

Press Release

VIS Reaffirms Broker Management Rating of Topline Securities Limited

Karachi, October 11, 2022: VIS Credit Rating Company has reaffirmed Broker Management Rating of Topline Securities Limited (TSL) at BMR2+. Outlook on the assigned rating is 'Stable'. Previous rating action was announced on 24 June, 2021.

The rating signifies strong HR and infrastructure, sound internal control & external control framework, client relationship, financial management, compliance and risk management while regulatory and supervisory framework is adequate.

The assigned rating takes into account sound client relationship, and strong HR and infrastructure. The Company has long-term presence in the brokerage business with established clientele. Rating also factor in sound internal and external control framework. Internal policies have been improved and external controls have been strengthened with increased disclosure levels. Compliance and risk management framework also remains sound. Under regulatory and supervision framework, while board size is adequate, repetition of members has been observed across board level committees. Improvement in the same may be considered.

Assessment of financial profile indicates relatively stable operating performance despite in market volumes. The decline in brokerage revenues was offset by increase in advisory income. Consequently, net profitability witnessed a minimal decline. Improvement in efficiency levels has also been noted. Company has adequate liquidity in place. The capital structure of the Company remains sound with gearing and leverage remaining at manageable levels. Going forward, sustainability of revenues, and maintenance of capitalization and liquidity indicators will remain important for assigned rating.

For further information on this rating announcement, please contact Ms. Sara Ahmed (Ext: 207) at (021) 35311861 or email at info@vis.com.pk.

Sara Ahmed

Director

Applicable Rating Criteria: Broker Management Ratings 2020

<https://docs.vis.com.pk/docs/BMR202007.pdf>

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