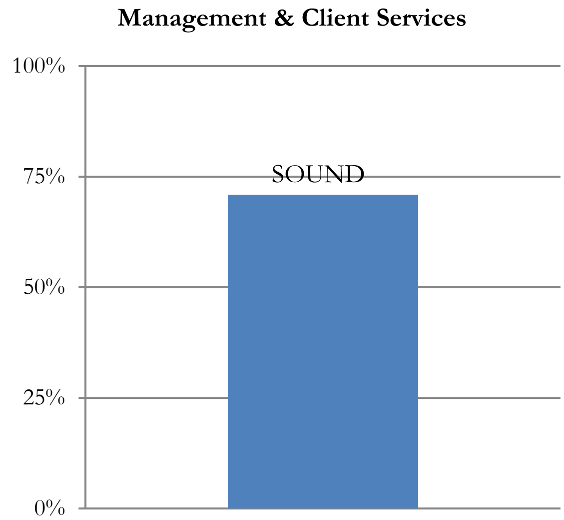
Business & Financial Sustainability

- During FY25, the Company's operating income experienced a significant increase, mainly driven by higher brokerage revenue, which, in line with the positive trend in the brokerage industry. The positive performance continued during 1HFY26,
- During FY25, the Company's operational efficiency improved, as reflected by the decline in the cost-to-income ratio to 63.19% (FY24: 65.38%). However, during 1HFY26, operational efficiency declined, with the cost-to-income ratio increasing to 90.95%, despite increase in revenues.
- The Short-term investments relative to equity stood at 77.58% as at Dec'25 (Jun'25: 98.87%, Jun'24: 83.26%), indicating a higher exposure to market risk.
- The liquidity profile of the Company is assessed as sound, with liquid assets coverage of 1.50x against its total liabilities as at Dec'25 (Jun'25: 1.31x, Jun'24: 1.72x).
- The Company has an adequate capitalization profile, reflected in its gearing and leverage metrics of 0.37x and 0.73x (Jun'25: 0.54x and 1.15x, Jun'24: 0.40x and 0.56x) as at Jun'25 respectively
- Going forward, strengthening and diversifying revenue streams, improving operational efficiency, effectively managing market risk, and maintaining adequate capitalization and liquidity profile will remain important from a ratings perspective.



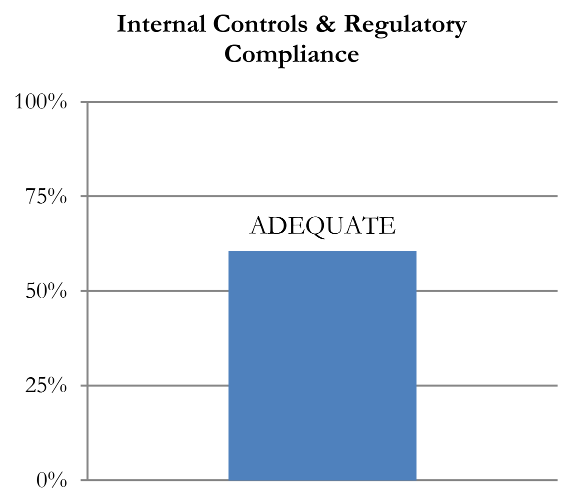
Management & Client Services

- Management and client services of the Company are considered sound. However, further improvement may be considered by enhancing the visibility and accessibility of the investor grievance procedure on the website.
- The Company operates through its corporate office in Karachi and three branches, comprising one branch in Karachi and two branches in Lahore. Going forward, the Company may consider to further expanding its geographical footprint for greater market presence.
- The Company has established contingency measures to support business continuity. However, maintaining offsite backups at a third-party facility and conducting more frequent disaster recovery exercises may further enhance the effectiveness of these arrangements.



Internal Controls & Regulatory Compliance

- The Company's internal control framework may be further strengthened through expansion of the scope and coverage of its internal policies.
- The internal control framework may also be enhanced by increasing the frequency of reviews of the order recording system
- Instances of non-compliances identified by PSX, along with the related penalties imposed, have been duly noted. Going forward, adherence to all applicable regulatory requirements will remain an important consideration from the ratings 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.

REGULATORY DISCLOSURES — Appendix I

Name of Rated Entity	Rafi Securities (Pvt) 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			
03-Sep-26	BFR3	Stable	Reaffirmed
02-Jun-25	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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