



## The Pakistan Credit Rating Agency Limited

### Rating Report

#### Pak-Qatar Family Takaful Limited - PFM

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##### Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
16-Sep-2025	AM2(p)	-	Stable	Maintain	-
16-Sep-2024	AM2(p)	-	Stable	Initial	-

##### Rating Rationale and Key Rating Drivers

Pak-Qatar Family Takaful Limited ("Pak Qatar" or "the Company") draws its strength from its sponsors and robust market positioning. The Group enjoys a prominent presence in the insurance sector, consistently sustaining market share and generating stable income, supported by its sizeable investment portfolio. In addition to being a licensed Pension Fund Manager (PFM), Pak Qatar also operates as an Insurance/Takaful service provider and has been accredited with a Pension Fund Manager Rating for its role as a pension manager. The Company has taken a pioneering step by securing a PFM license from SECP. Pak Qatar possesses a well-established structure, supported by strong digital infrastructure and comprehensive risk management functions integrated across its operations as a private Takaful operator. The Company maintains independent legal, underwriting, and internal audit functions to strengthen internal controls and ensure compliance. Alongside its sister concern, Pak Qatar Asset Management Company Limited (PQAMC), which serves as investment advisor and oversees pension portfolios in line with prescribed policies, Pak Qatar distinguishes itself through a unique Shariah-compliant product suite and flexible structure. The Pension Fund Management industry reported AUM of ~PKR 105.6bln as of Jun'25, with market growth expected to accelerate under supportive government policies. Provincial governments, particularly Khyber Pakhtunkhwa (KP) and Punjab, are rapidly transitioning from the traditional Defined Benefit pension framework towards Voluntary Pension Schemes (VPS). Both provinces have issued new rules for appointing PFMs to channelize government employees' pension contributions into approved funds, thereby creating significant opportunities for private fund managers. In KP, the government introduced the Contributory Pension Scheme for employees hired after June 2022. Similarly, Punjab implemented a contribution-based pension scheme under the Punjab Civil Servants Amendment Ordinance 2023, applicable to employees recruited after 2024. Aligned with these policy shifts, Pak Qatar Family Takaful Limited has signed an agreement with the Government of Punjab for the launch of a dedicated pension fund for its employees, with constitutive documents already filed with SECP. At the same time, entry into the KP pension fund space is in process and expected to launch later this year. Collectively, these developments will further reinforce the Company's position as a leading PFM and expand its footprint in Pakistan's evolving pension landscape. The synergy of technical expertise between Pak Qatar and PQAMC under the group umbrella is anticipated to further strengthen the management effectiveness of the VPS. As of end-Dec'24, Pak Qatar maintained participant funds amounting to PKR 59.7bln, offering a diversified product suite covering health, life, investment, and a pension fund, thereby enhancing its market presence. PQAMC is entrusted with managing investments on behalf of Pak Qatar, having delivered favorable returns for CY24 in line with overall industry trends.

The Asset Manager Rating "AM2(p)" takes comfort from the ability of the Company to capitalize on the market share whilst sustaining the performance. While maintaining the liquidity position is critical, with a continuing focus on improving profitability.

##### Disclosure

Name of Rated Entity	Pak-Qatar Family Takaful Limited - PFM
Type of Relationship	Solicited
Purpose of the Rating	Pension Fund Managers Rating
Applicable Criteria	Methodology   Rating Modifiers(Apr-25),Assessment Framework   Asset Manager Rating(Jul-25),Assessment Framework   Pension Fund Managers(Aug-25)
Related Research	Sector Study   Asset Management Companies (AMCs)(Mar-25),Sector Study   Life Insurance(Jun-25)
Rating Analysts	Madiha Sohail   madiha.sohail@pacra.com   +92-42-35869504



## Profile

**Background** Pak-Qatar Family Takaful Limited ("Pak Qatar" or the "Company") is a public unlisted company incorporated in March 2006. Pak Qatar is the first and largest dedicated Family Takaful Company in Pakistan. It is a progressive and technology-driven Shari'ah-compliant Company providing innovative Takaful solutions since 2007.

**Operations** The Company's business is categorized under three statutory funds: (i) Individual Family plans, sold through Direct Sales Force and Banka-Takaful, including unit-linked plans and Decreasing Term Assurance (DTA) as non-linked plans, (ii) Group Family, and (iii) Group Health. It has launched the Pak Qatar Islamic Pension Fund (PQIPF), is progressing with the KP pension fund, and signed an agreement with Punjab for a dedicated fund, reinforcing its role in government pension schemes.

## Ownership

**Ownership Structure** Major ownership is vested in Mr. Said Gul and his affiliated entity (~40.5%), alongside H.E. Sheikh Ali Bin Abdullah Al-Thani and Associated Institutions (~32.3%) and FWU AG, a technical partner based in Germany (~15.2%). The remaining stake is distributed among various individual investors (~12%).

**Stability** The Company's shareholding structure has remained unchanged, contributing to stability and continuity. Additionally, the sponsoring groups of the Company provide further stability, ensuring a strong foundation for its operations.

**Business Acumen** The Company benefits from the strategic backing of Qatar Royal family-linked institutions, Qatar International Islamic Bank (~9.95%) and Qatar Islamic Insurance Company (~10.97%), both highly rated (A by Fitch and A- by A.M. Best). This underscores the Company's strong business acumen and enhances its market credibility and governance standards.

**Financial Strength** Pak Qatar benefits from a strategic partnership with FWU AG, gaining access to customized Banca products, the Sales & Administration System (SIS) platform, and distribution support. FWU operates locally with a 26-member sales team. Supported by the financial strength of sponsoring entities like the Qatar Royal family and Qatar International Islamic Bank, Pak Qatar's profile is further strengthened in the market.

## Governance

**Board Structure** The overall governance of the Company rests with a nine-member Board, comprising seven Non-Executive Directors (including one female director), one Independent Director, and one Executive Director, with representation from FWU AG and Mr. Said Gul.

**Members' Profile** The Board is chaired by His Excellency Sheikh Ali Bin Abdullah Al-Thani, who brings strong business acumen and also leads Umm-Haish International and Al-Jazeera Trading. Mr. Farrukh Viqaruddin Junaidi, an Independent Director, brings over 30 years of diverse experience, while other Board members also possess broad industry expertise.

**Board Effectiveness** During CY24, the Board met seven times and is supported by three committees: Audit, HR & Remuneration, and Investment, all chaired by Non-Executive Directors. The committees meet quarterly, except HR & Remuneration, which convenes twice a year. Meeting minutes are adequately documented.

**Transparency** The Company's External Auditors, Yousaf Adil, Chartered Accountants, gave an unqualified opinion on the CY24 annual financial statements.

## Management

**Organizational Structure** The Company has a well-defined organizational structure. As an Executive Director, Mr. Muhammad Kamran Saleem acts as a liaison between the Board and key individuals, including the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Internal Auditor (CIA).

**Management Team** Mr. Waqas Ahmed was appointed as CEO by the Board in Jun'24. With over three decades of expertise in the insurance industry, Mr. Waqas previously served as the Company's COO. Mr. M. Ahsan Qureshi, CFO, has diversified experience of more than two decades. He is assisted by a team of qualified and experienced professionals.

**Management Effectiveness** The management is assisted by three committees: i) Underwriting & Re-Takaful, ii) Claims Settlement, and iii) Risk Management & Compliance. These committees are headed by a Non-Executive Director who meets quarterly. Meeting minutes are documented adequately.

**Control Environment** Internal Audit plan, approved by Audit Committee, encompasses the review of the internal control system which includes policies/procedures, physical safeguards, and monitoring of compliance function pertaining to NBFC regulations. The compliance and risk functions are segregated and are overseen by dedicated resources.

## Investment Risk Management

**Research & Analysis** The Company has mandated that investment advisors follow a top-down approach for research and analysis. The investment advisor conducts evaluations and shares reports with the Pension Fund Manager (PFM) to ensure overall conformity under the advisory agreement.

**Investment Decision Making** Pak Qatar Pension Fund is managed in accordance with its offering document's investment policy. Pak Qatar Asset Management Company Limited ("PQAMCL" or the "AMC") has been engaged as Investment Advisor for the Pension Fund managed by Pak Qatar. The advisory role complies with the PFM rules, while risk is mitigated under exposure limits disclosed in the offering document of the fund. Low-risk funds are managed to ensure liquidity, confirming volatility criteria in accordance with the investment profile, while higher-risk funds are more tolerant of volatility to have enhanced returns in accordance with their investment mandate.

**Risk Management Function** Under the advisory agreement, the investment advisor shares the portfolio with Pak Qatar, ensuring compliance of sub-funds under the pension fund with the Offering Document. Pak Qatar has an approved list of counterparties, which are reviewed quarterly and shared with the investment advisor to assist with its advisory role.

**Investment Risk Management** Pak Qatar has a risk mitigation policy that complies with the risk appetite of sub-funds under the pension fund. All transactions conducted in the pension fund are in compliance with the defined risk exposure limits in accordance with the regulations and disclosed in the Offering Document.

## Customer Relationship Management

**Investor Services** The Investor Services Department enhances retail outreach by offering investor education, personalized solutions, and client reporting. Retail investments in AMC's mutual funds are now accessible via the CDC and the Mobile App. Additionally, the AMC is leveraging Pak Qatar Family Takaful's 100+ branch network for retail distribution, with marketing and distribution segmented into retail (via Pak Qatar) and corporate (managed directly by AMC's sales team).

**Extent Of Automation/Integration** Pak Qatar has enhanced operations and customer service with its in-house Takaful Information and Management System (TIMS), providing real-time MIS reports, streamlined workflows across underwriting, claims, and finance, and robust security features.

**Investor Reporting** In addition to publishing fund manager reports on a monthly basis, the AMC also disseminates unit holder statements every month through email, which include net asset value and month-end closing values.

**Product Offerings** Pak Qatar offers a wide range of Shariah-compliant insurance products, including individual and group family takaful plans, banca takaful, investment-linked takaful, and microtakaful options. These products provide financial protection and savings, adhering to Islamic principles while catering to diverse customer needs. It also launched a pension fund to provide individuals with a Shariah-compliant retirement savings option.

## Financial Risk

**Degree Of Concentration** Pak Qatar have the most granular ticket size among Asset Managers, with more than one hundred forty thousand participants being covered. Pension Fund managed by Pak Qatar has grown to around PKR 145mln by Jun'25.

**Financial Performance** During CY24, the Company reported healthy underwriting performance, achieving underwriting profits of PKR 9,459mln (CY23: PKR 3,744mln), reflecting a growth of ~153.6%. Strong investment income supplemented overall profitability. The net profit increased to PKR 278mln (CY23: PKR 94mln), and the reserve building for policyholders also increased. The Company has a paid-up share capital of PKR 1,307mln, well above the Minimum Capital Requirement, whereas the total equity stood at PKR 2,817mln, reflecting a growth of 7.8% (CY23: PKR 2,612mln).



## Financial Summary PKR mln

**Pak Qatar Family Takaful Limited**  
**Public Unlisted Company**

**Dec-24**

**Dec-23**

**Dec-22**

**12M**

**12M**

**12M**

### A BALANCE SHEET

1 Investments	59,658	40,871	30,266
2 Insurance Related Assets	842	1,110	966
3 Other Assets	1,211	1,249	1,202
4 Fixed Assets	510	560	576
<b>Total Assets</b>	<b>62,221</b>	<b>43,789</b>	<b>33,009</b>
5 Underwriting Provisions	-	-	-
6 Insurance Related Liabilities	58,826	40,606	30,000
7 Other Liabilities	445	386	268
8 Borrowings	134	185	224
<b>Total Liabilities</b>	<b>59,405</b>	<b>41,177</b>	<b>30,492</b>
<b>Equity</b>	<b>2,817</b>	<b>2,612</b>	<b>2,517</b>

### B INCOME STATEMENT

1 Gross Premium Written	28,817	16,297	10,236
2 Net Insurance Premium	28,399	15,847	9,772
3 Underwriting Expenses	(18,905)	(12,103)	(8,483)
<b>Underwriting Results</b>	<b>9,495</b>	<b>3,744</b>	<b>1,289</b>
4 Management Expenses	(1,971)	(1,439)	(1,235)
5 Investment Income	10,060	7,336	566
6 Other Income / (Expense)	888	551	513
7 Net Change in Reserve for Policyholders' Liabilities	(18,097)	(10,062)	(800)
<b>Profit Before Tax</b>	<b>375</b>	<b>130</b>	<b>332</b>
8 Taxes	(97)	(36)	(36)
<b>Profit After Tax</b>	<b>278</b>	<b>94</b>	<b>297</b>

### C RATIO ANALYSIS

<b>1 Profitability</b>			
Loss Ratio (Net Insurance Claims / Net Insurance Premium )	61.6%	67.2%	67.7%
Combined Ratio (Loss Ratio + Expense Ratio)	73.5%	85.5%	99.5%
<b>2 Investment Performance</b>			
Investment Income / Operating Profit	57.2%	76.1%	91.4%
<b>3 Liquidity</b>			
(Liquid Assets - Borrowings) / Outstanding Claims	30.96	25.62	24.42
<b>4 Capital Adequacy</b>			
Liquid Investments / Equity	20.64	15.16	11.57

### Pension Fund Manager Rating

An independent opinion on a pension fund manager's quality of services, management, and capacity to effectively manage investment and operational challenges.

Scale	Definition
<b>AM1 (p)</b>	<b>Very high quality.</b> Pension fund manager exhibits very high quality of services, management, and capacity to effectively manage investment and operational challenges
<b>AM2++ (p)</b> <b>AM2+ (p)</b> <b>AM2 (p)</b>	<b>High quality.</b> Pension fund manager exhibits high quality of services, management, and capacity to effectively manage investment and operational challenges
<b>AM3++ (p)</b> <b>AM3+ (p)</b> <b>AM3 (p)</b>	<b>Good quality.</b> Pension fund manager exhibits good quality of services, management, and capacity to effectively manage investment and operational challenges
<b>AM4++ (p)</b> <b>AM4+ (p)</b> <b>AM4 (p)</b>	<b>Adequate quality.</b> Pension fund manager exhibits adequate quality of services, management, and capacity to effectively manage investment and operational challenges
<b>AM5 (p)</b>	<b>Weak.</b> Pension fund manager exhibits weak quality of services, management, and capacity to effectively manage investment and operational challenges standards and benchmarks.

\*Where "(p)" denotes pension fund managers

<p><b>Outlook (Stable, Positive, Negative, Developing)</b></p> <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><b>Rating Watch</b> 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 foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany rating</p>	<p><b>Suspension</b> It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.</p>	<p><b>Withdrawn</b> 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><b>Harmonization</b></p> <p>A change in rating due to revision in applicable methodology or underlying scale.</p>
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**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 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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