



The Pakistan Credit Rating Agency Limited

Rating Report

Abbasi and Company (Pvt.) Limited | BFR

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Rating History

Table with 5 columns: Dissemination Date, Rating, Outlook, Action, Rating Watch. Rows show historical ratings from 2021 to 2026, all at BFR 2 with a Stable Outlook and Maintain Action.

Rating Rationale

Table with 2 columns: Factor, Comment. Factors include Ownership, Governance, Management and Client Services, Internal Controls and Regulatory Compliance, Business Sustainability, and Financial Sustainability.

Key Rating Drivers

Fiduciary practices across client servicing, compliance, and core risk oversight remain integral to the control architecture, with incremental enhancements expected to further strengthen the overall governance and risk-management environment.

Disclosure

Table with 2 columns: Name of Rated Entity, Type of Relationship, Purpose of the Rating, Applicable Criteria, Related Research, Rating Analysts. Provides details on the rating process and contact information.

Profile

Background Abbasi and Company (Pvt.) Limited, “ACPL or The Company” was incorporated in 1999 as a private limited company. ACPL is a TREC certificate holder of the Pakistan Stock Exchange and a Member of Pakistan Mercantile Exchange Limited. ACPL is also registered as a research entity.

Operations The Company mainly provides the services of equity and commodity brokerage and research to highnetworth clientele.

Ownership

Ownership Structure ACPL maintains strong family stewardship, with 90.85% ownership concentrated among the Abbasi family, led by Mr. Syed Muhammad Ismail Abbasi (52.59% controlling stake), Syed M. Umar Abbasi (25.31%), Ms. Yasmeen Ismail (12.90%), and Syed Awais Ali Abbasi (0.05%).

Stability The Company's sponsors have a long-standing repute in the market while their sizeable net worth is a positive factor for the ratings.

Business Acumen The CEO, Mr. Syed Muhammad Ismail Abbasi possesses diversified experience in capital markets. He is serving on the Board of Directors of ACPL as a Chief Executive since its incorporation. He is also serving as chairperson of the Board. He holds a Master's Degree with distinction in Commerce from The University of Punjab and with over 35 years of experience in Pakistan's financial markets.

Financial Strength The sponsors have sizeable net worth and may inject capital in the Company with increasing quantum of operations. This also shows the sponsors commitment in case of a financial need arises.

Governance

Board Structure ACPL has appointed three directors on board according all of whom are executive. The presence of Independent and Non-Executive directors would be an encouraging factor.

Members' Profile The board possesses the necessary skills and experience required for capital markets. The board members, on average, possess more than ~20 years of experience in the field of finance and capital markets.

Board Effectiveness To ensure an effective control environment and compliance with reporting standards, the Company has constituted an Audit Committee, HR Committee and Executive Risk Management Committee. The Audit Committee conducts meetings at minimum of once every quarter and the internal auditor reports are presented along with the findings.

Financial The external auditors of the Company are M/s Parker Randall – A.J.S and Company Chartered Accountants which are classified under the ‘B’ category of the State Bank of Pakistan panel of Auditors.

Management And Client Services

Organizational Structure The Company has well developed organizational structure. The Company operates through ten departments namely i) Operations ii) Equity iii) Transaction iv) Accounts & Finance v) Research vi) IT vii) Business Support and Service viii) Human Resource ix) Compliance and x) Business Development. All of the departmental heads directly report to the CEO. However, Head of Internal Audit reports to the Board Audit Committee.

Management Team The management of ACPL is well qualified and experienced to manage the Company's operations efficiently. The CFO Mr. Qamar Tariq is an IFMP member and a Certified Anti Money Laundering Professional. He is overseeing financial operations for more than 10 years.

Client Servicing The Company has provided its customers with various channels, including a mobile app and online trading platform to facilitate them for execution and monitoring of their transactions. Furthermore, to further facilitate the customers a dedicated research department, trading facility, and a separate customer service department is also present.

Complaint Management A complaint box has been placed in the office premise while complaints can also reach the Company through call, email, website and by post. A designated officer has been assigned the responsibility of handling and rectification of complains.

Extent Of Automation / Integration Two database platforms are installed with full integration between back and front office. The system incorporates primary and secondary level protection. ACPL is in usual practice of daily and weekly backups.

Continuity Of Operations ACPL has established a recovery plan for all essential infrastructure elements, systems, networks, and key business activities. The Company has assessed the possibility of potential disaster or emergency and has defined a range of parameters to cater these risks.

Internal Controls And Regulatory Compliance

Risk Management Framework ACPL has placed a separate resource specifically for risk management. Moreover, to ensure independent insight an independent Internal Auditor has been made part of the Risk Management Committee, thereby removing any conflict of interest and ensuring independence.

Regulatory Compliance Compliance Department ensures regular monitoring of controls and systems, which ensures all functions are in-line with the applicable policies and procedures. Research analyst policy has also been formulated.

Business Sustainability

Operating Environment During 1HFY26, Pakistan's brokerage industry benefited from improving macroeconomic conditions, declining interest rates, and enhanced investor participation at the Pakistan Stock Exchange (PSX). Lower yields on fixed-income instruments encouraged a shift toward equities, resulting in higher market volumes and improved trading activity. Moreover, stabilizing inflation and renewed investor confidence supported positive momentum in the capital market during the period.

Performance The Company demonstrated strong financial performance during 1HFY26, with operating revenue increasing by approximately 16% YoY to PKR 60.2 million (1HFY25: PKR 51.8 million). The growth was primarily driven by higher brokerage income from Pakistan Stock Exchange (PSX) operations, alongside improved contribution from PMEX and Margin Trading System (MTS) activities, reflecting enhanced market participation and trading volumes. Profit after tax increased significantly to PKR 53.5 million during 1HFY26 (1HFY25: PKR 14.3 million), supported by higher operating income and gains on investments. Additionally, the Company's liquidity profile strengthened, with cash and cash equivalents rising to PKR 404.9 million as of Dec'25 (Jun'25: PKR 232.9 million). Current liabilities also increased to PKR 308.3 million (Jun'25: PKR 214.2 million), mainly due to higher trade payables in line with increased business activity and settlement volumes.

Strategy The Company primarily provides equity brokerage services while also strengthening its presence in the commodity brokerage segment. The management is further focused on expanding its outreach in the retail segment, for which it has recently revamped its mobile trading application with a user-friendly interface. ACPL also has a long-term plan to establish a Corporate Finance and Investment Advisory Department. Furthermore, the Company intends to obtain an SMA license and a Shariah-compliant license in the near term to enhance income diversification.

Financial Sustainability

Credit Risk Company has also put in place different risk mitigation measures to determine the scope of the identification and verification requirements and ongoing monitoring based on the risks posed by particular customers by setting transaction limits for higher-risk Customers.

Market Risk ACPL has maintained a proprietary portfolio but the quantum of short-term investment is minimal; 13% of the equity at end-Dec'25. The Company has formalized a proprietary trading policy whereby limits have been defined to mitigate the risks, the compliance department will monitor the limits consistently and any breaches will be reported to the senior management.

Liquidity Risk As of December 31, 2025, the Company reported current assets of PKR 540.8 million against current liabilities of PKR 308.3 million, resulting in a healthy current ratio of approximately 1.75x. The liquidity profile remained strong, supported by higher cash and cash equivalents and short-term investments, providing adequate coverage against short-term obligations.

Capitalization The Company's equity strengthened to approximately PKR 448 million at end-Dec'25, compared to PKR 344 million at end-Jun'25, reflecting a growth of around 30%. The increase was primarily attributable to higher retained earnings and strong profitability during the period. Furthermore, the Company maintained a satisfactory capitalization profile, with a Liquid Capital Balance (LCB) of approximately PKR 150 million as of Dec'25, supporting its overall financial stability and regulatory compliance.



THE PAKISTAN CREDIT RATING AGENCY

Abbasi and Co. (Pvt.) Limited
PRIVATE LIMITED
FINANCIAL SUMMARY

FS PRINT MODE DISABLED

Dec-25 FY26 6M Management	Jun-25 FY25 12M Audited	Jun-24 FY24 12M Audited	Jun-23 FY23 12M Audited
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BALANCE SHEET

1 FINANCES	-	-	24.44	-
2 INVESTMENTS	91.66	71.94	39.58	49.43
3 OTHER EARNING ASSETS	-	-	-	9.26
4 NON-EARNING ASSETS	664.33	486.33	463.12	387.92
5 NON-PERFORMING FINANCES-net	-	-	-	-
TOTAL ASSETS	756.00	558.27	527.15	446.61
6 FUNDING	-	-	-	-
7 OTHER LIABILITIES (NON-INTEREST BEARING)	308.34	214.15	179.77	90.35
TOTAL LIABILITIES	308.34	214.15	179.77	90.35
TOTAL EQUITY	447.66	344.12	347.37	356.27

**INCOME STATEMENT
INCOME**

1 FEE BASED INCOME	60.19	92.52	72.50	34.35
2 OPERATING EXPENSES	(53.54)	(108.36)	(98.55)	(119.47)
3 NON-FEE BASED INCOME	8.18	0.66	4.41	4.20
TOTAL OPERATING INCOME (LOSS)	14.82	(15.18)	(21.64)	(80.92)
4 FINANCIAL CHARGES	(0.84)	(1.01)	-	(0.06)
PRE-TAX PROFIT	58.12	1.96	(3.37)	(80.98)
5 TAXES	(4.59)	-	(1.02)	(0.71)
PROFIT AFTER TAX	53.53	1.96	(4.38)	(81.69)

RATIOS

BUSINESS SUSTAINABILITY

1 PRE-TAX MARGIN	0.97	0.02	(0.05)	(2.36)
2 EBITDA MARGIN	0.98	0.03	(0.05)	(2.36)
3 EBIT RETURN ON ASSETS	0.17	0.01	(0.01)	(0.16)

FINANCIAL SUSTAINABILITY

1 TOTAL INVESTMENTS / EQUITY	0.20	0.21	0.11	0.14
2 LIQUID CAPITAL BALANCE (LCB) / EQUITY	0.33	0.24	0.26	2.61
3 (CASH, CASH EQUIVALENTS & GOVERNMENT SECURITIES) / TOTAL ASSETS	0.13	0.24	0.13	0.12
4 TOTAL DEBT / TOTAL ASSETS	-	-	-	-

Broker Fiduciary Rating Scale & Definitions

An independent opinion on a broker's quality of management and client services, and the sustainability of operations

Scale	Definition
BFR 1	Very Strong. Very Strong quality of management and client services, and a very high likelihood of sustaining operations.
BFR 2++ BFR 2+ BFR 2	Strong. Strong quality of management and client service, and a high likelihood of sustaining operations
BFR 3++ BFR 3+ BFR 3	Good. Good quality of management and client service, and average likelihood of sustaining operations.
BFR 4++ BFR 4+ BFR 4	Adequate. Adequate quality of management and client service, and average likelihood of sustaining operations.
BFR 5	Weak. Weak quality of management and client service, and a weak likelihood of sustaining operations.

Rating Modifiers | Rating Actions

Outlook (Stable, Positive, Negative, Developing)	Rating Watch	Suspension	Withdrawn	Harmonization
<p>Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business / financial conditions. It is not necessarily a precursor to a rating change. 'Stable' outlook means a rating is not likely to change. 'Positive' means it may be raised. 'Negative' means it may be lowered. Where the trends have conflicting elements, the outlook may be described as 'Developing'.</p>	<p>Alerts to the possibility of a rating change subsequent to, or in anticipation of, some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within the foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany the rating outlook of the respective opinion.</p>	<p>It is not possible to update an opinion due to a lack of requisite information. Opinion should be resumed in the foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.</p>	<p>A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults, or/and e) PACRA finds it impractical to surveil the opinion due to lack of requisite information.</p>	<p>A change in rating due to a revision in the applicable methodology or underlying scale.</p>

Surveillance. Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening. Rating actions may include "maintain", "upgrade", or "downgrade".

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Rating Team Statements

(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

2) Conflict of Interest

- i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)
- ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)
- iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)] Explanation: for the purpose of above clause, the term "family members" shall include only those family members who are dependent on the analyst and members of the rating committee

Restrictions

- (3) No director, officer or employee of PACRA communicates the information, acquired by him for use for rating purposes, to any other person except where required under law to do so. | Chapter III; 10-(5)
- (4) PACRA does not disclose or discuss with outside parties or make improper use of the non-public information which has come to its knowledge during business relationship with the customer | Chapter III; 10-7-(d)
- (5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

Conduct of Business

- (6) PACRA fulfills its obligations in a fair, efficient, transparent and ethical manner and renders high standards of services in performing its functions and obligations; | Chapter III; 11-A-(a)
- (7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report | Clause 11-(A)(p).
- (8) PACRA prohibits its employees and analysts from soliciting money, gifts or favors from anyone with whom PACRA conducts business | Chapter III; 11-A-(q)
- (9) PACRA ensures before commencement of the rating process that an analyst or employee has not had a recent employment or other significant business or personal relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; | Chapter III; 11-A-(r)
- (10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)
- (11) PACRA promptly investigates, in the event of a misconduct or a breach of the policies, procedures and controls, and takes appropriate steps to rectify any weaknesses to prevent any recurrence along with suitable punitive action against the responsible employee(s) | Chapter III; 11-B-(m)

Independence & Conflict of interest

- (12) PACRA receives compensation from the entity being rated or any third party for the rating services it offers. The receipt of this compensation has no influence on PACRA's opinions or other analytical processes. In all instances, PACRA is committed to preserving the objectivity, integrity and independence of its ratings. Our relationship is governed by two distinct mandates i) rating mandate - signed with the entity being rated or issuer of the debt instrument, and fee mandate - signed with the payer, which can be different from the entity
- (13) PACRA does not provide consultancy/advisory services or other services to any of its customers or to any of its customers' associated companies and associated undertakings that is being rated or has been rated by it during the preceding three years unless it has adequate mechanism in place ensuring that provision of such services does not lead to a conflict of interest situation with its rating activities; | Chapter III; 12-2-(d)
- (14) PACRA discloses that no shareholder directly or indirectly holding 10% or more of the share capital of PACRA also holds directly or indirectly 10% or more of the share capital of the entity which is subject to rating or the entity which issued the instrument subject to rating by PACRA; | Reference Chapter III; 12-2-(f)
- (15) PACRA ensures that the rating assigned to an entity or instrument is not be affected by the existence of a business relationship between PACRA and the entity or any other party, or the non-existence of such a relationship | Chapter III; 12-2-(i)
- (16) PACRA ensures that the analysts or any of their family members shall not buy or sell or engage in any transaction in any security which falls in the analyst's area of primary analytical responsibility. This clause shall, however, not be applicable on investment in securities through collective investment schemes. | Chapter III; 12-2-(l)
- (17) PACRA has established policies and procedure governing investments and trading in securities by its employees and for monitoring the same to prevent insider trading, market manipulation or any other market abuse | Chapter III; 11-B-(g)

Monitoring and review

- (18) PACRA monitors all the outstanding ratings continuously and any potential change therein due to any event associated with the issuer, the security arrangement, the industry etc., is disseminated to the market, immediately and in effective manner, after appropriate consultation with the entity/issuer; | Chapter III | 17-(a)
- (19) PACRA reviews all the outstanding ratings periodically, on annual basis; Provided that public dissemination of annual review and, in an instance of change in rating will be made; | Chapter III | 17-(b)
- (20) PACRA initiates immediate review of the outstanding rating upon becoming aware of any information that may reasonably be expected to result in downgrading of the rating; | Chapter III | 17-(c)
- (21) PACRA engages with the issuer and the debt securities trustee, to remain updated on all information pertaining to the rating of the entity/instrument; | Chapter III | 17-(d)

Probability of Default

(22) PACRA's Rating Scale reflects the expectation of credit risk. The highest rating has the lowest relative likelihood of default (i.e., probability). PACRA's transition studies capture the historical performance behavior of a specific rating notch. Transition behavior of the assigned rating can be obtained from PACRA's Transition Study available at our website. (www.pacra.com). However, actual transition of rating may not follow the pattern observed in the past; | Chapter III | 14-3(f)(vii)

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