The Pakistan Credit Rating Agency Limited

Rating Report

AL Haq Securities (Pvt.) Limited - BFR

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Rating History

Dissemination Date	Rating	Outlook	Action	Rating Watch
17-Jul-2026	BFR 3	Stable	Maintain	-
18-Jul-2025	BFR 3	Stable	Initial	-

Rating Rationale

Factor	Comment
Ownership	AL Haq Securities (Pvt.) Limited ("AL Haq" or "the Company") is a family-owned brokerage, sponsored by two brothers: Ammar-ul-Haq and Asnan-ul-Haq.
Governance	The governance and oversight of the Company rest entirely with the sponsoring shareholders, who aspire to uphold, the values and legacy inherited through their longstanding family business.
Management and Client Services	AL Haq Securities demonstrates a client-focused orientation, with established relationships across corporate, retail, and HNWI segments, supported by dependable technology infrastructure and a cloud-based disaster recovery mechanism, reflecting management's commitment to service continuity and risk mitigation.
Internal Controls and Regulatory Compilance	Internal controls and compliance practices are aligned with regulatory requirements, encompassing KYC, AML, and client asset segregation, and are overseen by a compliance function and an audit committee with sponsor participation.
Business Sustainability	AL Haq's topline, anchored in equity brokerage ~PKR 15mln as at Dec '25 (Jun '25: ~PKR 24mln and net profit of ~PKR 6mln (Jun '25: ~PKR 10mln).
Financial Sustainability	AL Haq maintains a conservative, equity-focused capital structure. As of 6MFY26, equity rose to ~PKR 103mln (Jun '25: ~PKR 97mln).

Key Rating Drivers

Al Haq Securities Limited's ("AHSL" or "the Company") BFR reflects its conservative capital structure and equity-brokerage-focused model. Financial stability is supported by prudent cost controls an equity-based profile with limited reliance on external funding, and sponsors' active role in governance. PSX-integrated systems and a cloud-based disaster recovery framework strengthen operational resilience. The Company's risk-averse approach, avoiding leveraged products after internal profiling, underpins stability; however, broader diversification and scale enhancement remain important for upward rating prospects. Going forward, revenue diversification, stronger market positioning, and a continued focus on internal controls and regulatory compliance will be vital to sustaining resilience and supporting long-term rating progression.

Disclosure

Name of Rated Entity	AL Haq Securities (Pvt.) Limited - BFR
Type of Relationship	Solicited
Purpose of the Rating	Broker Fiduciary Rating (BFR)
Applicable Criteria	Assessment Framework | Broker Fiduciary Rating(Jan-26),Methodology | Rating Modifiers(Apr-26)
Related Research	Sector Study | Brokerage Firms(Feb-26)
Rating Analysts	Usama Ali | usama.ali@pacra.com | +92-42-35869504

Profile

Background AL-Haq Securities (Private) Limited, incorporated on June 25, 2006, is a private limited company licensed by the Securities and Exchange Commission of Pakistan (SECP). It holds a Trading Right Entitlement Certificate (TREC) of the Pakistan Stock Exchange (PSX). Headquartered in Lahore, the firm maintains a branch office in Gujranwala. The Company operates within the regulatory framework governing brokerage houses and caters to a growing client base comprising individual and institutional investors.

Operations The Company provides brokerage services covering trade execution, settlement, and post-trade reporting. Operational protocols embed regulatory compliance, with client funds maintained in segregated bank accounts and securities in CDC Sub-accounts. Orders are managed through secured channels, and confirmations are communicated within defined timelines. Risk controls include margin-based exposure limits and monitoring of receivables. As a midsized player, operational systems are evolving, with potential for greater automation and scale efficiency.

Ownership

Ownership Structure AL-Haq Securities (Private) Limited is a closely held private limited company. The shareholding is primarily concentrated, with Mr. Ammar-ul-Haq holding a majority stake of 61.68%, and Mr. Asnan-ul-Haq owning the remaining 38.32%. This concentrated ownership structure enables centralized decision-making and strategic control over the Company’s operations.

Stability The concentrated ownership provides continuity in leadership and operational oversight. However, the absence of a formal succession plan could add weigh on long-term continuity.

Business Acumen The key sponsors of the Company are seasoned professionals with extensive experience in Pakistan’s brokerage and financial sector. Their deep understanding of domestic market practices, regulatory frameworks, and client dynamics underpins the Company’s strategic direction. This expertise has been instrumental in fostering operational stability, enhancing market credibility, and positioning the firm to adapt to evolving industry trends.

Financial Strength The sponsors possess sound financial standing and the ability to extend support to the Company if required. Their presence provides a degree of comfort regarding the firm’s liquidity and operational continuity, underpinning investor confidence in the business.

Governance

Board Structure The Board of AL-Haq Securities (Private) Limited comprises two members, both from the Haq family: Ammar-ul-Haq and Asnan-ul-Haq, with Asnan-ul-Haq also serving as the Chief Executive Officer (CEO). Inclusion of diverse perspectives, particularly through the appointment of independent directors, would strengthen governance standards and support more balanced strategic decision-making.

Members’ Profile Mr. Ammar-ul-Haq, Director and Sponsor, holds an MBA (Finance) from the University of Westminster, London, and brings over 18 years of experience in Pakistan’s capital markets. He has held key leadership roles, including Director at Pakistan Mercantile Exchange and National Clearing Company of Pakistan Ltd., contributing to the development of market infrastructure. Mr. Asnan-ul-Haq, Director and CEO, is an LLB graduate from Punjab University with 14 years of experience in the brokerage industry. His focus remains on operational oversight, client relationship management, and regulatory compliance.

Board Effectiveness The Board of AL-Haq Securities consists of two sponsors who remain closely involved in steering the Company’s strategic direction and operational oversight. Decision-making is centralized, enabling swift execution of business initiatives and alignment with client needs. While the lean board structure supports agility, introducing independent oversight in the long term could enhance governance depth and strengthen internal accountability.

Financial The Company’s financial statements are audited by ShineWing Hameed Chaudhri & Co., a reputable firm rated ‘B’ by the State Bank of Pakistan (SBP).

Management And Client Services

Organizational Structure AL-Haq Securities maintains a lean organizational structure appropriate to its current scale of operations. The head office in Lahore oversees core functions, while the Gujranwala branch supports regional client servicing.

Management Team The Company’s management team is led by the Chief Executive Officer (CEO), supported by a Manager & Company Secretary, CDC & Compliance Officer, Accountant, and KATS Operators at the head office. Branch operations in Gujranwala are managed by an Agent & Manager, with support from an Assistant Manager, Assistant, and KATS Operator. This structure enables centralized oversight with delegated operational responsibilities at the branch level.

Client Servicing Client servicing is facilitated through the head office and branch setup, ensuring account opening, trade execution, and post-trade reporting are handled effectively. KATS Operators manage order placement using PSX systems, and CDC compliance is ensured for asset safeguarding. Periodic statements and confirmations are disseminated as per regulatory requirements.

Complaint Management The Company maintains an investor grievance mechanism, with registers and complainthandling procedures in place at both offices. As of now, there are no pending client complaints, reflecting prompt resolution and adherence to regulatory standards.

Extent Of Automation / Integration AL-Haq Securities utilizes Pakistan Stock Exchange’s (PSX) trading platforms and related systems for order execution and core brokerage operations. Internal workflows are supported by cloud-based, realtime storage systems, enabling secure access to operational data and ensuring business continuity. This infrastructure provides a foundational level of automation, with scope for further enhancements in internal process efficiency.

Continuity Of Operations The Company has established a comprehensive disaster recovery plan to ensure seamless business continuity in the event of unforeseen disruptions. The plan includes clearly defined protocols for rapid recovery and minimal operational downtime. It is supported by daily data backups to maintain data integrity and enable swift restoration of systems.

Internal Controls And Regulatory Compliance	**Risk Management Framework** The Compliance Department oversees the company's risk management framework, including client risk assessments, operational monitoring, and regulatory compliance. While no formal board-level risk committee is in place as of now, the department ensures close monitoring of key areas such as trading, settlement, and the online platform to identify and mitigate risks, safeguarding client interests and maintaining organizational stability. **Regulatory Compliance** The Compliance Department is responsible for the ongoing monitoring of controls and systems, ensuring that all operational functions adhere to established policies and procedures. This proactive oversight helps to identify and address potential issues promptly, maintaining compliance and safeguarding the organization's operations.
Business Sustainability	**Operating Environment** The operating backdrop for equity brokerages remained favorable during 9MFY26, building on the recovery witnessed over the preceding fiscal year. The PSX sustained its positive momentum, supported by easing inflation, a relatively accommodative interest rate environment, improving macroeconomic fundamentals, and continued progress under the IMF program. The KSE-100 Index reached new highs during the period, driven by stronger institutional participation, improving retail investor activity, and sustained confidence in the domestic equity market. Stable fiscal measures, supportive tax policies for equity investments, and improving corporate earnings further reinforced market sentiment and trading activity. Nevertheless, the sector remains sensitive to policy and macroeconomic developments. External debt servicing requirements, fiscal consolidation measures, regional geopolitical tensions, and global economic uncertainties continue to pose downside risks. Given its market-linked business model, AL-Haq Securities' operating performance remains closely tied to equity market activity, with the favorable operating environment expected to persist, subject to continued macroeconomic stability. **Performance** The Company's operating revenue is mainly concentrated in equity brokerage. During 1HFY26 equity brokerage revenue was reported at ~PKR 15mln, making the total revenue standing at ~PKR 23mln. **Strategy** Going forward, the Company is focused on expanding its presence in the retail sector by strengthening its digital outreach to attract a wider customer base. It is also enhancing client servicing capabilities to improve customer experience and retention.
Financial Sustainability	**Credit Risk** In addition to Know Your Customer (KYC) protocols, Al-Haq Securities has implemented Customer Due Diligence (CDD) procedures governed by board-approved policies to assess client creditworthiness. These processes are comprehensive and documented, particularly during account opening and exposure assessment stages. The framework supports the identification of suspicious activities and enforcement of Anti-Money Laundering (AML) measures. Policies for leveraged products include clearly defined limits that are actively monitored. Trade debts remain low and manageable, with no material aging concerns reported. **Market Risk** The Company did not maintain a proprietary investment book at end-Dec'25, resulting in negligible direct exposure to market risk from proprietary investments. **Liquidity Risk** At the end-Dec '25, the current assets of the Company were ~PKR 326mln (June '25: ~PKR 208mln) against the current liability of ~PKR 238mln (June '25: ~PKR 126mln), providing a comfortable liquidity cushion to support its operational and regulatory requirements. **Capitalization** The Company has an adequate capitalization level with regulatory Liquid Capital Balance (LCB) standing at PKR ~72mln as at Dec '25, reflecting a satisfactory capital position.

THE PAKISTAN CREDIT RATING AGENCY

AL Haq Securities 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
	BALANCE SHEET				
1	FINANCES	-	-	-	-
2	INVESTMENTS	-	5.93	3.48	2.02
3	OTHER EARNING ASSETS	-	-	-	11.50
4	NON-EARNING ASSETS	342.27	217.59	159.56	104.56
5	NON-PERFORMING FINANCES-net	-	-	-	-
	TOTAL ASSETS	**342.27**	**223.51**	**163.04**	**118.08**
6	FUNDING	41.12	29.33	0.47	0.01
7	OTHER LIABILITIES (NON-INTEREST BEARING)	197.88	96.85	75.91	38.96
	TOTAL LIABILITIES	**239.00**	**126.18**	**76.38**	**38.97**
	TOTAL EQUITY	**103.37**	**97.34**	**86.66**	**79.11**
	INCOME STATEMENT				
	INCOME				
1	FEE BASED INCOME	15.52	24.58	15.31	12.79
2	OPERATING EXPENSES	(13.97)	(26.57)	(23.45)	(18.38)
3	NON-FEE BASED INCOME	7.63	18.96	20.80	9.92
	TOTAL OPERATING INCOME (LOSS)	**9.18**	**16.97**	**12.66**	**4.32**
4	FINANCIAL CHARGES	(0.69)	(2.84)	(2.12)	(0.80)
	PRE-TAX PROFIT	**8.50**	**14.10**	**10.52**	**3.52**
5	TAXES	(2.46)	(3.43)	(2.96)	(0.55)
	PROFIT AFTER TAX	**6.03**	**10.67**	**7.56**	**2.97**
	RATIOS				
	BUSINESS SUSTAINABILITY				
1	PRE-TAX MARGIN	0.55	0.57	0.69	0.28
2	EBITDA MARGIN	0.59	0.69	0.83	0.34
3	EBIT RETURN ON ASSETS	0.07	0.09	0.09	0.04
	FINANCIAL SUSTAINIBILITY				
1	TOTAL INVESTMENTS / EQUITY	-	0.06	0.04	0.03
2	LIQUID CAPITAL BALANCE (LCB) / EQUITY	0.70	0.66	0.68	N/A
3	(CASH, CASH EQUIVALENTS & GOVERNMENT SECURITIES) / TOTAL ASSETS	0.00	0.03	0.04	0.20
4	TOTAL DEBT / TOTAL ASSETS	0.12	0.13	-	-

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
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'.	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.	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.	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.	A change in rating due to a revision in the applicable methodology or underlying scale.

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".

Regulatory and Supplementary Disclosure

(Credit Rating Companies Regulations,2016)

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)

Proprietary Information