

## Press Release

### VIS Assigns Initial Broker Fiduciary Rating to Topline Securities Limited

Karachi, September 27, 2021: VIS Credit Rating Company Ltd. (VIS) has assigned initial Broker Fiduciary Rating of 'BFR2' to Topline Securities Limited (TSL). Rating of BFR2 denotes good fiduciary standards. Outlook on the assigned rating is 'Stable'.

The rating signifies sound governance framework, business and financial sustainability, management and client services and internal controls.

Assigned rating takes into account sound ownership and governance framework of the company depicted by an adequate Board size and composition, however increasing the number of certified directors on the Board and avoiding repetition of members in Board committees may further strengthen governance framework. Management and client services are well established with quality research available to customers; however, geographical diversification is lacking. Contingency measures may be strengthened by maintaining data backup at a third-party site. Internal control policies are also well-defined along with appropriate measures in place to avoid conflict of interest.

The ratings also take into account sizeable equity base along with strong liquidity profile. Profitability of the company has witnessed significant improvement due to increase in core brokerage income which further improved during HFY21 in line with market trend. Consequently, expense to income ratio has improved owing to increase in recurring income. Adequate availability of liquid holdings provide comfortable liquidity coverage. Market risk is within manageable levels. Overall, company's business and financial sustainability is sound; however augmentation of revenues from diversified revenue streams, increasing market share and maintaining and improving financial profile will remain important for ratings.

TSL is a public unlisted company principally engaged in brokerage of shares in ready and future market to local retail and institutional clients. The company holds a Trading Right Entitlement Certificate (TREC) for Trading & Clearing services issued by the Pakistan Stock Exchange Limited (PSX).

For further information on this rating announcement, please contact Ms. Sara Ahmed (Ext: 207) or the undersigned (Ext: 306) at (021) 35311861-66 or email at [info@vis.com.pk](mailto:info@vis.com.pk)

  
Faryal Faheem Ahmed  
Deputy CEO

**Applicable Rating Criteria: Broker Fiduciary Ratings 2021**

<https://docs.vis.com.pk/docs/BrokerFiduciary012021.pdf>

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