

# Press Release

Date: 13-Dec-24

## PACRA MAINTAINS BROKER FIDUCIARY RATING OF ARIF HABIB LIMITED

Rating Details	Rating Type	BFR	
	Dissemination Date	Current (13-Dec-24)	Previous (15-Dec-23)
	Action	Maintain	Maintain
	Rating	BFR 1	BFR 1
	Outlook	Stable	Stable
	Rating Watch	-	-

Rating Rationale	Factor	Comment
	Ownership	The assigned rating takes into account the Company's affiliation with Arif Habib Group, one of the preeminent conglomerates in the country. AHL is primarily owned by Arif Habib Corporation (~72.92%) w
	Governance	The organization maintains a robust governance framework, consisting of seven directors, including two independent directors and four non-executive directors. The board is chaired by Mr. Zafar Alam, a
	Management and Client Services	The management team consists of experienced professionals, with well-defined roles and departmental structure. The Company has strong client services supported by a customer-centric approach.
	Internal Controls and Regulatory Compliance	AHL maintains a strong regulatory framework, supported by an in-house internal audit department that reports directly to the Board's Audit Committee. Additionally, dedicated departments for Compliance
	Business Sustainability	In FY24, the Company achieved an operating revenue of ~PKR 1,120mln, demonstrating a strong financial performance. Additionally, the Company reported a profit after tax of ~PKR 612mln, reflecting its
	Financial Sustainability	As of June 2024, AHL's leverage ratio stood at ~52%, reflecting a balanced financial structure. Additionally, the Company's equity stood at ~PKR 1,273mln at end Jun'24.

Key Rating Drivers	Details
Arif Habib Limited ( 'AHL' or the 'Company') has a leading market presence in the brokerage space. The Company introduces innovative products and services for its customers on a regular basis, maintaining and improving its market share on a YoY basis. Moving forward, it is imperative from a ratings perspective to maintain topline growth, revenue diversification, and profitability. Moreover, retention of key management personnel and further diversification to resist market shocks remain critical. <td></td>	

About the Entity	Legal Structure	Listed
	Year of Establishment	07-Sep-04
	Type of License	Trading and Self-clearing
	Majority Ownership	Arif Habib Corporation Limited

Regulatory Disclosures	Analyst	Applicable Criteria	Related Research
	Usama Ali usama.ali@pacra.com +92-42-35869504 www.pacra.com	Assessment Framework   Broker Fiduciary Rating   Jan-24	Sector Study   Brokerage & Securities   Jan-24

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