

#### **ADVICE FOR INVESTORS**

INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, **ESPECIALLY THE RISK FACTORS GIVEN AT SECTION 5 AND SEEK PROFESSIONAL ADVICE**, BEFORE MAKING ANY INVESTMENT DECISION.

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.

INVESTMENT IN EQUITY SECURITIES INVOLVES A DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFER UNLESS THEY CAN AFFORD TO TAKE THE RISK OF LOSING THEIR INVESTMENT. INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS OFFERING. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THE EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED AS DISCLOSED AT SECTION 5 OF THE PROSPECTUS.

#### **ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET-WORTH INDIVIDUALS**

A SINGLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATION EXCEPT IN THE CASE OF UPWARD REVISION OF BID. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.

SUBMISSION OF CONSOLIDATED BID IS PROHIBITED UNDER THESE REGULATIONS. A BID APPLICATION WHICH IS BENEFICIALLY OWNED (FULLY OR PARTIALLY) BY PERSONS OTHER THAN THE ONE NAMED THEREIN SHALL BE DEEMED TO BE A CONSOLIDATED BID.

PLEASE NOTE THAT A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN ONE WORKING DAY OF THE CLOSING OF THE BIDDING PERIOD WHICH SHALL CONTAIN INFORMATION RELATING TO THE STRIKE PRICE, THE OFFER PRICE, NAMES OF THE UNDERWRITERS OF THE RETAIL PORTION OF THE ISSUE IF ANY, UNDERWRITING COMMISSION, BIFURCATING AS TAKE UP COMMISSION OR ANY OTHER, CATEGORY WISE BREAKUP OF THE SUCCESSFUL BIDDERS ALONG WITH NUMBER OF SHARES ALLOCATED TO THEM, DATES OF PUBLIC SUBSCRIPTION AND SUCH OTHER INFORMATION AS SPECIFIED BY THE COMMISSION.

THIS PROSPECTUS CONTAINS FORWARD-LOOKING STATEMENTS. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACTS CONTAINED IN THIS PROSPECTUS, INCLUDING STATEMENTS REGARDING FUTURE RESULTS OF OPERATIONS AND FINANCIAL POSITION, BUSINESS STRATEGY AND PLANS AND OBJECTIVES OF MANAGEMENT FOR FUTURE OPERATIONS, TIMELINES RELATING TO IMPLEMENTATION PLAN ARE FORWARD-LOOKING STATEMENTS. THESE STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER IMPORTANT FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS.



### **Pak-Qatar Family Takaful Limited PROSPECTUS FOR INITIAL PUBLIC OFFERING**

**Date and place of incorporation:** 15<sup>th</sup> March 2006, Karachi, **Incorporation number:** 0054338, **Registered & Corporate Office:** 102 – 105, Business Arcade, Plot # 27A, Block 6, P.E.C.H.S, Shahrah-e- Faisal, Karachi 75400, **Contact No:** +92 21 3431 1747-56, **Website:** <https://pqftl.com.pk> **Email:** [info@pakqatar.com.pk](mailto:info@pakqatar.com.pk), **Contact Persons:** Mr. Muhammad Kamran Saleem (Executive Director & Company Secretary), **Phone:** 021-34326106, **Email:** [kamran.saleem@pakqatar.com.pk](mailto:kamran.saleem@pakqatar.com.pk); Mr. Waqas Ahmed (Chief Executive Officer), **Phone:** 021-34326101, **Email:** [wagas.ahmad@pakqatar.com.pk](mailto:wagas.ahmad@pakqatar.com.pk), Mr. Muhammad Ahsan Qureshi (Chief Financial Officer), **Phone:** 021-34327008, **Email:** [ahsan.qureshi@pakqatar.com.pk](mailto:ahsan.qureshi@pakqatar.com.pk)

**Issue Size:** The Issue consists of 50,000,000 Ordinary Shares (i.e. 21.67% of the total post-IPO paid up capital of Pak-Qatar Family Takaful Limited) of face value of PKR 10/- each.

#### **Method of Offering:** Book Building Method

**Book Building Method and Floor Price:** Seventy five percent (75%) of the Issue size i.e. 37,500,000 shares will be offered through Book Building Method at a Floor Price of PKR 14.00/- per share (including premium of PKR 4.00/- per share) with a maximum price band of up to 50% (Rs. 21.00). Justification of premium is given under "Valuation section", i.e. Section 4A). The Bidders shall place Bids for seventy five percent (75%) of the Issue size and the Strike Price shall be the price at which seventy five percent (75%) of the Issue is subscribed. The remaining twenty-five percent (25%) i.e. 12,500,000 shares shall be offered to the retail investors through General Public portion.



**Retail/General Public Portion:** General Public portion of the Issue comprises of 12,500,000 ordinary shares (25% of the total issue) at the Strike Price. The retail portion of the public offer shall be fully underwritten.

**Public Comments:** Draft Prospectus was placed on PSX's website for seeking public comments starting from October 24, 2025 to October 31, 2025 and all public comments received were duly addressed by the Consultant to the Issue.

**REGISTRATION OF ELIGIBLE INVESTORS:** The registration of eligible investors will commence at 9:00 am on December 08, 2025 and will close at 3:00 pm on December 12, 2025

**BIDDING PERIOD DATES:** From December 11, 2025 to December 12, 2025, From: 9:00 am to 5:00 pm

**DATE OF PUBLIC SUBSCRIPTION:** From December 17, 2025 to December 18, 2025 (both days inclusive)

<b><u>Consultant to the Issue</u></b>	<b><u>Eligible Participants for Book Building</u></b>	<b><u>Underwriter to the Issue</u></b>
	Securities Brokers, Mutual Funds, Scheduled Banks and Development Finance Institutions that are clearing members of the NCCPL, and trading only brokers <sup>1</sup>	

For retail portion/general public portion, investors can submit application(s) through electronic/online mode. Electronic/online applications can be submitted through PSX's e-IPO system (PES) and CDC's Centralized E-PO system (CES). PES and CES can be accessed via the web links <https://eipo.psx.com.pk>, and [www.cdceipo.com](http://www.cdceipo.com). There is no transaction limit on making payment through e- banking channels. Link through Memo dated August 22, 2024 has instructed all its member banks to remove the limits on transfer of funds for transactions executed through e - IPO platforms. For details, please refer to Section 13.3 of the Prospectus.

**Date of Publication of this Prospectus:** December 06, 2025

Prospectus and Bidding Form can be downloaded from the following websites: <https://pqftl.com.pk>, <http://www.psx.com.pk>, [www.cdceipo.com](http://www.cdceipo.com) and <http://www.arifhabibltd.com>

#### **For Further Queries you may Contact**

**Pak-Qatar Family Takaful:** Mr. Muhammad Kamran Saleem (Executive Director & Company Secretary), **Phone:** +92-21-34326106 | **Email:** [kamran.saleem@pakqatar.com.pk](mailto:kamran.saleem@pakqatar.com.pk), Mr. Muhammad Ahsan Qureshi (Chief Financial Officer), **Phone:** +92-21-34327008 **Mobile:** +92-300-2151515, | **Email:** [ahsan.qureshi@pakqatar.com.pk](mailto:ahsan.qureshi@pakqatar.com.pk); **Arif Habib Limited:** Hamza Rehan (AVP – Investment Banking), **Phone:** +92-21-38280273 | **Email:** [hamza.rehan@arifhabibltd.com](mailto:hamza.rehan@arifhabibltd.com); Saif Ul Haq (Senior Analyst – Investment Banking), **Phone:** +92-21-3243 3542 | **Email:** [saif@arifhabibltd.com](mailto:saif@arifhabibltd.com); Tasweeb Fathe Khan (Analyst – Investment Banking), **Phone:** +92-21-3828-0635 | **Email:** [tasweeb.fathe@arifhabibltd.com](mailto:tasweeb.fathe@arifhabibltd.com)

**The Company is proposed to be listed at the Pakistan Stock Exchange Limited**

<sup>1</sup> Provided that Trading Only Securities Broker shall also be eligible to act as Eligible Participant for Book Building. PCM shall create separate accounts for TO brokers. TO brokers shall be allowed to participate in the Book Building from proprietary account and may also on-board its clients.

## UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

C184816

E-STAMP

حکومت سندھ

NBP-0050-2508080008462943

GoS-KHI-55FC0B52DE3210D3

**Non-Judicial**

Rs 500/-

ATTESTED

IZHAR ALAM

SALLAH, Advocate & Notary Public

MARAGHI-PAKISTAN

Stamp Duty Paid by

Issue Date

Field Through Challen

Amount in Words

Description

Indemnifier/Mortgagor

Indemnified/Mortgagee

Applicant

Stamp Duty Paid by

Issue Date

Field Through Challen

Amount in Words

1. Bond - 10(A)

2. SSCP [00000000]

3. Pak Qatar Family Takaful Limited (PQFTL) [28400907]

4. Muhammad Amir Aarif [41301-4261034-0]

5. Pak Qatar Family Takaful Limited (PQFTL) [28400907]

6. 08-Aug-2015, 09:25:58 AM

7. 2025B6123EBAED4D

8. Five Hundred Rupees Only

You can verify your e-Stamp paper by scanning the QR code or online at [www.estamps.gos.pk](http://www.estamps.gos.pk) using the 'Verification Through Web' option.

Dated: 13<sup>th</sup> Oct, 2015

**UNDERTAKING**

WE, WAQAS AHMED, THE CHIEF EXECUTIVE OFFICER AND MUHAMMAD AHSAN QURESHI, THE CHIEF FINANCIAL OFFICER OF PAK-QATAR FAMILY TAKAFUL LIMITED CERTIFY THAT:

1. THE PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
2. THE INFORMATION CONTAINED IN THE PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;
3. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
4. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS PROSPECTUS AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
5. ALL REQUIREMENTS OF THE SECURITIES ACT, 2015; THE DISCLOSURES IN PUBLIC OFFERING REGULATIONS, 2017 FOR PREPARATION OF PROSPECTUS, RELATING TO APPROVAL AND DISCLOSURES HAVE BEEN FULFILLED
6. NO CHARGES, FEE, EXPENSES, PAYMENTS ETC. HAVE BEEN COMMITTED TO BE PAID TO ANY PERSON IN RELATION TO THIS PUBLIC OFFERING EXCEPT FOR THOSE AS DISCLOSED IN THE PROSPECTUS

FOR AND BEHALF OF PAK-QATAR FAMILY TAKAFUL LIMITED

WAQAS AHMED  
CHIEF EXECUTIVE OFFICER

MUHAMMAD AHSAN QURESHI  
CHIEF FINANCIAL OFFICER

**Note:** This Supplement shall be published within 1 working day of the close of Bidding Period in at least all those newspapers in which the Prospectus of Pak-Qatar Family Takaful is published.

## SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to The Public Offering Regulations, 2017 and in continuation of the Prospectus of Pak-Qatar Family Takaful earlier published on (..)

### Pak-Qatar Family Takaful

- FLOOR PRICE: PKR 14.00/- PER SHARE
- STRIKE PRICE: PKR [.] /- PER SHARE
- ISSUE PRICE: PKR [.] /- PER SHARE
- PRICE BAND (MAXIMUM 50%): PKR 21.00/- PER SHARE

### Underwriters to the retail portion of the issue if any

S. No	Name(s) of Underwriters	Number of Shares Underwritten	Amount Underwritten (at Floor)	Underwriting Fee (%)	Take-up Commission (%)
1	Arif Habib Limited	12,500,000	175,000,000	1.00%	1.00%

### Category Wise Breakup of Successful Bidders

S. No	Category	No. of Bidders	No. of Shares Provisionally Allocated
1	Commercial Banks	•	•
2	Development Financial Institutions	•	•
3	Mutual Funds	•	•
4	Insurance Companies	•	•
5	Investment Banks	•	•
6	Employees' Provident / Pension Funds	•	•
7	Leasing Companies	•	•
8	Modarabas	•	•
9	Securities Brokers	•	•
10	Foreign Institutional Investors	•	•
11	Any other Institutional Investors	•	•
	<b>Total Institutional Investors</b>	•	•
	<b>Individual Investors:</b>	•	•
12	Foreign Investors	•	•
13	Local	•	•
	<b>Total Individual Investors</b>	•	•
	<b>GRAND TOTAL</b>		

## Glossary of Technical Terms

ACT	Securities Act, 2015
AHL	Arif Habib Limited
AMC	Asset Management Company
Bn	Billion
BVPS	Book Value Per Share
CAGR	Compound Annualized Growth Rate
CAPEX	Capital Expenditure
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDS	Central Depository System
CES	Centralized e-PO System
Commission/SECP	The Securities and Exchange Commission of Pakistan
Companies Act	Companies Act, 2017
CPI	Consumer Price Index
CY	Calendar Year
EPS	Earnings Per Share
FWU AG	Forschungsgesellschaft für Wettbewerb- und Unternehmensorganisation Aktiengesellschaft
FY	Financial Year
GDP	Gross Domestic Product
GPW	Gross Premiums (Contributions) Written
IMC	Investment Management Charge
IPO	Initial Public Offering
JV	Joint Venture
LC	Letter of Credit
LG	Letter of Guarantee
LOB	Line of Business
Mn	Million
NCCPL	National Clearing Company of Pakistan Limited
NICOP	National Identity Card for Overseas Pakistani
NIP	National Industrial Park
NOC	No Objection Certificates
P.A.	Per Annum
PCM	Professional Clearing Member
PIF	Participants' Investment Fund
PKR or Rs.	Pakistan Rupee(s)
PPE	Property, Plant and Equipment
PQAMC	Pak-Qatar Asset Management Company

PQFTL	Pak-Qatar Family Takaful
PTF	Participants' Takaful Fund
PSX / Exchange	Pakistan Stock Exchange Limited
S&P	Standard and Poor
SBP	State Bank of Pakistan
SHF	Shareholders' Fund
SLA	Straight-line amortization
TTM	Trailing Twelve Months
UIN	Unique Identification Number
USD	United States Dollar



## DEFINITIONS

<b>Application Money</b>	In case of bidding for shares out of the Book Building portion, the total amount of money paid by a Bidder which is equivalent to the product of the Bid Price and the number of shares.
<b>Bid</b>	An indication to make an offer during the Bidding Period by a Bidder to subscribe to the Ordinary Shares of Pak-Qatar Family Takaful at a price at or above the floor price, including upward revisions thereto. <b>An Eligible Investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 50% of the Floor Price. Please refer to Section 12.2 for details.</b>
<b>Bid Amount</b>	The amount equal to the product of the number of shares Bid for and the Bid price.
<b>Bid Price</b>	The price at which bid is made for a specified number of shares.
<b>Bid Revision</b>	<p>The Eligible Investors can revise their bids upward subject to the provision of regulation 10(2)(iii) of the PO Regulations. The bids can be revised with a price variation of not more than 10% from the prevailing indicative Strike Price in compliance with Regulation 10(2)(iii) of the PO Regulations.</p> <p><b>As per regulation 10(2)(vi) of the PO Regulations, the bidder shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.</b></p> <p><b>As per regulation 10(2)(vii) of the PO Regulations, the bidder shall not withdraw their bids.</b></p>
<b>Bidder</b>	An Eligible Investor who makes bids for shares in the Book Building process.
<b>Book Building</b>	A process undertaken to elicit demand for shares offered through which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels.
<b>Book Building Portion</b>	The part of the total Issue allocated for subscription through the Book Building.
<b>Book Building System</b>	An online electronic system operated by the Designated Institution (i.e. PSX) for conducting Book Building.
<b>Cede Amount</b>	The initial and ongoing capital contributions made by the takaful operator (shareholders) to the Participant Takaful Fund (Waqf fund), representing the operator's financial commitment to support the fund's capital base.
<b>Cession Ratio</b>	The proportion of total risk or contributions that a Takaful or insurance company transfers to Re-Takaful or reinsurance companies.

<b>Company</b>	Pak-Qatar Family Takaful (the “Company” or “PQFTL” or the “Issuer”).
<b>Company’s Legal Advisor</b>	Nishat & Zafar, Advocates & Legal Consultants
<b>Commission</b>	Securities & Exchange Commission of Pakistan (“SECP”).
<b>Consolidated Bids</b>	A bid which is fully or partially beneficially owned by persons other than the one named therein.
<b>Decreasing Term Insurance</b>	Decreasing term insurance is a type of renewable term life insurance with coverage decreasing over the life of the policy at a predetermined rate. Premiums are usually constant throughout the contract, and reductions in coverage typically occur monthly or annually.
<b>Designated Institution</b>	Includes the securities exchange, central depository and clearing company to provide Book Building System;
<b>Dutch Auction Method</b>	The method through which Strike Price is determined by arranging all the Bid Prices in descending order along with the number of shares and the cumulative number of shares bid for at each Bid Price. The Strike Price is determined by lowering the price to the extent that the total number of shares Issued under the Book Building Portion are subscribed.
<b>E-IPO platform</b>	<p>“E-PO Platform” means an electronic platform through which investors can submit applications for public subscription of securities electronically with payment through e-banking channels. <b>Retail investors shall be able to participate in the public subscription through only the E-IPO platforms provided by CDC and PSX.</b></p> <p>The following systems are available for e-PO:</p> <ul style="list-style-type: none"> <li>• <b>PSX’s E-IPO System (PES):</b> To facilitate investors, the Pakistan Stock Exchange Limited (“PSX”) has developed an e-IPO System (“PES”) through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. PES has been made available in this Issue and can be accessed through the web link (<a href="https://eipo.psx.com.pk">https://eipo.psx.com.pk</a>). Payment of subscription money can be made through 1LINK’s and NIFT’s member banks available for PES. 1 Link through Memo dated August 22, 2024 has instructed all its member banks to remove the limits on transfer of funds for transactions executed through e - IPO platforms. There is no transaction limit on making payment through e – banking channels.</li> </ul> <p>For making application though PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year. Registration is free of cost and can be done by:</p> <ul style="list-style-type: none"> <li>• the investor himself, or</li> <li>• the TREC Holder with whom the investor has a sub-account, or</li> <li>• the Bank with whom the investor has a bank account.</li> </ul> <p>Similarly, an e-IPO application can be filed by:</p> <ul style="list-style-type: none"> <li>• the investor himself, or</li> </ul>

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad, Deputy General Manager - IT Division at phone number: 111-001-122 or (021)-35274401-10, or email: [itss@psx.com.pk](mailto:itss@psx.com.pk).

Investors who are registered with PES can submit their applications through the web link, <https://eipo.psx.com.pk>, 24 hours a day during the subscription period which will close at midnight on December 18, 2025.

- **Centralized e-IPO System (CES):** To facilitate investors, the Central Depository Company of Pakistan ("CDC") has developed a Centralized e-PO System ("CES") through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. CES can be accessed through the web link ([www.cdceipo.com](http://www.cdceipo.com)). Payment of subscription money can be made through 1LINK's member banks available for CES. There is no transaction limit on making payment through e – banking channels. For making application through CES, investors must be registered with CES. Registration with CES is free of cost and can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific Company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants can electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings (IPOs) and can also make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. The securities will be credited directly in Investors' subaccount. In case the sub-account of the investor has been blocked or closed, after the subscription, then securities shall be parked into the CDC's IPO Facilitation Account and investor can contact CDC for credit of shares in its respective account.

Investors who do not have CDS account may visit [www.cdcpakistan.com](http://www.cdcpakistan.com) for information and details.

For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: [info@cdcpak.com](mailto:info@cdcpak.com) or contact Mr. Farooq Ahmed Butt, Senior Manager – Operations, at Phone 021-34326030 and email: [farooq\\_butt@cdcpak.com](mailto:farooq_butt@cdcpak.com).

Investors who are registered with CES can submit their applications through the web link [www.cdceipo.com](http://www.cdceipo.com) 24 hours a day during the subscription period which will close at midnight on (..).

#### **IPO Facilitation Account (IFA):**

Investors not having investor account or sub account can subscribe IPO application by opting for the IPO facilitation account. IPO Facilitation



	<p>Account is an account to be maintained by CDC separately for each IPO wherein securities of such successful applicants who do not have CDS Accounts at the time of making subscription application, shall be parked for a certain period of time. Subsequent to parking, all the successful applicants shall be intimated via email to open an Investor Account with CDC or Sub-Account with any of the CDS Participants (i.e. licensed securities brokers or commercial banks). Upon opening of CDS Account, successful applicants shall approach CDC Investor Account Services and securities of such successful applicants shall be moved from the IFA to their respective CDS Accounts.</p>
<b>Eligible Investor</b>	<p>An Individual or Institutional Investor whose Bid Amount is not less than the minimum bid size of PKR 2,000,000 (Two Million Rupees only).</p>
<b>Eligible Participant for Book Building (Eligible Participant)</b>	<p>Eligible Participant shall include securities brokers (Trading and Clearing, Trading and Self-Clearing, and Trading Only), mutual funds, scheduled banks, and development finance institutions (DFIs) that are clearing member of NCCPL.</p> <p>Provided that Trading Only Securities Broker shall also be eligible to act as Eligible Participant for Book Building. PCM shall create separate accounts for TO brokers. TO brokers shall be allowed to participate in the Book Building from proprietary account and may also on-board its clients.</p> <p>Provided further that in case of Trading Only Securities Broker, Professional clearing member shall collect the margin money from the bidders and deposit the same with NCCPL.</p>
<b>Floor Price</b>	<p>In case of book building means the minimum price per share set by the Issuer in consultation with Consultant to the Issue.</p>
<b>GDP</b>	<p>Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.</p>
<b>General Public</b>	<p>All Individual and Institutional Investors including both Pakistani (residents &amp; non-residents) and foreign investors.</p>
<b>Initial Public Offer (IPO)</b>	<p>Initial Public Offering or IPO means first time offer of securities to the general public.</p>
<b>Institutional Investors</b>	<p>Any of the following entities:</p> <ul style="list-style-type: none"> <li>(i) A financial institution;</li> <li>(ii) A company as defined in the Companies Act, 2017;</li> <li>(iii) An insurance company established under the Insurance Ordinance, 2000;</li> <li>(iv) A securities broker;</li> <li>(v) A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008;</li> <li>(vi) A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005;</li> <li>(vii) A private fund established under Private Fund Regulations, 2015;</li> </ul>

	<p>(viii) Any employee's fund established for the benefit of employees;</p> <p>(ix) Any other fund established under any special enactment;</p> <p>(x) A foreign company or any other foreign legal person; and</p> <p>(xi) Any other entity as specified by the Commission.</p>
<b>Issue</b>	The Issue comprises 50,000,000 Ordinary Shares representing 21.67% of total post-IPO paid-up capital having a Face Value of PKR 10/- each.
<b>Issue Price</b>	The price at which Ordinary Shares of the Company are issued to the General Public/retail portion. The Strike Price will be the Issue Price.
<b>Issuer</b>	Pak-Qatar Family Takaful Limited
<b>Key Employees</b>	Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company.
<b>Consultant to the Issue</b>	<p>Any person licensed by the Commission to act as Consultant to the Issue.</p> <p><b>Arif Habib Limited</b> has been appointed as Lead Manager/Consultant to the Issue by the Issuer.</p>
<b>Limit Bid</b>	The bid at a Limit Price.
<b>Limit Price</b>	The maximum price (up to 50% of the Floor Price) a prospective Bidder is willing to pay for a share under Book Building.
<b>Listing Regulations</b>	<p>Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled 'Listing of Companies and Securities Regulation'.</p> <p>The aforementioned regulations can be found at the following link;</p> <p><a href="https://psx.com.pk/psx/themes/psx/uploads/PSX-Regulations-October-21-2025-Holding-of-CBS.pdf">psx.com.pk/psx/themes/psx/uploads/PSX-Regulations-October-21-2025-Holding-of-CBS.pdf</a></p>
<b>Margin Money</b>	<p>The partial or total amount, as the case may be, paid by a bidder at the time of registration as an Eligible Investor. Eligible participants shall collect the margin money from the bidders and deposit the same with the NCCPL. Individual investors and institutional investors shall pay 100% of bid amount as margin money to the Eligible Participant</p> <p>Provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment.</p> <p>Eligible Participants that are Banks, Development Finance Institutions, and Mutual Funds shall be allowed to participate in the book building with 0% margin money for proprietary trade.</p> <p>Provided that the Banks and Development Finance Institutions shall provide standing instruction to the NCCPL to directly debit the bank account in case of default</p>
<b>Minimum Bid Size</b>	The Bid amount equal to Two Million Rupees (PKR 2,000,000/-).

<b>Non-Linked Policy</b>	An insurance or takaful plan which offers pure protection with guaranteed payouts as per the policy terms. Payouts to policyholders are fixed and not linked to the performance of underlying assets.
<b>Ordinary Shares</b>	Ordinary Shares of Pak-Qatar Family Takaful Limited having face value of PKR 10/- each.
<b>Participants</b>	Individuals or entities that contribute to a takaful fund to mutually share and cover risks in accordance with Shariah principles. The term is often used interchangeably with policyholders, especially when drawing parallels with conventional insurance.
<b>Penta Takaful System</b>	<p>A Shariah-compliant Takaful and insurance management system supporting Family and General Takaful. It integrates underwriting, claims, accounting, and finance with dual-fund control (PTF &amp; OPF) for transparency. Used across Malaysia, Pakistan, and the GCC, it enables full automation and scalability.</p> <p>This system uses dual fund control to provide real-time operational data for each participant, which facilitates precise risk assessment and transparent fund management, thereby supporting operational efficiency and future growth.</p>
<b>Policyholder</b>	Individuals or entities that own an insurance policy, having entered into a contractual agreement with an insurer to receive financial protection against specified risks in exchange for premium payments.
<b>PO Regulations</b>	<p>The Public Offering Regulations, 2017.</p> <p><a href="https://secp.gov.pk/document/public-offering-regulations-2017-updated-august-6-2025/?wpdmdl=61673&amp;refresh=68c2b70f425cc1757591311">secp.gov.pk/document/public-offering-regulations-2017-updated-august-6-2025/?wpdmdl=61673&amp;refresh=68c2b70f425cc1757591311</a></p>
<b>Price Band</b>	Floor Price with an upper limit of 50% above the Floor Price, i.e. PKR 14.00/- and PKR 21.00/-, allowing Bidder to make Bid at Floor Price or within the Price Band.
<b>Prospectus</b>	Prospectus means any document described or issued as a prospectus and includes any document, notice, circular, material, advertisement, and offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a Company or body corporate or entity.
<b>Registration Period</b>	<p>The period during which registration of bidders is carried out. The registration period shall commence three days before the start of the Bidding Period and shall remain open till 3:00 pm on the last day of the Bidding Period.</p> <p>The bidding shall remain open for at least two working days. The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. during the Bidding Period. The bidders can revise the bids till 05:00 p.m. on the last day of the Bidding Period.</p>

<b>Related Employees</b>	Related Employees mean such employees of the Issuer and the Consultant to the Issue, who are involved in the Issue. Please refer to Section 3A (vi) for further details.
<b>Re-Takaful</b>	A Shariah-compliant form of reinsurance where the Takaful Operator transfers part of its risk to another Takaful or Re-Takaful company for risk sharing and protection.
<b>Sponsor</b>	<p>A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly;</p> <p>A person who replaces the person referred to above; and</p> <p>A person or group of persons who has control of the issuing company whether directly or indirectly.</p>
<b>Step Bid</b>	Step Bid means a series of limit bids at increasing prices. In case of a step bid the amount of each step will not be less than Rupees Two Million (PKR 2,000,000/-).
<b>Strike Price</b>	The price per ordinary share of the Issue determined / discovered on the basis of Book Building process in the manner provided in the Public Offering Regulations 2017, at which the shares are Issued to the successful bidders.
<b>Supplement to the Prospectus</b>	The Supplement to the Prospectus shall be published within One (1) working day of the close of the Bidding Period at least in all those newspapers in which the Prospectus was earlier published and disseminated through the Securities Exchange where shares are to be listed.
<b>Unit-linked/Investment-Linked</b>	An insurance/takaful plan which combines insurance coverage with investment exposure. Policyholder premiums are split between insurance coverage and investment funds.
<b>Waqala Fee</b>	The compensation or service fee paid to an agent (wakeel) for performing tasks or managing affairs on behalf of the principal under a wakalah arrangement.

**Interpretation:**

ANY CAPITALIZED TERM CONTAINED IN THIS PROSPECTUS, WHICH IS IDENTICAL TO A CAPITALIZED TERM DEFINED HEREIN, SHALL, UNLESS THE CONTEXT EXPRESSLY INDICATES OR REQUIRES OTHERWISE AND TO THE EXTENT AS MAY BE APPLICABLE GIVEN THE CONTEXT, HAVE THE SAME MEANING AS THE CAPITALIZED / DEFINED TERM PROVIDED HEREIN.

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## 1. APPROVALS AND LISTING ON THE STOCK EXCHANGE

### 1.1 Approval of the Securities and Exchange Commission of Pakistan

Approval of the Securities & Exchange Commission of Pakistan (the "**Commission**" or the "**SECP**") under Section 87(2) of the Securities Act, 2015 read with Section 88(1) thereof, has been obtained by Pak-Qatar Family Takaful Limited ("**PQFTL**" or the "**Company**") for the issue, circulation and publication of this offering document (hereinafter referred to as the "**Prospectus**") vide their letter No SMD/PO/SA.88/10/2025/332 dated December 04, 2025.

#### DISCLAIMER:

- (a) The Securities Exchange and Commission has not evaluated the quality of the issue and its approval should not be construed as any commitment of the same. The public/investors should conduct their own independent investigation and analysis regarding the quality of the issue before subscribing.
- (b) The publication of this document does not represent solicitation by the Securities Exchange and Commission.
- (c) The contents of this document do not constitute an invitation to invest in shares or subscribe for any securities or other financial instrument by the Securities Exchange and Commission, nor should it or any part of it form the basis of, or be relied upon in any connection with any contract or commitment whatsoever of the Exchange and Commission.
- (d) It is clarified that information in this Prospectus should not be construed as advice on any particular matter by the Securities Exchange and Commission and must not be treated as a substitute for specific advice.
- (e) The Securities Exchange and Commission disclaims any liability whatsoever for any loss however arising from or in reliance upon this document to any one, arising from any reason, including, but not limited to, inaccuracies, incompleteness and/or mistakes, for decisions and/or actions taken, based on this document.
- (f) Securities Exchange and Commission does not take any responsibility for the financial soundness of the Company and any of its schemes stated herein or for the correctness of any of the statements made or opinions expressed with regards to them by the Company in this Prospectus.

**Advice from a suitably qualified professional should always be sought by investors in relation to any particular investment**

### 1.2. Filing of Prospectus and other Documents with the Registrar of Companies

Pak-Qatar Family Takaful Limited has filed with the Registrar of Companies as required under Section 57 (1) of the Act, a copy of this Prospectus signed by all the Directors of the Company.

### 1.3. Listing on PSX

Application has been made to PSX for permission to deal in and for quotation of the shares of the Company.

In accordance with Section 69 of the Companies Act, 2017, any allotment made on the basis of this Prospectus shall be void if such permission has not been applied for within seven (7) days after the first issue of this Prospectus or, having been applied for, is not granted within twenty-one (21) days from the closing of the subscription lists (or within such extended period, not exceeding forty-two (42) days, as may within the said twenty-one (21) days be notified by PSX).

If permission to deal in and quote the shares is not granted within the above period, the Company shall forthwith refund, without surcharge, all money received from applicants in pursuance of this Prospectus. If any such money is not repaid within eight (8) days after the Company becomes liable to repay it, the Directors shall be jointly and severally liable to repay that money from the expiration of the eighth day together with a surcharge at the rate of two percent (2%) per month or part thereof and shall, in addition, be liable to a penalty of Level 3 on the standard scale as prescribed under the Act.

All monies received from applicants shall be deposited and kept in a separate bank account in a scheduled bank until the Company is no longer liable to repay such amounts under sub-section (2) of Section 69. In the event of default in complying with this requirement, the Company and every officer who authorizes or permits the default shall be liable to a penalty of Level 2 on the standard scale in accordance with the provisions of the Act.



## 2. SUMMARY OF THE PROSPECTUS

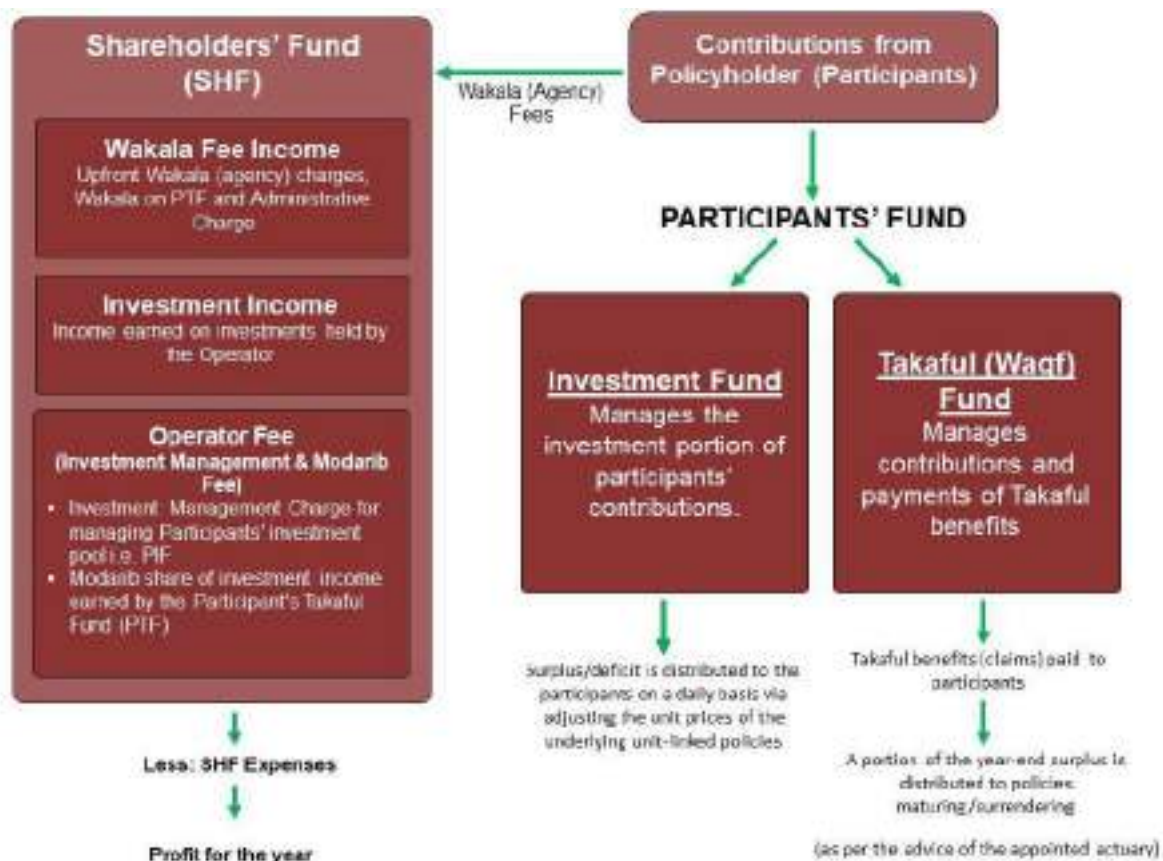
### 2.1. PRIMARY BUSINESS OF PAK-QATAR FAMILY TAKAFUL

Pak-Qatar Family Takaful Limited (PQFTL) is a leading Takaful (Islamic insurance) company in Pakistan. Established in March 2006, the company offers comprehensive Takaful and investment solutions that adhere to the principles of Shariah law. It is Pakistan's first and largest company dedicated exclusively to Family Takaful<sup>2</sup>.

On 16<sup>th</sup> August, 2007, PQFTL was authorized by SECP under section 6 of the Insurance Ordinance, 2000 to undertake business pertaining to life insurance.

A Takaful system is a Shariah-compliant insurance model based on ethical principles, mutual assistance, and transparency. It avoids interest (riba), uncertainty (gharar), and gambling (maysir). Participants contribute donations (Tabarru) to help each other, sharing both risks and rewards. Unlike conventional insurance, underwriting profits are shared among contributing members.

The diagram below illustrates how PQFTL's Takaful model operates:



PQFTL operates under the Wakala-Waqf model, whereby a benevolent 'Waqf' fund is used to receive contributions as donations ('Tabarru') and pay out profits to participants. Shareholders do **NOT** have ownership of the Waqf.

A pre-agreed Agency (Wakala) fee is charged upfront by the shareholders to the participants. The remaining contribution is attributable to the participants, which is further divided into the two sub-funds; Participants' Investment Fund (PIF) and Participants' Takaful Fund (PTF). Through splitting contributions in this manner PIF fund develops its own asset/investment base, which is then used to earn investment income in the form of dividends, return on debt securities, and fair value gains.

<sup>2</sup> [https://www.pacra.com/summary\\_report/RR\\_2774\\_13448\\_16-Sep-24.pdf](https://www.pacra.com/summary_report/RR_2774_13448_16-Sep-24.pdf)

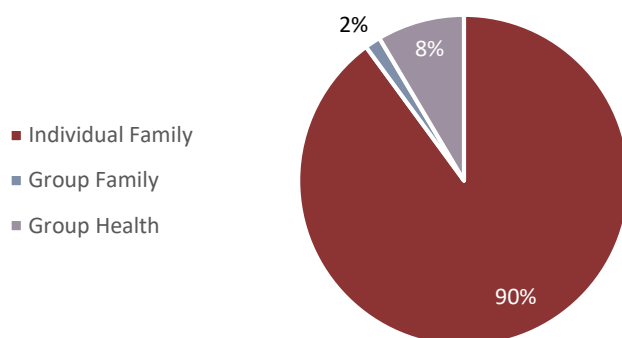
Unlike conventional insurance, any surplus in the participants' funds is not attributable to the shareholders. Rather, all surplus is attributable to the participants and is distributed back to them as per the advice of the appointed actuary, ensuring that the distributions are sustainable. For the PTF, this distribution takes place at the year-end, whereby a portion of the net surplus in the three business segments i.e. Individual Family, Group Family, and Group Health (see below) is distributed back to the policyholders. For PIF, the surplus/deficit is realized on a daily basis via adjusting the unit prices of the underlying unit-linked policies (analogous to mutual funds).

Shareholders earn a return via the Wakala (agency Fee), Investment Management Charge (on managing PIF investments) and Modaraba Income (on managing PTF investments) and income earned on investments held under the Shareholders' Fund. These income sources, less any expenses incurred by the Operator (i.e. PQFTL), gives the net profit for the Company. This net profit belongs entirely to the shareholders and can be distributed to them.

The Company caters to both individual and corporate (group) customers, offering plans which can be grouped into the following classifications:

- **Individual Family:** provides family Takaful (life insurance) coverage to individuals.
- **Group Family:** provides family Takaful (life insurance) coverage to members of business enterprises, corporate entities and common interest groups.
- **Group Health:** provides health coverage to members of business enterprises, corporate entities and common interest groups.

Net Contributions (Premiums) - 2024



The 'Individual Family' takaful products of PQFTL are sold via the Company's direct sales force and BancaTakaful channels. BancaTakaful (Bancassurance) refers to the sale of Takaful products through the distribution network of commercial banks. PQFTL has BancaTakaful partnerships with 14 banks (see Section 3.10).

To undertake the family Takaful business, PQFTL has established the Takaful Business Statutory Fund, in accordance with the requirements of the Repealed Takaful Rules 2005 (now Takaful Rules, 2012) and the Insurance Ordinance, 2000.

The Takaful Business Statutory Fund consists of the following components:

- Participant Takaful Fund (PTF): supports individual family, group family, and group health segments.
- Participant Investment Fund (PIF): Manages the investment portion of participants' contributions.

The company is regulated by the Securities and Exchange Commission of Pakistan (SECP). Shariah compliance is ensured by an independent Shariah Advisory Board chaired by Mufti Muhammad Hassan Kaleem. As of 2024,

there are 11 companies (incl. windows) operating in the Family Takaful sector with 4 dedicated takaful operators and 7 window family takaful operators<sup>3</sup>.

PQFTL is supported by institutions linked with the Qatar Royal family; Qatar International Islamic Bank (7.20%) and Qatar Islamic Insurance Group (7.94%). This international support adds to the company's commercial and financial strength.

PQFTL obtained an Insurer Financial Strength (IFS) rating of "AA" by Vital Information Services (VIS) on July 22, 2025<sup>4</sup>, an "A++" rating by Pakistan Credit Rating Agency (PACRA) on June 26, 2025<sup>5</sup>, and a Pension Fund manager rating of "AM2" by PACRA on September 16, 2025<sup>6</sup>, indicating that the company is well-equipped to meet policyholder obligations.

## 2.2. SPONSORS OF PAK-QATAR FAMILY TAKAFUL

PQFTL is a member of the Pak-Qatar Group (PQG), one of Pakistan's leading Islamic finance services group. PQG offers a range of Islamic finance solutions and encompasses the following companies alongside PQFTL:

- Pak-Qatar Investments (Private) Limited (PQIL)
- Pak-Qatar Asset Management Company Limited (PQAMC)
- Pak-Qatar General Takaful Limited (PQGTL)
- Sharq Trading & Merchandising Limited (STML)
- Pak-Qatar Care Foundation (a not-for-profit organization)
- Qatar Group (Private) Limited

The sponsors of the company hold 66.90% of its paid-up capital, whilst Directors hold 18.36%. The remainder is held by the Other Shareholders.

Sponsors of the company are as follows:

Name	Description
Pak-Qatar Investment (Private) Limited (PQIL)	A Leading investment and advisory firm in Pakistan, dedicated to Islamic financial management
Qatar International Islamic Bank (QIIB)	Privately-owned Islamic bank in the State of Qatar offering personal and corporate Islamic banking solutions
Qatar Islamic Insurance Group (QIIG)	A leading Takaful insurance company in the world
H. E. Sheikh Ali bin Abdullah Thani Jassim Al-Thani	As a distinguished member of the Royal Family of Qatar, Sheikh Ali has served as the Board Chairman of PQFTL since 2007

## 2.3. SALIENT FEATURES OF THE ISSUE

The Offer comprises of 50,000,000 ordinary shares of PQFTL of face value of PKR 10/- each, which constitutes 21.67% of the post-IPO paid-up capital of the company.

Of the 50,000,000 ordinary shares, 75% (seventy-five percent) i.e. 37,500,000 shares will be offered through the book building process at a Floor price of PKR 14.00/- per share with a price band of 50% above the floor price i.e. PKR 21.00/-.

<sup>3</sup> <https://www.secp.gov.pk/document/report-on-insurance-industry-statistics-2024/?wpdmdl=61696&refresh=68a702937e8b91755775635>

<sup>4</sup> [https://docs.vis.com.pk/RatingReports/OP\\_00667001015\\_0006670.pdf](https://docs.vis.com.pk/RatingReports/OP_00667001015_0006670.pdf)

<sup>5</sup> [https://www.pacra.com/view/storage/app/rating\\_reports/RR\\_385\\_14592\\_26-Jun-25.pdf](https://www.pacra.com/view/storage/app/rating_reports/RR_385_14592_26-Jun-25.pdf)

<sup>6</sup> [https://www.pacra.com/view/storage/app/rating\\_reports/RR\\_2774\\_14969\\_16-Sep-25.pdf](https://www.pacra.com/view/storage/app/rating_reports/RR_2774_14969_16-Sep-25.pdf)

The bidders shall be allowed to place bids for seventy-five percent (75%) of the offer size i.e. 37,500,000 shares, and the strike price shall be the price at which 75% of the offer is subscribed. Successful bidders will be allotted 75% of the issue size i.e. 37,500,000 shares, with the remaining 25% i.e. 12,500,000 being offered to retail investors at the strike price determined through the book building process. The retail portion shall be fully underwritten, with Arif Habib Limited acting as the underwriter to the issue.

## 2.4. PRE AND POST ISSUE SHAREHOLDING OF THE SPONSORS

Name	Pre-IPO Shareholding		Post-IPO Shareholding	
	Shares Held (No.)	Ownership %	Shares Held (No.)	Ownership %
<b>Sponsors:</b>				
Pak-Qatar Investment Limited (PQIL)	80,242,885	44.40%	80,242,885	34.78%
Qatar International Islamic Bank (QIIB)	13,009,223	7.20%	13,009,223	5.64%
Qatar Islamic Insurance Group (QIIG)	14,341,019	7.94%	14,341,019	6.22%
H.E. Sheikh Ali Bin Abdullah	13,300,734	7.36%	13,300,734	5.77%
<b>Directors and related family</b>				
Abdul Basit Ahmad Al-Shaibei	1,563,484	0.87%	1,563,484	0.68%
Ali Ibrahim Ali Abdul Ghani	1	0.00%	1	0.00%
Fatima*	5,228,498	2.89%	5,228,498	2.27%
Muhammad Kamran Saleem	11,670,097	6.46%	11,670,097	5.06%
Muhammad Ozair Zahid*	1,018,657	0.56%	1,018,657	0.44%
Said Gul	5,614,249	3.11%	5,614,249	2.43%
Sameera Said*	5,228,498	2.89%	5,228,498	2.27%
Zahid Hussain Awan	2,863,932	1.58%	2,863,932	1.24%
<b>Other Shareholders:</b>				
Other shareholders**	26,631,163	14.74%	26,631,163	11.54%
Public Offering	-	-	50,000,000	21.67%
<b>Total</b>	<b>180,712,440</b>	<b>100%</b>	<b>230,712,440</b>	<b>100%</b>

\*Fatima and Sameera Said are the daughters of Said Gul. Muhammad Ozair Zahid is the son of Zahid Hussain Awan. Mr. Said Gul and Mr. Zahid Hussain Awan serve as a non-executive director on PQFTL's board. Neither Zahid Hussain Awan Nor Said Gul have been nominated as Sponsors, likewise their family members are also not Sponsors of the Company.

\*\* This shareholding was subscribed by comprised friends, associates, and early supporters of the initial sponsors, including non-resident Pakistanis and Qatari nationals, who were interested in the new, Shariah-compliant Takaful concept. Their post-IPO shareholding is assumed unchanged, though these original subscribers may participate in the public offering.

## 2.5. PRINCIPAL PURPOSE OF THE ISSUE

The principal purpose of the issue is to allow PQFTL to fortify its market-leading position<sup>7</sup> by strengthening its capital base, bolstering solvency margins, expanding digital channels, innovating customer-centric and cost-effective products, and ensuring compliance with updated minimum paid-up capital requirements for life-insurance/takaful companies. (Further details are provided in section 4.1). PQFTL stands as Pakistan's largest dedicated family takaful company (by GPW)<sup>8</sup>, having a 6.6% market share of the total life insurance industry, a 44% market share of the family takaful (incl. Window takaful) sector and a 90.47% market share of the dedicated takaful segment<sup>9</sup>.

<sup>7</sup> [https://www.pacra.com/summary\\_report/RR\\_2774\\_13448\\_16-Sep-24.pdf](https://www.pacra.com/summary_report/RR_2774_13448_16-Sep-24.pdf)

<sup>8</sup> <https://iap.net.pk/wp-content/uploads/2025/06/Posting-Sheet-of-KFD-for-the-period-ended-December-31-2024-Life-.pdf>

<sup>9</sup> Source: Insurance Association of Pakistan and Company Financials

### 2.5.1 Sources of Funding:

PQFTL intends to raise PKR 700 million through an Initial Public Offering (IPO), issuing 50,000,000 ordinary shares at a floor price of PKR 14.0/- per share.

### 2.5.2 Utilization of IPO Proceeds:

PQFTL intends to direct the proceeds towards development of a new digital sales channel, strengthening of the Participants' Takaful (Waqf) Fund (PTF), consolidation of branches' network, software and business application development, building a new digital sales team, establishment of a premier retail team for HNWI, hardware infrastructure, branding and marketing activities, besides complying with the minimum paid-up capital requirement.

Particulars	Cost (PKR)	Percentage (%)
Software's/Intangibles (Development and Upgradation)	170,168,000	24.3%
Hardware & Infrastructure	35,000,000	5.0%
Marketing	122,102,000	17.5%
Hiring Cost	210,628,569	30.1%
Branches Transformation (Renovation, Branding, Relocation)	112,101,431	16.0%
Transfer to Waqf Fund	50,000,000	7.1%
<b>Total</b>	<b>700,000,000</b>	<b>100%</b>

Detailed breakdown of the utilization of proceeds is provided in Section 4.2.

Any excess funds raised, in case the Strike price is determined above the Floor price, would be utilized towards the same expenditures as mentioned in Section 4.2 of this prospectus. The additional funds will enable PQFTL to enhance allocations to the identified expenditure heads, particularly marketing and hiring, allowing for additional scope and capacity beyond the currently stated base level investments.

## 2.6. JUSTIFICATION IN FAVOR OF THE FLOOR PRICE OF PKR 14.00/- PER SHARE

Justification given by the Lead Manager/consultant to the issue in favor of floor price of PKR 14.00/- per share may be seen at section 4A of the prospectus, titled VALUATION SECTION.

## 2.7. QUALIFIED OPINION, IF ANY, GIVEN BY THE AUDITOR DURING THE LAST THREE FINANCIAL YEARS

No qualified opinion was given on the financial statements of PQFTL during the last three financial years, i.e. FY24, FY23, FY22, by the Company's Auditors, i.e. Yousuf Adil, Chartered Accountants.

## 2.8. FINANCIAL INFORMATION – (PLEASE REFER TO SECTION 6.6 FOR FURTHER DETAILS AND RATIOS ANALYSIS)

PKR Mn	CY 2022	CY 2023	CY 2024	9MCY 2025
	Audited	Audited	Audited	Unaudited
Paid-up Capital	1,307	1,307	1,307	1,807
Shareholders' Equity	1,581	1,654	1,850	2,319
Participants' Takaful Fund (PTF) Balance	935	958	967	1,032
Liquid Investments – Participants' Fund <sup>10</sup>	27,821	38,128	56,410	60,542
Gross Contributions (Premium)	10,236	16,297	28,817	19,767
Net Contributions (Premium)	7,782	14,339	27,046	18,693

<sup>10</sup> Liquid investments comprise of investments in equity and debt securities, as well as cash and cash equivalents. Their carrying value changes due to changes in market value (as these items are revalued to fair value at year-end), and with investment activity, as assets are bought and sold to manage cash flows from premiums received and claims paid to participants.

Net Claims (Takaful Benefits)	(6,618)	(10,653)	(17,490)	(19,406)
Investment Income – Participants’ Fund	630	669	571	73
Realized Fair Value Gains - Participants' Fund <sup>11</sup>	944	2,538	3,697	1,104
Unrealized Gain/(Loss) – Participants’ Fund <sup>12</sup>	(1,213)	3,840	5,460	4,566
Wakala Fee – SHF	1,990	1,508	1,353	819
Investment Income – SHF	148	182	217	98
Operator Fee (Investment Management & Modarib Fee) – SHF	562	642	1,066	963
Profit After Tax <sup>13</sup>	149	156	270	89
PAT to Total Income (%) <sup>14</sup>	5%	6%	10%	5%
Claims Ratio (Net Claims to Net Premium) (%)	85%	74%	65%	104%
Number of Shares (Mn)	130.7	130.7	130.7	180.7
EPS	1.14	1.20	2.06	0.49 <sup>15</sup>
Break-up Value per Share	12.1	12.7	14.2	12.8
Lease Liabilities	224	185	134	134
Cash Flow from Operating Activities - SHF <sup>16</sup>	68	(24)	149	(117)
Cash Flow from Investing Activities - SHF	(220)	85	199	(400)
Cash Flow from Financing Activities - SHF	-	(65)	(65)	369
Debt to Equity <sup>17</sup>	14%	11%	7%	NMF

Detailed financial analysis of the company can be found in Section 6.6.

## 2.9. OUTSTANDING LEGAL PROCEEDINGS

The following table outlines the outstanding legal proceedings other than the normal course of business against PQFTL, its sponsors, substantial shareholders, directors or its associated group companies, over which the issuer has control, that could have material impact on the issuer:

Type of cases	Number of Cases	Amount (PKR Mn)
Alleged Mis-selling	3	3.31
Death Claim	1	2.09
Rejected Claims	11	63.59
Rate of Return	13	11.27
Financial Fraud	1	1.15
Sales Tax	1	949.44
<b>Total</b>	<b>30</b>	<b>1,030.85</b>

Further details of outstanding legal proceedings that could have a **material** impact against the PQFTL is provided hereunder:

<sup>11</sup> Realized Fair Value gains on held securities vary as a result of the change in the market value of the held assets.

<sup>12</sup> Un-realized Fair Value gains on held securities vary as a result of the change in the market value of the held assets.

<sup>13</sup> PQFTL’s PAT rose in CY 2023 and CY 2024 due to improved investment performance, which lead to higher investment income and Operator Fee Income (through higher IMC charges) for the Company.

<sup>14</sup> PAT as a % of total income rose as a result of improving bottom-line, more effective cost control, and greater investment yield.

<sup>15</sup> Total Earnings / Total No. of Shares. The Earnings Per Share (EPS) is based on a total shareholding of **180,712,440** shares, following a rights issue of **50 million** shares at par on August 28, 2025. The EPS prior to the right issue, for the 12 months period ended June 30, 2025, is **1.85 per share**, giving a p/e multiple of **7.59x**.

<sup>16</sup> Negative Cash Flow of PKR 24 Mn in CY 2023 arose due to the SHF gratuitously ceding PKR 85 Mn as Qard-e-hasna to the Participants’ Waqf Fund.

<sup>17</sup> PQFTL’s debt only includes lease liabilities recognised under IFRS 16.



S. No	Year	Issuing Authority	Brief Case Description	Stage of Case	Amount (PKR)	Management Instance & Current Status
1	2020	Islamabad High Court	Client is unsatisfied with the Rate of Return/Mis-selling	The case is fixed for hearing.	1,090,000	The Complainant is not satisfied with the rate of return and want full refund of the paid contribution. No mis-selling is established on the part of the Company. We remain confident that the matter will be decided in favor of the Company
2	2022	Insurance Tribunal Karachi	Rejected Death Claim due to concealment of facts	The case is fixed for order on Application.	2,000,000	Death claim repudiated on the basis of non-disclosure of pre-existing illness. We remain confident that the matter will be decided in favor of the Company
3	2022	Civil Judge Peshawar	Rejected Death Claim	The case is fixed for Evidence of defendant side.	2,500,000	Death claim repudiated on the basis of non-disclosure of pre-existing illness. We remain confident that the matter will be decided in favor of the Company
4	2022	Insurance Tribunal Multan	Rejected Death Claim due to concealment of facts	The case is fixed for the settlement of issues.	1,000,000	Death claim repudiated on the basis of non-disclosure of pre-existing illness. We remain confident that the Company will not receive any adverse order.
5	2021	Insurance Tribunal Lahore	Rejected Death Claim due to concealment of facts	The case is reserved for order.	12,650,000	Death claim repudiated on the basis of non-disclosure of pre-existing illness. We remain confident that the Company will not receive any adverse order.
6	2024	Insurance Tribunal Lahore	Death Claim	The case is fixed for hearing. Stay Granted by Supreme Court.	2,090,658	Death Claim matter, appealed filed in Supreme Court against the Order of Insurance Tribunal Lahore. The Company is hopeful to set aside the Tribunal Order.
7	2023	Senior Civil Judge Faisalabad	Client is unsatisfied with the Rate of Return	The case is fixed for defendant evidence.	1,500,000	Regarding the rate of return issue, the claimant asked for the full refund of the paid contribution. The Company is positive that the matter will be decided in its favor.
8	2024	Islamabad High Court	Financial Fraud	The case is fixed for hearing.	1,150,000	Case filed by Company against Ex Agent; the agent affixed forged signature of his father.
9	2023	Lahore High Court	Rejected Death Claim	The case is fixed for Service and Stay Granted.	2,500,000	The Company has challenged the decision of the FIO/President of Pakistan, Death claim repudiated on the basis of non-disclosure of pre-existing illness. We remain confident that the matter

						will be decided in favor of the Company
10	2024	Islamabad High Court	Client is unsatisfied with the Rate of Return	Case is fixed for hearing.	4,500,000	The Company has filed a Constitutional Petition challenging the order passed by the FIO/President of Pakistan. An interim injunction has been granted by the Honorable Islamabad High Court, and the Company remains confident that the matter will be decided in its favor.
11	2023	Lahore High Court	Mis-selling	Case is fixed for hearing.	2,000,000	The Complainant has alleged mis-selling and is seeking a full refund. However, the Company does not expect an adverse order, as the factual record does not support any finding of mis-selling.
12	2023	Insurance Tribunal Multan	Rejected Death Claim due to concealment of facts	The case is fixed for Evidence.	30,000,000	The death claim was rejected on grounds of fraudulent intent and concealment of facts. The Company believes it has strong merits and we remain confident that the matter will be decided in favor of the Company
13	2024	Insurance Tribunal Karachi	Rejected Death Claim due to concealment of facts	The case is fixed for Evidence.	5,000,000	The Company has challenged the decision of the FIO/President of Pakistan, Death claim repudiated on the basis of non-disclosure of pre-existing illness. We remain confident that the matter will be decided in favor of the Company
14	2024	Lahore High Court	Rejected Death Claim	The case is fixed for Evidence.	1,344,000	Death Claim, the participant died within month of obtaining policy. We denied on grounds that the policy was obtained by misrepresenting medical condition of the deceased, The Company believes it has strong merits and evidence in the case.

15	2024	Islamabad High Court	Rejected Claim	Death	Case is fixed for Hearing & order.	1,800,000	The Company has filed a Constitutional Petition challenging the order passed by the FIO/President of Pakistan. and the Company remains confident that the matter will be decided in its favor.
16	2024	Islamabad High Court	Rejected Claim	Death	Case is fixed for hearing	3,850,000	The Company has filed a Constitutional Petition challenging the order passed by the FIO/President of Pakistan, the death claim was rejected on grounds of fraudulent intent and concealment of facts. The Company believes it has strong merits and evidence in the case.
17	2024	Lahore High Court	Client is unsatisfied with the Rate of Return		Case is fixed for hearing	2,500,000	The Company has filed a Constitutional Petition challenging the order passed by the Insurance tribunal Lahore to pay the amount of Sum assured and the Company remains confident that the matter will be decided in its favor.
18	2025	Supreme Court of Pakistan	Provincial Tax on Insurance	Sales Life	Constitutional petition filed and now pending hearing	PKR 949.44 million. Kindly refer to Note 28.1 'Contingencies' of the Audited Financial Statements for the year ended December 31, 2024.	The company along with other industry participants has filed a Constitutional petition in the Supreme Court of Pakistan, through the platform of IAP. In view of the opinion of the company's legal advisors, the company has a strong case on the basis of the merits in the Constitutional petition. As such, the company has neither billed sales tax to its customers nor recognized a provision in respect of these amounts.

Please find further details of outstanding legal proceedings that could have a **material** impact against PQFTL in **Section 8 Legal Proceedings and Overdue Loans.**

Note: There are no other pending litigations against the Company, Sponsors, Substantial Shareholders, Associated Companies and Directors other than those already mentioned above.

## 2.10. RISK FACTORS

Kindly refer to section 5 of this prospectus for details regarding the risks faced by PQFTL.

## 2.11. SUMMARY OF RELATED PARTY TRANSACTIONS

The related party transactions undertaken by PQFTL during the three financial years ended December 31, 2024 are provided hereunder. All transactions are carried out on an arm's length basis.

PKR Mn	2022	2023	2024
<b>Transactions during the year</b>			
<b>Associated Undertakings</b>			
Net shared expenses received	62	107	147
Claims received against general takaful	0.15	0.07	0.7
Claims paid against group takaful	(0.5)	-	(4.6)
Contribution paid against general takaful	(2.9)	(0.4)	(1.2)
Contribution received against group takaful	1.3	1.8	1.3
Investment Advisory Fee Paid	(96)	(83)	(139)
Banca takaful acquisition, entrance and administration fee	(147)	(112)	(83)
<b>Other related parties</b>			
Employees Provident Fund Contribution	(28)	(29)	(32)
<b>Balances outstanding as at the end of the year</b>			
Investment Advisory Fee payable	-	7	16
Administrative charges payable	4	15	-

### 3. OVERVIEW, HISTORY AND PROSPECTS

#### 3.1. COMPANY HISTORY & OVERVIEW

<b>Name</b>	Pak-Qatar Family Takaful Limited
<b>Incorporation Number</b>	0054338
<b>Date of Incorporation and Place</b>	15th March, 2006, Karachi
<b>Date of Registration (Takaful)</b>	16 <sup>th</sup> August, 2007, PQFTL
<b>Date of Commencement of Business</b>	08 <sup>th</sup> February, 2008
<b>Registration as Pension Fund Manager</b>	26 <sup>th</sup> January, 2022
<b>Authorization of Pension Fund</b>	24 <sup>th</sup> August, 2022

Pak-Qatar Family Takaful Limited (PQFTL) was incorporated in Pakistan as an unlisted public company on 15<sup>th</sup> March, 2006 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The company was authorized to transact life insurance business by SECP on 16<sup>th</sup> August, 2007 under the Insurance Ordinance, 2000. The registered office of the company is at 102 – 105, Business Arcade, Plot # 27A, Block 6, P.E.C.H.S, Shahr-e Faisal, Karachi 75400.

The primary purpose of the company is to undertake Family Takaful business in accordance with the Insurance Ordinance, 2000, Insurance Rules 2017, and Takaful Rules, 2012. PQFTL is Pakistan's first and largest dedicated family Takaful operator<sup>18</sup>.

A Takaful system consists of the following elements:

- Investments and operations compliant with Shariah Law, with application of ethics and full disclosure.
- In line with Sharia Law there is no interest (riba), no uncertainty (gharar), and no gambling (maysir).
- Sharing of risks and rewards as per the principles of Shariah.
- Contributions are in the form of 'Tabarru', or donations for mutual assistance to the needy members of the group.
- Underwriting profit is shared among all participants who have a positive contribution during the year, unlike conventional insurance which may not entitle the policyholder to share in the profits.

PQFTL's core business revolves around providing financial security, stability and hazard cover, serving both retail and corporate customers. The company offers a wide range of Takaful products that cater to life insurance protection, health insurance protection, investment (savings), and retirement (pension) solutions.

As per Rule 8 of the Repealed Takaful Rules 2005 (now Takaful Rules, 2012) and Section 15 of the Insurance Ordinance 2000, to carry out the family Takaful business, the company has established the Takaful Business Statutory Fund which has the following components in accordance with the Waqf-Wakala Model adopted by the Company:

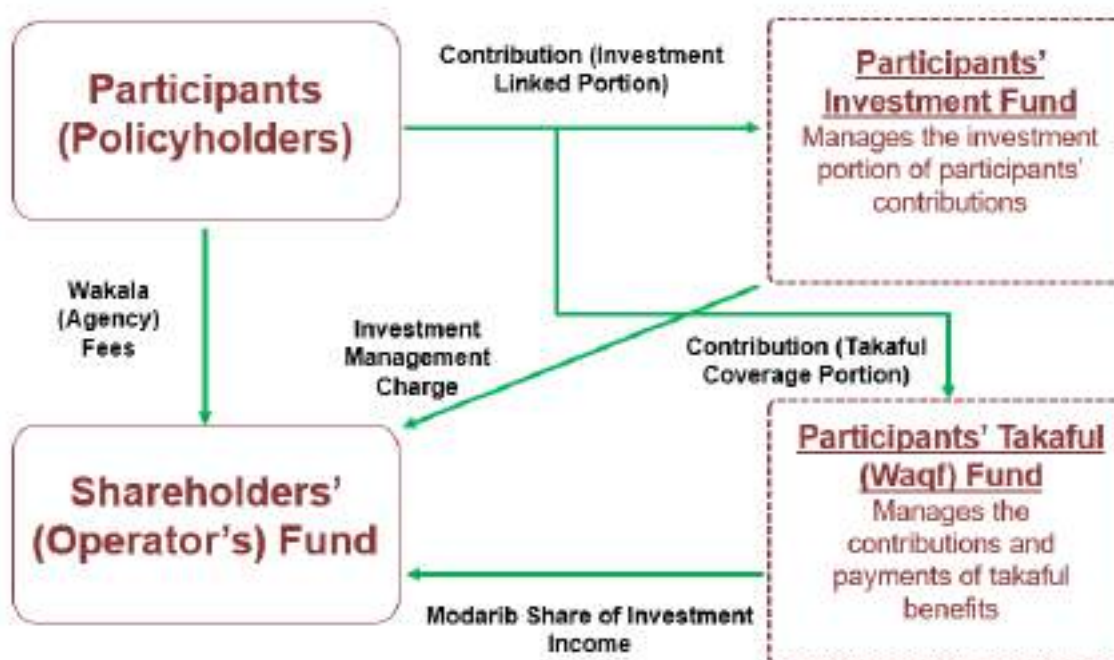
<b>Fund Name</b>	<b>Description</b>
<b>Participant Takaful (Waqf) Fund (PTF)</b>	Established to manage contributions and payments of Takaful benefits. Issues contracts under the following segments: <ul style="list-style-type: none"> <li>• Individual family (unit linked and Decreased Term Assurance as non-linked)</li> <li>• Group family</li> <li>• Group health</li> </ul>
<b>Participant Investment Fund (PIF)</b>	Investment components of the participants' contribution are managed in this fund. It represents the aggregate of the Participant's Investment Account (PIA).

<sup>18</sup> [https://www.pacra.com/summary\\_report/RR\\_2774\\_13448\\_16-Sep-24.pdf](https://www.pacra.com/summary_report/RR_2774_13448_16-Sep-24.pdf)

The Wakala-Waqf model adopted, operates as follows:

- The operator makes a donation to establish a benevolent fund called the 'Waqf' Fund.
- Donations received from participants are deposited into this fund for investment.
- Shareholders do not have ownership of the Waqf; rather the fund is administered by the operator.
- Profits earned are deposited into the same fund, with participants sharing in the benefits.
- The Waqf fund is utilized to help participants in times of need, such as in the event of death, disability, or other covered contingencies
- The Waqf fund rules would define the basis for compensation and financial help, and rules for sharing surplus between the members.

The diagram below illustrates the business structure being adopted by the company:



Participant Takaful Fund, PTF or the PQFTL Waqf was formed by the company on August 17, 2007, under a trust deed executed by the company with a cede amount of PKR 500,000. In January 2025, a further PKR 5,000,000 was transferred from the Shareholders' Fund as cede money to further strengthen the Waqf Pool. As at June 30, 2025, the total size of the Waqf pool (PTF) stood at PKR 1.02 Bn.

Under the Waqf rules, PQFTL is required to invest all available funds in the PTF in investments that adhere to the principles of Shariah law and are approved by the Shariah board of the company. The Waqf deed also governs the relationship of the shareholders and policyholders for the management of Takaful operations, investment of participant's and shareholders respective funds as approved by the company and to manage the risk related contribution and payment of Takaful benefits.

Shariah compliance is ensured by an independent Shariah Advisory Board chaired by Mufti Muhammad Hassan Kaleem, succeeding Mufti Muhammad Taqi Usmani. The Shariah Advisory Board aids PQFTL in ensuring full compliance with Islamic jurisprudence, giving the company a unique positioning among ethically conscious consumers seeking faith-based financial planning tools.

PQFTL is supported by institutions linked with the Qatar Royal family; Qatar International Islamic Bank (7.20%) and Qatar Islamic Insurance Group (7.94%). This adds to the company's commercial and financial strength.

In January, 2022, PQFTL took a trend setting initiative by registering as a Pension Fund Manager, a service typically only provided by AMCs. The company launched its pension fund under the name of Pak Qatar Islamic



Pension Fund (PQIPF) in December 2022, becoming the first Takaful company in Pakistan to launch a voluntary pension scheme (VPS)<sup>19</sup>. PQFTL has an asset manager rating of AM2(p) from PACRA<sup>20</sup>.

Retakaful is the Islamic alternative to reinsurance, whereby the Takaful operator reduces their risk by sharing it with a Retakaful operator. PQFTL has Retakaful partnership arrangements with the following entities:

- **Munich Re:** for Individual Family plans
- **Hannover Retakaful B.S.C:** for Group Life.
- **Hannover Retakaful Germany:** for BancaTakaful plans

PQFTL's strategic alliance with three of the world's leading reinsurance solution providers adds to the company's global credibility and strength.

PQFTL has one of largest Takaful network in Pakistan. The company has 73 branches spread across 67 cities, and through alliances with 14 banks, its products are available at over 3,000 branches across 135 plus cities in Pakistan. PQFTL currently caters to 1,300 plus corporate clients and 1 million plus individuals, providing them with need-based savings, investments, and protection solutions. The company has more than 300 prominent hospitals on panel across Pakistan to provide the best healthcare to Takaful (Islamic Insurance) members.

PQFTL continues to modernize its go-to-market approach by developing digital platforms, expanding presence through online portals, digital aggregators, brokers, and strategic tech integrations. These digital tools provide enhanced accessibility, particularly for younger and tech-savvy participants.

Digital onboarding and account management services, including the PQFS app and Elaaj App (Healthcare App), allow for easier access to policy dashboards and offer convenience via digital premium payment facilities. This provides opportunities for achieving operational efficiency and improving customer satisfaction, all the while expanding reach and unlocking new revenue streams through digital conversions.

The company is regulated by the Securities and Exchange Commission of Pakistan (SECP). As of 2024, there are 11 companies (incl. windows) operating in the Family Takaful sector, with 4 dedicated family takaful operators and 7 conventional insurers having window takaful operations<sup>21</sup>. The industry is collectively represented under the common platform of the Insurance Association of Pakistan (IAP). PQFTL stands as the largest dedicated takaful operator<sup>22</sup>, having a market share of 90.47% of the dedicated takaful segment (by GPW)<sup>23</sup>.

### 3.2. PATTERN OF SHAREHOLDING

Name	Pre-IPO Shareholding		Post-IPO Shareholding	
	Shares Held (No.)	Ownership %	Shares Held (No.)	Ownership %
<b>Sponsors:</b>				
Pak-Qatar Investment Limited (PQIL)	80,242,885	44.40%	80,242,885	34.78%
Qatar International Islamic Bank (QIIB)	13,009,223	7.20%	13,009,223	5.64%
Qatar Islamic Insurance Group (QIIG)	14,341,019	7.94%	14,341,019	6.22%
H.E. Sheikh Ali Bin Abdullah	13,300,734	7.36%	13,300,734	5.77%
<b>Directors and related family</b>				
Abdul Basit Ahmad Al-Shaibei	1,563,484	0.87%	1,563,484	0.68%
Ali Ibrahim Ali Abdul Ghani	1	0.00%	1	0.00%
Fatima*	5,228,498	2.89%	5,228,498	2.27%

<sup>19</sup> <https://www.brecorder.com/news/40368285/pak-qatar-family-takaful-limited-two-decades-of-legacy-and-trust>

<sup>20</sup> [https://www.pacra.com/summary\\_report/RR\\_2774\\_13448\\_16-Sep-24.pdf](https://www.pacra.com/summary_report/RR_2774_13448_16-Sep-24.pdf)

<sup>21</sup> <https://www.secp.gov.pk/document/report-on-insurance-industry-statistics-2024/?wpdmdl=61696&refresh=68a702937e8b91755775635>

<sup>22</sup> [https://www.pacra.com/view/storage/app/rating\\_reports/RR\\_385\\_14592\\_26-Jun-25.pdf](https://www.pacra.com/view/storage/app/rating_reports/RR_385_14592_26-Jun-25.pdf)

<sup>23</sup> Source: Company Financials of PQFTL, 5<sup>th</sup> Pillar Takaful, Dawood Takaful, Salaam Family Takaful.

Muhammad Kamran Saleem	11,670,097	6.46%	11,670,097	5.06%
Muhammad Ozair Zahid*	1,018,657	0.56%	1,018,657	0.44%
Said Gul	5,614,249	3.11%	5,614,249	2.43%
Sameera Said*	5,228,498	2.89%	5,228,498	2.27%
Zahid Hussain Awan	2,863,932	1.58%	2,863,932	1.24%
<b>Other Shareholders:</b>				
Other Shareholders **	26,631,163	14.74%	26,631,163	11.54%
<b>Public Offering</b>			50,000,000	21.67%
<b>Total</b>	<b>180,712,440</b>	<b>100%</b>	<b>230,712,440</b>	<b>100%</b>

\*Fatima and Sameera Said are the daughters of Said Gul. Muhammad Ozair Zahid is the son of Zahid Hussain Awan. Mr. Said Gul and Mr. Zahid Hussain Awan serve as a non-executive director on PQFTL's board. Neither Zahid Hussain Awan Nor Said Gul have been nominated as Sponsors, likewise their family members are also not Sponsors of the Company.

\*\* This shareholding was subscribed by comprised friends, associates, and early supporters of the initial sponsors, including non-resident Pakistanis and Qatari nationals, who were interested in the new, Shariah-compliant Takaful concept. There post-IPO shareholding is assumed unchanged, though these original subscribers may participate in the public offering.

Details of major shareholders are as follows:

#### **Pak-Qatar Investment Limited (PQIL):**

Pak-Qatar Investment (Private) Limited (PQIL) is one of the key sponsors of the Pak-Qatar Group. The company is engaged in the business of providing independent assessments and specialist investment advice to its clients, with the objective of maximizing returns for investors.

The company was incorporated on August 16, 2016 as a private limited company. The registered office of the company is at First Floor, Business Arcade, Block 6, P.E.C.H.S, Shahr-e-Faisal, Karachi. Mr. Muhammad Kamran Saleem is the nominee Director of PQIL on the Board of PQFTL. He is also the Chief Executive Officer at PQIL.

#### **Qatar International Islamic Bank (QIIB):**

Qatar International Islamic Bank (QIIB) is a privately owned Islamic financial institution based in the state of Qatar, catering to individual and corporate banking needs. QIIB work within local and international standards to deliver the best Shariah compliant deposit, finance and insurance products for its valuable customers.

Mr. Abdul Basit Ahmad Al-Shaibei is the nominee Director of QIIB on the Board of PQFTL. He is also the Chief Executive Officer at QIIB.

#### **Qatar Islamic Insurance Group (QIIG):**

QIIG was incorporated on 30<sup>th</sup> October, 1993 in the state of Qatar under Qatar Companies Law No.11. Qatar Islamic Insurance Group (QIIG), formerly Qatar Islamic Insurance Company, is a leading Takaful (Islamic insurance) company in the world. The company engaged in the business of underwriting general, Takaful (Life) and health insurance in accordance with the principles of Shariah. QIIG was the first insurance company in Qatar to offer insurance products and services on-line<sup>24</sup>.

On 12<sup>th</sup> December, 1999, the company was listed on the Qatar Stock Exchange under the ticker 'QISI'. As of 1<sup>st</sup> July 2025, the company has a market capitalization of QAR 1295.550 Mn, which amounts to USD 356 Mn and PKR 100,975 Mn.

Mr. Ali Ibrahim Ali Abdul Ghani is the nominee Director of QIIG on the Board of PQFTL. He is also the Group President of QIIG.

#### **H. E. Sheikh Ali bin Abdullah Thani Jassim Al-Thani - Chairman Board of Directors:**

A distinguished member of the Royal Family of Qatar, His Excellency Sheikh Ali Bin Abdullah Thani Jassim Al-Thani has been a steadfast supporter of Pakistan's progress and development. He has championed initiatives to

<sup>24</sup> <https://www.QIIG.com.qa/about-us/history/>

attract foreign investment, foster workforce opportunities, and uplift communities, especially in education and healthcare.

Since 2006, Sheikh Ali has served as the visionary Chairman of Pak-Qatar Family Takaful Limited, steering the Company's mission to redefine Islamic financial services with excellence and purpose.

### 3.3. REVENUE AND INCOME DRIVERS

Breakdown of PQFTL's Income for the preceding three years is provided hereunder:

PKR MN	CY 2022	CY 2023	CY 2024	9MCY 2025
	Audited	Audited	Audited	Unaudited
<b>Key Revenue Items - Participants' Fund</b>				
<b>Gross Contributions (Premiums)</b>				
Individual Life (Direct Sales Force)	5,265	11,302	24,309	16,846
% of Total Gross Contributions	51%	69%	84%	85%
Individual Life (Banca-Takaful)	2,256	1,923	1,386	787
% of Total Gross Contributions	22%	12%	5%	4%
Group Life (All Direct)	556	679	700	484
% of Total Gross Contributions	5%	4%	2%	3%
Group Health (All Direct)	2,159	2,393	2,422	1,650
% of Total Gross Contributions	21%	15%	8%	8%
<b>Total</b>	<b>10,236</b>	<b>16,297</b>	<b>28,817</b>	<b>19,767</b>
<b>Investment Income</b>				
Dividend Income	272	179	129	21
% of Total Investment Income	43%	27%	23%	28%
Return on Debt Securities	260	384	343	11
% of Total Investment Income	41%	57%	60%	15%
Income from Deposits	98	106	99	42
% of Total Investment Income	16%	16%	17%	57%
<b>Total Investment Income</b>	<b>630</b>	<b>669</b>	<b>571</b>	<b>73</b>
<b>Unrealized Gains/(Losses) from Investments</b>	<b>(1,213)</b>	<b>3,840</b>	<b>5,460</b>	<b>4,566</b>
<b>Key Revenue Items - Shareholders' Fund</b>				
<b>Wakala Fee</b>				
Upfront Contribution Allocated to SHF	1,219	835	721	352
% of Total Wakala Fee	61%	55%	53%	43%
Other Wakala Fee from PTF (from IL, GL and GH)	771	673	631	467
% of Total Wakala Fee	39%	45%	47%	57%
<b>Total Wakala Fee</b>	<b>1,990</b>	<b>1,508</b>	<b>1,353</b>	<b>819</b>
<b>Investment Income</b>				
Dividend Income	8	5	-	-
% of Total Investment Income	5%	3%	-	-
Return on Debt Securities	59	70	65	54
% of Total Investment Income	40%	38%	30%	55%
Income from Deposits	81	107	152	45
% of Total Investment Income	55%	59%	70%	45%
<b>Total Investment Income</b>	<b>148</b>	<b>182</b>	<b>217</b>	<b>98</b>
<b>Operator Fee (IMC &amp; Modarib Fee)</b>	<b>562</b>	<b>642</b>	<b>1,066</b>	<b>963</b>
<b>Other Income</b>	<b>23</b>	<b>32</b>	<b>16</b>	<b>10</b>

### 3.3.1 DIRECT DISTRIBUTION NETWORK:

PQFTL offers individual plans through its direct agency (direct sales force) and BancaTakaful networks. All corporate (group) plans are sold directly by the company through its corporate sales team.

PQFTL primarily relies on its own sales force to collect participant contributions, with 95% of gross contributions generated in CY 2024 arising from the company's direct sales network. The company has a strong and wide-spanning sales network, with 73 branches across several cities in Pakistan.

PQFTL has 1,971 agents as part of its individual retail sales team, and a corporate sales team of more than 100 agents, who have been extremely successful in expanding the Takaful business of the company. For the three financial years ended December 31, 2024, the Gross premiums underwritten by PQFTL from its direct agency (retail and corporate sales teams) experienced a CAGR of 56%, showcasing the strength of the company's vast direct sales network.

This growth was driven by the launch of the 'Mahana Bachat Takaful Flexi Plan (MBT)' in 2023. This single-contribution, unit-linked investment solution attracted high-value contributions due to its flexible features and Shariah-compliant structure.

In alignment with its digital transformation strategy, PQFTL has equipped the Retail Sales (DSF) channel with mobile apps and web portals that offer clients real-time policy access, digital payment options, and transparent portfolio management, further enhancing customer experience and operational efficiency.

With most of the business being generated from its direct sales network, PQFTL is not unduly reliant on BancaTakaful to sustain its business and meet participant obligations and shareholder needs. This allows the company to have greater control over its underwriting policy, ensuring its alignment with the company's risk profile.

### 3.3.2 BANCATAKAFUL:

BancaTakaful is a partnership between a bank and a Takaful operator, whereby the bank acts as an agent for the operator, selling Takaful products via its distribution network. Through the use of BancaTakaful PQFTL is able to use cross-selling to benefit from the branch network of banks to expand its Takaful business.

Currently PQFTL has BancaTakaful partnerships with 14 banks, amongst whom are:

- |                                    |                                     |   |
|------------------------------------|-------------------------------------|---|
| 1. MCB Bank Limited (Conventional) | 7. Askari Bank Limited              | 13. Khushhali Microfinance bank Limited |
| 2. MCB Islamic Bank Limited        | 8. Bank Alfalah Limited             | 14. U Microfinance Bank Limited         |
| 3. Dubai Islamic Bank Limited      | 9. JS Bank Limited                  |   |
| 4. United Bank Limited             | 10. Standard Chartered Bank Limited |   |
| 5. Bank Islami Limited             | 11. Al Baraka Bank Limited          |   |
| 6. Faysal Bank Limited             | 12. Allied Bank Limited             |   |

These BancaTakaful partnerships allow PQFTL to diversify the source of contribution inflows as well as provide opportunities for enhancing brand visibility and driving customer acquisition. In CY 2024, PQFTL generated 5% of its total gross contributions from its BancaTakaful business.

Products Offered through the Banca Takaful Partnerships are as follows:

- **Pak-Qatar Savings & Takaful Plan:** A Unit-Linked Saving & Protection Plan which combines takaful protection with investment growth, with Participants contributing premiums in regular intervals.
- **Hifz Ul Maal Takaful Plan:** A Unit-Linked Investment Plan, with both regular and single (lump-sum) payment options.

### 3.3.3 RISING DEMAND FOR SHARIAH COMPLIANT SOLUTIONS:

With Pakistan being a predominately Muslim country, local consumers have sought insurance solutions that comply with Shariah (Islamic) law. This has led to the growth and development of the Takaful business, which act as a Shariah compliant alternative to conventional solutions. In CY 2024 the total Gross Contributions

collected by the Takaful business (incl. Window) in the General and Life insurance sector amounted to PKR **31 Bn** and PKR **66 Bn**, respectively<sup>25</sup>.

PQFTL is Pakistan's largest Family Takaful operator in terms of gross contributions, collecting PKR **28.8 Bn** from participants, which amounts to **44%** of the total contributions of the Family Takaful industry i.e. PKR 66 Bn<sup>26</sup>. PQFTL stands as one of four dedicated family takaful companies in Pakistan, having a market share of **90.47%** of the dedicated family takaful sector<sup>27</sup>.

The industry's total gross contributions (premiums) segregated between conventional and Takaful business are provided hereunder:

PKR Bn	CY 22	CY 23	CY 24	YoY % (22 – 23)	YoY % (23 – 24)
<b>General</b>					
<b>Conventional</b>	157	202	212	28.7%	5.0%
<b>Takaful (incl. Window)</b>	21	25	31	19.0%	24.0%
	178	227	243	27.5%	7.0%
<b>Life</b>					
<b>Conventional</b>	334	356	368	6.6%	3.4%
<b>Takaful (incl. Window)</b>	41	48	66	17.1%	37.5%
	375	404	434	7.7%	7.4%

Source: SECP Insurance Industry Statistics [2022](#), [2023](#) and [2024](#)

### 3.3.4 INVESTMENT INCOME:

As of December 31, 2024, total investments held by the Company's Participants' Fund amounted to PKR 52.3 Bn (CY23: PKR 34.1 Bn). This portfolio generates investment income for the Participants Investment Fund (PIF) and the Participant Takaful Fund (PTF), including dividend income, return from debt securities, and income from deposits (detailed break-up provided above). Investment income (excl. fair value gains/losses) generated in CY 2024 amounted to PKR 571 Mn (CY 23: PKR 669 Mn) for the participants' fund and PKR 217 Mn (CY 23: PKR 182 Mn) for the shareholders' fund.

PQFTL has outsourced its investment management function under an Investment Advisory Agreement with Pak-Qatar Asset Management Company (Associated Company). The statutory Participant Fund is further divided into two sub funds; Participant Takaful Fund (PTF) and Participant Investment Fund (PIF). Contribution collected from participants is allocated amongst each sub-fund, resulting in each fund having its own investment/asset base and thereby its own investment income. The risk and rewards of the performance of the investment portfolio are borne by the participants.

In PIF any surplus/deficit is realized and distributed on a daily basis to the underlying unit-linked policies, via daily adjustment of unit prices derived (similar to mutual funds).

In PTF the net surplus in the three business segments i.e. Individual Family, Group Family, and Group Health, may be distributed to the policyholders based on the advice of the appointed actuary. The appointed actuary evaluates solvency requirements to ensure that any distributions made are sustainable. As such, the surplus recommended for distribution might be lower than the Surplus available for distribution.

The net surplus or deficit for the PTF is calculated by deducting claims and other relevant expenses (such as the Takaful operator's fee) from the fund's total income, which includes participants' contributions and investment income. The resulting balance is then adjusted for movements in technical reserves, which represent amounts set aside to meet future obligations to participants.

The following methodology is used for the distribution of surplus in each line of business:

<sup>25</sup> <https://www.secp.gov.pk/document/report-on-insurance-industry-statistics-2024/?wpdmdl=61696&refresh=68a702937e8b91755775635>

<sup>26</sup> <https://www.secp.gov.pk/document/report-on-insurance-industry-statistics-2024/?wpdmdl=61696&refresh=68a702937e8b91755775635>

<sup>27</sup> Source: Company Financials of PQFTL, 5<sup>th</sup> Pillar Takaful, Dawood Takaful, Salaam Family Takaful.



**Individuals (Direct):**

The distributable surplus is determined for each Participant; however, the actual distribution of the surplus will be done only to those Participants leaving the pool during the year by way of full withdrawal or maturity of the membership, using the cumulative surplus position at the last valuation date (i.e. previous year-end) and the cumulative Contribution to the Fund. This means that the policyholder receives their cash/surrender/maturity value plus a separate surplus payout (if any). Any undistributed part is carried forward within the Takaful Fund.

**Individuals (BancaTakaful):**

Any surplus is distributed upon the advice of the Retakaful partner. Unlike the Direct line of business, distributions to BancaTakaful customers are made via adjusting the cash value of unitholders i.e. the accumulated amount a policyholder is entitled to if they surrender their policy before maturity. As such, for BancaTakaful customers no distribution for investment income is made separately upon maturity or surrender.

**Group Family and Health:**

The Takaful Operator may distribute surplus either in cash or adjust against future Contributions. The actual distribution of surplus will be made either at the end of Scheme termination during the Scheme year or at the end of Scheme anniversary.

The following table provides a breakdown of net PTF surplus distributed in the preceding three financial years:

<i>PKR Mn</i>	Individual Family (Direct)	Individual Family (Banca)	Group Family	Group Health	Total
PTF					
<b>CY 2024</b>					
Surplus/(deficit) before distribution	116	(0.9)	(37)	(6)	72
Distribution	(64)	-	-	-	(64)
Surplus/(deficit) after distribution	52	(0.9)	(37)	(6)	8
<b>CY 2023</b>					
Surplus/(deficit) before distribution	119	46	(13)	(115)	37
Distribution	(56)	(44)	-	-	(100)
Surplus/(deficit) after distribution	63	2	(13)	(115)	(62)
<b>CY 2022</b>					
Surplus/(deficit) before distribution	90	63	25	42	220
Distribution	(30)	(43)	-	-	(73)
Surplus/(deficit) after distribution	60	20	25	42	147

Likewise, the Shareholders' Fund (SHF) has its own investment/asset base to earn investment income. In CY 2024, the SHF earned realized investment income of PKR 291 Mn (CY 23: PKR 275 Mn) from an investment base of PKR 1.4 Bn (CY 23: PKR 1.45 Bn).

**3.3.4 WAKALA FEE:**

Under the Waqf-Wakala model, PQFTL collects contributions from participants and manages them on their behalf. In turn, the company charges a Wakala (agency) fee that is allocated to the Shareholders' (Operators') Fund. The fee is a pre-agreed payment made by the participants to the company for managing the PTF.

**3.3.5 OPERATOR FEE (INVESTMENT MANAGEMENT & MODARIB FEE):**

PQFTL charges its participants an Operator Fee to cover the costs incurred of operating the fund. These include administrative charges and fees charged for the management of PIF investments at the rate 1.50% per annum, charged to net asset value of the underlying assets.

In addition, the Operator fee income also includes PQFTL's Modarib share of investment income earned by the PTF, which is currently set at 50%.

This operator fee ensures that the company can cover the costs incurred in managing policyholder contributions and continue to operate and provide services to its participants.

### 3.4. COST DRIVERS

Breakdown of PQFTL's key expense items for the preceding three years is provided hereunder:

PKR MN	CY 2022	CY 2023	CY 2024	9MCY 2025
	Audited	Audited	Audited	Unaudited
<b>Key Expense Items - Participants' Fund</b>				
Wakala Fees	(1,990)	(1,508)	(1,353)	(819)
% of Total Costs	19%	6%	4%	3%
Re-Takaful Contributions Ceded	(464)	(450)	(418)	(255)
% of Total Costs	4%	2%	1%	1%
Net Takaful Claims/Benefits	(6,618)	(10,653)	(17,490)	(19,406)
% of Total Costs	63%	45%	45%	76%
Operator Fee (IMC & Modarib Fee)	(562)	(642)	(1,066)	(963)
% of Total Costs	5%	3%	3%	4%
Surplus Distribution	(73)	(100)	(64)	(37)
% of Total Costs	0.7%	0.4%	0.2%	0.1%
Other Expenses	(73)	(89)	(89)	(17)
% of Total Costs	0.7%	0.4%	0.2%	0.1%
Net Change in Takaful Liabilities	(800)	(10,062)	(18,097)	(4,018)
% of Total Costs	8%	43%	47%	16%
<b>Total Costs</b>	<b>(10,580)</b>	<b>(23,504)</b>	<b>(38,577)</b>	<b>(25,515)</b>
<b>Key Expense Items - Shareholders' Fund</b>				
Commission Expense <sup>28</sup>	(848)	(628)	(599)	(275)
% of Total Costs	33%	28%	26%	15%
Other Acquisition Expenses <sup>29</sup>	(1,017)	(803)	(815)	(723)
% of Total Costs	40%	36%	35%	40%
Marketing and Administration Expenses	(673)	(791)	(904)	(822)
% of Total Costs	27%	36%	39%	45%
<b>Total Costs</b>	<b>(2,538)</b>	<b>(2,222)</b>	<b>(2,318)</b>	<b>(1,820)</b>

#### 3.4.1 TAKAFUL BENEFITS:

Takaful benefits (claims) represent amounts that are payable to participants as per the terms of their respective policies. Takaful benefits are payable by the PTF upon the occurrence of the insured event as stated in the terms of the Takaful certificate. Events covered by PQFTL include death, disability and illness.

Takaful benefits are also payable by the PIF in the following instances:

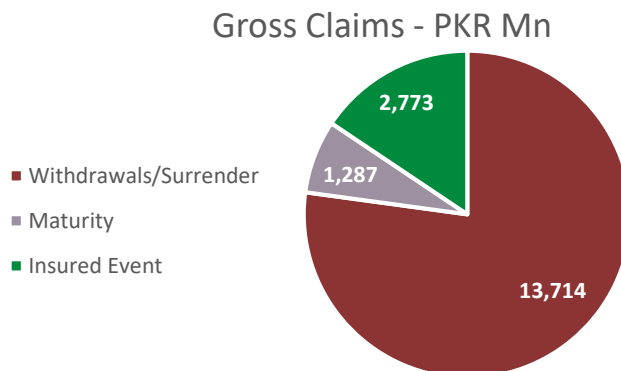
- Lump-sum payment made to the policyholder upon maturity of the policy.
- Surrender of a takaful policy, whereby a policyholder voluntarily terminates a policy before its maturity date, thereby forfeiting future benefits and coverage.

Total gross claims in CY 2024 amounted to PKR 17.8 Bn, whilst net claims of the company, after accounting for Retakaful recoveries, amounted to PKR 17.5 Bn in CY 2024. The Claims ratio (net claims as a % of net contributions) of the company has been steadily declining, falling to 65% in CY 2024 (CY 2022: 85%). Improvements in claims ratio arose as a result of a strategic initiative by the company to reprice and off-load high-loss-ratio clients in the Group segment, and improve client screening during the onboarding process.

<sup>28</sup> Commission expenses are payments made by the operator to sales agents and intermediaries for acquiring new policies and securing renewals from policyholders.

<sup>29</sup> Other acquisition expenses include costs for acquiring and retaining policies, such as employee salaries and benefits, office supplies, sales promotions, and communication expenses like postage and phone bills. These expenses support the overall policy acquisition process.

Breakdown of the company's Gross claims in CY 2024 of PKR 17.8 Bn is provided hereunder:



### 3.4.2 DISTRIBUTION CHANNEL COSTS:

These are the costs incurred in collecting new and maintaining existing takaful contracts. Included in these costs is the remuneration and commission paid to the company's direct agents (individual retail and corporate sales team) as well as BancaTakaful partners. PQFTL has a wide-reaching distribution network, comprising 1,971 sales force agents, along with BancaTakaful arrangements with leading Islamic Banks, including Dubai Islamic Bank, Faysal Bank, and Bank Islami. By virtue of its expansive network the distribution related costs of the company comprise a significant portion of its operational expenditure.

Through restructuring product offerings and modifying commission structures, PQFTL brought down its commission costs in CY 2024 to only 2% of Gross Contributions (CY 22: 8%).

	CY 2022	CY 2023	CY 2024	9MCY 2025
<b>Net Commission Expenses</b>	(848)	(628)	(599)	(275)
<b>% of Gross Contribution</b>	8%	4%	2%	1.4%

### 3.4.3 NET CHANGE IN TAKAFUL LIABILITIES:

Net Change in Takaful Liabilities reflects the change in actuarial reserves arising during the year, indicating how much Participants' long-term have increased or decreased. Outstanding claims, i.e. claims reported to the Company but not yet paid, do not form part of this amount. These liabilities primarily include:

- Future takaful benefits (payable upon death or maturity)
- Accumulated Participants account balances
- Other reserves under actuarial valuation

The following factors drive the Net change in takaful liabilities:

- New policies issued, leading to increased reserves
- Maturity/surrender of existing policies, reducing reserves
- Contributions received and paid, affecting reserves balance.
- Changes in actuarial assumptions, such as mortality rates, inflation/interest rates, lapse rates, etc.

### 3.4.4 INVESTMENT MANAGEMENT:

PQFTL has two funds, the Participants' Fund and Shareholders' Fund (SHF). The Participant's Fund has two further sub-funds, Participants' Investment Fund (PIF) and Participants' Takaful Fund (PTF). Each fund has its own investment base which earns investment income. PQFTL has outsourced its investment management function under an Investment Advisory Agreement with Pak-Qatar Asset Management Company (Associated Company). The Shareholders' fund incurs an investment advisory fee under this arrangement which amounted

to PKR 139 Mn in CY 2024 (CY 2023: PKR 83 Mn). The updated advisory fee effective from July 01, 2025 is 0.26% per annum charged to the market value of net assets. The fee is market competitive as the range in market is "0.25% to 1.25%". The investment advisory fee is borne entirely by the SHF. These costs are recovered by the SHF through charging an Investment Management Commission (IMC) to Participants.

### 3.4.5 MARKETING AND ADMINISTRATIVE COSTS:

PQFTL incurs management and administrative costs in the normal course of its business. These include staff salaries, asset maintenance, Shariah advisor's fees, legal and professional fees, utilities costs, SECP supervision fees, group takaful, office rentals, ongoing investments in digital platforms and automation tools, marketing efforts, and regular staff training programs. These costs are initially incurred by the SHF and subsequently charged to the participants in the form of the Operator Fee.

### 3.4.6 BRANCH INFRASTRUCTURE:

PQFTL has a network of 73 branches across the country which play a key role in allowing the company to generate new business. Operating these branches leads to overhead costs for the company in the form of rent, utilities and administrative expenses. The average contribution per branch is around PKR 240.76 Mn, while the average cost per branch is around PKR 12.43 Mn.

PQFTL was able to reduce such operational costs via shifting away from traditional branch networks and transitioning to digital platforms, such as PQFS App, Smart PFM, Hifaza Technologies, Takaful Bazaar along with other digital aggregators. As part of this strategic shift the company reduced its distribution network from 181 branches in CY 2022 to 73 branches in CY 2024.

Despite the consolidation, gross contributions (premiums) increased to PKR 28.8 Bn in CY 2024 (CY 22: PKR 10.2 Bn), reflecting enhanced scalability and efficiency of the newly adopted digital solutions. However, branch-related costs remain a challenge in semi-urban and rural areas, where low market penetration and limited infrastructure contribute to higher acquisition costs.

### 3.4.7 RETAKAFUL ARRANGEMENTS:

In order to manage its risks, PQFTL cedes an amount of Takaful contribution collected to its Retakaful partners. This allows the company to safeguard the PTF from large or unexpected claims, thereby ensuring the stability and sustainability of the Participants' Fund. Retakaful arrangements are particularly important for products with higher claim frequencies, such as group family Takaful and credit life.

PQFTL has Retakaful arrangement with Munich Re, Hannover Re-Takaful Germany and Hannover Re-Takaful Bahrain (fully owned subsidiary of Hannover Re). Munich Re and Hannover Re-takaful Bahrain are rated AA and A+ by S&P, respectively<sup>30</sup>.

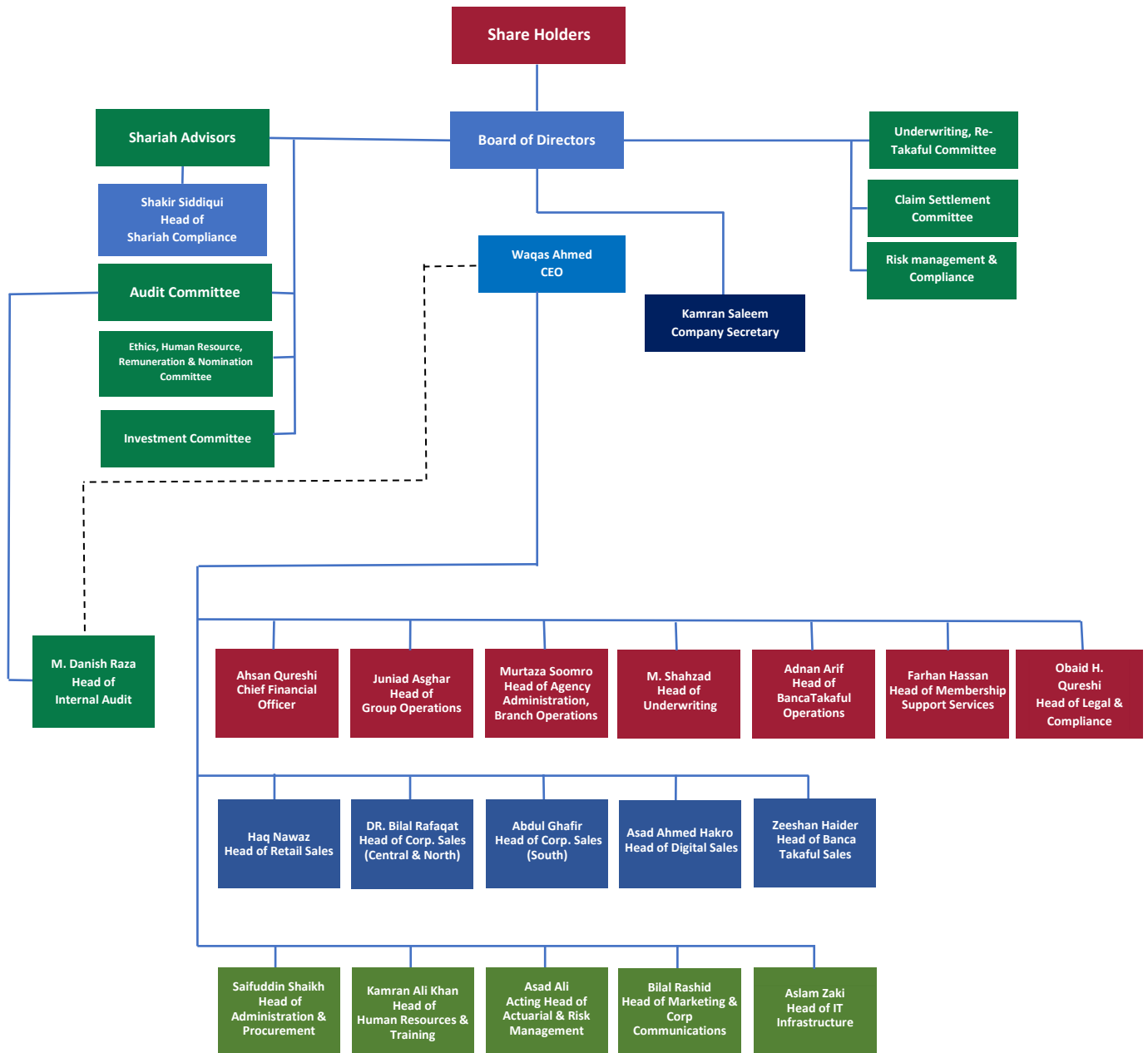
Hannover Re-Takaful Germany, used by PQFTL in its BancaTakaful business, has a S&P rating of AA<sup>31</sup>. All Retakaful (reinsurance) arrangements of PQFTL are compliant with Shariah Law, ensuring the integrity of the business.

Total contributions ceded in CY 2024 amounted to PKR 417.8 Mn (CY 22: PKR 463.9 Mn). PQFTL's cession ratio (Retakaful as a percentage of gross contributions) reduced to 1.4% in CY 2024 (CY 22: 5%). The company reviews and adjusts its ceding ratio annually, considering factors such as mortality trends, policy lapse rates, and overall solvency projections.

<sup>30</sup> [https://www.pacra.com/view/storage/app/rating\\_reports/RR\\_385\\_14592\\_26-Jun-25.pdf](https://www.pacra.com/view/storage/app/rating_reports/RR_385_14592_26-Jun-25.pdf)

<sup>31</sup> [https://assets.hannover-re.com/asset/533267266226/document\\_phc5e1178d6nf8fph41fpfed72/RatingsDirect\\_HannoverRueckSE\\_Sep-05-2024.pdf?content-disposition=inline](https://assets.hannover-re.com/asset/533267266226/document_phc5e1178d6nf8fph41fpfed72/RatingsDirect_HannoverRueckSE_Sep-05-2024.pdf?content-disposition=inline)

### 3.5. ORGANIZATIONAL STRUCTURE OF THE ISSUER



### 3.6. MAJOR EVENTS IN THE HISTORY OF THE ISSUER

Year	Milestones
2006	<ul style="list-style-type: none"> <li>Pak-Qatar Family Takaful Limited (PQFTL) was incorporated</li> </ul>
2007	<ul style="list-style-type: none"> <li>Commenced operations as the First Takaful operator in Pakistan</li> </ul>
2008	<ul style="list-style-type: none"> <li>Implemented Penta Takaful System</li> </ul>
2009	<ul style="list-style-type: none"> <li>Launched BancaTakaful distribution through two leading banks.</li> <li>Awarded “Best Family Takaful Operator” in Pakistan, by 1st National Achievers Award.</li> <li>Awarded “Best Use of Technology” award by the Islamic Business &amp; Finance Awards, UAE.</li> <li>Awarded “Best Marketing Strategy” award by World Takaful Summit, London.</li> <li>Awarded “Brands of the Year Award” by Brands Foundation, Pakistan.</li> </ul>
2010	<ul style="list-style-type: none"> <li>Became the first Takaful operator in Pakistan to implement the SAP solution.</li> <li>Credit rating upgraded by JCR-VIS Credit Rating Company.</li> </ul>
2014	<ul style="list-style-type: none"> <li>Surpasses the PKR 1 billion mark in business volume.</li> </ul>
2015	<ul style="list-style-type: none"> <li>Awarded “Best Takaful Company” in Pakistan at 'RTC Islamic Banking &amp; Finance Awards'.</li> </ul>
2016	<ul style="list-style-type: none"> <li>Awarded “Best Takaful Operator” in Pakistan at the 10<sup>th</sup> International Takaful Summit, London</li> <li>Awarded “Best Takaful Operator” by International Finance News, Malaysia.</li> </ul>
2017	<ul style="list-style-type: none"> <li>Awarded “Brand of the Year” in Takaful by the Federation of Pakistan Chambers of Commerce and Industry, Pakistan.</li> </ul>
2018	<ul style="list-style-type: none"> <li>Awarded “Best Takaful Company” Award 2018 by Global Islamic Finance Awards in London, United Kingdom</li> <li>Awarded “Brand of the Year” in Takaful by the Federation of Pakistan Chambers of Commerce and Industry, Pakistan.</li> </ul>
2020	<ul style="list-style-type: none"> <li>Awarded “Best Takaful Company” by the Federation of Pakistan. Chambers of Commerce and Industry, Pakistan.</li> <li>PQFTL into a strategic partnership with Oladoc.</li> </ul>
2021	<ul style="list-style-type: none"> <li>Achieved the milestone of over 1 million Takaful members.</li> </ul>
2022	<ul style="list-style-type: none"> <li>VIS Credit Rating Company and PACRA harmonized the Insurer Financial Strength rating of PQFTL at ‘A++’ with Stable Outlook.</li> <li>PQFTL became Pakistan’s first Takaful company to get Pension Fund Management license from SECP and launched a Voluntary Pension Scheme.</li> <li>Launched Mahana Bachat &amp; Takaful Flexi plan, Pakistan’s first comprehensive savings and protection solution.</li> <li>Partnered with Sehat Kahani for inclusive health services.</li> </ul>
2023	<ul style="list-style-type: none"> <li>Awarded “Best Business Practices” by The Professionals Network, Pakistan.</li> <li>Awarded “Disability Inclusion Excellence” by the Employers’ Federation of Pakistan.</li> <li>Partnered with Commtel for Data Security &amp; Integrity.</li> <li>Partnered with Instaful Solutions to introduce inclusive BancaTakaful solutions, the first of its kind initiative in the industry</li> </ul>



2024	<ul style="list-style-type: none"> <li>Assigned AM2 Asset Manager Rating by PACRA as a Pension Fund Manager (Stable Outlook).</li> <li>Became the first Takaful company in Pakistan to offer instant withdrawal services.</li> <li>Accredited by ICAP as an Approved Training Organization – Outside Practice (TOoP).</li> <li>Awarded “Leading Takaful Company” by CxO Global Forum.</li> <li>Go-Live achieved for Microsoft Dynamics 365, Customer Relationship Management solutions.</li> <li>Go-live achieved for 24x7 call center for customer services.</li> </ul>
2025	<ul style="list-style-type: none"> <li>Awarded “Fastest Growing Takaful Company” in Pakistan by International Finance Awards.</li> <li>Registered as Pension fund Manager for KPK and Punjab Governments.</li> <li>VIS Credit Rating Company upgraded the Insurer Financial Strength rating of PQFTL to ‘AA’ (Double A) from ‘A++’ with Stable Outlook.</li> <li>Launched the “Lifetime Kafalat” plan, Pakistan’s first Shariah compliant guaranteed life-time pension solution.</li> </ul>

### 3.7. NATURE AND LOCATION OF THE COMPANY’S PROJECTS

Not Applicable.

### 3.8. INFRASTRUCTURE OVERVIEW

Not applicable as being a service company PQFTL does not maintain infrastructure facilities.

### 3.9. SERVICES OF THE ISSUER

Pak Qatar Family Takaful is a dedicated Family Takaful (Islamic life insurance) company, offering unit (investment) linked, non-unit linked, retirement solutions, and group (corporate) takaful plans.

The number of Takaful products currently being offered by the Company are as follows:

Sub Category	No of Products	Savings	Protection
<b>Individual Family Takaful</b>			
Unit Linked – Regular Contribution	8	✓	✓
Non-Unit Linked	4		✓
Retirement Solutions	2	✓	✓
<b>Group (Corporate) Takaful</b>			
Non-Unit Linked	2		✓

The table below outlines the contribution generated by each major product line:

S. No	Name of Product	Contribution (CY 2024)
1	Priority Takaful Plan	321,372,172
2	Flexi Savings Takaful Plan	789,694,017
3	Share N Care Takaful Plan	953,518,214
4	Apni Bachat Saving & Takaful Plan	73,072,988
5	ABC Education & Takaful Plan	175,302,683

6	Mahana Bachat and Takaful Flexi Plan (MBT)	18,536,126,541
7	Group Savings & Takaful Plan (MBT) – Corporate	3,097,795,454
8	Group Life (Family) Takaful	699,984,141
9	Group Health Takaful	2,422,055,779

### 3.9.1 INDIVIDUAL FAMILY TAKAFUL UNIT LINKED PLANS

Pak-Qatar Family Takaful Limited offers Unit Linked Family Takaful plans that combine insurance protection and investment benefits for individuals, allowing users to save and grow their investments whilst remaining protected against insured events. These plans build cash value over time and allow participants to allocate their investment-related contributions into various Shariah-compliant funds based on their risk-return preferences.

Investment risks are managed by PQFTL using a range of investment strategies aligned with the different risk profiles of the underlying funds. Available funds are categorized as low, medium, or high risk, and the policyholder can choose between the funds based on their risk exposure. Monthly fund performance reports are prepared by PQFTL to ensure transparency and help policyholders make informed investment decisions.

A portion of the premium contributed by the policyholder goes towards providing protection against death, disability and illness, whilst the remainder is invested in funds on behalf of the policyholder. The investment risk is borne by the participants, whilst PQFTL manages all funds on their behalf in accordance with Islamic principles.

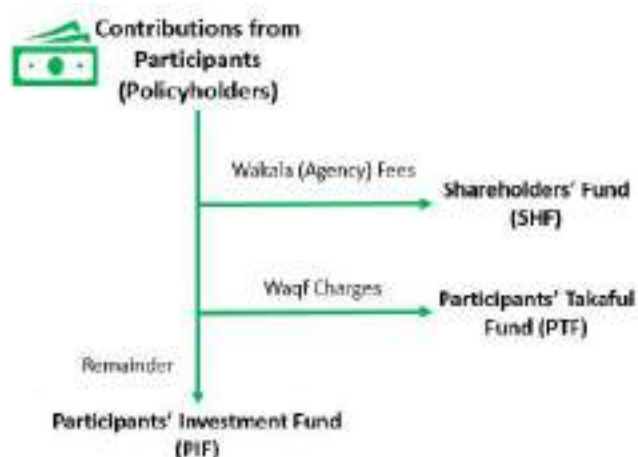
The funds available for investment under the individual family Takaful unit-linked business include the following (for further details kindly refer to section 3.20.1):

- Conservative Fund
- Balanced Fund
- Aggressive Fund
- Pure Saving Fund
- Secure Wealth Fund
- Mustehkam Munafa Fund
- Kafalat Fund
- Pure Protection Fund
- Prosperity Fund
- BT Conservative Fund
- BT Growth

The Unit-linked Individual Takaful plans offered can be further sub-divided into Regular (recurring) and Single (lump-sum payment) plans:

#### – Takaful Regular Contribution Unit Linked Plans

PQFTL offers regular contribution plans that combine protection and savings opportunities. Contribution collected from policyholders is allocated as follows:



Contributions are mainly used to purchase units of PIF, after the deduction of Wakala & Waqf Charges. Waqf Charges are transferred to PTF, which is used to pay any death or disability benefits. The Cash Value (the accumulated amount a policyholder is entitled to if they surrender their policy before maturity) of the contract varies directly with the investment performance of the PIF.

Participants can choose to pay contributions monthly, quarterly, semi-annually, or annually. Participants can also choose to add supplementary contributions to their plan for added protection against death and disability or any critical illness/disease.

Each plan has its own structure in terms of Wakala and Waqf charges and how the contributions are allocated between savings and protection. All plans offer participants high flexibility, enabling them to alter investment and protection levels, top-up with additional contributions, and switch among different investment funds.

Individual Regular Contribution Unit Linked Plans offered by PQFTL are provided hereunder:

Plan	Salient Features*
<b>Priority Takaful Plan</b>	<ul style="list-style-type: none"> <li>• Offers Financial protection for individuals and their families</li> <li>• Benefits payable upon plan maturity or participant's death</li> <li>• Plan Term: 5 – 67 years</li> <li>• Long-term saving opportunities</li> <li>• Annual Contribution Limits: PKR 300,000 – PKR 500,000</li> <li>• Admin Fee: PKR 240 per month with annual increment of 8%</li> <li>• Management Fee: Annual 1.50% of Net Asset Value (<a href="#">NAV</a>)</li> </ul>
<b>Flexi Savings Takaful Plan</b>	<ul style="list-style-type: none"> <li>• Offers Financial protection for individuals and their families</li> <li>• Benefits payable upon plan maturity or participant's Death</li> <li>• Plan Term: 10 – 67 years</li> <li>• Annual Contribution Limits: PKR 50,000 – PKR 500,000</li> <li>• Admin Fee: PKR 180 per month with annual increment of 8%</li> <li>• Management Fee: Annual 1.50% of (<a href="#">NAV</a>)</li> </ul>
<b>Share N Care Takaful Plan</b>	<ul style="list-style-type: none"> <li>• Offers Financial protection for individuals and their families</li> <li>• Benefits payable upon plan maturity or participant's death</li> <li>• Plan Term: 10 – 67 years</li> <li>• Annual Contribution Limits: PKR 40,000 – PKR 500,000</li> <li>• Admin Fee: PKR 180 per month with annual increment of 8%</li> <li>• Management Fee: Annual 1.50% of (<a href="#">NAV</a>)</li> </ul>
<b>Apni Bachat Saving &amp; Takaful Plan</b>	<ul style="list-style-type: none"> <li>• Offers Financial protection for individuals and their families</li> <li>• Plan Term: 10 – 67 years</li> <li>• Benefits payable upon plan maturity or participant's death</li> <li>• Annual Contribution Limits: PKR 20,000 – PKR 30,000</li> <li>• Admin Fee: PKR 40 per month with annual increment of 8%</li> <li>• Management Fee: Annual 1.50% of (<a href="#">NAV</a>)</li> </ul>
<b>ABC Education &amp; Takaful Plan</b>	<ul style="list-style-type: none"> <li>• Financial protection and education benefits</li> <li>• Benefits payable upon plan maturity or participant's death</li> <li>• Plan Term: 10 – 67 years</li> <li>• Annual Contribution Limits: PKR 40,000 – PKR 500,000</li> <li>• Admin Fee: PKR 180 per month with annual increment of 8%</li> <li>• Management Fee: Annual 1.50% of (<a href="#">NAV</a>)</li> </ul>

\* The Net Asset Value (NAV) for the respective plans is determined on a daily basis, through input into a developed portal which is integrated with the Company's website.

#### – Takaful Single Contribution Unit Linked Plans

PQFTL offers single contribution plans whereby policyholders make a lump-sum payment rather than making regular payments monthly or annually. This one-time payment is invested and used for protection of the respective policyholder, allowing participants to have access to professionally managed funds with the benefit of Family Takaful Coverage packaged in.

These plans enable participants to grow their wealth over time, as most of the contribution collected is allocated towards the PIF. The cash value of the underlying plan varies directly with the investment performance of the PIF. Each plan offers high flexibility, through options such as partial withdrawals.

Individual Single Contribution Unit Linked Plans offered by the company are provided hereunder:

Plan	Salient Features
<b>Mahana Bachat and Takaful Flexi Plan (MBT):</b>	<ul style="list-style-type: none"> <li>Designed for long-term goals</li> <li>Instant withdrawal, no lock-in period, no back-end load after 6 months</li> <li>Minimum initial investment of PKR 50,000/-</li> <li>Minimum subsequent investment of PKR 1,000/-</li> <li>Back-end load of 0.5% is applicable upon withdrawal with-in 6 months</li> </ul>
<b>Group Savings &amp; Takaful Plan (Mahana Bacahat and Takaful Flexi Plan (MBT) – Corporate)</b>	<ul style="list-style-type: none"> <li>Similar Features as individual</li> <li>Manages Employees retirement/provident fund</li> <li>Built-in Takaful coverage</li> <li>Death benefit at the lower of: PKR 15 million or 3 multiples of average 3 months Cash Value</li> <li>Back-end load of 0.5% is applicable upon withdrawal with-in 6 months</li> </ul>

### 3.9.2 INDIVIDUAL FAMILY TAKAFUL NON-UNIT LINKED (PURE PROTECTION) PLANS:

PQFTL offers non-unit Linked Family Takaful plans that provide pure takaful (insurance) protection to individual policyholders, covering events such as death, disability, and illness. As the plans are not linked to underlying investment funds, the entirety of the participant's contribution, after deducting Wakala (agency) fees charged by the operator (i.e. PQFTL), is allocated towards the Waqf fund that is used to pay out benefits. Participants collectively own the Waqf fund, with risks being shared on the basis of mutual cooperation and shared responsibility.

Individual Non-Unit Linked Plans offered by the company are provided hereunder:

Plan	Salient Features
<b>Level Term Takaful Plan</b>	<ul style="list-style-type: none"> <li>Lump sum cash payable to the beneficiary upon death of the participant</li> <li>If participant dies during the plan term, cash benefit equivalent to the face value is payable</li> <li>If participant is alive at the end of the plan term, no benefit payment is made, rather participant is entitled to a share in built-in surplus</li> </ul>
<b>Decreasing Takaful Plan</b>	<ul style="list-style-type: none"> <li>Lump sum cash payable to the beneficiary upon death of the participant</li> <li>If participant dies during the plan term, cash benefit equivalent to the face value is payable</li> <li>If participant is alive at the end of the plan term, no benefit payment is made, rather participant is entitled to a share in built-in surplus</li> <li>Face value reduces each year, until reaching zero at the end of the plan term</li> </ul>

<b>Easy Takaful Plan</b>	<ul style="list-style-type: none"> <li>• Pre-defined cash benefits to participants and their family upon losses caused by an accident.</li> <li>• Provides Death benefit, Dismemberment benefit, and Medical expense benefit</li> </ul>
<b>Family Sehat (Health)</b>	<ul style="list-style-type: none"> <li>• Provides hospital care benefit to individuals and their families</li> <li>• The following expenses are covered under hospital care: <ul style="list-style-type: none"> <li>○ Hospitalization or In-patient Treatment</li> <li>○ Accidental Emergency Treatment</li> <li>○ Day Care Procedures (e.g. Endoscopy, Dialysis, Cataract Surgery, etc.)</li> <li>○ Specialized Investigative Procedures (e.g. Angiography, MRI, CT Scan, etc.)</li> </ul> </li> </ul>

### 3.9.3 Individual Retirement Solutions:

PQFTL offers retirement solutions to individuals that is secure, ethical, accessible, and in line with the principles of Shariah law. A pioneer in innovative product developments, PQFTL became the first family takaful company in Pakistan to offer a voluntary pension scheme (VPS)<sup>32</sup>.

Individual Retirement Solutions offered by the company are provided hereunder:

Plan	Salient Features	
<b>Pak-Qatar Islamic Pension Fund (Voluntary Pension Scheme)</b>	<ul style="list-style-type: none"> <li>• Takaful based pension solution</li> <li>• Personalized investment solutions allowing Participants to allocate contributions between equity, income, and money-market sub-funds</li> <li>• Up to PKR 20 million complimentary death coverage</li> <li>• Up to 20% tax credits</li> </ul>	
<b>Lifetime Kafalat Plan</b>	<ul style="list-style-type: none"> <li>• Provides guaranteed, shariah compliant monthly income for life</li> <li>• Spousal/Nominee Income in case of pensioner's death</li> <li>• 100% allocation (as per variant), 100% surrender value</li> <li>• Membership Term: Lifetime</li> <li>• Both Regular and Single (Lump-sum) contribution plans offered</li> <li>• Management Fee: Annual 2.0% of NAV</li> <li>• Back-end load of 0.5% is applicable upon withdrawal with-in 6 months</li> </ul>	
	<b>Regular</b> <ul style="list-style-type: none"> <li>• Monthly contribution Limits: PKR 500 – PKR 200,000</li> <li>• Contribution Paying term: 42 years</li> </ul>	<b>Single</b> <ul style="list-style-type: none"> <li>• Single Contribution Limits: PKR 500,000 – No limit</li> </ul>

### 3.9.4 GROUP (CORPORATE) TAKAFUL:

The group Takaful business segment provides coverage to members/ employees of business enterprises and corporate entities. Under Group Takaful the Company offers non-unit linked plans of:

- **Group Life:**
  - Group life Takaful
  - Group Credit Takaful
  - Group Pay Continuation Scheme
- **Group Health**

<sup>32</sup> <https://www.brecorder.com/news/40368285>

The following plans are for Group Life & Group Health:

Plan	Salient Features
<b>Pay Continuation Scheme</b>	<ul style="list-style-type: none"> <li>Provides regular salary continuation to employee(s)' families in case of employee(s)' death or disability</li> <li>Monthly income replacement over defined benefit periods</li> <li>Employer makes an annual contribution in to the scheme</li> <li>Payments made are calculated based on a selected salary multiple</li> </ul>
<b>Group Life (Family) Takaful</b>	<ul style="list-style-type: none"> <li>Risk protection solution designed for employers, associations, and institutions</li> <li>Provides financial security to employees or members in the event of death due to any cause</li> <li>Lump sum death benefit payable to beneficiaries</li> <li>Optional benefits: Accidental Death, Disability, and Critical Illness</li> <li>Tailored coverage as per employer's grade structures or industry norms</li> </ul>
<b>Group Health Takaful</b>	<ul style="list-style-type: none"> <li>Provides comprehensive medical coverage for employees and members of organizations: <ul style="list-style-type: none"> <li>Hospital Care: Coverage for inpatient treatment, surgeries, and prolonged hospital stays.</li> <li>Major Medical Care: Covers high-cost treatments and complications, including surgical procedures.</li> <li>Maternity Care: Includes childbirth and related medical expenses.</li> <li>Outpatient Benefits: Covers routine check-ups, medications, lab tests, and day care procedures.</li> </ul> </li> </ul>
<b>Group Credit Takaful</b>	<ul style="list-style-type: none"> <li>Offers financial protection to lending institutions, such as banks, microfinance bodies, and leasing companies</li> <li>Covers outstanding loan amounts in case of customer's death or disability</li> <li>Optional benefits for critical illness or temporary disability</li> </ul>

PQFTL also offers **Group Savings & Takaful Plan**, which is essentially the Mahana Bacahat and Takaful Flexi Plan (MBT) for corporates. The Plan allows the corporate entities to convert the provident fund balances of their employees into unit-linked insurance policies, resulting in the entire provident fund coming under the management of PQFTL. However, the contribution written under this product is part of the Individual Life Line of business, hence why the product is listed above in the individual business section.

### 3.10. MARKETING ACTIVITIES

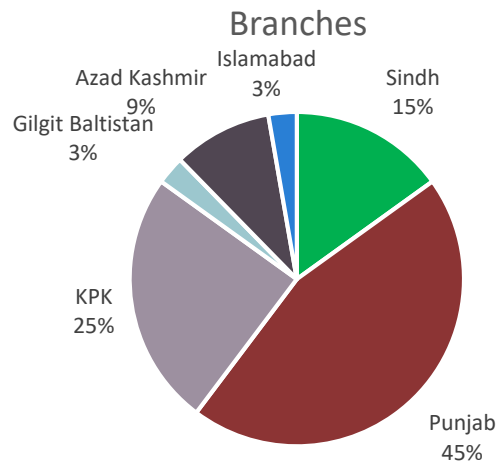
PQFTL markets its services via different distribution channels, which include Agency (Direct Sales Force / Branches), Banca Takaful, corporate and online channels. PQFTL mainly offers Unit Linked products through its Banca Takaful and agency distribution channels.

#### 3.10.1 Agency (Direct Sales Force):

Pak-Qatar Family Takaful markets its products extensively through its Agency (Direct Sales Force) channel, which operates via a widespread network of 73 branches and 1,971 field representatives across the country. The agency channel plays a pivotal role in promoting individual Family Takaful plans, particularly Unit-Linked products, by offering personalized financial planning and Takaful solutions to meet the diverse needs of participants.

Breakup of Direct Sales force by provincial region is provided hereunder:

Province	Branches
Sindh	11
Punjab	34
KPK	17
Gilgit Baltistan	2
Azad Kashmir	7
Islamabad	2
<b>Total</b>	<b>73</b>



Products offered by the company through its Agency (Direct Sales Force) include (salient features defined in section 3.9):

- Mahana Bachat and Takaful Flexi Plan (MBT):
- Lifetime Kafalat Plan
- Pak-Qatar Islamic Pension Fund (Voluntary Pension Scheme – VPS)
- Priority Takaful Plan
- Flexi Savings Plan
- Share N Care Takaful Plan
- Apni Bachat Saving & Takaful Plan
- ABC Education Takaful Plan
- Level Term Takaful Plan
- Decreasing Takaful Plan
- Easy Takaful Plan
- Family Sehat (Health) Plan

### 3.10.2 Banca Takaful Channel

PQFTL has developed a robust multi-bank distribution model through its BancaTakaful channels, enabling the company to significantly broaden its market footprint and geographical reach. In partnership with 14 leading banks, PQFTL leverages these institutions' extensive branch networks, customer bases, and financial credibility to reach a wider segment of the population.

The BancaTakaful channel continues to play a pivotal role in diversifying PQFTL's premium inflows, enhancing brand visibility, and driving customer acquisition in both urban and semi-urban regions.

#### Bank Islami

PQFTL provides the following products through the Bank Islami Bank:

PLAN NAME	PLAN TYPE
Pak-Qatar Regular Takaful & Saving Plan	Regular Contribution Unit Linked Plan

#### Dubai Islamic Bank

PQFTL provides the following products through the Dubai Islamic Bank:

PLAN NAME	PLAN TYPE
Pak-Qatar Regular Takaful & Saving Plan	Regular Contribution Unit Linked Plan
Hifzul Maal Takaful Plan	Single Contribution Unit Linked Plan

#### MCB Islamic Bank

PQFTL provides the following products through the MCB Islamic Bank:

PLAN NAME	PLAN TYPE
Pak-Qatar Family Tahafuz Takaful Plan	Regular Contribution Unit Linked Plan



Hifzul Maal Takaful Plan

Single Contribution Unit Linked Plan

**Faysal Bank**

PQFTL provides the following products through the Faysal Bank:

PLAN NAME	PLAN TYPE
Pak-Qatar Muhafiz Takaful Plan	Regular Contribution Unit Linked Plan

**United Bank Limited**

PQFTL provides the following products through the United Bank:

PLAN NAME	PLAN TYPE
Pak-Qatar Regular Takaful & Saving Plan	Regular Contribution Unit Linked Plan

**Askari Bank**

PQFTL provides the following products through the Askari Bank:

PLAN NAME	PLAN TYPE
Pak-Qatar Regular Takaful & Saving Plan	Regular Contribution Unit Linked Plan

**Allied Bank**

PQFTL provides the following products through the Allied Bank:

PLAN NAME	PLAN TYPE
Pak-Qatar Regular Takaful & Saving Plan	Regular Contribution Unit Linked Plan

**Standard Chartered Bank**

PQFTL provides the following products through the SCB Bank:

PLAN NAME	PLAN TYPE
Mustaqbil Takaful Plan for Regular Contributions	Regular Contribution Unit Linked Plan
Aitmaad Takaful & Savings Plan	Regular Contribution Unit Linked Plan
Musteqam Takaful & Investment Plan	Single Contribution Unit Linked Plan

**Al-Baraka Bank**

PQFTL provides the following products through the Albaraka Bank:

PLAN NAME	PLAN TYPE
Sarparast Family Takaful Plan	Regular Contribution Unit Linked Plan
Sarparast Aasan Takaful plan	Regular Contribution Unit Linked Plan
Sarparast Sarmaya Plan	Single Contribution Unit Linked Plan

**MCB Bank**

PQFTL provides the following products through the MCB Bank:

PLAN NAME	PLAN TYPE
Kafalah Takaful Plan for Regular Contributions	Regular Contribution Unit Linked Plan

**Al-Falah Bank Islamic & Conventional**

PQFTL provides the following products through the Al-Falah Bank:

PLAN NAME	PLAN TYPE
Falah Takaful Plan for Regular Contribution	Regular Contribution Unit Linked Plan

**JS Bank**

PQFTL provides the following products through the JS Bank:

PLAN NAME	PLAN TYPE
Khushal Takaful	Regular Contribution Unit Linked Plan
Saving Plan	Regular Contribution Unit Linked Plan

**Mobilink Micro Finance Bank**

PQFTL provides the following products through the Mobilink Micro Finance Bank:

PLAN NAME	PLAN TYPE
Pak-Qatar Saving Plan	Regular Contribution Unit Linked Plan

**U Micro Finance Bank**

PQFTL provides the following products through the U Micro Finance Bank

PLAN NAME	PLAN TYPE
Pak-Qatar Saving Plan	Regular Contribution Unit Linked Plan
Hifzul Maal Takaful Plan	Single Contribution Unit Linked Plan

**3.10.3 Group (Corporate) Channels:**

PQFTL's group operations are structured for nationwide coverage, with 20 agents in the South (Sindh & Baluchistan), 13 in Central (Punjab), and 14 in the North (Islamabad, AJK, KPK, GB), each team including an Area Director to ensure efficient market penetration and client servicing.

PQFTL serves 1,300 plus corporate customers, covering the following corporate needs:

- **Group Life Takaful:** A comprehensive risk protection solution designed for employers, associations, and institutions to provide financial security to their employees or members in the event of death.
- **Group Savings & Takaful Plan (MBT – Corporate):** Allows corporate entities to convert the provident fund balances of their employees into unit-linked insurance policies, resulting in the entire provident fund coming under the management of PQFTL.
- **Group Credit Takaful:** This product offers financial protection to lending institutions, such as banks, microfinance bodies, and leasing companies, by covering outstanding loan amounts in case of a customer's death or disability.
- **Group Pay Continuation Takaful:** A specialized offering that ensures regular salary continuation to employee(s)' families in case of employee(s)' death or disability
- **Group Health Takaful:** PQFTL offers Group Health Takaful to provide comprehensive medical coverage for employees and members of organizations. The scheme covers hospitalization, major medical treatments, maternity, and outpatient services

## END USERS, DEMAND FOR THE PRODUCTS AND KEY COMPETITORS

PQFTL is a dedicated family takaful company, targeting both individual and corporate customers. The company collects policyholder contributions from its direct agency network as well as via BancaTakaful partnerships with commercial banks.

Breakdown of Gross Contributions (Premiums) by customer base and distribution channel is provided hereunder:

PKR Mn	CY 2022		CY 2023		CY 2024	
Gross Contributions - PTF	Audited	Audited	Audited	Audited	Audited	Audited
<b>Individual</b>						
Individual Life (Direct Sales Force)	5,265	51%	11,302	69%	24,309	84%
Individual Life (Banca-Takaful)	2,256	22%	1,923	12%	1,386	5%
<b>Group</b>						
Group Life (All Direct)	556	5%	679	4%	700	2.4%
Group Health (All Direct)	2,159	21%	2,393	15%	2,422	8.4%
<b>Total Gross Contributions</b>	<b>10,236</b>	<b>100%</b>	<b>16,297</b>	<b>100%</b>	<b>28,817</b>	<b>100%</b>

In CY 2024 individual customers accounted for the majority i.e. 89% of the total gross contributions, with the remaining 11% contributions arising from corporate customers. The company targets individual customers using its own agency network, comprising of 73 branches and 1,971 sales force representatives, as well as via BancaTakaful agreements with 14 banks (further details provided in the sub-section “REVENUE AND INCOME DRIVERS”).

### Competitors:

PQFTL operates in the life insurance industry, competing with both conventional and Takaful operators. The following operators are the key competitors of PQFTL:

Private Sector – Conventional	Market Share (%) - CY 2024
Jubilee Life Insurance Limited (“JLICL”)	11.2%
EFU Life Assurance Limited (“EFUL”)	9.6%
Adamjee Life Assurance Company Limited (“AICL”)	7.1%
IGI Life Insurance Limited (“IGIL”)	3.1%
Askari Life Assurance Company Limited (“ALAC”)	0.5%
TPL Life Insurance Limited (“TPLL”)	0.1%
<b>Public Sector – Conventional</b>	
State Life Insurance Corporation of Pakistan	61.1%
Postal Life Insurance Company <sup>33</sup>	N/A
<b>Private – Dedicated Takaful</b>	
Pak-Qatar Family Takaful	6.6%
Dawood Family Takaful	0.5%
5 <sup>th</sup> Pillar Takaful	0.1%
Salaam Family Takaful	0.1%

<sup>33</sup> Postal Life Insurance data has not been included due to the financials not being publicly available.

### 3.11. INTELLECTUAL PROPERTY RIGHTS

S. No	Trade Mark No	Logo Label	/ Class	Initial Registration Date	Renewal On	Due	Status
A	238021	Logo	36	June 21, 2007	June 21, 2027		Renewed
B	454225	Logo	36	April 11, 2007	April 11, 2027		Renewed
C	454054	Logo	36	April 10, 2007	April 10, 2027		Renewed
D	789641	Logo	36	April 13, 2025	-		In Process

### 3.12. DETAILS OF MATERIAL PROPERTY

Details of PQFTL's material properties, as at December 31, 2024, are provided hereunder:

Property Details <sup>34</sup>					
Property Name	Property Area	Property Address	Fund / Units	Book Value (PKR <sup>35</sup> )	Cost (PKR)
Gulberg Green 11-A	1866.66 Sq. Yards	Plot # 11-A, Gulberg Expressway, Block A, Gulberg Greens, Islamabad	Individual Family Participant Takaful Fund (IL-PTF)	140,700,095	84,715,480
Gulberg Green 11-A			Individual Family Participant Investment Balanced Fund (IL-PIF-B)	459,299,905	276,544,320
Sub-total				600,000,000	361,259,800
SMCHS Property	889 Sq. Yards	Bungalow No.98, Block ‘A’, City Survey No. 170, Sindhi Muslim Co-Operative Housing Society Ltd, Karachi.	Individual Family Participant Takaful Fund (IL-PTF)	600,000,000	464,702,061
Total				1,200,000,000	825,961,861

Property*	Date of Acquisition	Valuation Date	Time Period	Total Return	Annualized (CAGR) Return
Gulberg Green 11-A	01-Aug-18	31-Dec-24	6.42 Years	66.10%	8.55% per annum
SMCHS Property	13-Aug-22	31-Dec-24	2.38 Years	29.08%	11.05% per annum

Advance for Property <sup>36</sup>					
Property Name	Property Area	Property Address	Fund / Units	Book Value (PKR)	Cost (PKR)
Islamabad-4th Floor	9,975 Sq. Feet	PQ-Tower 'A' Executive Block, Plot No. 21,22,27 & 28, Gulberg Greens, Intelligence Bureau	Individual Family Participant Takaful Fund (IL-PTF)	189,525,000	189,525,000

<sup>34</sup> All investment properties are under the ownership of PQFTL

<sup>35</sup> Revaluation was carried out on 31<sup>st</sup> December, 2024

<sup>36</sup> These amounts relate to the advance (i.e. prepayment) for investment properties that are not yet under the ownership of the company.

		Employees Housing Society (IBECHS), Islamabad			
Islamabad-6th Floor	8,039 Sq. Feet	PQ-Tower 'A' Executive Block, Plot No. 21,22,27 & 28, Gulberg Greens, Intelligence Bureau	Individual Family Participant Investment Balanced Fund (IL-PIF-B)	67,856,000	67,856,000
Islamabad-6th Floor		Employees Housing Society (IBECHS), Islamabad	Individual Family Participant Takaful Fund (IL-PTF)	60,768,000	60,768,000
Sub-total				128,624,000	128,624,000
Total				318,149,000	318,149,000

\* These investment properties are held for capital appreciation and are not on rent.

### 3.13. FUTURE PROSPECTS AND DEMAND OUTLOOK

The insurance industry in Pakistan has seen strong growth, with total gross premiums underwritten by the Life Insurance sector rising to PKR 434 Bn in CY 2024 (CY 23: PKR 404 Bn), a year on year growth of 7.4%<sup>37</sup>. Despite the growing trajectory, Pakistan's insurance premium at 0.7% of GDP<sup>38</sup> remains significantly below the average for emerging markets, with penetration levels for the emerging EMEA and emerging ASIA markets sitting at 2.3% and 3.7%, respectively<sup>39</sup>. These factors signal poor insurance adoption in Pakistan, due to factors including limited public awareness and understanding of insurance products.

The current penetration levels underline the depth of untapped potential in Pakistan for insurance solutions, particularly Shariah compliant solutions to meet the needs of the local population. The takaful sector, which offers a Shariah compliant alternative to conventional insurance, saw strong growth in recent periods, with total Gross Contributions collected by the Takaful business (incl. Window) in the General and Life insurance sector rising to PKR 31 Bn and PKR 66 Bn, respectively, a YoY growth of 24.0% and 37.5%<sup>40</sup>.

In just three years, Pak-Qatar Family Takaful has transformed from a PKR 10 billion contributor to an industry powerhouse generating PKR 28.8 billion gross contributions in CY 2024. The company stands as the first and largest dedicated takaful company in Pakistan, having a 6.6% market share of the total life insurance sector and 44% market share of the family takaful (incl. Window takaful) sector<sup>41</sup>.

#### PQFTL's Growth Trajectory: Building on Solid Foundations

From its current base of PKR 28.8 billion in contributions, PQFTL projects a steady climb to PKR 44.8 billion by 2030, a 56% increase that reflects both market expansion and sustainable growing competitive strength. The Company's net profit is expected to more than triple from PKR 270 million to PKR 897 million during this period.

These improvements will be driven by key strategic pillars focused on:

- **Digital Transformation** for enhanced customer experience and scaling customer acquisition through a digitally powered, multi-channel approach that will reduce cost per acquisition and enable CRM-integrated automation.
- **Diversified Distribution Channels** looks into the aspect of increasing and strengthen the BancaTakaful, Direct sales force, corporate and aggregator outreach and relationship. With the integration of the Digital sales channel it will further enhance this impact.

<sup>37</sup> <https://www.secp.gov.pk/document/report-on-insurance-industry-statistics-2024/?wpdmdl=61696&refresh=68a702937e8b91755775635>

<sup>38</sup> <https://www.secp.gov.pk/document/report-on-insurance-industry-statistics-2024/?wpdmdl=61696&refresh=68a702937e8b91755775635>

<sup>39</sup> <https://www.swissre.com/dam/jcr:2d26776f-20e4-4228-8ee0-97cec2ddb3c4/sri-sigma3-2024-world-insurance.pdf>

<sup>40</sup> <https://www.secp.gov.pk/document/report-on-insurance-industry-statistics-2024/?wpdmdl=61696&refresh=68a702937e8b91755775635>

<sup>41</sup> <https://iap.net.pk/wp-content/uploads/2025/06/Posting-Sheet-of-KFD-for-the-period-ended-December-31-2024-Life-.pdf>

- **Innovative product development** with development of products like Mahana Bachat Takaful Flexi Plan; a first-of-its-kind retail-focused Investment cumulative protection product, and Lifetime Kafalat plan; Pakistan's first Shariah compliant lifetime pension plan changing the Takaful landscape. These new product lines have played a major role in the 42% compounded growth in Gross Contributions and 15% in Profit After Tax. PQFTL also expanded its portfolio through strategic partnerships, including the recent partnerships with the KPK and Punjab Government for Pension fund management, through the Company's Voluntary Pension Scheme (VPS).

Please find detailed forecasted projections in Section 6.11 of this prospectus.

### 3.14. VENDORS TO THE ISSUER (RETAKAFUL PARTNERS)

In order to manage its risks, PQFTL cedes an amount of Takaful contribution collected to its Retakaful partners. Ceding contributions in this manner allows the company to reduce its risk thereby ensuring the stability and sustainability of the Participants' Fund. For its direct agency business, PQFTL has Retakaful arrangements with Munich Re and Hannover Re-Takaful Bahrain, rated AA and A+ by S&P<sup>42</sup>. For its BancaTakaful business, the Company has Retakaful arrangements with Hannover Re (Germany), rated AA by S&P<sup>43</sup>. All Retakaful (reinsurance) arrangements of PQFTL are compliant with Shariah Law, ensuring the integrity of the business.

Breakdown of ceded amounts between different Retakaful partners is provided hereunder:

Takaful Partner	LOBs	CY 2022		CY 2023		CY 2024		HCY 2025	
		PKR Mn	%	PKR MN	%	PKR Mn	%	PKR Mn	%
Munich Re	Individual Life	103	21%	93	21%	80	19%	33	19%
Hannover-Re (Bahrain)	Individual Life	1.6	0.3%	1.7	0.4%	1.6	0.4%	0.8	0.5%
Hannover-Re (Bahrain)	Group Life	215	45%	239	53%	264	63%	115	66%
Hannover-Re (Germany)	BANCA	160	33%	115	26%	73	17%	25	14%
<b>Total</b>		<b>480</b>	<b>100%</b>	<b>450</b>	<b>100%</b>	<b>418</b>	<b>100%</b>	<b>174</b>	<b>100%</b>

PQFTL maintains minimum retention levels under each re-takaful arrangement. For Individual Life – Direct business, a surplus treaty is in place with a retention of PKR 3 million. For Group Life, PQFTL retains 60% with surplus up to PKR 2 million, whereas for the Individual Life - Banca business, PQFTL retains 10% with surplus up to PKR 0.5 million.

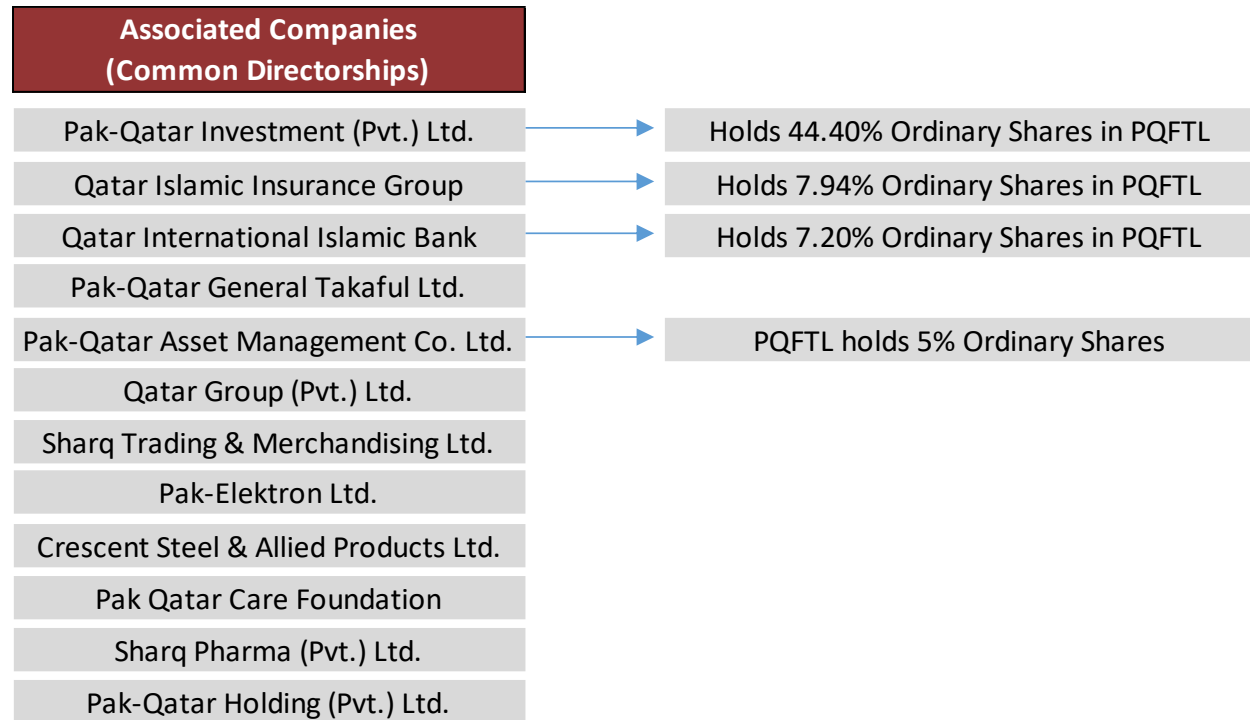
Family	Type of Re-Takaful Arrangement	PQFTL's Minimum Retention
Individual Life – Direct	Surplus Treaty	Up to PKR 3 million
Group Life	Quota Share + Surplus	60% Retention, subject to a maximum of PKR 2 million
Individual Life (IL) – Banca	Quota Share + Surplus	10% Retention, subject to a maximum of PKR 500,000.

### 3.15. ALL GOVERNMENT AND OTHER APPROVALS WHICH ARE MATERIAL AND NECESSARY FOR CARRYING ON THE BUSINESS OF THE ISSUER

- Authorized to transact life insurance business by SECP on 16th August, 2007 under the Insurance Ordinance, 2000.
- Acquired the Pension Fund Manager license from SECP on 26<sup>th</sup> January, 2022.

<sup>42</sup> [https://www.pacra.com/view/storage/app/rating\\_reports/RR\\_385\\_14592\\_26-Jun-25.pdf](https://www.pacra.com/view/storage/app/rating_reports/RR_385_14592_26-Jun-25.pdf)

<sup>43</sup> [https://assets.hannover-re.com/asset/533267266226/document\\_phc5e1178d6nf8fph41fpfed72/RatingsDirect\\_HannoverRueckSE\\_Sep-05-2024.pdf?content-disposition=inline](https://assets.hannover-re.com/asset/533267266226/document_phc5e1178d6nf8fph41fpfed72/RatingsDirect_HannoverRueckSE_Sep-05-2024.pdf?content-disposition=inline)

**3.16. GROUP STRUCTURE OF THE ISSUER**



**3.17. ASSOCIATED COMPANIES.**

Name of Company	Nature of Business	Operational Status	Listing Status	Nature of Relation	% Shareholding Of PQFTL	% Shareholding In PQFTL (Pre IPO)
<b>Pak-Qatar General Takaful Ltd.</b>	General Takaful	Operational	Unlisted	Common Directorship	Nil	Nil
<b>Pak-Qatar Asset Management Co. Ltd.</b>	Asset Management & Investment Advisory	Operational	Unlisted	Common Directorship	5.00%	Nil
<b>Pak-Qatar Investment (Pvt.) Ltd.</b>	Investment Management	Operational	Unlisted	Common Directorship	Nil	33.41%
<b>Qatar Group (Pvt.) Ltd.</b>	Investment Management	Operational	Unlisted	Common Directorship	Nil	Nil
<b>Sharq Trading &amp; Merchandising Ltd.</b>	Trading	Operational	Unlisted	Common Directorship	Nil	Nil
<b>Pak-Elektron Ltd.</b>	Home Appliances, Switch Gears, Transformers.	Operational	Listed	Common Directorship	Nil	Nil
<b>Crescent Steel &amp; Allied Products Ltd.</b>	Medium to Large size industrial pipes for Water, Oil and Gas Sector	Operational	Listed	Common Directorship	Nil	Nil
<b>Pak Qatar Care Foundation</b>	Philanthropic Activities	Operational	Unlisted	Common Directorship	Nil	Nil
<b>Qatar International Islamic Bank</b>	Banking	Operational	Listed in Doha Stock Exchange	Common Directorship	Nil	7.20%
<b>Qatar Islamic Insurance Group</b>	Islamic Insurance	Operational	Listed in Doha Stock Exchange	Common Directorship	Nil	7.94%
<b>Sharq Pharma (Pvt.) Ltd.</b>	Trading	In-active	Unlisted	Common Directorship	Nil	Nil
<b>Pak-Qatar Holding (Pvt.) Ltd.</b>	Private Investment Enterprise	In-active	Unlisted	Common Directorship	Nil	Nil

**COMMON DIRECTOR**

Company	Common Directors
<b>Pak-Qatar General Takaful Limited</b>	All Directors
<b>Pak-Qatar Asset Management Company Limited</b>	-Said Gul -Muhammad Kamran Saleem
<b>Pak-Qatar Investment (Private) Limited</b>	Said Gul

<b>Qatar Group (Private) Limited</b>	H. E. Sheikh Ali bin Abdullah Thani Jassim Al-Thani
<b>Sharq Trading &amp; Merchandising Limited</b>	-Said Gul -Muhammad Kamran Saleem
<b>Pak-Elektron Ltd.</b>	Muhammad Kamran Saleem
<b>Crescent Steel &amp; Allied Products Ltd.</b>	Muhammad Kamran Saleem
<b>Pak Qatar Care Foundation*</b>	Muhammad Kamran Saleem
<b>Qatar International Islamic Bank (QIIB)**</b>	Abdul Basit Ahmad Al-Shaibei
<b>Qatar Islamic Insurance Group (QIIG)**</b>	Ali Ibrahim Al Abdul Ghani
<b>Sharq Pharma (Pvt.) Ltd.</b>	-Said Gul -Muhammad Kamran Saleem
<b>Pak-Qatar Holding (Pvt.) Ltd.</b>	-H. E. Sheikh Ali bin Abdullah Thani Jassim Al-Thani -Said Gul

\*Muhammad Kamran Saleem is the President at Pak-Qatar Care Foundation

\*\*Abdul Basit Ahmad Al-Shaibei & Ali Ibrahim Al Abdul Ghani, are the CEO and President at QIIB and QIIG, respectively.

### 3.18. RELATED PARTY TRANSACTIONS

Details of PQFTL's related parties' transactions undertaken during the last three financial years ended December 31, 2024, including their financial impact, are provided hereunder:

PKR Mn	2022	2023	2024
<b>Transactions during the year</b>			
<b>Associated Undertakings</b>			
Net shared expenses received	62	107	147
Claims received against general takaful	0.15	0.07	0.7
Claims paid against group takaful	(0.5)	-	(4.6)
Contribution paid against general takaful	(2.9)	(0.4)	(1.2)
Contribution received against group takaful	1.3	1.8	1.3
Investment Advisory Fee Paid	(96)	(83)	(139)
Banca takaful acquisition, entrance and administration fee	(147)	(112)	(83)
<b>Other related parties</b>			
Employees Provident Fund Contribution	(28)	(29)	(32)
<b>Balances outstanding as at the end of the year</b>			
Investment Advisory Fee payable	-	7	16
Administrative charges payable	4	15	-

All transactions were carried out on an arm's length basis.

### 3.19. PERFORMANCE FOR THE LAST THREE YEARS, OF ASSOCIATED LISTED COMPANIES OF THE ISSUER OVER WHICH THE ISSUER HAS CONTROL ALONG WITH FOLLOWING INFORMATION:

The Issuer, PQFTL, does not have control over any associated listed company.

### 3.20. INVESTMENT PORTFOLIO OF PQFTL

As per the audited accounts of PQFTL as at December 31, 2024, the total amount of investments held by the Participants' fund and Shareholders' fund amounted to PKR 52.3 Bn and PKR 1.4 Bn, respectively.

The historical break-up of investments held by the Company's Participants' Fund and Shareholders' Fund is provided hereunder:

PKR Mn	CY 2022		CY 2023		CY 2024	
Investments	Participants' Fund	Shareholders' Fund	Participants' Fund	Shareholders' Fund	Participants' Fund	Shareholder's Fund
Equity	5,995	218	7,030	55	-	40
Government Securities	3,600	812	3,566	854	188	986
Debt Securities	228	-	89	-	-	-
Term Deposits	100	-	50	-	50	-
Mutual Funds	14,647	256	23,399	538	52,111	380
<b>Total</b>	<b>24,570</b>	<b>1,286</b>	<b>34,134</b>	<b>1,448</b>	<b>52,349</b>	<b>1,405</b>

The statutory Participant Fund is further divided into two sub funds; Participant Takaful Fund (PTF) and Participant Investment Fund (PIF). Contribution collected from participants is allocated amongst each sub-fund, resulting in each fund having its own investment/asset base and thereby its own investment income.

In PTF the net surplus is distributed at the year-end, based on the rate of surplus declared on the advice of the appointed actuary. In PIF any surplus/deficit is realized and distributed on a daily basis to the underlying unit-linked policies, via daily adjustment of unit prices derived (similar to mutual funds). The risk and rewards of the performance of the investment portfolio are borne by the participants.

Likewise, the Shareholders' Fund (SHF) has its own investment/asset base to earn investment income.

#### Investment Management Function:

PQFTL has outsourced its investment management function under an Investment Advisory Agreement to Pak-Qatar Asset Management Company (Associated Company). PQFTL under Rule 8(7) of the unit-linked Fund Rule, 2015, is allowed to outsource its investment function.

Pak-Qatar Asset Management Company (PQAMC) Limited holds an Investment Advisory License in Terms of The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 ("the NBFC Rules"). Accordingly, the investment function is outsourced to PQAMC by PQFTL under the investment advisory agreement, effective since January 01, 2022.

The strategic decision to outsource the investment management function enables PQFTL to benefit from specialist expertise available with-in the group, allowing the Company to avoid costs of establishing and running an in-house investment management function and also freeing up management time to focus on core business operations.

The terms and conditions of the investment advisory agreement between PQFTL and PQAMC are provided hereunder:

- PQAMC shall perform as Investment Advisor to PQFTL's investment portfolio(s) in accordance with PQFTL's Investment Policy Statement (IPS).

- All funds are managed by PQAMC within the different investment parameters and investment allocations for each sub-fund category.
- PQAMC shall review and discuss the approved Investment Policy Statement at least annually to determine if the IPS remains appropriate to PQFTL in light of PQFTL's changing investment preferences or circumstances. Change in IPS shall only be implemented after securing the PQFTL's consent in writing. If the circumstances materially change in the interim and warrant, earlier assessment of the same shall be undertaken by PQAMC and discussed with PQFTL and appropriate action shall be taken.
- The funds designated in the agreement shall at all times be made available by PQFTL. The Securities in the agreement shall be in the name of the PQFTL. The Securities belonging to the funds in the agreement, from time to time, and any accretions thereto by way of return, profit, dividends or capital gain, from time to time, shall jointly comprise the Portfolio. Any profits on the PQFTL's investments shall be reinvested unless otherwise instructed by PQFTL.
- PQFTL undertakes to pay Investment Advisor the Fee based upon the market value of the Portfolio. The fee is currently **0.26%** per annum, charged to the market value of daily average net assets. There is no front-end or back end load charges by PQAMC.
- The advisory fee is billed monthly by PQAMC to PQFTL as per the agreed advisory fee charge.
- Government levies including taxes upon procuring such services shall be borne by PQFTL on its own account e.g. SST. Inclusive of SST, the above fee charge amounts to **0.30%**.
- The accounting of the investment portfolio is managed in-house by PQFTL, including its audit by the Company's external auditors. PQAMC in this respect is liable for sharing with PQFTL any desired information with respect to investment portfolio, for example; statements from mutual funds, other relevant statements including CDC and IPS statements.

PQFTL itself acts as the Pension Fund Manager for its Voluntary Pension Scheme (VPS).

### 3.20.1. PERFORMANCE AND ASSET ALLOCATION OF MAJOR INVESTMENT-LINKED FUNDS:

#### Investment Portfolio of Sub-funds:

The Participant Investment Fund's total net assets are represented by various investment sub-funds established to address the different risk profiles of its policy holders. Each fund has its own respective investment policy which determines their risk appetite, objectives, investment categories and benchmarks.

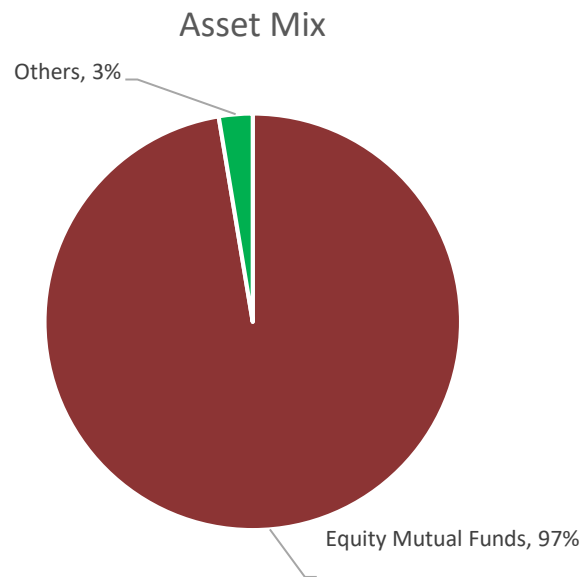
Breakdown of the investment-linked portfolio of the Company amongst the different sub-funds as at June 30, 2025, is provided hereunder:

	Net Assets (PKR)
<b>Islamic Pension Fund</b>	
PQIPF – Equity	35,647,180
PQIPF – Debt	31,332,796
PQIPF – MMkt	78,352,972
<b>Banca Takaful Funds</b>	
BT Growth	5,989,722,132
BT Conservative	6,627,064,430
<b>PIF Funds</b>	
Aggressive	1,907,057,535
Balanced	3,781,646,081
Conservative	7,578,804,600
Secure Wealth	28,696,465
Pure Saving	28,288,805,506
Mustehkam Munafa	1,802,169,240
Prosperity	660,256
Pure Protection	416,225,473
Kafalat Pension Fund	9,202,296

#### Pak-Qatar Islamic Pension Fund – Equity Sub Fund

**Fund Objective:** To give participants a steady source of halal income after retirement or incapacity, when they are no longer able to work for a living, in order to prevent them from being dependent on other people in society.

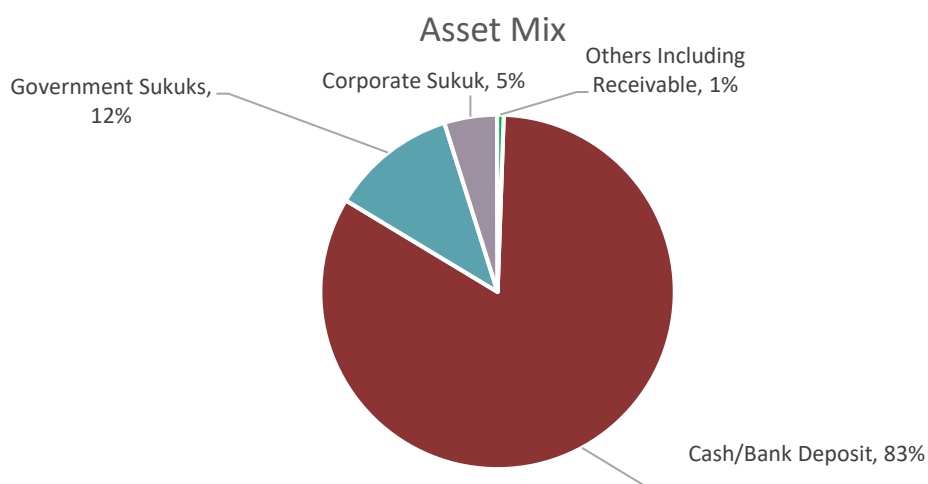
Fund Name	PQIPF – Equity Sub Fund
Launch Date	01 December 2022
Allocation	Equity Mutual Funds 97%, Others 3%
Fund Size (PKR)	35,647,180
Fund Type	Open End
Risk Profile	High
Since Inception Returns	41.44%



#### Pak-Qatar Islamic Pension Fund – Debt Sub Fund

**Fund Objective:** To give participants a steady source of halal income after retirement or incapacity, when they are no longer able to work for a living, in order to prevent them from being dependent on other people in society.

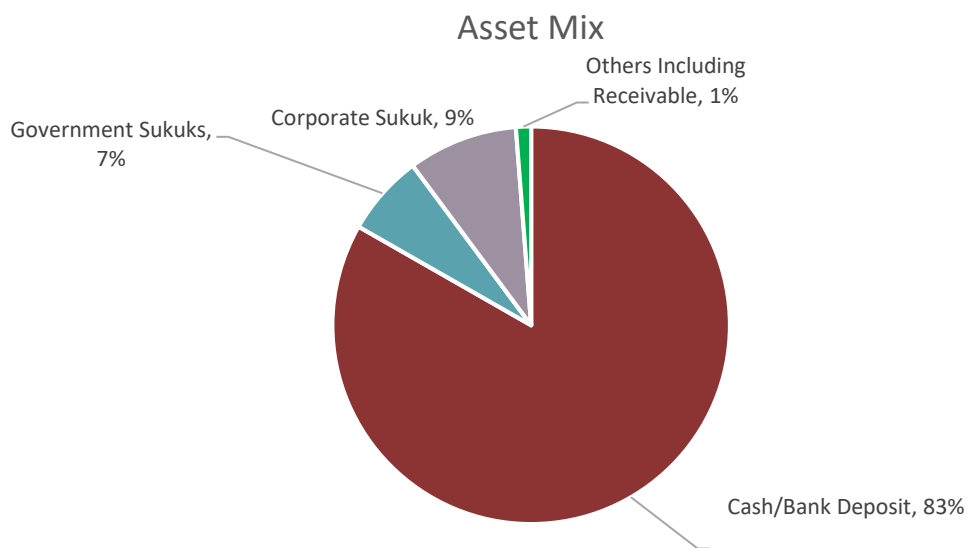
Fund Name	PQIPF – Debt Sub Fund
Launch Date	01 December 2022
Allocation	Cash/Bank 83%, Government Sukuk 12%, Corporate Sukuk 5%, Others 1%
Fund Size (PKR)	31,332,796
Fund Type	Open End
Risk Profile	Medium
Since Inception Returns	18.23%



### Pak-Qatar Islamic Pension Fund – Money Market Sub Fund

**Fund Objective:** To give participants a steady source of halal income after retirement or incapacity, when they are no longer able to work for a living, in order to prevent them from being dependent on other people in society.

Fund Name	PQIPF – Money Market Sub Fund
Launch Date	01 December 2022
Allocation	Cash/Bank 83%, Government Sukuk 7%, Corporate Sukuk 9%, Others 1%
Fund Size (PKR)	78,352,972
Fund Type	Open End
Risk Profile	Low
Since Inception Returns	17.45%

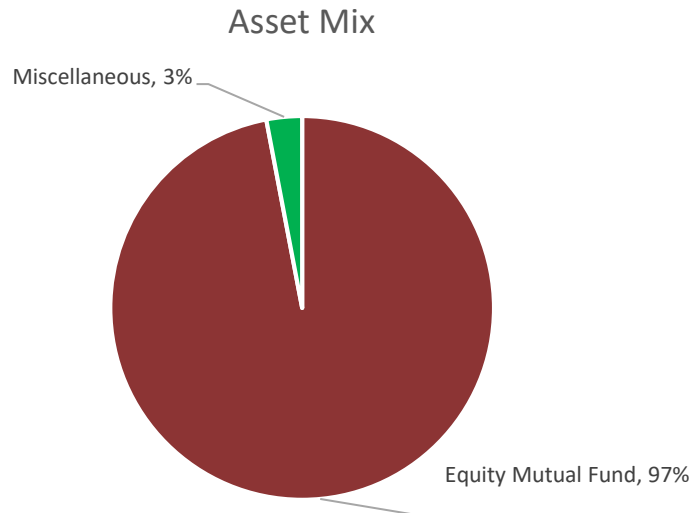


### Banca-Takaful Growth Fund (BT Growth)

**Fund Objective:** The objective of investments is to enhance returns through a well-diversified, prudently invested portfolio while considering customer needs, regulatory restrictions and overall corporate strategy of PQFTL. The Fund intends to achieve capital appreciation with medium to long term investment horizon by taking enhanced exposure to equities and fixed income investments.

Fund Name	BT Growth
Launch Date	09 August 2011
Allocation	Mutual Fund 97%, Miscellaneous 3%
Fund Size (PKR)	5,989,722,132
Fund Type	Aggressive Fund of Funds
Risk Profile	High
Since Inception Returns	8.85%

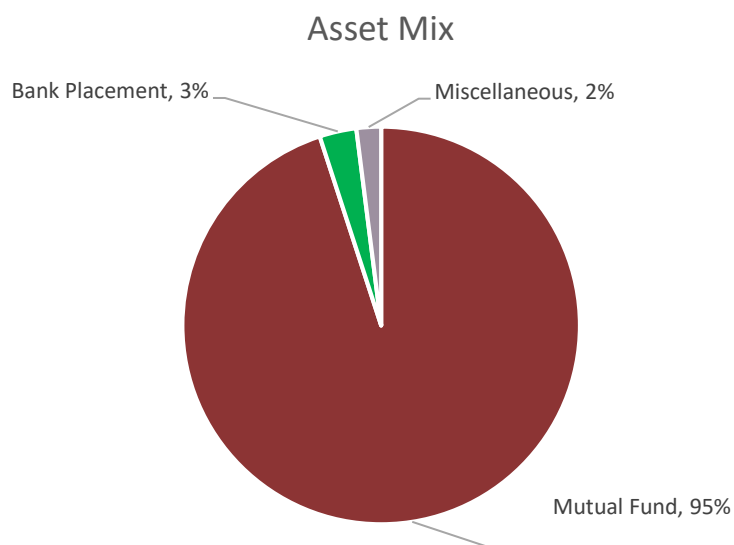




#### Banca-Takaful Conservative Fund

**Fund Objective:** The objective of investments is to enhance returns through a well-diversified, prudently invested portfolio while considering customer needs, regulatory restrictions and overall corporate strategy of PQFTL. The Fund aims to provide stable return exhibiting low volatility with capital preservation by constructing a portfolio composed of fixed income and mutual fund investments.

Fund Name	BT Conservative
Launch Date	09 August 2011
Allocation	Mutual Fund 95%, Bank Placement 3%, Miscellaneous 2%
Fund Size (PKR)	6,627,064,430
Fund Type	Balanced Fund of Funds
Risk Profile	Medium
Since Inception Returns	8.98%

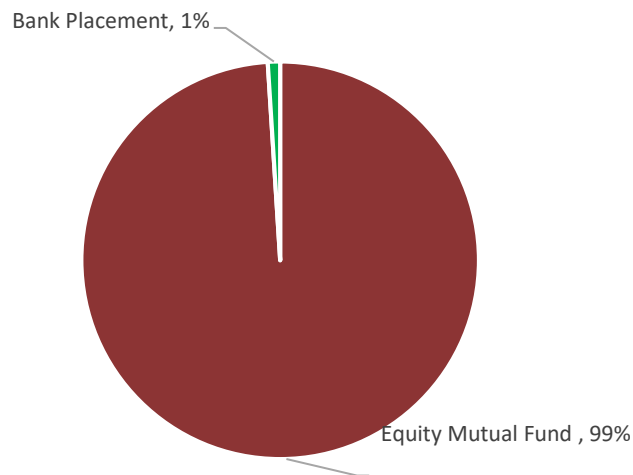


### PIF Aggressive

**Fund Objective:** The Fund intends to achieve capital appreciation over longer-term with high-risk profile by taking exposure in underlying equities and fixed income instruments.

Fund Name	PIF Aggressive
Launch Date	08 April 2008
Allocation	Equity 99% + Bank Placement 1%
Fund Size (PKR)	1,907,057,535
Fund Type	Aggressive Fund of Fund
Risk Profile	High
Since Inception Returns	9.68%

Asset Mix

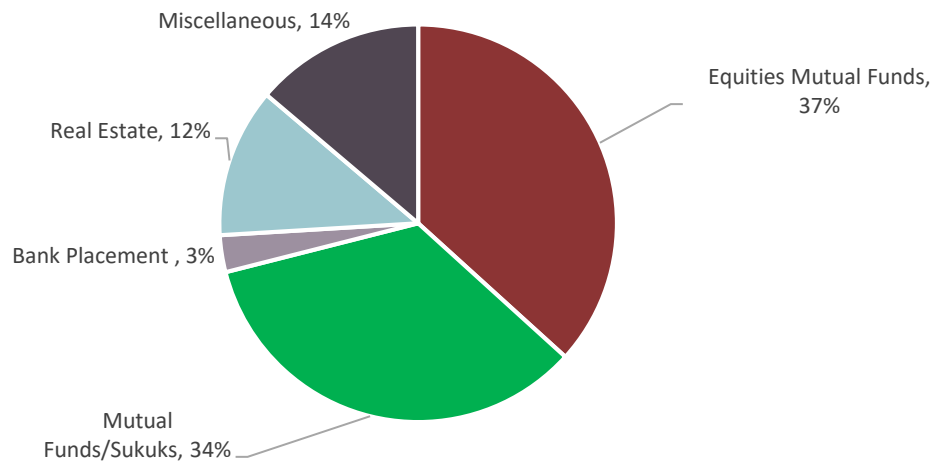


### PIF Balanced

**Fund Objective:** The fund objective is to provide capital appreciation over long-term with a medium risk profile and by investing in a portfolio of underlying fixed-income and equity instruments.

Fund Name	PIF Balanced
Launch Date	08 April 2008
Allocation	Equity Mutual Fund 37% + Mutual Funds 34% + Bank Placement 3% + Real Estate 12% + Misc. 12%
Fund Size (PKR)	3,781,646,081
Fund Type	Balanced Fund
Risk Profile	Medium
Since Inception Returns	8.19%

### Asset Mix

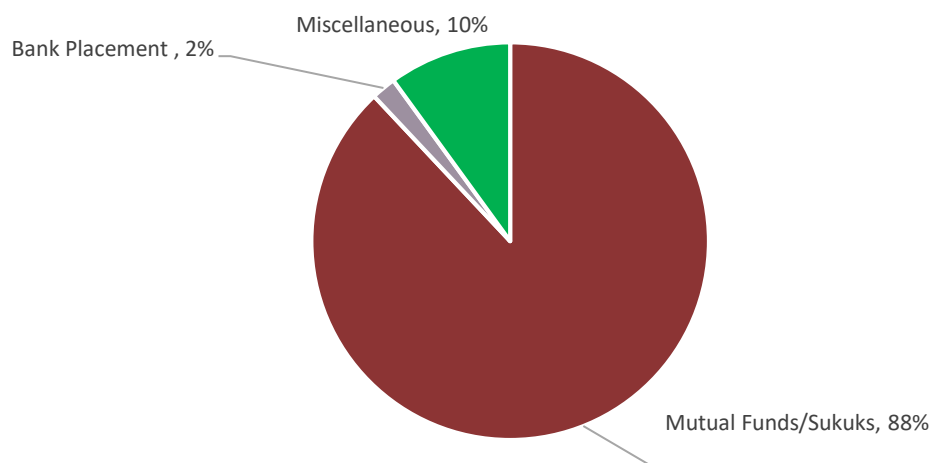


### PIF Conservative

**Fund Objective:** The objective of the fund is to deliver capital appreciation through investments in an underlying longer duration fixed-income portfolio with a medium risk profile

Fund Name	PIF Conservative
Launch Date	08 April 2008
Allocation	Mutual Fund 88% + Bank Placement 2% + Misc. 10%
Fund Size (PKR)	7,578,804,600
Fund Type	Balanced Fund of Fund
Risk Profile	Medium
Since Inception Returns	9.92%

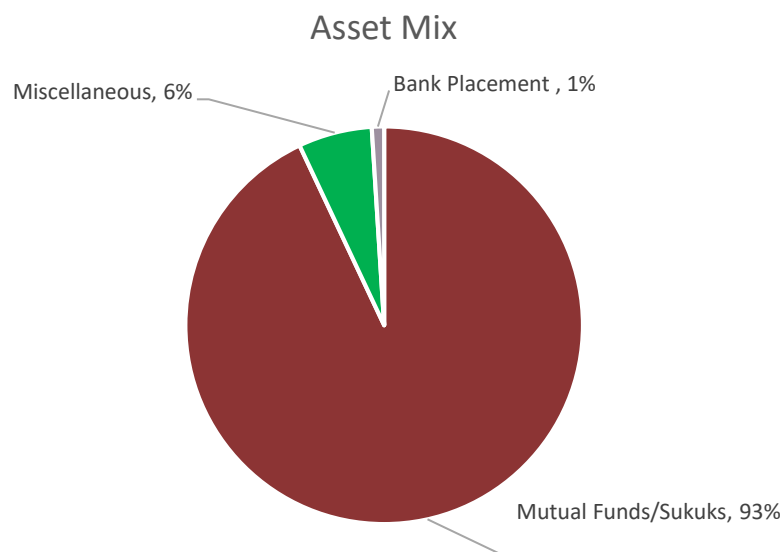
### Asset Mix



### PIF Secure Wealth

**Fund Objective:** The objective is to provide competitive returns from a portfolio of low credit risk with a prime focus on investment short to medium tenor underlying fixed income instruments.

Fund Name	Secure Wealth
Launch Date	26 April 2011
Allocation	Mutual Funds 93% + Bank Placement 1% + Miscellaneous 6%
Fund Size (PKR)	28,696,465
Fund Type	Income Fund of Fund
Risk Profile	Moderate
Since Inception Returns	9.69%

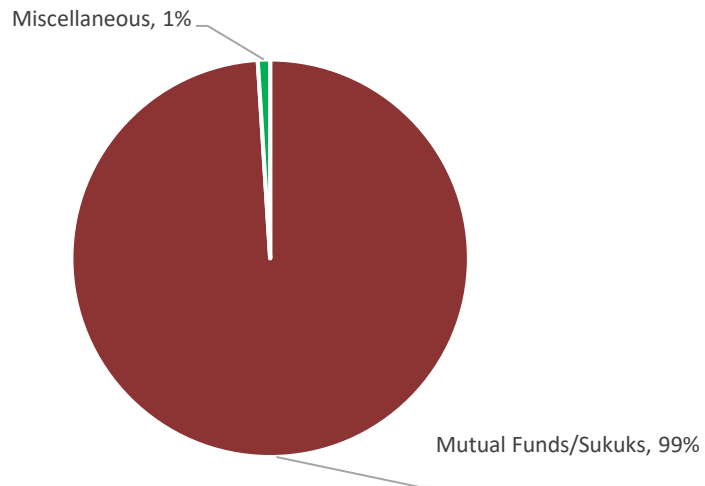


### Pure Saving

**Fund Objective:** The objective is to provide capital appreciation over long term through underlying portfolio of fixed-income instruments with a medium-risk profile.

Fund Name	Pure Saving
Launch Date	15 August 2022
Allocation	Mutual Funds 99% + Bank Placement 1%
Fund Size (PKR)	28,288,805,506
Fund Type	Balanced Fund of Funds
Risk Profile	Medium
Since Inception Returns	17.27%

### Asset Mix

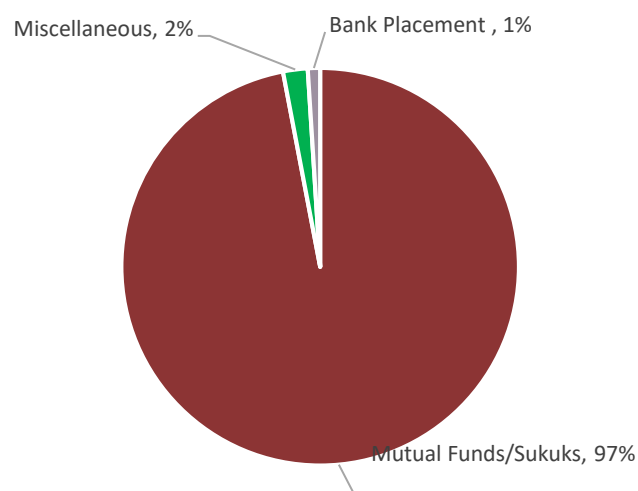


### Mustehkam Munafa

**Fund Objective:** The objective is to generate stable return exhibiting low volatility and low risk profile through an underlying portfolio of fixed income instruments.

Fund Name	Mustehkam Munafa
Launch Date	01 March 2023
Allocation	Mutual Funds 97% + Bank Placement 1% + Misc. 2%
Fund Size (PKR)	1,802,169,240
Fund Type	Money Market Fund of Funds
Risk Profile	Low
Since Inception Returns	15.60%

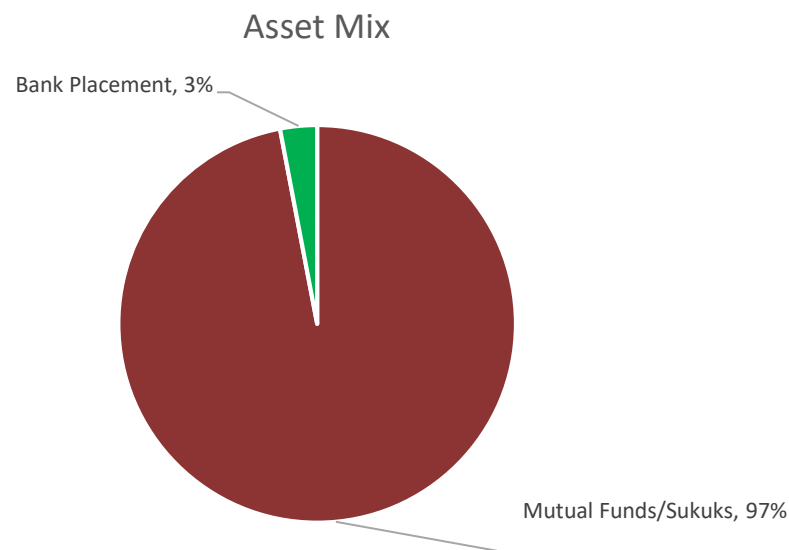
### Asset Mix



### Prosperity Fund

**Fund Objective:** The fund objective is to achieve alpha over income funds with a medium risk profile by investing in a portfolio of fixed income, equities and REIT schemes with the aim of delivering enhanced returns through strategic asset allocation and active management.

Fund Name	Prosperity Fund
Launch Date	15 November 2024
Allocation	Mutual Funds 97% + Bank Placement 3%
Fund Size (PKR)	660,256
Fund Type	Balanced Fund of Funds
Risk Profile	Medium
Since Inception Returns	8.61%

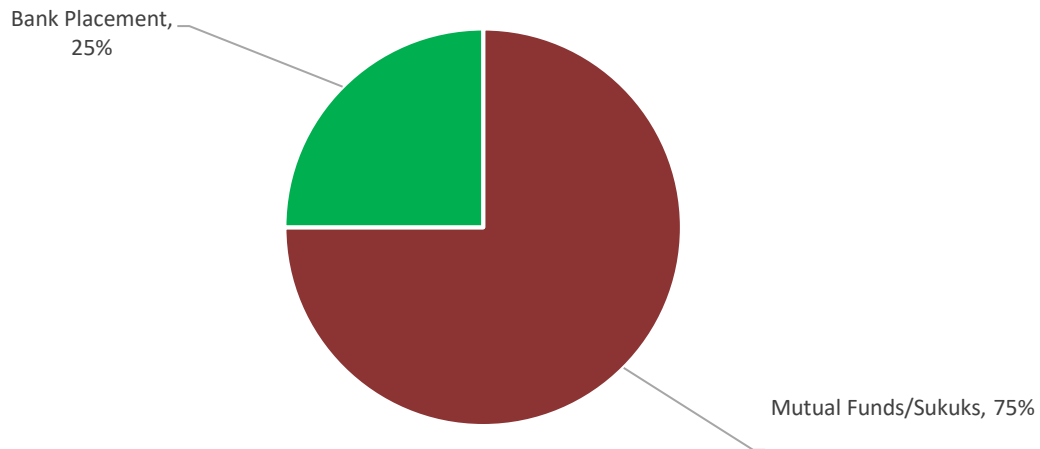


### Kafalat Fund

**Fund Objective:** The fund objective is to generate a return with a medium risk profile to honor guaranteed annuity obligations by investing in a portfolio of fixed income, equities and REIT schemes. This allocation aims to balance growth and stability, aligning with the medium-risk profile necessary to sustain the fund's commitment to annuity payments.

Fund Name	Kafalat Fund
Launch Date	21 February 2025
Allocation	Mutual Funds 75% + Bank Placement 25%
Fund Size (PKR)	9,202,296
Fund Type	Balanced Fund of Funds
Risk Profile	Medium
Since Inception Returns	7.83%

### Asset Mix

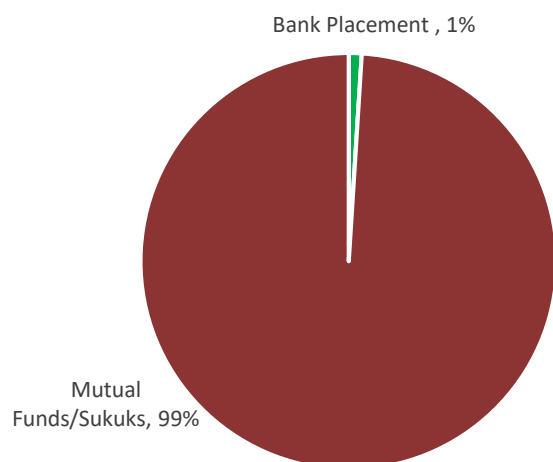


### Pure Protection Fund

**Fund Objective:** The objective is to provide capital appreciation over long term through underlying portfolio of fixed-income instruments with a medium-risk profile

Fund Name	Pure Protection Fund
Launch Date	21 February 2025
Allocation	Mutual Funds 99% + Bank Placement 1%
Fund Size (PKR)	416,225,473
Fund Type	Balanced Fund of Funds
Risk Profile	Medium
Since Inception Returns	7.48%

### Asset Mix

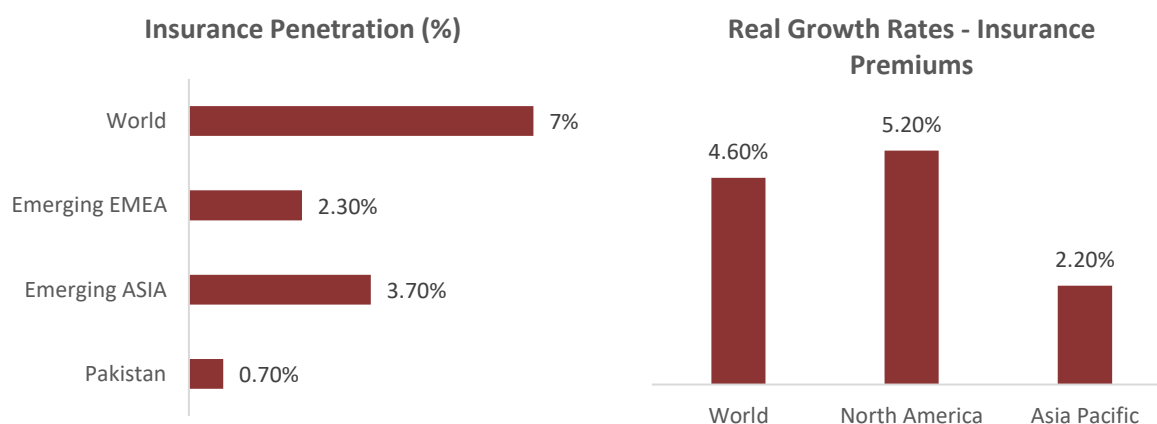


### 3.21. INDUSTRY OVERVIEW

Insurance is a financial arrangement whereby one party, the insurer, indemnifies the other, the policyholder, against losses from specific contingencies or perils. A Takaful system is a Shariah-compliant alternative to conventional insurance, based on ethical principles, mutual assistance, and transparency. It avoids interest (riba), uncertainty (gharar), and gambling (maysir).

#### The Global Insurance Market:

The insurance business has rapidly developed in recent years across the world. However, the development has been uneven, with lower coverage in less advanced economies. The insurance penetration ratio (premiums written as a percentage of GDP) showcases this trend, with penetration levels rising in advanced markets in recent years, exceeding 10% for multiple economies (e.g. Denmark, Finland, the United States)<sup>44</sup>. By contrast, in 2023 the penetration levels for the emerging EMEA and emerging ASIA markets sit at 2.3% and 3.7%, respectively<sup>45</sup>. However, insurance penetration levels in these emerging markets have been steadily rising, and increasing education levels coupled with the improving macroeconomic climate signifies growth potential for the industry. In CY 2024, Insurance penetration levels for Pakistan stood at 0.7% of GDP<sup>46</sup>.



Source: Swiss Re Institute Sigma [3/2024](#) and [5/2024](#)

In CY24, global premiums underwritten by insurers amounted to USD 6.2 trillion, growing by 8.6% year-on-year in nominal terms<sup>47</sup>. This increase partly arose as a result of high inflation in previous years which led to an increase in claims costs that insurers passed on to customers in the form of higher policy rates<sup>48</sup>. An improved macroeconomic climate supported the industry, with higher GDP growth leading to higher income levels and thereby increasing insurance demand and improving underwriting performance<sup>49</sup>. Higher interest rates not only boosted demand for savings products but also supported investment income generated, thereby improving the sector's profitability<sup>50</sup>.

<sup>44</sup> <https://www.swissre.com/dam/jcr:2d26776f-20e4-4228-8ee0-97cec2ddb3c4/sri-sigma3-2024-world-insurance.pdf>

<sup>45</sup> <https://www.swissre.com/dam/jcr:2d26776f-20e4-4228-8ee0-97cec2ddb3c4/sri-sigma3-2024-world-insurance.pdf>

<sup>46</sup> <https://www.secp.gov.pk/document/report-on-insurance-industry-statistics-2024/?wpdmdl=61696&refresh=68a702937e8b91755775635>

<sup>47</sup> [https://www.pacra.com/index.php/view/storage/app/PACRA%20Research%20-%20Life%20Insurance%20-%20Jun%2725\\_1750396548.pdf](https://www.pacra.com/index.php/view/storage/app/PACRA%20Research%20-%20Life%20Insurance%20-%20Jun%2725_1750396548.pdf)

<sup>48</sup> <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/insurance/GIMT2025-preliminary2024.pdf>

<sup>49</sup> <https://www.swissre.com/dam/jcr:2d26776f-20e4-4228-8ee0-97cec2ddb3c4/sri-sigma3-2024-world-insurance.pdf>

<sup>50</sup> [https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/12/global-insurance-market-trends-2024\\_4804df81/5b740371-en.pdf](https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/12/global-insurance-market-trends-2024_4804df81/5b740371-en.pdf)



### Insurance market in Pakistan:

The insurance industry in Pakistan comprises of 29 General Insurance and 12 Life Insurance companies<sup>51</sup>, including both conventional insurers (with window takaful operations) and dedicated Takaful operators. Several companies are members of the Insurance Association of Pakistan (IAP).

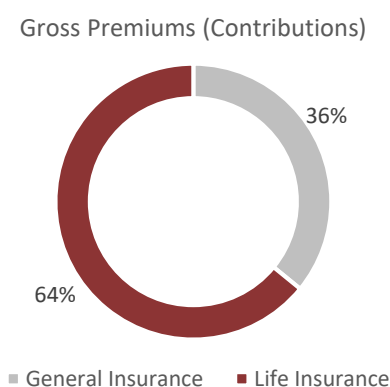
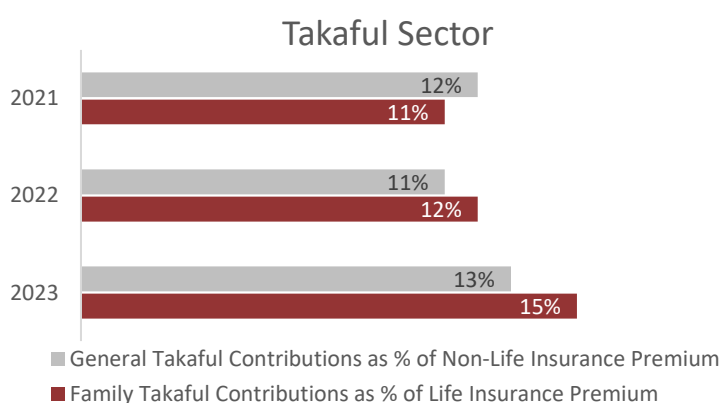
In CY 2024 the total Gross Premiums underwritten by the General Insurance sector amounted to PKR 243 Bn (CY 23: PKR 227 Bn)<sup>52</sup> whilst those underwritten by the Life Insurance sector amounted to PKR 434 Bn (CY 23: PKR 404 Bn)<sup>53</sup>. Both the General and Life insurance sector experienced strong YoY growth of 7.0% and 7.4%, respectively.

Increased local demand for a Shariah compliant alternative to conventional insurance has led to the development of Takaful business in Pakistan. In the General Insurance sector two firms operate as dedicated Takaful companies whilst 19 conventional companies have Window Takaful operations. In the Life Insurance sector there are four dedicated Family Takaful companies and seven companies offering Window Takaful operations<sup>54</sup>.

In CY 2024 the total Gross Contributions collected by the Takaful business (incl. Window) in the General and Life insurance sector amounted to PKR 31 Bn and PKR 66 Bn, respectively<sup>55</sup>. The Takaful segment's share in Pakistan's insurance industry has seen considerable growth, with Family takaful constituting 15% of the total life insurance industry, and general takaful making up 14% of the total general insurance market.

PKR Bn	CY 22	CY 23	CY 24	YoY % (22 – 23)	YoY % (23 – 24)
<b>General</b>					
Conventional	157	202	212	28.7%	5.0%
Takaful (incl. Window)	21	25	31	19.0%	24.0%
	178	227	243	27.5%	7.0%
<b>Life</b>					
Conventional	334	356	368	6.6%	3.4%
Takaful (incl. Window)	41	48	66	17.1%	37.5%
	375	404	434	7.7%	7.4%

Source: SECP Insurance Industry Statistics [2022](#), [2023](#) and [2024](#)



<sup>51</sup> <https://www.secp.gov.pk/document/report-on-insurance-industry-statistics-2024/?wpdmdl=61696&refresh=68a702937e8b91755775635>

<sup>52</sup> <https://www.secp.gov.pk/document/report-on-insurance-industry-statistics-2024/?wpdmdl=61696&refresh=68a702937e8b91755775635>

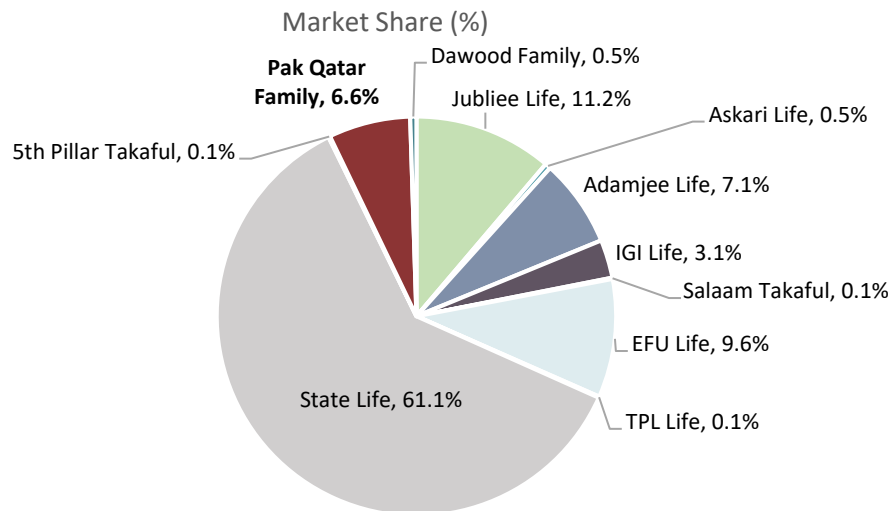
<sup>53</sup> <https://www.secp.gov.pk/document/report-on-insurance-industry-statistics-2024/?wpdmdl=61696&refresh=68a702937e8b91755775635>

<sup>54</sup> <https://www.secp.gov.pk/document/report-on-insurance-industry-statistics-2024/?wpdmdl=61696&refresh=68a702937e8b91755775635>

<sup>55</sup> <https://www.secp.gov.pk/document/report-on-insurance-industry-statistics-2024/?wpdmdl=61696&refresh=68a702937e8b91755775635>

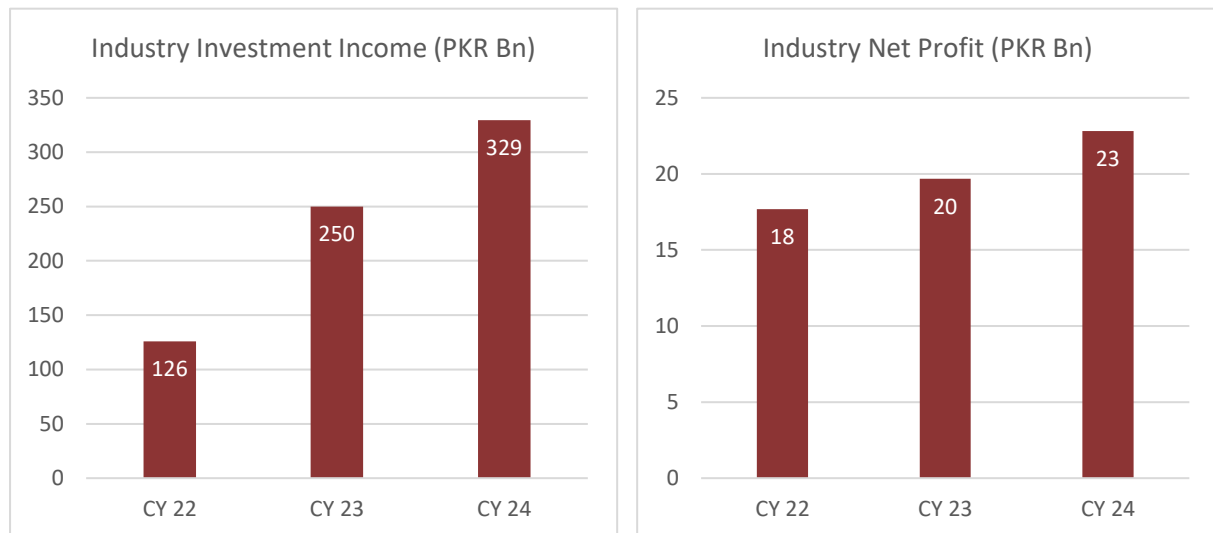
### Life Insurance Market in Pakistan:

The insurance market in Pakistan is dominated by the Life Insurance business, which accounts for 70% of the total premiums underwritten by the industry (see above). Together there are 12 Life Insurers in Pakistan, amongst which 10 belong to the private sector whilst the remaining 2 are public sector insurers. Out of the 10 private sector insurers, 6 operate in the conventional market whilst also offering Window Takaful operations. The remaining 4 operators (incl. PQFTL) are dedicated family takaful companies.



Source: SECP [2024](#) and Company Financials (postal life data has not been included due to lack of availability)

The industry is dominated by the public sector companies, accounting for 61.1% of the GPW<sup>56</sup>. More than half of the segment is captured by State Life Insurance Limited, a public-sector entity that has been in operation for more than 5 decades. However, the private sector remains dominant in the family takaful industry, with 97% of the takaful contributions in CY 2024 being written by the private sector<sup>57</sup>.



Source: Insurance Association of Pakistan [2022](#), [2023](#) and [2024](#)

<sup>56</sup> [https://www.pacra.com/index.php/view/storage/app/PACRA%20Research%20-%20Life%20Insurance%20-%20Jun%202025\\_1750396548.pdf](https://www.pacra.com/index.php/view/storage/app/PACRA%20Research%20-%20Life%20Insurance%20-%20Jun%202025_1750396548.pdf)

<sup>57</sup> <https://www.secp.gov.pk/document/report-on-insurance-industry-statistics-2024/?wpdmdl=61696&refresh=68a702937e8b91755775635>

The Life Insurance industry is on a positive trajectory, with growing top-lines and profitability along with improved investment performance. This growth is expected to be further sustained by improving demographic and economic trends.

Pakistan is the fifth most populated country in the world, having a population of more than 250 million, which is forecasted to further grow to 276 million by 2030<sup>58</sup>. Alongside a growing population life expectancy is also steadily rising<sup>59</sup>, both of which should lead to increased demand for insurance/takaful solutions, particularly long-term offerings (e.g. investments and retirement savings products).

The age distribution of the population is skewed to the 15-64 bracket, with the majority of the population falling within the working age category. This coupled with rising literacy rates indicate a larger consumer base and growing awareness for insurance/takaful solutions<sup>60</sup>.

Growth in the insurance/takaful sector is expected to be further supported by an improving economic climate. Pakistan's GDP increased to PKR 114.7 trillion in the 2024-25 fiscal year, a year-on-year increase of 9.1%, with per capita income levels rising to USD 1,824, a YoY increase of 9.7%<sup>61</sup>. These factors highlight an improvement in the affordability of Life Insurance products.

With rising competition and changing customer needs, existing firms have introduced new and innovative product solutions to cater to their clientele. Through Bancassurance/BancaTakaful, operators have benefitted from the wide branch network of commercial banks, using cross-selling to boost premiums. Many firms have started utilizing online platforms (e.g. Takaful Bazaar) for distribution purposes, thereby increasing their geographic reach.

Religious sentiment has led to many consumers seeking a Shariah compliant alternative to conventional solutions, leading to the development and rapid growth of the Takaful business. Further development in the Takaful sector is expected as the government launches initiatives to convert to an equitable and interest-free economy to implement the judgement of the Federal Shariah Court<sup>62</sup>.

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<sup>58</sup> <https://www.worldometers.info/world-population/pakistan-population/>

<sup>59</sup> <https://data.worldbank.org/indicator/SP.DYN.LE00.IN?locations=PK>

<sup>60</sup> [https://www.pbs.gov.pk/sites/default/files/population/2023/tables/table\\_12\\_national.pdf](https://www.pbs.gov.pk/sites/default/files/population/2023/tables/table_12_national.pdf)

<sup>61</sup> [https://www.finance.gov.pk/survey/chapter\\_25/Highlights.pdf](https://www.finance.gov.pk/survey/chapter_25/Highlights.pdf)

<sup>62</sup> <https://www.secp.gov.pk/document/secp-diagnostic-study-future-of-takaful-in-pakistan/?wpdmdl=57547&refresh=6879e48ebba971752818830>

### 3A. SHARE CAPITAL AND RELATED MATTERS

#### 3A (i) Share Capital

The current share capital of PQFTL is as follows:

Share Capital	No. of Shares	Face Value Per Share (PKR)	Premium (PKR)	Total at Par (PKR)
<b>Authorized Share Capital</b>				
Ordinary Shares	320,000,000	10	-	3,200,000,000
<b>Issued, Subscribed &amp; Paid-Up Capital</b>				
Ordinary Shares of PKR 10/- each fully paid	130,712,440	10	-	1,307,124,400
Issued as Right Shares: Ordinary Shares of PKR 10/- each	50,000,000	10	-	500,000,000
<b>Total</b>	<b>180,712,440</b>	<b>10</b>	<b>-</b>	<b>1,807,124,400</b>
<b>Breakdown of Issued, Subscribed and Paid-up capital:</b>	<b>No. of Shares</b>	<b>Face Value Per Share (PKR)</b>	<b>Premium (PKR)</b>	<b>Total at Par (PKR)</b>
<b><u>Sponsors:</u></b>			-	
Pak-Qatar Investment (Private) Limited (PQIL)	80,242,885	10	-	802,428,850
Qatar International Islamic Bank (QIIB)	13,009,223	10	-	130,092,230
Qatar Islamic Insurance Group (QIIG)	14,341,019	10	-	143,410,190
H.E. Sheikh Ali Bin Abdullah	13,300,734	10	-	133,007,340
<b><u>Directors and their Family:</u></b>		10	-	
Abdul Basit Ahmad Al-Shaibei	1,563,484	10	-	15,634,840
Ali Ibrahim Ali Abdul Ghani	1	10	-	10
Fatima <sup>63</sup>	5,228,498	10	-	52,284,980
Muhammad Kamran Saleem	11,670,097	10	-	116,700,970
Muhammad Ozair Zahid <sup>64</sup>	1,018,657	10	-	10,186,570
Said Gul	5,614,249	10	-	56,142,490
Sameera Said <sup>65</sup>	5,228,498	10	-	52,284,980
Zahid Hussain Awan	2,863,932	10	-	28,639,320
<b><u>Other Shareholders</u></b>		10	-	
Other Shareholders	26,631,163	10	-	266,311,630
<b>Sub Total</b>	<b>180,712,440</b>	<b>10</b>	<b>-</b>	<b>1,807,124,400</b>
<b>New Issue of Ordinary Shares</b>	<b>No. of Shares</b>	<b>Face Value Per Share (PKR)</b>	<b>Premium Per Share (PKR)</b>	<b>Total at Par (PKR)</b>
Allocation to institutions / High Net worth individual investors through Book Building process at Strike Price	37,500,000	10	4	375,000,000

<sup>63</sup> Fatima is the daughter of Said Gul.

<sup>64</sup> Muhammad Ozair Zahid is the son of Zahid Hussain Awan

<sup>65</sup> Sameera Said is the daughter of Said Gul.

General Public Portion	12,500,000	10	4	125,000,000
<b>Sub-total</b>	<b>50,000,000</b>	<b>10</b>	<b>4</b>	<b>500,000,000</b>
<b>Post IPO Paid Up Capital</b>	<b>No. of Shares</b>	<b>Face Value Per Share (PKR)</b>	<b>Total at Par (PKR)</b>	
<b>Total Paid Up Capital Post IPO</b>	<b>230,712,440</b>	<b>10</b>	<b>2,307,124,400</b>	

### 3A (ii) Pattern of Shareholding

PQFTL's current pattern of shareholding is provided hereunder:

Name	Shares Held (No.)	Ownership %
<b>Sponsors:</b>		
Pak-Qatar Investment (Private) Limited (PQIL)	80,242,885	44.40%
Qatar International Islamic Bank (QIIB)	13,009,223	7.20%
Qatar Islamic Insurance Group (QIIG)	14,341,019	7.94%
H.E. Sheikh Ali Bin Abdullah	13,300,734	7.36%
<b>Directors and related family:</b>		
Abdul Basit Ahmad Al-Shaibei	1,563,484	0.87%
Ali Ibrahim Ali Abdul Ghani	1	0.00%
Fatima*	5,228,498	2.89%
Muhammad Kamran Saleem	11,670,097	6.46%
Muhammad Ozair Zahid*	1,018,657	0.56%
Said Gul	5,614,249	3.11%
Sameera Said*	5,228,498	2.89%
Zahid Hussain Awan	2,863,932	1.58%
<b>Other Shareholders:</b>		
Other Shareholders	26,631,163	14.74%
<b>Total</b>	<b>180,712,440</b>	<b>100%</b>

\*Fatima and Sameera Said are the daughters of Said Gul. Muhammad Ozair Zahid is the son of Zahid Hussain Awan. Mr. Said Gul and Mr. Zahid Hussain Awan serve as a non-executive director on PQFTL's board. Neither Zahid Hussain Awan Nor Said Gul have been nominated as Sponsors, likewise their family members are also not Sponsors of the Company.

### 3A (iii) Sponsors Shares to be kept in Blocked Form:

Name	Pre-IPO Shareholding		Post-IPO Shareholding	
	Shares Held (No.)	Ownership %	Shares Held (No.)	Ownership %
<b>Sponsors:</b>				
Pak-Qatar Investment (Private) Limited (PQIL)	80,242,885	44.40%	80,242,885	34.78%
Qatar International Islamic Bank (QIIB)	13,009,223	7.20%	13,009,223	5.64%
Qatar Islamic Insurance Group (QIIG)	14,341,019	7.94%	14,341,019	6.22%
H.E. Sheikh Ali Bin Abdullah	13,300,734	7.36%	13,300,734	5.77%
<b>Total</b>	<b>101,020,799</b>	<b>66.90%</b>	<b>101,020,799</b>	<b>52.40%</b>

### 3A (iv) Present Issue

The offer comprises of 50,000,000 shares (21.67% of the Post IPO paid-up capital of the Company) of face value of PKR 10/- each.

Of the entire Issue of 50,000,000 Ordinary Shares, seventy five percent (75%) of the issue i.e. 37,500,000 ordinary shares will be offered through the Book Building process at a Floor Price of PKR 14.00/- per share with a price band of 50% above the floor price i.e. PKR 21.00/-.

The bidders shall be allowed to place bids for seventy five percent (75%) of the Issue size and the Strike Price shall be the price at which the seventy five percent (75%) of the Issue is subscribed. The remaining 25% of the issue i.e. 12,500,000 ordinary shares will be offered to retail investors. The retail portion will be fully underwritten, with Arif Habib Limited acting as the underwriter to the issue.

Unsubscribed shares, if any, of the retail (General Subscription) portion will be taken up by the underwriter(s) to the issue.

### 3A (v) Shares Issued in Preceding Years

Break-up of shares issued since the inception of the company, including bonus shares, right shares and non-cash shares, has been provided below:

S. No.	No. of shares issued	Face Value Per Share (PKR)	Premium Per Share (PKR)	Total (PKR)	Value	Consideration	Year of issuance
1	8	10	-	80	Cash/Bank		2006
2	45,167,200	10	-	451,672,000	Cash/Bank		2007
3	8,129,959	10	-	81,299,590	Cash/Bank		2008
4	7,588,086	10	-	75,880,860	Right Issue		2010
5	10,177,632	10	-	101,776,320	Right Issue		2011
6	24,872,008	10	-	248,720,080	Right Issue		2017
7	3,553,140	10	-	35,531,400	Bonus Issue		2017
8	25,000,000	10	-	250,000,000	Right Issue		2018
9	6,224,407	10	-	62,244,070	Bonus Issue		2018
10	50,000,000	10	-	500,000,000	Rights Issue		2025
Total	180,712,440			1,807,124,400			

### 3A (vi) Employee Stock Option Scheme

PQFTL does not have any employee stock option scheme.

### 3A (vi) Related Employees

Related Employees of the Company (Pak-Qatar Family Takaful Limited) are as follows:

S. No	Name	Designation
1	Mr. Muhammad Kamran Saleem	Executive Director & Company Secretary
2	Mr. Waqas Ahmed	Chief Executive Officer
3	Mr. Muhammad Ahsan Qureshi	Chief Financial Officer

Related employees of the Consultant to the Issue (Arif Habib Limited) are as follows:

S. No	Name	Designation
1	Mr. Shahid Ali Habib	Chief Executive Officer
2	Mr. Farhan Rizvi	Managing Director, Investment Banking
3	Mr. Hamza Rehan	Assistant Vice President, Investment Banking
4	Mr. Malik Harris Rehan	Assistant Vice President, Investment Banking

5	Mr. Raheel Ahmed	Senior Associate, Investment Banking
6	Mr. Saif Ul Haq	Senior Analyst, Investment Banking
7	Mr. Ali Raza	Senior Analyst, Investment Banking
8	Mr. Muhammad Faizan Qureshi	Senior Analyst, Investment Banking
9	Mr. Naveed Said	Senior Analyst, Investment Banking
10	Mr. Muhammad Ali Bikiya	Analyst, Investment Banking
11	Mr. Tasweeb Fathe Khan	Analyst, Investment Banking



C184821

NBP-0050-2508080008462920

GoS-KHI-0C7CEA30F215DD00

Non-Judicial

Rs 500/-

Description	: Bond - 10(A)
Indemnifier/Mortgagor	: SSCP [00000000]
Indemnified/Mortgagee	: Pak Qatar Family Takaful Limited (PQFTL) [28400917]
Applicant	: Muhammad Amir Ashfaq [42301-4261854-9]
Stamp Duty Paid by	: Pak Qatar Family Takaful Limited (PQFTL) [28400917]
Issue Date	: 08-Aug-2025, 09:26:41 AM
Paid Through Challan	: 20255E79C06ELCDB
Amount in Words	: Five Hundred Rupees Only

Please Write Below This Line

You can verify your e-Stamp paper by scanning the QR code or online at [www.estamps.gos.pk](http://www.estamps.gos.pk) using the 'Verification Through Web' option.

Pakistan Stock Exchange  
Stock Exchange Building  
Stock Exchange Road  
Karachi - 74000, Pakistan

**UNDERTAKING**

We,

- 1) Sheikh Ali Bin Abdullah Thani J. Al-Thani, son of Abdullah being Director of Pak-Qatar Family Takaful Limited holding Passport No. S037908, resident of Al-Gharafa, Doha, Qatar,
- (2) Abdul Basir Ahmed Al-Shaibei (on behalf of Qatar International Islamic Bank), son of Ahmad being Director of Pak-Qatar Family Takaful Limited holding Passport No. 01709999, resident of Villa No. 94, Al-Roadah, Doha,
- (3) Ali Ibrahim AL Abdul Ghani (on behalf of Qatar Islamic Insurance Group), son of Ibrahim being Director of Pak-Qatar Family Takaful Limited holding Passport No. 01744817, resident of P.O. Box 22676, Doha Qatar (and)
- (4) Muhammad Kamran Saleem (on behalf of Pak-Qatar Investment (Private) Limited), son of Muhammad Saleem being Director of Pak-Qatar Family Takaful Limited holding CNIC No. 42301-5927051-1, resident of A-185/8 K.A.E.C.H.S., Karachi, Pakistan;

do hereby state on solemn affirmation as under:

- (1) That we are the sponsors and majority shareholders/owner of the shares of Pak-Qatar Family Takaful Limited (the "Issuer");
- (2) That the IPO Proceeds of Pak-Qatar Family Takaful Limited shall be utilized as per the purpose disclosed in the Prospectus.

Sheikh Ali Bin Abdullah Thani  
J. Al-Thani  
Chairman/Non-Executive Director

Ali Ibrahim AL Abdul Ghani  
Non-Executive Director

Abdul Basir Ahmed Al-Shaibei  
Non-Executive Director

Muhammad Kamran Saleem  
Executive Director

Date: 13<sup>th</sup> Oct. 2025



## 4. PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING AGREEMENTS

### 4.1. Principal Purpose of the Issue

The principal purpose of the issue is to allow PQFTL to fortify its market-leading position by strengthening its capital base, bolstering solvency margins, expanding digital channels, innovating customer-centric and cost-effective products, and ensuring compliance with updated minimum paid-up capital requirements for life-insurance/takaful companies.

The proceeds from the public offering will be methodically allocated towards the following avenues:

#### 1. Expansion of Digital Footprint:

Continuing with its digital transformation strategy, PQFTL intends to further expand its digital infrastructure and online distribution network. The Company intends to enhance its digital solutions, aiming to improve customer-facing applications and streamlining policy issuance and claim handling processes. Investments will be targeted toward software solutions, including user applications, mobile applications, portals, and claim handling systems.

#### 2. Strengthening Solvency and Enhancing Underwriting Capacity:

Through this public offering of 50,000,000 shares at a floor price of PKR 14.0/- per share, PQFTL's capital base (incl. share premium) will increase to PKR 2.51 Bn. This robust capital base will provide PQFTL with financial stability and improve its solvency position. In addition, the Company intends to allocate PKR 50 million as cede money from its Shareholders' Fund to the Participant Takaful Fund to support the promising LifeTime Kafalat Product. The ceding of this additional amount will allow PQFTL to strengthen the respective Participant Takaful Fund, enabling the Company to underwrite larger, longer and more complex risks. This will position PQFTL to pursue larger scale business opportunities, particularly high-value corporate clients that prioritize insurers with substantial statutory funds and strong financial standing. This cede money is essentially a temporary support to the Participants' Takaful Fund and management may repay this amount from the PTF to the Shareholders' Fund over time if and when the PTF's financial position allows.

#### 3. Compliance with Minimum Paid-up Capital requirements:

In a recent development, the SECP, vide SRO.310(I)/2025 dated March 03, 2025, has issued revised minimum paid-up capital requirements for insurance and takaful operators, to be implemented in a phased process that will culminate in 2030<sup>66</sup>.

The revised paid-up capital requirements are provided hereunder:

Type	Applicable prior to 31 <sup>st</sup> December 2026	31 <sup>st</sup> December 2026	Applicable by 31 <sup>st</sup> December 2028	31 <sup>st</sup> December 2030
	PKR (Mn)	PKR (Mn)	PKR (Mn)	PKR (Mn)
Life Insurer / Family Takaful	700	1,500	2,200	3,000

An essential component of PQFTL's IPO strategy is ensuring full compliance with the minimum paid-up capital requirements.

PQFTL currently maintains an issued and subscribed paid-up capital of PKR **1.81 Bn**. The proceeds raised through this public offering will increase the company's paid-up capital to PKR **2.3 Bn**, thereby substantially reducing the existing capital gap and empowering PQFTL to meet progressive regulatory milestones comfortably.

Through this public offering PQFTL will be compliant with the regulatory minimum paid-up capital requirements till 2028. In order to meet the minimum paid-up capital requirement of PKR 3 billion by 2030, the Company plans to undertake bonus issues in the calendar years 2028 and 2029. These strategic actions will align with the regulatory requirements and strengthen the Company's capital base going forward.

<sup>66</sup> <https://www.secp.gov.pk/document/sro-310-i-2025-march-3-2025-notification-amendments-to-the-insurance-rules-2017-paid-up-capital/?wpdmdl=56059&refresh=687737211ca101752643361>

The table below presents the anticipated issuance of bonus shares for the upcoming period:

	2025F	2026F	2027F	2028F	2029F	2030F
<b>Bonus Shares Issued</b>	-	-	-	115,356,220	726,744,186	-

#### 4.2. Source of Funds

PQFTL intends to raise PKR 700 million through an Initial Public Offering (IPO), issuing 50,000,000 ordinary shares at a floor price of PKR 14.0/- per share.

Particulars	Cost (PKR Mn)	Percentage (%)
Proceeds from Initial Public Offering	700,000,000	100%

#### 4.3. Utilization of IPO Proceeds

PQFTL intends to direct the proceeds towards development of a new digital sales channel, strengthening of the Participants' Takaful (Waqf) Fund (PTF), consolidation of branches' network, software and business application development, hardware infrastructure, hiring costs, branding and marketing activities, besides complying with the minimum paid-up capital requirement.

Particulars	Cost (PKR)	Percentage (%)
Software's/Intangibles (Development and Upgradation)	170,168,000	24.3%
Hardware & Infrastructure	35,000,000	5.0%
Marketing	122,102,000	17.4%
Hiring	210,628,569	30.1%
Branches Transformation (Renovation, Branding, Relocation)	112,101,431	16.0%
Transfer to Waqf Fund	50,000,000	7.1%
<b>Total</b>	<b>700,000,000</b>	<b>100%</b>

#### 4.4. Additional Disclosures Relating to the Purpose of the Issue

##### 4.4.1 Software/Intangibles:

Particulars	Cost (PKR Mn)	Expected Supplier	Country of Origin	Expected Order Date	Expected Date of Receipt/ Completion
PQFS - Customer App	9	TechSphere / Persistent Solutions / Smartlink	Pakistan	01.02.2026	31.10.2026
Banca System Support Services	65	TechSphere / Persistent Solutions	UAE/Pakistan	01.01.2026	30.06.2027
Partner Portals (PoS) Support	25	TechSphere / Persistent Solutions/ Smartlink	Pakistan	01.01.2026	Recurring
PQ Digital Wallet	5	Neem / Swich	Pakistan	01.06.2026	31.03.2027
Sales Force Management	22	TechSphere / Persistent Solutions / Smartlink	Pakistan	01.03.2027	30.09.2028
Claim Integration for BPM and AI	15	Maison Consulting / Contegris Solutions / Persistent Solutions	Pakistan	01.05.2027	30.06.2028
Elevate - Agent App	13	TechSphere / Smartlink / Persistent Solutions	Pakistan	01.07.2027	30.06.2028
In-house CRM	16	TechSphere / Smartlink / Persistent Solutions	Pakistan	01.02.2028	31.12.2028

<b>Sub-total</b>	<b>170</b>				
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The costs mentioned in the table for software/intangibles are estimates based on market research and preliminary evaluations.

Projects	Particulars	
PQFS – Customer App	<b>Existing State of Affairs</b> Currently, PQFS is built on outdated technology (APEX) and requires a technological upgrade to deliver faster and more efficient services.	<b>Desired State of Affairs</b> PQFTL plans to upgrade to modern technology 'React Native', or 'Angular' to enhance security, improve user experience, and increase operational efficiency
Banca System Development and Support Services	<b>Existing State of Affairs</b> Supports banks with services such as customer onboarding, auto underwriting, Re Takaful coverage, contribution collection, claim settlement, surrender processing, and maturity handling. However, it is costly to maintain, difficult to modify, and presents challenges in data migration and integration. In a few instances, Communication is also impacted due to the vendor being based overseas.	<b>Desired State of Affairs</b> PQFTL plans to develop its own in-house Banca system, to replace the existing Banca Takaful system, with data migration and product integration. This will enable bank distribution channels to offer Takaful products and services more effectively.
Partner Portals (PoS) Support Services	<b>Existing State of Affairs</b> Partner Portal (Point of Sale) system facilitates seamless policy issuance, customer onboarding, and premium collection at the agent level. It supports real-time data entry, document uploads, and compliance checks, ensuring efficient and accurate processing. The system enhances agent productivity and improves customer service delivery.	<b>Desired State of Affairs</b> PQFTL plans to enhance current features (automation, analytics) with updated technologies, to improve user experience, faster processing, and enhanced mobility through offline functionality. Integration with core systems and advanced analytics will enable better decision-making, while added automation will streamline operations and reduce manual efforts.
PQ Digital Wallet	<b>Existing State of Affairs</b> 1Link and BLINQ payment gateways are used to enable secure and instant digital collections from customers. Payouts are processed through a single banking partner. Due to technical dependencies and limited scalability, the Company faces challenges with respect to Service.	<b>Desired State of Affairs</b> PQFTL aims to integrate multiple digital wallet operators to offer customers a more secure, reliable, and convenient payment experience. This approach will reduce dependency on single third-party gateway and provide greater control in managing technical issues, ensuring uninterrupted and efficient payment services.
Sales Force Management	<b>Existing State of Affairs</b> The Agency Management System supports sales operations but lacks flexibility, is difficult to customize, and vendor coordination is time-consuming due to overseas location.	<b>Desired State of Affairs</b> PQFTL plans to procure or develop a comprehensive Sales Force Management System to fully meet its sales force requirements, including the arising need for Digital Agent/Investment Advisor. The new system will help reduce cost, time, and effort, with greater customization and control over data.
Claim Integration for BPM and AI	<b>Existing State of Affairs</b> The current system supports claims management, with structured features such as Claim intimation, Document submission, claims validation and approval, Claim Settlement and disbursement, with manual steps.	<b>Desired State of Affairs</b> PQFTL plans to integrate automated workflows and AI-driven KPIs to enhance transparency in the claims process. This will support efficient claim assessment, investigation, adjustment, and fraud detection, improving accuracy and reducing risk.

Elevate - Agent App	<b>Existing State of Affairs</b> The app currently meets the essential needs of agents, including digital onboarding, financial calculators, document uploads, basic health questionnaires, and customer communication, but lacks advanced tools and analytics.	<b>Desired State of Affairs</b> PQFTL intends to modernize the app with Customer Relationship Management (CRM) integration, performance tracking, policy dashboards, and workflow automation to empower agents and enhance field performance.
In-house CRM	<b>Existing State of Affairs</b> PQFTL is currently using off-the-shelf CRM. It has been customized to an extent, but still, there are certain challenges in customization along with high cost.	<b>Desired State of Affairs</b> PQFTL plans to develop an in-house CRM system to better align with our business requirements. The system will enhance security, protect data confidentiality, and improve management of customer lead generation and follow-up.

#### 4.4.2 Hardware & Infrastructure:

Particulars	Cost (PKR Mn)	Country of Origin	Expected Supplier	Expected Order Date	Expected Date of Receipt
Co-Location for Disaster Recovery	15	Pakistan	MultiLink / Naya Tel / Zong / Mobilink	01.02.2026	Recurring
Upgradation of Document Management System	20	Pakistan	TechSphere / Persistent Solutions / Smartlink / Rosetta / Easy DMS	01.07.2028	30.06.2029
<b>Sub-total</b>	<b>35</b>				

The costs mentioned in the table for hardware & infrastructure are estimates based on market research and preliminary evaluations.

Projects	Particulars	
Co-Location for Disaster Recovery including support	<b>Existing State of Affairs</b> The current Disaster Recovery (DR) setup is hosted on Oracle Cloud, which incurs huge costs. It also has several limitations, including a lack of support for file systems, object storage, OKE clusters, application and network load balancers, and SR-IOV instances within its built-in DR features. These constraints affect scalability and operational efficiency.	<b>Desired State of Affairs</b> PQFTL plans to implement Disaster Recovery using a co-location methodology by hosting IT infrastructure in a secure, geographically separate facility. This approach will ensure business continuity by minimizing downtime during disasters. It also offers improved scalability, flexibility, enhanced security measures, reduced management overhead, and faster recovery times for critical systems.
Up-gradation of Document Management System	<b>Existing State of Affairs</b> The Document Management System (DMS) is acquired from a third-party vendor with limited access, basic data archiving functionality, limiting scalability and advanced document handling capabilities.	<b>Desired State of Affairs</b> PQFTL plans to acquire an advanced Data Archiving System with modern features, including AI integration. The new system will enable easy search, retrieval, and seamless integration with other platforms. AI capabilities, such as OCR technology, will support automated metadata capture, improving efficiency and data accessibility.

#### 4.4.3 Marketing:

Particulars	Cost (PKR Mn)	Basis of Estimation	Expected Vendor
Digital Marketing	71	Approx. 322 Million Impression	Dunwell Communication, Echo Digital, Argus advertising, Synite Digital
Integrated Marketing Campaigns	51	Approx. 243,000 Leads	Dunwell Communication, Echo Digital, Argus advertising, Synite Digital
<b>Sub-total</b>	<b>122</b>		

The costs mentioned in the table for marketing are estimates based on market research and preliminary evaluations.

Projects	Particulars	
Digital Marketing - of New Products	<b>Existing State of Affairs</b>	<b>Desired State of Affairs</b>
Integrated Marketing Campaigns	Pak-Qatar Family Takaful (PQFTL) has significantly strengthened its corporate brand positioning through an enhanced digital and social media presence, actively marketing its two flagship products; the Mahana Bachat & Takaful Flexi Plan (MBT) and the Lifetime Kafalat Plan (LKP).	PQFTL intends to deploy an aggressive, multi-channel growth strategy, for the MBT and LKT plans. Funds will be directed toward an integrated marketing campaign, performance-based digital media, including Google Ads, SEM, SEO and social media retargeting.
	MBT is promoted on Meta, Newspaper Supplements, Digital Channels, and Radio. Meanwhile, LKP has gained visibility through the successful LKP Launch Event followed by recent Digital campaign in all major cities in Pakistan	PQFTL will also invest in CRM-integrated marketing automation.

#### 4.4.4 Hiring:

Particulars	Cost (PKR Mn)	Number of New Hires	Average Salary per Employee (PKR)	Average Recruitment Cost (PKR Mn)
Hiring of Digital Sales Team	36.6	8	76,313	4.58
Additional Sales Team Hiring	174	58	50,172	3.00
<b>Sub-total</b>	<b>211</b>			

The costs mentioned in the table for hiring are estimates based on market research and preliminary evaluations.

Projects	Particulars	
Hiring of Digital Sales Team	<b>Existing State of Affairs</b>	<b>Desired State of Affairs</b>
Additional Sales Team Hiring (Corporate & Retail)	PQFTL has started the build-up of a new digital sales team, with the Head of Digital sales being appointed. Candidate sourcing & shortlisting have begun to support the initial setup.	PQFTL intends on building a high-performing digital sales team to enhance business growth, elevate customer engagement, ensure secure digital interactions, and drive profitability.
	Currently, PQFTL's Corporate Sales Team is mainly running in three major cities: Karachi, Lahore, and Islamabad. The Retail Sales function is operating with a lean structure, catering to walk-in and individual customers primarily through field-based engagement (currently 1900+ team members in 73 Branches).	PQFTL intends to exploit the untapped potential in other key urban centers such as Multan, Faisalabad, Sialkot, Gujrat, and Peshawar, to expand corporate sales footprint across these regions. In parallel, we are also working on the development of a dedicated Tele sales channel.

		Furthermore, to support the long-term growth of our Retail Sales function, PQFTL, in addition to hiring in the Retail team, will establish a Premier Retail Team for HNWI to boost the business.
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#### 4.4.5 Branches Transformation:

Particulars	Cost (PKR Mn)	Number of Outlets	Expected Cost per Outlet (PKR Mn)	Expected Order Start Date	Expected Completion Date
Branches Transformation	112	28	4.0	01-04-2026	31-12-2030

The costs mentioned in the table for branches transformation are based on quotations obtained by the company from third-party suppliers.

Projects	Particulars	
Renovation, Boards, Branding, Relocation	<b>Existing State of Affairs</b> PQFTL currently operates 73 branches across Pakistan, with distribution as follows: South Region – 11, Central Region – 32, and North Region – 30. These branches were established progressively in line with business growth.	<b>Desired State of Affairs</b> Over the next 3 to 5 years, PQFTL plans to rationalize its branch network, consolidating the existing 73 branches into approximately 50–60 strategically located outlets.  PQFTL aims to renovate 8–10 branches annually as part of a strategic initiative to enhance brand presence and customer experience across Pakistan. In addition, 4 branches will be merged and optimized every year. Further, each renovation will encompass up-gradation of branding, relocation of underperforming or low-footfall branches, and new fixtures and fittings.

#### 4.4.6 Cede Transfer to Waqf - LifeTime Kafalat Plan

Particulars	Cost (PKR Mn)
Cede Money to Waqf - LifeTime Kafalat Plan	50

Projects	Particulars	
Cede Transfer to Waqf fund of 'LifeTime Kafalat Plan'	<b>Existing State of Affairs</b> Upon launch of the Lifetime Kafalat plan, PQFTL set apart PKR 5,000,000 to the Participant Takaful Fund (PTF) as cede money from the Shareholders' Fund.	<b>Desired State of Affairs</b> Given the success of the Lifetime Kafalat plan, PQFTL aspires to further cede PKR 100,000,000 to the Lifetime Kafalat Waqf Fund; (a sub-fund created by the company for its newly launched retirement solution). PKR 50,000,000 will be utilized from the IPO Proceeds and the additional PKR 50,000,000 will be funded by the by the Company. The ceding of additional amount is to strengthen the respective Participant Takaful Fund. This cede money is essentially a temporary support to the Participants' Takaful Fund; management may have the fund to repay this amount to the Shareholders' Fund over time if and when the fund's financial position allows. The PKR 100 million capital contribution will be done on a piecemeal basis, and shall be recoverable by the SHF upon the fund achieving self-sufficiency.

#### 4.4. Details Regarding Financial Close of the Project

The expenditure on the items stated in Section 4.3 will begin in the first quarter of CY 2026. The entire project is expected to be completed on the first quarter of CY 2031.

#### 4.5. Implementation Schedule

Projects	2026	2027	2028	2029	2030	Total
PKR Mn						
<b>Software's/Intangibles</b>						
PQFS - Customer App	5	1	1	1	1	9
Banca System Support Services	52	13	-	-	-	65
Partner Portals (PoS) Support	5	5	5	5	5	25
PQ Digital Wallet	5	-	-	-	-	5
Sales Force Management	-	10	5	3.3	3.3	22
Claim Integration for BPM and AI	-	10	5	-	-	15
Elevate - Agent App	-	10	2	0.5	0.5	13
In-house CRM	-	-	10	3	3	16
<b>Total</b>	<b>67</b>	<b>49</b>	<b>28</b>	<b>13</b>	<b>13</b>	<b>170</b>
<b>Hardware &amp; Infrastructure</b>						
Co-Location for Disaster Recovery	3	3	3	3	3	15
Upgradation of Document Management System	-	-	15	5	-	20
<b>Total</b>	<b>3</b>	<b>3</b>	<b>18</b>	<b>8</b>	<b>3</b>	<b>35</b>
<b>Marketing</b>						
Digital Marketing - of New Products	10	11	15	17	18	71
Integrated Marketing Campaigns	8	9	10	11	13	51
<b>Total</b>	<b>18</b>	<b>20</b>	<b>25</b>	<b>28</b>	<b>31</b>	<b>122</b>
<b>Hiring</b>						
Hiring of Digital Sales Team	10	9	8	6	4	37
Additional Sales Team Hiring (Corporate & Retail)	30	29	36	43	36	174
<b>Total</b>	<b>40</b>	<b>38</b>	<b>44</b>	<b>49</b>	<b>40</b>	<b>211</b>
<b>Branches Transformation</b>	<b>20</b>	<b>20</b>	<b>22</b>	<b>24</b>	<b>26</b>	<b>112</b>
<b>Cede Money to Waqf - LifeTime Kafalat Plan</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50</b>
<b>Grand Total</b>	<b>198</b>	<b>130</b>	<b>137</b>	<b>122</b>	<b>113</b>	<b>700</b>

#### 4.6. Utilization of excess IPO Funds, in the case the Strike Price is Determined above the Floor

Any excess funds raised, in case the Strike price is determined above the Floor price, would be utilized towards the same expenditures as mentioned in Section 4.3 of this prospectus. The additional funds will enable PQFTL to enhance allocations to the identified expenditure heads, with most of the additional amounts being allocated towards marketing and hiring. This will allow for additional scope and capacity beyond the currently stated base level investments.

#### 4 (AI) POST ISSUE MATTERS. (REPORTING AND EXIT OPPORTUNITY)

##### i. Post issuance reporting requirements as per regulation 16 of these regulations

The issuer, Pak-Qatar Family Takaful Limited, upon completion of the public offer shall:

- a. Report detailed break-up of the utilization of the proceeds of the issue in its post issue quarterly/half-yearly and annual accounts (till the fulfilments of the commitments mentioned in the prospectus).
- b. submit a: (a) Half Yearly progress report; and (b) annual progress report reviewed by the auditor, to the securities exchange till the fulfilment of the commitments mentioned in the prospectus stating the following:
  - Implementation status of the project/commitment made in the prospectus as per format given below:
  - Detailed Break-up utilization of the proceeds raised from the issue:
- c. Submit a final report reviewed by the auditor after the fulfilment of the commitments mentioned in the prospectus.

##### ii. Exit Opportunity Mechanism as per regulation 16(a) of these regulations

- a. The Issuer shall not, at any time change the principal purpose of the issue as disclosed in the Prospectus.
- b. In exceptional circumstances, the issuer may change the principal purpose of the issue subject to passing of special resolution and offering an exit opportunity to dissenting shareholders who have not agreed to the change in principal purpose of the issue as disclosed in the Prospectus.
- c. Offering an exit opportunity shall also be mandatory where the principal purpose of issue was undertaken and thereafter funds were diverted to other purposes, which resulted in non-completion of principal purpose of issue in a timely manner as disclosed in the prospectus.
- d. The mechanism for an exit offer opportunity shall be as under:
  - i. EOGM notice in respect of any change in the principal purpose of the issue as disclosed in the prospectus shall be given along with draft special resolution as required under the provisions of Companies Act, 2017.
  - ii. Subject to approval of special resolution as defined in the Companies Act, 2017, the shareholders who have dissented against the special resolution and conveyed their dissent to the company secretary under intimation to PSX, shall be provided an opportunity to exit by offering a price per share, by the sponsors of the issuer that shall be highest of the following:
    1. Intrinsic value based on the latest available audited accounts;
    2. Weighted average closing price for last six preceding months
    3. offer price at which the shares were subscribed through IPO.
  - iii. The exit offer shall be executed by the sponsors with in a period of thirty days from the date of passing of special resolution.



**4A VALUATION SECTION:****4A (I) JUSTIFICATIONS GIVEN BY THE CONSULTANT TO THE ISSUE, IF ANY OR THE ISSUER IN SUPPORT OF THE OFFER/FLOOR PRICE AND THE PRICE BAND. THE JUSTIFICATION MUST INCLUDE APPROPRIATE VALUATION MODELS, INCLUDING THE DISCOUNTED CASH FLOW (DCF) MODEL, DIVIDEND DISCOUNT MODEL (DDM), AND/OR GORDON GROWTH MODEL (GGM).****Disclaimer:**

The offer price/floor price and price band are set by the Issuer and Consultant to the Issue using appropriate valuation models, and that the Commission and the Securities Exchange have neither assessed nor validated the pricing or the underlying valuation model. The Commission and the Securities Exchange do not assess, validate or endorse the price of a transaction, as pricing is purely a function of market forces; whereby minimum price is determined by the Consultant to the Issue/Issuer and final price is set by the investors.

**Valuation – Free Cash Flow to Equity (FCFE):**

<b>Cost of Equity</b>	
Risk Free Rate <sup>67</sup>	11.04%
Equity Risk Premium	6.00%
Beta <sup>68</sup>	0.68
Cost of Equity	15.13%
Avg Growth Rate <sup>69</sup>	3.5%

PKR Mn	2025F	2026F	2027F	2028F	2029F	2030F
PAT	290	337	421	578	753	897
Interest Cost	11	8	7	6	5	5
Depreciation	135	129	125	122	122	123
Amortization	7	13	17	20	20	20
Capital Expenditure	(64)	(157)	(150)	(145)	(135)	(141)
Changes in Working Capital	29	12	10	14	23	33
<b>FCFF</b>	<b>408</b>	<b>342</b>	<b>431</b>	<b>594</b>	<b>788</b>	<b>936</b>
Interest Cost	(11)	(8)	(7)	(6)	(5)	(5)
Net Debt	(18)	(15)	(13)	(12)	(10)	(9)
<b>FCFE</b>	<b>380</b>	<b>319</b>	<b>410</b>	<b>577</b>	<b>773</b>	<b>922</b>

Year	0.25	1.25	2.25	3.25	4.25	5.25
Discount Factor	0.965	0.838	0.728	0.633	0.549	0.477
<b>PV of Payouts</b>	<b>367</b>	<b>267</b>	<b>299</b>	<b>365</b>	<b>424</b>	<b>440</b>
<b>PV of Terminal Value</b>						<b>3,916</b>

Equity Value	6,078
No. of Shares	231
<b>Value per Share (PKR)</b>	<b>26.34</b>

<sup>67</sup> Risk free rate is based on the prevailing yield of the five-year Pakistan Investment Bond implying the time horizon for investment in equities which is typically 3- 5 years.

<sup>68</sup> The equity beta for PQFTL has been calculated by using the weighted average five-year adjusted asset (deleveraged) beta of the life insurance sector as a proxy, and then re-leveraging it using PQFTL's debt-to-equity ratio.

<sup>69</sup> Aligned with Pakistan's long-term historical GDP growth, which has averaged around 3.5% or higher over 20 years, representing a reasonable long-term sustainable growth assumption.

**Valuation – Dividend Growth Model (DDM):**

<b>Cost of Equity</b>	
Risk Free Rate <sup>70</sup>	11.04%
Equity Risk Premium	6.00%
Beta <sup>71</sup>	0.68
Cost of Equity	15.13%
Avg Growth Rate <sup>72</sup>	3.5%

PKR Mn	2025F	2026F	2027F	2028F	2029F	2030F
Payout Ratio %	80%	79%	79%	80%	79%	85%
Shareholder's Equity	3,159	3,266	3,491	3,804	4,167	4,515
Earnings	290	337	421	578	753	897
Dividend Per Share	1.00	1.15	1.45	1.90	1.90	2.425
<b>Dividend Payout</b>	<b>231</b>	<b>265</b>	<b>335</b>	<b>460</b>	<b>598</b>	<b>764</b>
<b>Terminal Value</b>						<b>6,794</b>
Year	0.25	1.25	2.25	3.25	4.25	5.25
Discount Factor	0.965	0.838	0.728	0.633	0.549	0.477
<b>PV of Payouts</b>	<b>223</b>	<b>222</b>	<b>244</b>	<b>291</b>	<b>329</b>	<b>364</b>
<b>PV of Terminal Value</b>						<b>3,242</b>

Equity Value	4,915
No. of Shares (Mn)	231
<b>Value per Share (PKR)</b>	<b>21.30</b>

**Justification for the Premium: 50% Upside**

Based on the valuation assessment, the DCF model yields a fair value of PKR 26.34, reflecting a potential upside of 25.4% from the maximum price band, while the DDM valuation of PKR 21.30 indicates alignment with fair market value. These results collectively support the appropriateness of the proposed 50% price band.

<sup>70</sup> Risk free rate is based on the prevailing yield of the five-year Pakistan Investment Bond implying the time horizon for investment in equities which is typically 3- 5 years

<sup>71</sup> The equity beta for PQFTL has been calculated by using the weighted average five-year adjusted asset (deleveraged) beta of the life insurance sector as a proxy, and then re-leveraging it using PQFTL's debt-to-equity ratio.

<sup>72</sup> Aligned with Pakistan's long-term historical GDP growth, which has averaged around 3.5% or higher over 20 years, representing a reasonable long-term sustainable growth assumption.

### Successful Operational History:

Pak Qatar Family Takaful (PQFTL) was incorporated in 2006 and commenced business in 2008, becoming the first dedicated family takaful company in Pakistan. The company is engaged in the life insurance business and within a brief period has successfully penetrated the market, holding a 6.6% market share of the life insurance sector as of CY 2024. Alongside this, PQFTL stands as Pakistan's largest dedicated family takaful company (by GPW)<sup>73</sup>, having a 44% market share of the family takaful (incl. Window takaful) sector and a 90.47% market share of the dedicated takaful segment.

PQFTL has an expansive direct distribution network, with 73 branches and 1,971 agents operating across Pakistan. This widespread coverage has successfully allowed the company to expand its Takaful business, with contributions (premiums) collected via the direct agency network growing by a CAGR of 56% during the three financial years ended December 31, 2024.

Alongside its own network PQFTL has also established BancaTakaful/Bancassurance agreements with 14 banks, including Dubai Islamic Bank, Faysal Bank, and Bank Islami (see section 3.3), allowing the company to expand its business via banks' branch networks and thereby diversify its source of contribution inflows.

These networks together provide PQFTL with comprehensive geographical coverage, enabling the company's products to be available at over 3,000 branches across 135 plus cities in Pakistan. This widespread coverage has allowed the company to record gross contributions of PKR 28.8 Bn in CY 2024 (CY 2022: 10.2 Bn), growing by a CAGR of 42% for the three financial years ended December 31, 2024.

This vast distribution network along with other resources of the company are efficiently and effectively managed by a skilled and experienced management team, with a clear organizational structure and documented delegated authorities and responsibilities. This ensures that the company is able to meet policyholder needs and thereby drive customer satisfaction.

### Financial Performance:

During the three financial years ended December 31, 2024, the Gross contributions collected by PQFTL experienced a CAGR of **42%**, which translated to a CAGR of **54%** in Net premiums. This was primarily driven by the increased Single and Top-up contributions, reaching PKR **21.9 Bn** (CY 23: PKR 7.7 Bn). In addition, PQFTL's market share in the family takaful segment rose from 4.4% in CY 2023 to **6.6%** in CY 2024, further showcasing the company's excellent top-line performance.

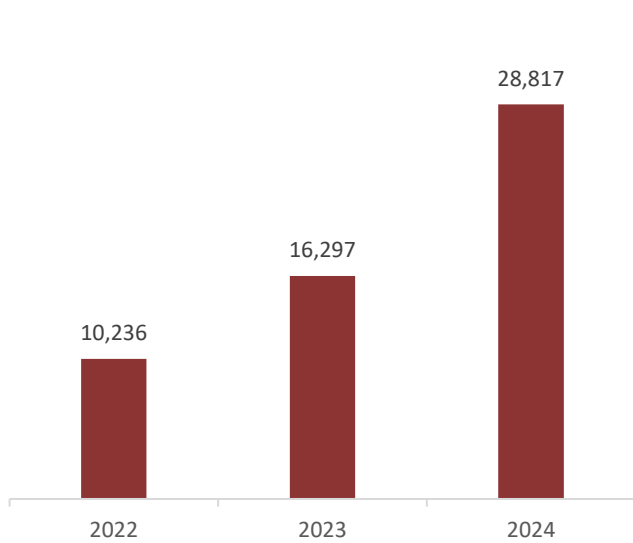
Alongside the growth in premiums written the company also displayed improved investment performance, generating a realized investment income from its Participants' Fund of PKR **4.3 Bn** (CY 22: 1.8 Bn), and from its SHF of PKR **291 Mn** (CY 22: 164 Mn). Investment yield of the Participants' Fund grew to 10% (CY 22: 6%), whilst for the SHF the investment yield in CY 2024 stood at 20% (CY 22: 14%).

Coupled with the improved income generation, PQFTL improved its claims management and cost control function. The average claims ratio of the company for the three financial years ended December 31, 2024 was **75%**, with the industry average being **89%**, highlighting PQFTL's reliability and financial strength in meeting policyholder commitments. The company's expense ratio moved favorably to **4%** in CY 2024 (CY 22: 8%). PQFTL's combined ratio (sum of the expense and claims ratio) also dropped favorably to **69%** in CY 2024 (CY 22: 93%), signifying that the company is managing its expenses and claims effectively relative to its premiums.

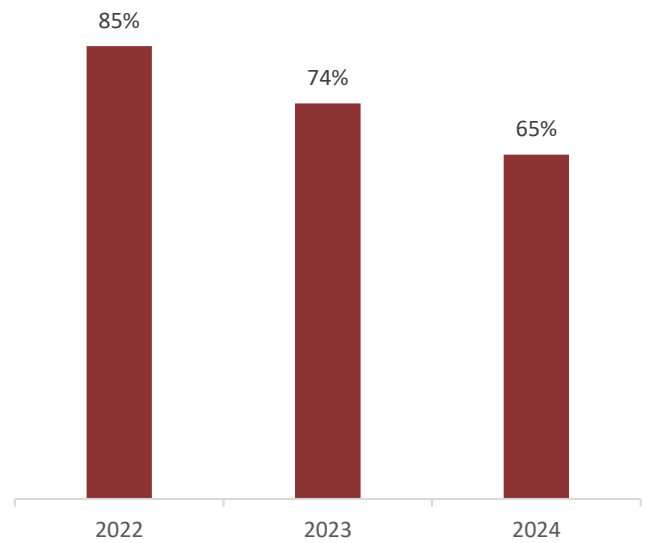
The company also displayed strong bottom-line performance, with its PAT growing by a CAGR of **13%** during the three years period ended December 31, 2024, with PAT in CY 2024 totaling up to PKR **270 Mn** (CY 2022: PKR 149 Mn). This translated to a greater ROE of **15%** (CY 2022: 10%) and ROA of **11%** (CY 2022: 7%) in CY 2024.

<sup>73</sup> <https://iap.net.pk/wp-content/uploads/2025/06/Posting-Sheet-of-KFD-for-the-period-ended-December-31-2024-Life-.pdf>

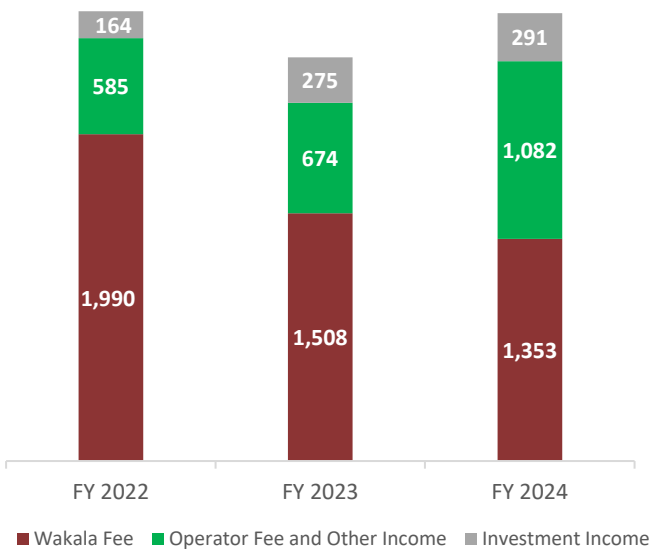
Gross Contributions (PKR MN)



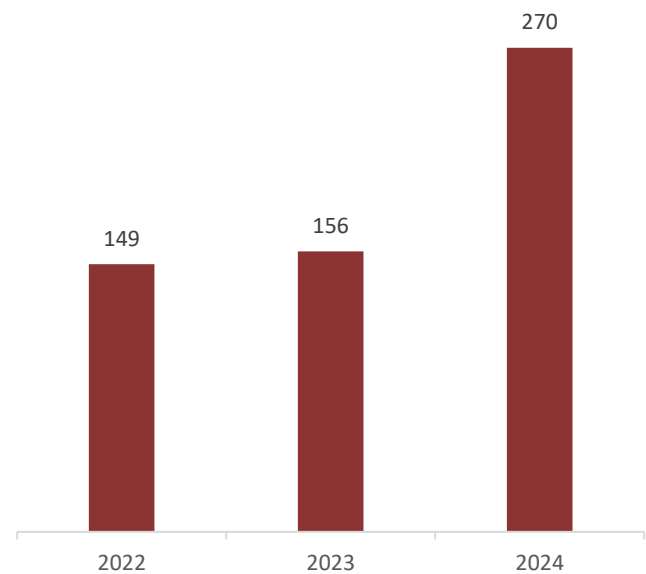
Claims Ratio (%)



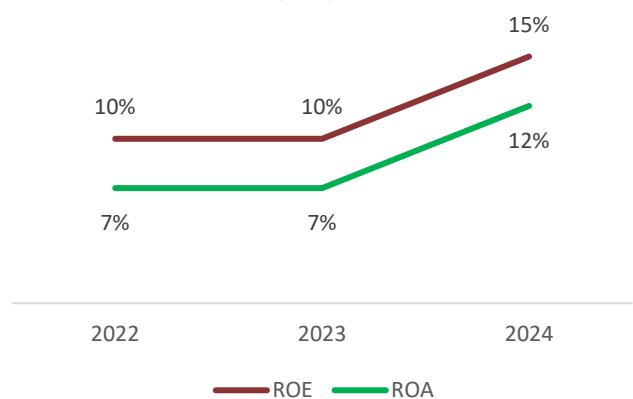
Breakdown of SHF Income (PKR Mn)



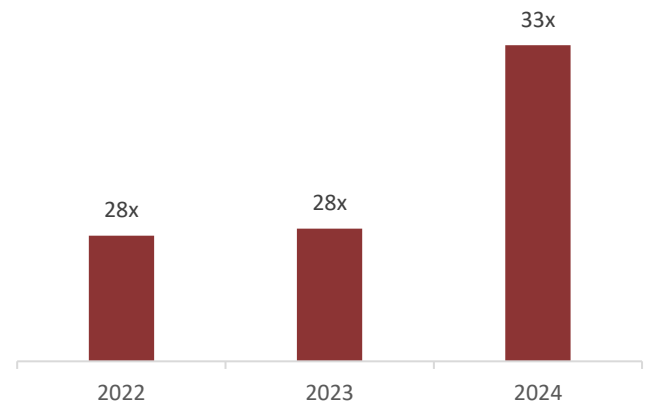
PAT (PKR Mn)



Return on Equity (ROE) and Return on SHF Assets (ROA)



Liquid Investments to Outstanding Claims (times)



### International Sponsor Support:

PQFTL benefits from the strategic backing of Qatar Royal family-linked institutions; Qatar International Islamic Bank (QIIB) and Qatar Islamic Insurance Group (QIIG), who hold 7.20% and 7.94% of the Ordinary shares of the company, respectively, thereby enhancing the Company's business strength, credibility, and governance.

### Share Acquisition Supporting Valuation Assessment:

Pak-Qatar Investment (Private) Limited increased its shareholding in the Company from 50,369,823 shares (38.50%) as at December 31, 2024 to 80,242,885 shares (44.40%) as at October 10, 2025. The increase was achieved through the subscription of 10,000,000 right shares at PKR 10.00 per share and the acquisition of FWU AG's shareholding of 19,873,062 shares at a consideration of PKR 14.15 per share. The acquisition of FWU AG's shareholding, being a recent arm's-length purchase, provides a relevant benchmark supporting the valuation adopted.

### Diverse Product Portfolio:

PQFTL serves both retail and corporate customers, providing them with financial security, stability and cover against hazards. The Company offers a wide range of Takaful products that cater to life insurance protection, health insurance protection, investment (savings), and retirement (pension) solutions. Some of these solutions offered include the "Mahana Bachat & Takaful Flexi Plan", "Priority Takaful", "Lifetime Kafalat Plan" and "Education Takaful Plan" (see further details in Section 3.9).

In December 2022, PQFTL launched its pension fund under the name of Pak Qatar Islamic Pension Fund (PQIPF), becoming the first Takaful company in Pakistan to launch a voluntary pension scheme (VPS)<sup>74</sup>.

Having such a vast product portfolio allows PQFTL the ability to more effectively meet the wide-ranging coverage and savings needs of both individual and corporate clients, thereby enabling the Company to drive customer satisfaction. A comprehensive product portfolio also provides PQFTL with diverse channels of income, thereby reducing undue reliance on any one product category or customer segment.

### Favorable Future Prospects:

Growth in Pakistan's insurance/takaful sector is expected to be supported by improving demographic and economic trends. The country's population is forecasted to reach 276 million by 2030<sup>75</sup>. This coupled with rising life expectancy<sup>76</sup> should lead to increased demand for insurance/takaful solutions, particularly long-term offerings (e.g. retirement savings products). Affordability of Life insurance products is also improving as a result of rising per capita income levels, which reached USD 1,824 in the 2024-25 fiscal year, a YoY growth of 9.7%<sup>77</sup>.

### Financial Strength and Stability:

PQFTL's IFS rating was upgraded by Vital Information Services (VIS) to "AA" from "A++" on July 22, 2025, on the basis of the Company's growing market share, strong governance framework and strengthened operational efficiency, highlighting PQFTL's ability to meet policyholder obligations<sup>78</sup>. In addition, PQFTL holds an Insurer Financial Strength (IFS) rating of "A++"<sup>79</sup> and a Pension Fund manager rating of "AM2" by PACRA<sup>80</sup>.

As at the end of CY 2024, liquid investments (incl. cash & bank balance) held by PQFTL amounted to PKR 56.4 Bn, resulting in a Liquid Investments to outstanding claims ratio of **33x**. In addition, the Total PTF fund equity also stood at PKR **967 Mn** in CY 2024.

All these factors evidence that PQFTL has more than sufficient capital and ample liquidity to meet policyholder obligations, highlighting how PQFTL has the financial strength and stability necessary to operate sustainably as a takaful operator.

<sup>74</sup> <https://www.brecorder.com/news/40368285/pak-qatar-family-takaful-limited-two-decades-of-legacy-and-trust>

<sup>75</sup> <https://www.worldometers.info/world-population/pakistan-population/>

<sup>76</sup> <https://data.worldbank.org/indicator/SP.DYN.LE00.IN?locations=PK>

<sup>77</sup> [https://www.finance.gov.pk/survey/chapter\\_25/Highlights.pdf](https://www.finance.gov.pk/survey/chapter_25/Highlights.pdf)

<sup>78</sup> [https://docs.vis.com.pk/RatingReports/OP\\_00667001015\\_0006670.pdf](https://docs.vis.com.pk/RatingReports/OP_00667001015_0006670.pdf)

<sup>79</sup> [https://www.pacra.com/view/storage/app/rating\\_reports/RR\\_385\\_14592\\_26-Jun-25.pdf](https://www.pacra.com/view/storage/app/rating_reports/RR_385_14592_26-Jun-25.pdf)

<sup>80</sup> [https://www.pacra.com/summary\\_report/RR\\_2774\\_13448\\_16-Sep-24.pdf](https://www.pacra.com/summary_report/RR_2774_13448_16-Sep-24.pdf)

### Widespread Distribution Network:

PQFTL has one of largest Takaful network in Pakistan. The company's branches spread across 67 cities, and through alliances with 14 plus banks, its products are available at 4,500 branches across 135 plus cities in Pakistan. PQFTL currently caters to 1,300 plus corporate clients and 1 million plus individuals, providing them with need-based savings, investments, and protection solutions.

In line with the Company's policy of embracing digital technology, PQFTL has focused extensively on developing digital sales platforms and utilizing online portals and digital brokers to provide enhanced accessibility and greater convenience to current and prospective customers, all the while increasing the geographical reach of the Company's distribution network.

### Customer-centric Approach:

A key reason for PQFTL's success is its customer first approach. The Company has set up a dedicated customer experience department, elevating customer experience through Microsoft Dynamics 365 CRM, integrated with 24/7 call center support. This provides users with personalized and efficient support.

In addition, PQFTL has further enhanced customer experience through digital onboarding services, including the PQFS app and the Elaaj app, providing users with additional convenience via easier access to dashboards and online payment facilities.

### Justification:

Pak-Qatar Family Takaful has showcased robust performance in recent periods, with rising underwritten premiums and improving profitability highlighting the immense financial success of the company. Such success has been enabled through the company's innovative product portfolio, customer centric approach and digitally enabled sales channels.

PQFTL stands as the market leader in the takaful industry, being the largest dedicated family takaful company in Pakistan, having a 44% market share of the family takaful industry (by GPW). Through this public offering, PQFTL would be the first and only dedicated takaful company to be listed on the Pakistan Stock Exchange, allowing investors an avenue to invest in a fully Shariah compliant insurance provider. PQFTL's strategic position as the only publicly listed takaful operator separates it from other peers in the industry.

Based on our review, the Consultant to the Issue is of the opinion that the strong historical performance of the Company, a diversified product portfolio, wide-spread distribution network, strategic BancaTakaful partnerships and the growing demand for their quality services indicates the sustainability of business performance in the future, which justifies the floor price of PKR 14.0/- per share.

Based on the valuation assessment, the DCF model yields a fair value of PKR 26.34, reflecting a potential upside of 25.4% from the maximum price band, while the DDM valuation of PKR 21.30 indicates alignment with fair market value. These results collectively support the appropriateness of the proposed 50% price band.

The Company is offering a Price-to-Book ("PB") multiple of 1.11 at Floor Price of PKR 14.00/- per Ordinary Share based on the Book value per share of the Company as at June 30, 2025 (post rights issue of 50 million shares at PKR 10) of PKR 12.60/-.

## 4A (II) DISCLOSURE OF POST ISSUE FREE FLOAT

Post IPO, the share capital of PQFTL will increase from 180,712,440 Ordinary Shares to 230,712,440 Ordinary Shares. The free float status of PQFTL post IPO is provided hereunder:

Description	Number of Shares	% Shareholding	Total Free Float
<b>Existing Shareholders:</b>			
Sponsors	120,893,861	52.40%	-
Directors and their family members	33,187,416	14.38%	-

Other Shareholders <sup>81</sup>	26,631,163	11.54%	11.54%
<b>Public Offering</b>	50,000,000	21.67%	21.67%
<b>Total</b>	<b>230,712,440</b>	<b>100%</b>	<b>33.12%</b>

#### 4A (III) PEER GROUP COMPARISON

	PQFTL	Adamjee Life	Askari Life	EFU Life	IGI Life	Jubilee Life	TPL Life
Number of Shares (Mn)	181	263	150	105	171	100	225
Share price**	14.00	35.00	13.08	155.00	21.02	168.01	36.50
EPS <sup>82</sup> *	1.33	5.66	0.61	25.25	2.01	26.16	(1.41)
BVPS <sup>83</sup>	12.60	21.90	3.56	87.03	14.31	172.76	1.22
BVPS (Post-IPO)	12.91	-	-	-	-	-	-
P/E <sup>84</sup> *	10.49 <sup>85</sup>	6.18	21.56	6.14	10.47	6.42	NMF
P/E* (Post-IPO)	13.39	-	-	-	-	-	-
P/B <sup>86</sup>	1.11 <sup>87</sup>	1.60	3.68	1.78	1.47	0.97	29.91
P/B (Post-IPO)	1.08	-	-	-	-	-	-
Industry Average P/E	10.16						
Industry Average P/B	1.58						
Median P/E	6.42						
Median P/B	1.69						
KSE-100 P/E	8.08						
KSE-100 P/B	1.47						
ROE <sup>88</sup> *	12%	28%	21%	31%	15%	16%	NMF
ROA <sup>89</sup> *	9.8%	1.4%	3.3%	1.1%	0.9%	1.2%	NMF
Free Float - # of Shares (Mn)	77	52.5	37.543	10.5	34.113	20.071	11.225
Free Float (%)	33.12%	20.00%	25.00%	10.00%	20.00%	20.00%	5.00%

\* based on the TTM earnings for each company (trailing twelve months) for the period July 01, 2024 to June 30, 2025

\*\* LDCP as at 09/10/2025

<sup>81</sup> Other Shareholders' post-IPO shareholding is assumed unchanged, though these shareholders may participate in the public offering.

<sup>82</sup> Total Earnings / Total No. of Shares. The Earnings Per Share (EPS) is based on a total shareholding of **180,712,440** shares, following a rights issue of **50 million** shares at par on August 28, 2025. The EPS prior to the right issue, for the 12 months period ended June 30, 2025, is **1.85 per share**, giving a p/e multiple of **7.59x**.

<sup>83</sup> Total Equity / Total No. of Shares

<sup>84</sup> Share Price / Earnings Per Share

<sup>85</sup> P/E based on pre-ipo shareholding of 180,712,440 shares

<sup>86</sup> Share Price / Book Value per Share

<sup>87</sup> P/B based on pre-ipo shareholding of 180,712,440 shares

<sup>88</sup> Profit After tax / Average Equity

<sup>89</sup> Profit After tax / Average Assets

**Peer Comparison – Window Takaful Operations:**

<i>PKR Mn</i>	PQFTL	Adamjee Life	Askari Life	EFU Life	IGI Life	Jubilee Life	TPL Life
	TTM <sup>90</sup>	TTM	TTM	TTM	TTM	TTM	TTM
<b>Operating Performance</b>							
Gross Contributions (Premiums)	29,378	5,787	2,236	12,066	3,393	16,946	136
Net Contributions (Premiums) <sup>91</sup>	27,857	4,418	1,976	8,922	2,576	14,948	125
Net Claims*	(24,945)	(3,029)	(283)	(5,897)	(2,037)	(9,739)	(27)
Investment Income (both funds, incl realized FV gains)	2,789	2,232	181	3,747	762	6,338	5
Fund Operating Expenses (Excl. Claims)	(1,417)	(457)	(1,211)	(1,119)	(231)	(2,853)	(36)
Claims Ratio	90%	69%	14%	66%	79%	65%	21%
Expense Ratio	5%	10%	61%	13%	9%	19%	29%
Combined Ratio	95%	79%	76%	79%	88%	84%	50%

\* Net Claims includes policy surrenders and partial withdrawals.

<sup>90</sup> TTM period from October 01, 2024 to September 30, 2025.

<sup>91</sup> Contributions net of Retakaful Ceded and Wakala Fees.



## 5. RISK FACTORS

### 5.1. INTERNAL RISKS

#### 5.1.1 Underwriting Risk:

PQFTL manages participants' claims through policyholder contributions. The company faces underwriting risk, whereby it fails to accurately assess and price the risk associated with a policyholder, leading to substantial financial losses. This may arise due to incomplete or inaccurate risk assessment, competitive pressures to keep policy prices low, or unforeseen and/or uncontrollable events. Sources of uncertainty include assumptions surrounding mortality and morbidity rates, inflation levels and economic stability.

PQFTL is a family takaful operator having primarily long-term obligations, with benefits payable upon death, disability or critical illness of the policyholder. Due to this long-term nature, errors in policy pricing assumptions pertaining to mortality rates, interest rates, inflation levels, etc., can compound overtime exacerbating the risk of under or overpricing policy premiums. Undercharging policy holders will make PQFTL unable to settle claims, whilst overcharging reduces the company's competitiveness.

Contributions written by the company are credited amongst the PIF, PTF and SHF, with the PTF (Participants' Takaful Fund) used to settle any policyholder obligations. If the admissible assets in the PTF are insufficient to cover liabilities, shareholders will be required to provide Qard-e-hasan (interest free loan) to the PTF from the current shareholders' fund balance, as per the requirements of Takaful Rules, 2012. As such, poor underwriting performance, including selling to high-risk individuals/groups, may detrimentally impact the ability of PQFTL to settle policyholders' claims and also undermine the position and profitability of the company's shareholders.

The year-end PTF balance for the three years ended December 31, 2024 is provided hereunder:

PKR	CY 2022	CY 2023	CY 2024
Year-end Balance	935,458,550	958,080,853	966,520,945

#### 5.1.2 Business Risk:

PQFTL's profitability may be undermined as a result of various factors, other than those related to core underwriting performance. These factors may be internal factors with-in the company, or external factors, such as economic downturns, increased competition, changes in government regulations, etc. PQFTL has established a comprehensive risk management system to manage this risk, which includes an internal audit function, under the oversight of the audit committee, that regularly monitors the Company's operations as well as changes in the external environment, reporting relevant findings to the management.

#### 5.1.3 Operational Risk:

PQFTL may face losses, direct or in-direct, in the form of financial loss, reputational damage, and regulatory penalties, as a result of its operations i.e. its people, processes, systems or external events.

Akin to a conventional insurance company, PQFTL faces insurance operational risks in its Takaful business. This includes the risk of low persistency, a situation where policyholders do not renew their policies or allow them to lapse, leading to loss of revenue and existing customers along with increased costs of acquiring new customers.

Other operational risks which could undermine PQFTL's claim management system, risk management system and investment management function, are mentioned hereunder:

- **Human Error:** Poor staff training, unfamiliarity with internal policies and deliberate non-compliance with underwriting authority limits, leading to policies being sold to poor credit customers.
- **System Disruption:** IT infrastructure and information systems for claims management and underwriting new business may be undermined as a result of internal failures or cyber security breaches.

- **Model Errors:** Inaccurate, incomplete or poorly designed models, or inaccurate and/or incomplete input data creates the risk of under/overpricing of policy premiums, which will lead to financial losses or undermine PQFTL's competitiveness.

#### 5.1.4 Fraudulent Claims Risk:

As a takaful (Islamic insurance) operator, PQFTL faces the risk of insurance/takaful fraud, whereby policyholders make deliberate fraudulent claims to obtain an unjust or undeserving benefit. Insurance fraud can take many forms, including exaggerating claims to receive a larger payout, intentionally staging accidents, or providing false information during the application process leading to inappropriate risk assessment.

Insurance/takaful fraud can lead to following adverse consequences for PQFTL:

- **Financial Loss:** Direct financial loss would be suffered as a result of payouts on fraudulent claims.
- **Cost of mitigation:** Additional resources, including human capital and review committees, are needed in the claim handling and investigation process to mitigate the risk of insurance/takaful fraud. Diversion of such resources to prevention of fraud may undermine PQFTL's level of performance in other business aspects.
- **Legal costs:** Based on the result of its internal investigations PQFTL may challenge or deny policyholder claims, which may lead to costly legal battles adding to the costs of the company.
- **Actuarial assumptions:** Due to fraudulent claims actuarial estimates will be less accurate, increasing the risk of under/overpricing.

#### 5.1.5 Liquidity Risks:

PQFTL needs to maintain sufficient liquidity in order to meet policyholder claims and other obligations as they fall due. Liquidity risk is the risk that the company has insufficient liquid assets to meet its financial obligations on time. This could arise as a result of liabilities falling due earlier than anticipated, or difficulties encountered in raising funds to meet obligations as they fall due. At the end of CY 2024, the company had non-derivative financial liabilities with up to one-year maturity of PKR 2.2 Bn (CY 23: PKR 1.7 Bn).

	CY 2022	CY 2023	CY 2024	9MCY 2025
	Audited	Audited	Audited	Unaudited
Liquid investments as % of total assets	90%	92%	94%	95%
Liquid Investments to Outstanding claims (times)	28x	28x	33x	46x
Debt to Equity	14%	11%	7%	NMF
Debt to Total Assets	11%	8%	6%	NMF
Debt Service Coverage Ratio (DSCR)	N/A	8.5x	14.5x	NMF

#### 5.1.6 Credit Risk:

Credit risk is the risk that one party to a financial contractual arrangement fails to fulfil their commitment, causing the other party to incur a financial loss. Credit risk for PQFTL primarily stems from the following areas:

- **Investments:** PQFTL invests in various financial assets to maintain liquidity and satisfy participants' obligations and shareholders' needs. Total investments at CY 2024 amounted to PKR 53.8 Bn. Credit risk arises if the issuers of these instruments default on their obligations, leading to reduced dividend/interest income and fall in market value of investments held by the company.
- **Re-takaful arrangements:** PQFTL enters into Re-takaful arrangements with other parties in the ordinary course of business to minimize its financial exposure to claims. However, this does not relieve PQFTL's PTF of obligations owed to policyholders. If the re-takaful partner defaults, the PTF would still be liable for any remaining portion of the outstanding claim leading to significant financial losses.
- **Policyholder obligations:** Policyholders may default on premium (contribution) payments due, either intentionally or due to poor financial conditions. This will lead to financial losses for the company.

<i>Participant Fund</i>	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>	<b>9MCY 2025</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>
Total Investment Return (incl. income and FV gains/losses) (%)	1%	24%	22%	10%
Retakaful Cession Ratio (Retakaful Contributions Ceded to Gross Premium) (%)	5%	3%	1.4%	1.3%
Retakaful Receivables to Gross Claims (%)	2%	1%	0.4%	0.5%
Outstanding Contributions to Total Contributions (%)	8%	6%	3%	3%

#### 5.1.7 Capital Adequacy:

In a recent development, the SECP, vide SRO.310(I)/2025 dated March 03, 2025, has issued revised minimum paid-up capital requirements for insurance and takaful operators, to be implemented in a phased process that will culminate in 2030<sup>92</sup>. The revised paid-up capital requirements are provided hereunder:

	<b>Applicable prior to 31<sup>st</sup> December 2026</b>	<b>31<sup>st</sup> December 2026</b>	<b>Applicable by 31<sup>st</sup> December 2028</b>	<b>31<sup>st</sup> December 2030</b>
	<b>PKR (Mn)</b>	<b>PKR (Mn)</b>	<b>PKR (Mn)</b>	<b>PKR (Mn)</b>
<b>Life Insurer / Family Takaful</b>	700	1,500	2,200	3,000

Failure to maintain this balance could lead to PQFTL not complying with SECP's solvency margins and thereby losing its authorization to undertake takaful operations. Prior to the public offering PQFTL's paid-up capital amounts to PKR 1,807 Mn.

#### 5.1.8 Solvency Risk:

As per Insurance Ordinance, 2000, PQFTL is required to maintain a surplus of admissible assets over liabilities of not less than the required amount. Under Rule 12(2) of the SEC (Insurance) Rules, PQFTL has been given approval to maintain solvency margins in its Shareholders' fund and Statutory funds in aggregate. Having insufficient net admissible assets may lead to the Company not adhering to the solvency requirements, leading to non-compliance. Failure to comply with the solvency requirements may lead to regulatory action taken against PQFTL, which could involve restrictions on business activities, restrictions on dividends, and fines/penalties imposed on the company and/or its directors and officers.

PQFTL's solvency position is provided hereunder:

<b>PKR Mn</b>	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
Net Admissible Assets	30,307	40,479	58,800
Minimum Solvency Requirements	(28,406)	(38,468)	(56,565)
<b>Excess/(Deficit) in Net Admissible Assets</b>	<b>1,901</b>	<b>2,011</b>	<b>2,235</b>
Solvency Margin as per Rule 14	(799)	(968)	(1,187)
<b>Excess/(Deficit) in Net Admissible Assets over Minimum Requirements</b>	<b>1,101</b>	<b>1,043</b>	<b>1,048</b>

#### 5.1.9 Projected Related Risks

The proceeds raised through this public offering will be utilized by the Company over the next five years. Given the time delay, material agreements are not in place for all relevant expenditures. As such, the cost estimates may not be in-line with actual future expenditure, creating the risk of potential cost overruns. Management have

<sup>92</sup> <https://www.secp.gov.pk/document/sro-310-i-2025-march-3-2025-notification-amendments-to-the-insurance-rules-2017-paid-up-capital/?wpdmdl=56059&refresh=687737211ca101752643361>

derived their estimates after conducting thorough due diligence and seeking external third-party quotations for the relevant expenditures.

There is also the risk of potential delays in project initiation and execution, which could undermine the management's plan and hinder the successful utilization of deployed resources. In particular, delays in the implementation of the Software and Hardware & Infrastructure projects may lead to inefficiencies, the technology being outdated, or potential introduction of similar applications by rivals, thereby hindering the effectiveness of the project

#### 5.1.10 Negative cashflow from operating activities in the last three preceding financial years

The table below outlines PQFTL's cash flow from operating activities for the three years ended December 31, 2024:

PKR Mn	CY 2022	CY 2023	CY 2024
Cash Flow from Operating Activities	68	(24)	149

PQFTL generated a negative cash flow of PKR 24 Mn in CY 2023. This arose as a result of the shareholders' fund gratuitously ceding PKR 85 Mn in the year to the Participants' Waqf fund.

#### 5.1.11 Financial Risks:

##### I. Contingent Liabilities as per the latest audited financial statements AND Legal/Tax Proceedings having possible material impact on the company

PQFTL has disclosed the following contingent liabilities in the three years ended December 31, 2024:

PKR Mn	CY 2022	CY 2023	CY 2024
Provincial Sales Tax	481.42	684.54	949.944

Please find further details in Section 5.2.1 below.

##### II. Portfolio Investment Risk

As an insurance (family takaful) provider, PQFTL's business model revolves around charging premiums (contributions) and re-investing those premiums into income generating assets. As such, the Company has a significant portfolio of investments, thereby exposing it to portfolio risk; i.e. the risk of the company's profitability and performance being affected as a result of a change in the underlying value or yield of the investment portfolio, due to market volatility or individual asset performance.

PQFTL invests in a diverse source of securities, with the break-up of its investments as follows:

PKR Mn	CY 2022		CY 2023		CY 2024	
Investments	Participants' Fund	Shareholders' Fund	Participants' Fund	Shareholders' Fund	Participants' Fund	Shareholder's Fund
Equity	5,995	218	7,030	55	-	40
Government Securities	3,600	812	3,566	854	188	986
Debt Securities	228	-	89	-	-	-
Term Deposits	100	-	50	-	50	-
Mutual Funds	14,647	256	23,399	538	52,111	380
<b>Total</b>	<b>24,570</b>	<b>1,286</b>	<b>34,134</b>	<b>1,448</b>	<b>52,349</b>	<b>1,405</b>

### III. Investment in Related Parties

Premiums collected from participants are invested on their behalf by PQFTL in a diversified portfolio comprising debt securities, equity securities, and mutual funds. These mutual funds include related-party funds managed by Pak-Qatar, offering Shariah-compliant investment opportunities. The table below presents the total investments of the Participants' fund and the portion invested in related-party mutual funds.

PKR Mn	CY 2022	CY 2023	CY 2024	CY 2025
Equity	5,995	7,030	-	-
Government Securities	3,600	3,566	188	435
Debt Securities	228	89	-	-
Term Deposits	100	50	50	-
<b>Mutual Funds</b>				
<b>Related Party</b>	4,198	13,921	48,535	52,232
<b>Other funds</b>	10,449	9,478	3,576	2,116
	<b>14,647</b>	<b>23,399</b>	<b>52,111</b>	<b>54,348</b>
<b>Total Investments</b>	<b>24,570</b>	<b>34,134</b>	<b>52,349</b>	<b>54,783</b>
% of Investments in Related Party Funds	17%	41%	93%	95%

#### 5.1.12 Risk of Non-compliance with Shariah Principles:

The board/management of the company is responsible for ensuring that its Takaful operations comply with the provisions laid out in Takaful Rules, 2012, issued by the Securities and Exchange Commission of Pakistan (SECP). The Commission reserves the right to withdraw the authorization of the company if it is satisfied that its operations contain an element which is not approved by the Shariah Advisor. As such, PQFTL bears the risk of non-compliance with Shariah principles, which could lead to the withdrawal of the company's authorization to conduct Takaful operations.

The Shariah Board review the investment screening and purification process annually, presenting their findings to the board of directors in the form of the Shariah Review Report, which can be found in PQFTL's annual report.

As per the principles of Takaful Rules, 2012, the company has established an independent Shariah Advisory Board chaired by Mufti Muhammad Hassan, which certifies all products and operations for Shariah compliance. The company is also required to appoint a Shariah compliance auditor in accordance with the provisions of these rules. For the three financial years ended December 31, 2024, no qualified audit opinion was issued by the company's Shariah compliance auditor Yousuf Adil Chartered Accountants.

#### 5.1.13 Pending legal Proceeding against the issuer and associated group companies, which could have material adverse comments.

PQFTL operates in the family takaful (life insurance) sector and settles participants claims in the ordinary course of business. Not unlike other insurance operators, PQFTL may face litigations from policyholders due to claim rejection, unsatisfactory rate of return, or alleged mis-selling. Settlement of these proceedings against the Company will lead to negative financial consequences.

Summary of all outstanding legal cases by category is provided hereunder:

Type of cases	Number of Cases	Amount (PKR Mn)
Alleged Mis-selling	3	3.31
Death Claim	1	2.09
Rejected Claims	11	63.59

Rate of Return	13	11.27
Financial Fraud	1	1.15
Sales Tax	1	949.44
<b>Total</b>	<b>30</b>	<b>1,030.85</b>

Please find further details regarding legal proceeds against the company in Section 8 of this prospectus.

#### 5.1.14 Reputational Risk

Certain claims from 2021 to 2024 remain outstanding primarily due to non-submission or incomplete claim documentation, pending legal or succession proceedings, investigations in suspicious or disputed cases, inability to establish contact with nominees or beneficiaries, and other administrative factors. These delays are procedural in nature and arise from circumstances beyond the Company's immediate control.

Failure to promptly settle participants' claims may undermine policyholder reliance in PQFTL's claim settlement procedure, thereby undermining the reputation of the Company.

The Company proactively engages with claimants and beneficiaries to facilitate completion of pending requirements and ensure timely settlement of legitimate claims. The outstanding claims reflected in the register are limited to such exceptional cases.

The aging of outstanding claims as at December 31, 2024 is provided hereunder:

Net Cumulative Claims (PKR MN)	2021	2022	2023	2024
<b>Individual</b>	45	44	107	95
<b>Group Family</b>	-	12	176	157
<b>Group Health</b>	-	-	329	270

#### 5.1.15 Risk of Non-compliance with PSX and SECP regulations:

In the event of non-compliance with any regulatory requirements of SECP or PSX, the Company may be placed on Defaulter Segment of PSX which may potentially hamper trading in the Company's shares leading up to potential suspension in trading or delisting.

## 5.2. EXTERNAL RISKS:

### 5.2.1 Regulatory risk – Imposition of Provincial Sales Tax affecting the viability of the Company's products:

The provincial authorities in Sindh and Punjab have withdrawn the exemption on life and health insurance in their respective provinces and subjected these to sales tax on services. With effect from November 01, 2018, the Punjab Revenue Authority (PRA) subjected life and health insurance to Punjab Sales Tax (PST) at the rate of 16%. The Sindh Revenue Board (SRB) made life insurance taxable at the rate of 13% with effect from July 01, 2020.

The levy of provincial sales tax on life insurance places the whole industry at the risk of jeopardy. Passing the tax onto policyholders creates the risk of insurance products not being financially viable, whilst absorbing the sales tax would lead to a significant financial burden for the company.

Under a unanimous decision the company has referred the case to and filed a constitutional petition with other industry players in the Supreme Court of Pakistan, through the platform of the Insurance Association of Pakistan (IAP). On this basis, PQFTL has not billed any of its customers for sales tax, nor recognized a provision for the provincial sales tax payable, which is estimated to be aggregated to PKR 949.44 Mn at CY 2024.

### 5.2.2 Economic Risk:

PQFTL's performance and profitability may be affected as a result of macroeconomic factors outside the control of the entity, including changes in interest rates, inflation rates, tax rates, etc. A fall in interest rates will particularly undermine the demand for PQFTL's investment-linked plans, due to a less attractive rate being offered to participants.

Economic slowdown and high inflation may undermine consumer spending power, leading to reduced demand for PQFTL's supplementary (optional) offerings.

### 5.2.3 Changes in Tax Rates:

PQFTL's profitability may be impacted as a result of changes in the government's fiscal policy, including the tax regime. Imposition of any additional income tax would lead to reduced profitability for the income.

In addition, additional taxes on income and capital gains may reduce investments by consumers, leading to reduced demand for PQFTL's investment-linked plans.

### 5.2.4 Threat of New Entrants:

PQFTL enjoys the strategic position of being one of four dedicated family takaful companies in Pakistan, and through this public offering being the first and only takaful company to be listed on the Pakistan Stock Exchange. The Company's strategic position may be undermined as a result of the entry of new competitors that offer Shariah compliant insurance solutions.

### 5.2.5 Market risk:

As of December 31, 2024, PQFTL has an aggregated investment portfolio of PKR 53.8 Bn. As such the company is significantly exposed to market risk; the risk that the value of a financial instrument will fluctuate as a result of changes in market prices which may be specific to an individual security or its issuer, or apply to all securities traded in the market. This can affect PQFTL's dividend and interest income, as well as reduce the potential capital gain that can be realized from the sale of investments held.

The individual family plans of the company include unit-linked products. The sale of said products may be affected as a result of a market decline or increased volatility in the market.

**To the best of our knowledge and belief, all risk factors applicable to the issuer i.e. PQFTL have been disclosed.**



## 5.3. CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE ISSUER





Dated: 13<sup>th</sup> Oct, 2021

Subject: Certificate by the Chief Executive Officer and Chief Financial Officer of the Issuer

We being the Chief Executive Officer and Chief Financial Officer of Pak-Qatar Family Takaful Limited (the "Issuer") accept absolute responsibility for the disclosures made in the Prospectus. We hereby certify that we have reviewed the Prospectus and that it contains all the necessary information with regard to the issue and constitutes full, true and plain disclosures of all material facts relating to the ordinary shares being offered through this Prospectus and that nothing has been concealed.

The information contained in this Prospectus is true and correct to the best of our knowledge and the opinions and intends expressed herein are honestly held.

There are no other facts, the omission of which makes this Prospectus as a whole or any part thereof misleading.

For and on behalf of Pak-Qatar Family Takaful Limited




**Waqas Ahmed**  
Chief Executive Officer




**Muhammad Ahsan Qureshi**  
Chief Financial Officer

**PAK-QATAR FAMILY TAKAFUL LIMITED**

Head Office: First Floor, Business Arcade, 15/C-13, Saddar, Stationer Road, Karachi, Pakistan

Phone: +92 21 3401174754 Fax: +92 21 34084651

111-TAKAFUL (825-238)

[www.pakqatar.com.pk](http://www.pakqatar.com.pk)



## 5.4. UNDERTAKING BY THE COMPANY AND ITS SPONSORS

C184807

**E-STAMP** حکومت سندھ

NBP-0050-250808000846296/ GoS-KHI-34F80EBC2DC1E6FC

**Non-Judicial** Rs 500/-

Description	: Bond - 10(A)
Indemnifier/Mortgagor	: SSCP [00000000]
Indemnified/Mortgagee	: Pak Qatar Family Takaful Limited (PQFTL) [2040091.7]
Applicant	: Muhammad Amir Ashfaq [42301-4251854-9]
Stamp Duty Paid by	: Pak Qatar Family Takaful Limited (PQFTL) [2040091.7]
Issue Date	: 06-Aug-2025, 09:18:29 AM
Paid Through Challan	: 202518583C8CCD04
Amount in Words	: Five Hundred Rupees Only

**ATTESTED**  
IZHAR ALAM  
B.A.L.L. & ADVOCATES  
Karachi-Pakistan

Please Write Below This Line

You can verify your e-Stamp paper by scanning the QR code or online at [www.e-stamps.gos.pk](http://www.e-stamps.gos.pk) using the 'Verification Through Web' option.

Date: 13<sup>th</sup> Oct, 2025


Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange road  
Karachi - 74000, Pakistan


**UNDERTAKING BY THE COMPANY AND ITS SPONSORS**


Pak-Qatar Family Takaful Limited and its Sponsors undertake that

- Neither the Company nor its directors, sponsors or substantial shareholders have been holding office of the directors, or have been sponsors or substantial shareholders in any Company:
  - Which had been declared defaulter by the securities exchange or futures exchanges; or
  - Whose TRE certificate has been cancelled or forfeited by the Exchange, PMEX or any other registered stock exchange of Pakistan that existed prior to integration of stock exchanges pursuant to Integration Order number 01/2016 dated January 11, 2016 issued by the Commission due to non-compliance of any applicable rules, regulations, notices, procedures, guidelines etc.
- Which has been de-listed by the Exchange due to its non-compliance of any applicable provision of PSX Regulation.
- None of the Sponsors, Major Shareholders, Directors or Management of the Company as well as the Company itself or its Associated Company / Entity have been found guilty of being engaged in any fraudulent activity. The Company has made full disclosure regarding any / or all cases in relation to involvement of the person named above in any alleged fraudulent activity i.e. pending before any Court of Law / Regulatory Body / Investigation Agency in or outside of the country.

For and on behalf of Pak-Qatar Family Takaful Limited

  
Waqar Ahmed  
Chief Executive Officer

  
Muhammad Ahsan Qureshi  
Chief Financial Officer



Page 1 of 2

For and on behalf of Sponsors and Directors of Pak-Qatar Family Takaful Limited

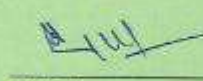
  
Sheikh Ali Bin Abdullah Thani J. Al-Thani  
Chairman/Non-Executive Director &  
Sponsor

  
Waqas Ahmed  
Chief Executive Officer




  
Abdul Basit Ahmed Al-Shaibei  
Non-Executive Director &  
Nominee: Qatar International Islamic Bank


  
Ali Ibrahim AL Abdul Ghani  
Non-Executive Director &  
Nominee: Qatar Islamic Insurance Group

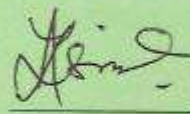
  
Said Gul  
Non-Executive Director





  
Muhammad Kamran Saleem  
Executive Director & Nominee:  
Pak-Qatar Investment (Private) Limited

  
Zahid Hussain Awan  
Non-Executive Director

  
Zahid Haleem Shaikh  
Independent Director

  
Asad Pervaiz  
Independent Director

  
Ammara Shamim Gondal  
Independent Director

  
Muhammad Kamran Saleem  
Company Secretary  
Pak-Qatar Family Takaful Limited





## 5.5. STATEMENT BY THE ISSUER





Dated: 13<sup>th</sup> Oct 2017

**The Chief Executive**  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

On behalf of Pak-Qatar Family Takaful Limited (the "Company"), We hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Public Offering Regulations, 2017 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in the Prospectus and that whatever is stated in Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of Pak-Qatar Family Takaful Limited




**Waqas Ahmed**  
Chief Executive Officer




**Muhammad Ahsan Qureshi**  
Chief Financial Officer

**PAK-QATAR FAMILY TAKAFUL LIMITED**  
Head Office: First Floor, Business Arcade, P.E.C.H.S., Block-6, Shahr-e-Faisal, Karachi, Pakistan  
Phone: +92 21 3421 1747-56 Fax: +92 21 34386451

111-TAKAFUL (825-238)

[www.pakqatar.com.pk](http://www.pakqatar.com.pk)

## 5.6. STATEMENT BY THE CONSULTANT TO THE ISSUE



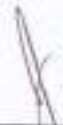
The Chief Executive  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

13<sup>th</sup> Oct, 2025

Being mandated as the Consultant to the Issue to this Initial Public Offering of Pak-Qatar Family Takaful Limited through the Book Building mechanism, we hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in the Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

We have examined the business model and audited financial statements of the Issuer and based on the same, material information including risks that would enable the investors to make an informed decision has been disclosed in the prospectus.

For and on behalf of Arif Habib Limited

  
Farhan Raza  
Managing Director, Investment Banking



Head Office / Corporate Office: Arif Habib Centre, 23 H.T. Shah Road, Karachi (UAN) +92 21 111 240 111 / Fax: +92 21 2240 9688  
Lahore Office: Office No. G-5 & G-6, Ground Floor, 118 Plaza, 18, Bhayyana-e-Ahmad-e-Ahmed, Lahore. / Tel: +92 42 3631 2700 - 11, 3631 3741 - 44  
Islamabad Office: Office No. 506, 5th Floor, GE Towers, Dhaan Avenue, Islamabad / Tel: +92 31 289 4621 - 06  
Peshawar Office: Office No. P17, 1st Floor, The Mall Tower, Peshawar Centre / Tel: +92 31 3068010  
Rawalpindi Office: Office No. 24, 3rd Floor, Udaya Tower, Rawalpindi City, Pakistan / Tel: +92 31 3551023-3  
Multan Office: Office No. 25, 3rd Floor, The United Mall, Plot No. 74, Akbar Road, Multan. / Tel: +92 61 4124412  
corporate@arifhabib.com / www.arifhabib.com / www.aft1111.com  
TRC Holder of the Pakistan Stock Exchange Ltd. / Branch Reg. No. 404-208 / 81

## 6. FINANCIAL INFORMATION:

### 6.1 AUDITORS REPORT AS CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID-UP CAPITAL



**Yousuf Adil**  
Chartered Accountants

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KCHSU, Shahr-e-Faisal  
Karachi-75350  
Pakistan

Tel: +92 (0) 21 3454 6494-7  
www.yousufadil.com

16 - 73 / 0547  
October 10, 2025

Muhammad Kamran Saleem  
Company Secretary  
Pak-Qatar Family Takaful Limited  
Suite # 101-105, Business Arcade  
Block 6, P.E.C.H.S  
Karachi

Dear Sir

#### **AUDITOR'S CERTIFICATE ON ISSUED, SUBSCRIBED AND PAIDUP CAPITAL UNDER CLAUSE 14 (i) of SECTION 1 OF THE FIRST SCHEDULE OF PUBLIC OFFERING REGULATIONS, 2017**

We have been requested to provide with a certificate on issued, subscribed and paid-up capital of Pak-Qatar Family Takaful Limited (the Company) based on audited financial statements of the Company for the year ended December 31, 2024 as required under Clause 14(i) of Section 1 of the First Schedule of the Public Offering Regulations, 2017.

#### **Scope of Certificate**

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offer as required under Clause 14(i) of section 1 of the First Schedule of the Public Offering Regulations, 2017 for onward submission to the regulatory authorities for listing purpose.

#### **Management Responsibilities**

It is the management's responsibility to ensure compliance with the Clause 14(i) of section 1 of the First Schedule of the Public Offering Regulation, 2017. Management's responsibility includes maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This certificate does not relieve the management from its responsibilities. Further, the management is also responsible for submission of this certificate to the regulatory authorities.

#### **Auditor's Responsibilities**

Our responsibility is to certify the issued, subscribed and paid-up capital of the Company based on audited financial statements for the year ended December 31, 2024 in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountants Firms' issued by the Institute of Chartered Accountants of Pakistan.

Our verification was limited to the procedures as mentioned below:

- Traced the amount of issued, subscribed and paid-up capital from the audited annual financial statements for the year ended December 31, 2024; and
- Obtain and review "Form 3" to corroborate figures after the issuance of right shares for issued, subscribed and paid-up capital



**Yousuf Adil**  
Chartered Accountants

#### Certificate

Based on procedures mentioned above, we certify that break-up of issued, subscribed and paid-up share capital of the Company as at December 31, 2024, as follows:

<b>Issued subscribed and paid up capital</b>	<b>December 31, 2024 (Rupees)</b>
--	---

130,712,440 ordinary shares of Rs.10 each fully paid in Cash	1,307,124,400
--	---------------

The shareholder of the Company as at December 31, 2024 include the following:

Name of Shareholders	No. of ordinary shares of Rs. 10 each	Amount in (Rupees)
Pak-Qatar Investment (Private) Ltd	50,369,823	503,698,230
FWU AG	19,873,062	198,730,620
Qatar Islamic Insurance Group	14,341,019	143,410,190
Qatar International Islamic Bank	13,009,223	130,092,230
Sheikh Ali Bin Abdullah Al Thani	13,300,734	133,007,340
Said Gul	2,614,249	26,142,490
Sameera Said	5,228,498	52,284,980
Fatima	5,228,498	52,284,980
Abdul Basit Ahmed Al-Shaibei	1,563,484	15,634,840
Zahid Hussain Awan	1,203,551	12,035,510
Muhammad Kamran Saleem	717,092	7,170,920
Hussain Ibrahim Al Fardan	463,050	4,630,500
Abdullah Al Dabbagh	402,413	4,024,130
Anwar ul Haq	612,518	6,125,180
Fahad Ibrahim Al Mana	208,373	2,083,730
Nawaf Ibrahim Al Mana	208,373	2,083,730
Mana Ibrahim Al Mana	208,373	2,083,730
Abdul Rehman Muftah	199,553	1,995,530
Jassim Yousaf Al Jamal	115,763	1,157,630
Matloob Ahmed Khan	112,572	1,125,720
Mohammed Haroon	67,473	674,730
Mohammed Arshad Lari	67,473	674,730
Muhammed Nawaz	44,982	449,820
Rashed Waheed / Umbreen Ikram	16,868	168,680
Nadia Zulfiqar	16,868	168,680
Hassan Abdul Aziz Lafani	13,495	134,950
Khalid Javaid	13,495	134,950
Syed Muhammad Zeeshan Afzal	115,126	1,151,260
Syed Akhtar Ali / Erum Ali	11,246	112,460
Syed Mohammed Waseem	11,246	112,460
Mazhar Hussain	6,747	67,470
Mohammed Latif	6,747	67,470
Raham Zeb	6,747	67,470
Ali Mohammed Khan	6,747	67,470
Adnan Shafique	6,747	67,470

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Karachi (Islamabad / Lahore / Multan)





**Yousuf Adil**  
Chartered Accountants

Name of Shareholders	No. of ordinary shares of Rs. 10 each	Amount in (Rupees)
Mohammed Irshad Khan	6,747	67,470
Habibullah Ullah Sheikh	5,623	56,230
Mohammed Iqbal	5,623	56,230
Hashmat Hayat	5,623	56,230
Mohammed Arshad Osman	5,623	56,230
Nisar Ahmed	5,623	56,230
Pervaiz Ahmed	1,469	14,690
M. Vaqaruddin	1,469	14,690
Muhammad Ashraf Ali Siddiqui	238,881	2,388,810
Kiran Waseem	16,538	165,380
Abdul Hamid Bhatti	13,495	134,950
Farrukh Vigaruddin Junaidy	1	10
Mohammad Owais Ansari	1	10
Ali Ibrahim Al Abdul Ghani	1	10
Muhammad Ozair Zahid	13,495	134,950
	<b>130,712,440</b>	<b>1,307,124,400</b>

Subsequent to the year end, On August 28, 2025, the Company issued right shares amounting to Rs. 500,000,000 of Rs 10 each, bringing the total issued, subscribed and paid-up capital to Rs. 1,807,124,400, comprising of 180,712,440 shares of Rs. 10 each. The details of the share capital structure as on the date of this certificate are as follows:

Issued subscribed and paid up capital	October 10, 2025 (Rupees)
180,712,440 ordinary shares of Rs.10 each fully paid in Cash	1,807,124,400

The shareholder of the Company as at October 10, 2025 include the following:

Name of Shareholders	No. of ordinary shares of Rs. 10 each	Amount in (Rupees)
Pak-Qatar Investment (Private) Ltd	80,242,885	802,428,850
Qatar Islamic Insurance Group	14,341,019	143,410,190
Qatar International Islamic Bank	13,009,223	130,092,230
Sheikh Ali Bin Abdullah Al Thani	13,300,734	133,007,340
Said Gul	5,614,249	56,142,490
Sameera Said	5,228,498	52,284,980
Fatima	5,228,498	52,284,980
Abdul Basit Ahmed Al-Shaibei	1,563,484	15,634,840
Zahid Hussain Awan	2,863,932	28,639,320
Muhammad Kamran Saleem	11,670,097	116,700,970
Hussain Ibrahim Al Fardan	463,050	4,630,500
Abdullah Al Dabbagh	402,413	4,024,130
Anwar ul Haq	612,518	6,125,180
Fahad Ibrahim Al Mana	208,373	2,083,730
Nawaf Ibrahim Al Mana	208,373	2,083,730
Mana Ibrahim Al Mana	208,373	2,083,730
Abdul Rehman Muftah	199,553	1,995,530
Jassim Yousaf Al Jamal	115,763	1,157,630

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Karachi/Islamabad/Lahore/Multan



**Yousuf Adil**  
Chartered Accountants

Name of Shareholders	No. of ordinary shares of Rs. 10 each	Amount in (Rupees)
Matloob Ahmed Khan	155,633	1,556,330
Mohammed Haroon	93,283	932,830
Mohammed Arshad Lari	67,473	674,730
Muhammed Nawaz	44,982	449,820
Rashed Waheed / Umbreen Ikram	16,868	168,680
Nadia Zulfiqar	16,868	168,680
Hassan Abdul Aziz Lalani	13,495	134,950
Khalid Javaid	13,495	134,950
Syed Muhammad Zeeshan Afzal	115,126	1,151,260
Syed Akhtar Ali / Erum Ali	11,246	112,460
Syed Mohammed Waseem	11,246	112,460
Mazhar Hussain	6,747	67,470
Mohammed Latif	6,747	67,470
Raham Zeb	6,747	67,470
Ali Mohammed Khan	6,747	67,470
Adnan Shafique	9,328	93,280
Mohammed Irshad Khan	6,747	67,470
Habibullah Ullah Sheikh	5,623	56,230
Mohammed Iqbal	5,623	56,230
Hashmat Hayat	5,623	56,230
Mohammed Arshad Osman	5,623	56,230
Nisar Ahmed	5,623	56,230
Pervaiz Ahmed	1,469	14,690
M. Vaqaruddin	1,469	14,690
Muhammad Ashraf Ali Siddiqui	238,881	2,388,810
Kiran Waseem	16,538	165,380
Abdul Hamid Bhatti	13,495	134,950
Farrukh Vigaruddin Junaidy	1	10
Mohammad Owais Ansari	1	10
Ali Ibrahim Al Abdul Ghani	1	10
Muhammad Ozair Zahid	1,018,657	10,186,570
Nasir Ali	200,000	2,000,000
Umair Karim	600,000	6,000,000
Kamran Ali Khan	160,000	1,600,000
Saifuddin Shaikh	30,000	300,000
Ammar Tariq Zuberi	10,000	100,000
Muhammad Farhan Javaid	100,000	1,000,000
Muhammad Ummair	50,000	500,000
Muhammad Asghar	200,000	2,000,000
Muhammad Shoaib	1,000,000	10,000,000
Kashan Rafique Ahmed	200,000	2,000,000
Muhammad Ahsan Qureshi	250,000	2,500,000
Muhammad Shakir Siddiqui	1,920,000	19,200,000
Waqas Ahmed	1,050,000	10,500,000
Muhammad Raza	100,000	1,000,000
Muhammad Saleem	400,000	4,000,000
Saqib Zeeshan	500,000	5,000,000
Team Karachi Welfare Society	200,000	2,000,000

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**Yousuf Adil**  
Chartered Accountants

Name of Shareholders	No. of ordinary shares of Rs. 10 each	Amount in (Rupees)
Muhammad Asif Anwer	5,000,000	50,000,000
Obaid Hussain Qureshi	40,000	400,000
Irfan Ahmed Khan	200,000	2,000,000
Fawad Naeem Rana	2,500,000	25,000,000
Muhammad Asif Sabih	50,000	500,000
Meraj Uddin Mazhar	2,000,000	20,000,000
Farhan Shaukat	4,000,000	40,000,000
Mehmood Arshad	500,000	5,000,000
Hafiz Muhammad Rizwan Alam	50,000	500,000
Fawad Yousuf Securities (Pvt) Ltd	2,000,000	20,000,000
	<b>180,712,440</b>	<b>1,807,124,400</b>

#### Restriction on use and distribution

This certificate is being issued on the specific request of the management of the company for the purpose of inclusion in prospectus to be issued for Initial Public Offering and for onward submission to regulatory authorities for listing purpose only. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This certificate is restricted to the facts stated herein.

*Yousuf Adil*  
Chartered Accountants

## 6.2. AUDITOR CERTIFICATE ON BREAKUP VALUE PER SHARE



**Yousuf Adil**  
Chartered Accountants

Cavish Court, A-35, Block 7 & 8  
KCHSU, Shahrah-e-Faisal  
Karachi-75350  
Pakistan

Tel: +92 (0) 21 3454 6494-7  
www.yousufadil.com

16 - 73 / 0552-A  
October 10, 2025

Muhammad Kamran Saleem  
Company Secretary  
Pak-Qatar Family Takaful Limited  
Suite # 101-105, Business Arcade  
Block 6, P.E.C.H.S  
Karachi

Dear Sir

### **AUDITOR'S CERTIFICATE ON BREAKUP VALUE PER SHARE BASED ON AUDITED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024 UNDER CLAUSE 14 (ii) OF SECTION 1 OF THE FIRST SCHEDULE OF PUBLIC OFFERING REGULATIONS, 2017**

We have been requested by you to provide with a certificate on breakup value of ordinary shares of Pak-Qatar Family Takaful Limited (the Company) based on the audited financial statements of the Company as at December 31, 2024 as required under Clause 14(ii) of Section 1 of the First Schedule of the Public Offering Regulations, 2017.

#### **Scope of Certificate**

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offer as required under Clause 14(ii) of Section 1 of the First Schedule of the Public Offering Regulations, 2017 for onward submission to the regulatory authorities.

#### **Management Responsibilities**

The responsibility for computation of breakup value of ordinary shares of the Company, based on the audited financial statements of the Company for the year ended December 31, 2024 in accordance with requirements of the Technical Release (TR)-22 of the Institute of Chartered Accountants of Pakistan (ICAP) is primarily that of the management of the Company. Management's responsibility also includes maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This certificate does not relieve the management from its responsibilities. Further, the management is responsible for onwards submission of this certificate to regulatory authorities.

#### **Auditor's Responsibilities**

Our responsibility is to certify the breakup value of ordinary shares of the company based on the audited financial statements of the Company as at December 31, 2024 in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountants Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to trace the relevant financial information used for the purpose of calculating the breakup value of ordinary shares by the management of the Company from the audited financial statements of the Company as at December 31, 2024. In this regard, we have also audited the compliance with the requirements of Technical Release (TR)-22 of the Institute of Chartered accountants of Pakistan (ICAP). Our verification was limited to the procedures as mentioned below:

- Obtain and review the working of Break Up value to ensure compliance of TR 22; and
- Traced amount used in the breakup value calculation from audited financial statements as at December 31, 2024 of the Company.



**Yousuf Adil**  
Chartered Accountants

#### Certificate

Based on procedures mentioned above, we certify that breakup value of ordinary shares of the Company as at December 31, 2024, based on audited financial statements of the Company as at December 31, 2024, is as follows:

			<b>December 31, 2024 Audited Financial Statement</b>
Share capital	Rs.		1,307,124,400
Unappropriated accumulated profit/(loss)	Rs.		833,619,472
Surplus / (deficit) on revaluation of available for sale investments	Rs.		(30,760,505)
Capital contribution to statutory funds	Rs.		(260,000,000)
Total shareholder's equity	Rs.	<b>A</b>	<b>1,849,983,366</b>
Number of ordinary shares	Number	<b>B</b>	<b>130,712,440</b>
Nominal value per share	Rs./Share	<b>C= A/B</b>	<b>14.15</b>

Subsequent to the year end, On August 28, 2025, the Company issued right shares amounting to Rs. 500,000,000 of Rs 10 each, bringing the total issued, subscribed and paid-up capital to Rs. 1,807,124,400, comprising of 180,712,440 shares of Rs. 10 each. The details of the Break-up value as on the date of this certificate are as follows:

			<b>October 10, 2025 Un-audited Financial Statement</b>
Share capital	Rs.		1,807,124,400
Unappropriated accumulated profit/(loss)	Rs.		792,389,166
Surplus / (deficit) on revaluation of available for sale investments	Rs.		(20,178,861)
Capital contribution to statutory funds	Rs.		(260,000,000)
Total shareholder's equity	Rs.	<b>A</b>	<b>2,319,334,705</b>
Number of ordinary shares	Number	<b>B</b>	<b>180,712,440</b>
Nominal value per share	Rs./Share	<b>C= A/B</b>	<b>12.83</b>

#### Restriction on use and distribution

This certificate is being issued on the specific request of the management of the company for the purpose of inclusion in prospectus to be issued for Initial Public Offering and for onward submission to other regulatory authorities for listing purpose only. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Further, we state that we have not performed any verification procedures on the audited financial statements for the year ended December 31, 2024 and unaudited financial statements for the period ended October 10, 2025. Had we performed an audit or review of the financial statements, other matters might have come to our attention that would have been reported to you and which may have impacted the breakup value per ordinary share as reported in the accompanying computations.

*Yousuf Adil*  
Chartered Accountants

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Karachi | Islamabad | Lahore | Multan



### 6.3. AUDITOR REPORT UNDER CLAUSE I OF SECTION II OF FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017



**Yousuf Adil**  
Chartered Accountants

Cavish Court, A-35, Block 7 & 8  
KCHSU, Shahrah-e-Faisal  
Karachi-75350  
Pakistan

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Fax: +92 (0) 21- 3454 1314  
www.yousufadil.com

16 - 73 /0337  
September 03, 2025

Muhammad Kamran Saleem  
Company Secretary  
Pak-Qatar Family Takaful Limited  
Suite # 101-105, Business Arcade  
Block 6, P.E.C.H.S  
Karachi

Dear Sir

#### AUDITOR'S CERTIFICATE UNDER CLAUSE 1 OF SECTION 2 OF THE FIRST SCHEDULE OF THE PUBLIC OFFERING REGULATIONS, 2017

We have been requested to provide with a certificate with respect to information of Pak-Qatar Family Takaful Limited (the Company), as required under Clause 1 of Section 2 of the First Schedule of the Public Offering Regulations, 2017.

#### Scope of Report

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for initial Public Offer as required under Clause 1 of Section 2 of the First Schedule of the Public Offering Regulations, 2017 for onward submission to the regulatory authorities.

#### Management Responsibilities

The responsibility for preparation and fair presentation of the financial information and non-financial information is primarily that of the management of the Company. Management's responsibility also includes maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This certificate does not relieve the management from its responsibilities. Further, the management is responsible for onwards submission of this certificate to regulatory authorities.

#### Auditor's Responsibilities

Our responsibility is to report the information as required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017. Our report is being issued in accordance with the 'Guidelines for issue of certificates for special purposes by practicing chartered accountant firms' issued by the Institute of Chartered Accountants of Pakistan (ICAP). Our verification was limited to validating the correctness of financial and non-financial information included in this report (including annexures). Our verification was limited to the procedures as mentioned below:

- Obtained audited financial statements for the year ended December 31, 2024, year ended December 31, 2023 and year ended December 31, 2022;
- Traced amounts in
  - Annexure 'A' from statement of financial position of respective audited financial statements;
  - Annexure 'B' from statement of profit and loss and other comprehensive income – Participants' fund of respective audited financial statements; and
  - Annexure 'C' from statement of profit and loss and other comprehensive income – Shareholders' fund of respective audited financial statements.

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Karachi (Registered) (Liaison Office)





**Yousuf Adil**  
Chartered Accountants

- Traced from statement of changes in equity of respective audited financial statements whether any dividend was declared during the respective period; and
- Traced from respective audited financial statements whether the Company has any investment in subsidiary.

#### Certificate

Based on procedures mentioned above, we state the following:

1. We have audited the financial statements for the year ended December 31, 2024, December 31, 2023 and December 31, 2022 as part of our responsibilities as statutory auditors in accordance with the statutory requirements for each respective year
2. In terms of the requirement under Clause 1 of Section 2 of the First Schedule of the Public Offering Regulation, 2017 and based on the audited financial statements, we state as under:
  - a. Summary of assets, liabilities and shareholder's equity of the Company for the year ended December 31, 2024, December 31, 2023 and December 31, 2022 is included in Annexure 'A' of this report;
  - b. The Statement of profit and loss and other comprehensive income – Participants' fund of the Company for the year ended December 31, 2024, December 31, 2023 and December 31, 2022 is included in Annexure 'B' of this report; and
  - c. The Statement of profit and loss and other comprehensive income – Shareholders' fund of the Company for the for the year ended December 31, 2024, December 31, 2023 and December 31, 2022 is included in Annexure 'C' of this report.
3. Dividend was declared by the Company during the year ended December 31, 2024 and December 31, 2023 and December 31, 2022 is included in Annexure 'D' of this report.
4. For the year ended December 31, 2024, December 31, 2023 and December 31, 2022, the Company did not have subsidiaries.

#### Restriction on use and distribution

This certificate is being issued on the specific request of the management of the company for the purpose of inclusion in prospectus to be issued for Initial Public Offering and for onward submission to other regulatory authorities for listing purpose only. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This certificate is restricted to the facts stated herein.

  
Chartered Accountants  
Place: Karachi



Yousuf Adil  
Chartered Accountants

Annexure A  
16 - 73 /0337  
September 03, 2025

#### SUMMARY OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 2024 (Audited)	December 31, 2023 (Audited)	December 31, 2022 (Audited)
	Rupees		
<b>ASSETS</b>			
Property and equipment	433,948,479	474,986,768	483,314,838
Intangible assets	76,074,407	84,707,828	92,298,333
Investment property	1,200,000,000	1,124,510,000	983,381,250
Investments			
- Equity securities	39,764,835	7,084,956,770	6,213,212,979
- Government securities	1,173,889,055	4,420,170,012	4,411,162,515
- Debt securities	-	89,437,480	228,437,480
- Term deposits	50,000,000	50,000,000	100,000,000
- Mutual funds	52,490,584,410	23,937,145,826	14,903,761,609
Advance against investment property	321,924,000	132,399,000	132,399,000
Takaful / Re-takaful receivables	842,186,279	1,109,930,970	965,806,087
Deposits, loans and other receivables	241,954,433	326,384,877	334,654,188
Deferred tax asset	-	-	13,533,566
Taxation - payments less provision	941,516,559	901,724,562	833,712,875
Prepayments	27,748,980	20,778,575	19,692,365
Cash and bank	4,381,525,712	4,031,939,196	3,293,175,259
<b>Total Assets</b>	<b>62,221,117,149</b>	<b>43,789,071,864</b>	<b>33,008,542,344</b>
<b>EQUITY and LIABILITIES</b>			
Share capital	1,307,124,400	1,307,124,400	1,307,124,400
Unappropriated profit - net	802,858,966	606,773,532	449,193,693
<b>Shareholders' Equity</b>	<b>2,109,983,366</b>	<b>1,913,897,932</b>	<b>1,756,318,093</b>
Qard -e -Hasna	(260,000,000)	(260,000,000)	(175,000,000)
<b>Total Equity</b>	<b>1,849,983,366</b>	<b>1,653,897,932</b>	<b>1,581,318,093</b>
<b>Waqf / Participant Takaful Fund (PTF)</b>			
Cede money	500,000	500,000	500,000
Accumulated surplus	706,020,945	697,580,853	759,958,550
<b>Total PTFs Equity</b>	<b>706,520,945</b>	<b>698,080,853</b>	<b>760,458,550</b>
Qard -e -Hasna	260,000,000	260,000,000	175,000,000
<b>Total Participants' Takaful Fund</b>	<b>966,520,945</b>	<b>958,080,853</b>	<b>935,458,550</b>
<b>Liabilities</b>			
Deferred tax	7,823,121	12,508,208	-
Takaful liabilities	58,104,031,781	39,673,614,394	29,248,313,994
Staff retirement benefits	106,019,063	84,767,974	72,519,492
Contributions received in advance	507,886,930	751,488,717	559,057,840
Takaful / Re-takaful payable	143,681,016	117,046,472	104,178,301
Other creditors and accruals	324,392,252	339,880,513	283,615,094
Lease liabilities	133,995,874	184,547,201	223,735,747
Tax provision - payment less provision	76,782,801	13,239,600	345,233
<b>Total Liabilities</b>	<b>59,404,612,838</b>	<b>41,177,093,079</b>	<b>30,491,765,701</b>
<b>Total Equity and Liabilities</b>	<b>62,221,117,149</b>	<b>43,789,071,864</b>	<b>33,008,542,344</b>







Yousuf Adil  
Chartered Accountants

Annexure B  
16 - 73 /0337  
September 03, 2025

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME - PARTICIPANTS' FUND

	December 31, 2024 (Audited)	December 31, 2023 (Audited)	December 31, 2022 (Audited)
	Rupees		
<b>Participants' fund</b>			
Gross contributions revenue	28,817,016,910	16,296,690,302	10,235,624,483
Wakala fee	(1,352,815,349)	(1,507,754,812)	(1,989,680,804)
	<b>27,464,201,561</b>	<b>14,788,935,490</b>	<b>8,245,943,679</b>
Re-takaful contribution ceded	(417,833,165)	(449,816,541)	(463,965,911)
<b>Net contribution revenue</b>	<b>27,046,368,396</b>	<b>14,339,118,949</b>	<b>7,781,977,768</b>
Investment income	570,597,925	669,423,985	630,217,039
Net realised fair value gains on investments	3,696,819,800	2,537,532,256	944,460,307
Net fair value gains / (losses) on investments	5,459,666,815	3,840,474,268	(1,213,393,183)
Unrealised gain on revaluation of investment property	75,490,000	13,643,705	40,639,234
Impairment on debt securities	(33,437,500)	-	-
Surplus income	-	82,815,115	91,040,901
	<b>9,769,137,039</b>	<b>7,143,889,329</b>	<b>492,964,298</b>
<b>Net income</b>	<b>36,815,505,435</b>	<b>21,483,008,278</b>	<b>8,274,942,066</b>
Takaful benefits	(17,773,459,111)	(10,954,415,350)	(6,971,880,607)
Recoveries from re-takaful	283,023,444	301,897,982	353,538,137
Takaful operator fee	(1,066,243,573)	(641,814,243)	(562,319,258)
Surplus distribution	(64,091,014)	(99,852,952)	(73,303,787)
Other expenses	(89,492,616)	(88,969,189)	(72,898,691)
<b>Net takaful benefits</b>	<b>(18,710,262,870)</b>	<b>(11,483,153,762)</b>	<b>(7,326,864,206)</b>
Net change in takaful liabilities (Other than outstanding claims)	(18,096,802,473)	(10,062,232,213)	(800,455,841)
<b>Surplus / (deficit) reserve for the year [ Participant Takaful Fund (PTF) ]</b>	<b>8,440,093</b>	<b>(62,377,697)</b>	<b>147,622,019</b>





Yousuf Adil  
Chartered Accountants

Annexure C  
16 - 73 /0337  
September 03, 2025

**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME - SHAREHOLDERS' FUND**

	December 31, 2024 (Audited)	December 31, 2023 (Audited)	December 31, 2022 (Audited)
	-----Rupees-----		
<b>Shareholders' fund</b>			
Wakala fee	1,352,815,349	1,507,754,812	1,989,680,804
Commission expense	(598,981,272)	(628,211,309)	(847,915,540)
	<b>753,834,077</b>	<b>879,543,503</b>	<b>1,141,765,264</b>
Takaful operator fee	1,066,243,573	641,814,243	562,319,258
Investment income	217,207,289	181,956,378	147,724,149
Net realised fair value gains on investments	73,739,560	93,224,438	16,194,079
Other income	16,062,810	32,465,318	23,006,923
	<b>1,373,253,231</b>	<b>949,460,377</b>	<b>749,244,409</b>
Net income	2,127,087,308	1,829,003,880	1,891,009,673
Acquisition expenses	(815,210,112)	(803,409,785)	(1,013,782,495)
Marketing and administration expenses	(904,330,005)	(790,553,037)	(655,294,579)
Other expenses	(14,019,220)	(17,230,880)	(16,793,098)
Total expenses	<b>(1,733,559,336)</b>	<b>(1,611,193,702)</b>	<b>(1,685,870,172)</b>
Mark up on finance lease	(27,071,624)	(25,697,528)	(20,519,592)
Profit before tax	366,456,342	192,112,650	184,619,909
Taxation	(96,735,200)	(35,814,547)	(35,529,136)
Profit after tax	<b>269,721,148</b>	<b>156,298,103</b>	<b>149,090,773</b>







**Yousuf Adil**  
Chartered Accountants

	December 31, 2024 (Audited)	December 31, 2023 (Audited)	December 31, 2022 (Audited)
	-----Rupees-----		
Profit for the period- as per statement of profit or loss	269,721,148	156,298,103	149,090,773
Other comprehensive income			
Items not to be recognised to profit and loss account in subsequent year			
Actuarial loss on staff retirement benefit	932,635	(4,093,333)	(6,647,281)
Tax effect	(270,464)	1,187,067	1,927,711
	<b>662,171</b>	<b>(2,906,266)</b>	<b>(4,719,570)</b>
Items that may be recognised to profit and loss account in subsequent years			
Change in unrealised gains on available for sale investments	61,647,066	160,364,238	26,786,714
Loss on disposal reclassified to profit or loss account	(74,240,940)	(62,414,762)	(71,563,255)
Tax effect	3,652,223	(28,405,248)	12,985,197
Change in unrealised (losses) / gains available for-sale-investments - net of tax	<b>(8,941,650)</b>	<b>69,544,228</b>	<b>(31,791,344)</b>
Total other comprehensive income	<b>(8,279,480)</b>	<b>66,637,962</b>	<b>(36,510,914)</b>
Total comprehensive income for the year (Share holder fund-SHF)	<b>261,441,668</b>	<b>222,936,065</b>	<b>112,579,859</b>





Yousuf Adil  
Chartered Accountants

Annexure D  
16 - 73 /0337  
September 03, 2025

#### DETAILS OF DIVIDEND PAID

	December 31, 2024 (Audited)	December 31, 2023 (Audited)	December 31, 2022 (Audited)
	----- Rupees -----		
Class of shares	Ordinary shares	Ordinary shares	Ordinary shares
Date of dividend declaration	April 30, 2025	April 29, 2024	April 30, 2023
Rate of dividend declared (Rupee)	01	0.5	0.5
Amount of dividend (Rupees)	130,712,440	65,356,220	65,356,220



6.4. LATEST AUDITED ACCOUNTS AS AT 31<sup>st</sup> DECEMBER 2024

PAK-QATAR FAMILY TAKAFUL LIMITED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024					
		Shareholders' Fund	Participants' Fund	Aggregate December 31, 2024	December 31, 2023
	Note			(Rupees)	
<b>ASSETS</b>					
Property and equipment	8	433,948,479	-	433,948,479	474,988,768
Intangible assets	9	76,074,407	-	76,074,407	84,707,828
Investment property	10	-	1,280,000,000	1,280,000,000	1,124,510,000
		410,022,886	1,280,000,000	1,710,022,886	1,584,204,596
<b>Investments</b>					
Equity securities	11	38,784,838	-	38,784,838	7,064,898,770
Government securities	12	335,585,582	185,083,493	1,173,869,085	4,420,170,012
Debt securities	13	-	-	-	89,437,480
Term deposits	14	-	50,000,000	50,000,000	50,000,000
Mutual funds	15	376,676,827	52,110,908,523	82,490,584,410	23,937,148,828
		1,405,336,224	52,340,912,016	53,744,248,240	35,561,710,088
Advance against investment property		3,776,000	318,148,000	321,924,000	132,368,000
Takaful / Re-takaful receivables	16	-	842,106,279	842,106,279	1,109,830,870
Deposits, loans and other receivables	17	163,781,250	78,183,183	241,964,433	326,384,877
Taxation - payments less provision		-	841,514,889	841,514,889	801,724,583
Prepayments	18	27,748,988	-	27,748,988	20,778,575
Cash and bank	19	319,977,517	4,081,347,830	4,381,325,347	4,037,838,190
<b>Total Assets</b>		<b>2,430,642,157</b>	<b>58,788,474,892</b>	<b>62,221,117,149</b>	<b>43,788,071,854</b>
<b>EQUITY and LIABILITIES</b>					
Share capital	20	1,307,124,400	-	1,307,124,400	1,307,124,400
Unappropriated profit - net		802,858,365	-	802,858,365	606,773,532
Shareholders' Equity		2,109,982,765	-	2,109,982,765	1,913,897,932
Ord - c - Home		(250,000,000)	-	(250,000,000)	(250,000,000)
<b>Total Equity</b>		<b>1,849,982,765</b>	<b>-</b>	<b>1,849,982,765</b>	<b>1,663,897,932</b>
<b>Waaf / Participant Takaful Fund (PTF)</b>					
Cash money		-	800,000	800,000	900,000
Accumulated surplus		-	786,020,945	786,020,945	687,380,853
<b>Total PTFs Equity</b>		<b>-</b>	<b>786,820,945</b>	<b>786,820,945</b>	<b>688,080,853</b>
Ord - c - Home		-	250,000,000	250,000,000	250,000,000
<b>Total Participants' Takaful Fund</b>		<b>-</b>	<b>806,820,945</b>	<b>806,820,945</b>	<b>938,080,853</b>
<b>Liabilities</b>					
Deferred tax	21	7,623,121	-	7,623,121	12,506,208
Takaful liabilities	22	-	58,104,031,781	58,104,031,781	38,679,874,324
Staff retirement benefits	24	100,019,063	-	100,019,063	64,787,874
Contributions received in advance		-	807,386,930	807,386,930	751,488,717
Takaful / Re-takaful payable	25	-	143,861,018	143,861,018	117,048,472
Other creditors and accruals	26	256,837,802	64,304,320	324,332,122	338,880,613
Lease liabilities	27	131,985,874	-	131,985,874	104,547,201
Tax provision - payment less provision		78,782,801	-	78,782,801	13,230,000
<b>Total Liabilities</b>		<b>580,688,791</b>	<b>58,823,864,039</b>	<b>59,604,612,830</b>	<b>41,177,063,079</b>
<b>Total Equity and Liabilities</b>		<b>2,430,642,157</b>	<b>58,788,474,892</b>	<b>62,221,117,149</b>	<b>43,788,071,854</b>
<b>Contingencies and commitments</b>					
	28				

The annexed notes from 1 to 51 form an integral part of these financial statements.






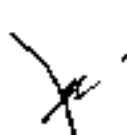





Chief Executive Officer      Director      Director      Chairman

**PAK-QATAR FAMILY TAKAFUL LIMITED**  
**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME - PARTICIPANTS' FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

		December 31, 2024	December 31, 2023
	Note	(Rupees)	
Participants' Fund			
Gross contributions revenue	28	28,817,815,930	16,298,880,302
Takaful fee	30	(1,362,815,349)	(1,507,754,612)
		27,454,201,581	14,791,125,690
Re-valuation contribution credited		4417,333,163	449,816,341
Net contribution revenue		27,046,888,398	15,339,116,040
Investment income	31	578,387,825	888,423,985
Net realised fair value gains on investments	32	3,896,819,884	2,337,532,256
Net fair value gains / (losses) on investments	33	8,468,866,818	3,880,474,268
Unrealised gain on revaluation of investment property	10	75,890,000	13,843,705
Impairment on debt securities		(33,437,600)	-
Surplus income		-	22,815,115
		9,789,137,089	7,143,889,329
Net income		36,845,585,435	21,483,005,278
Takaful benefits	35	(17,773,439,111)	(10,354,415,390)
Recoveries from re-valuation	35	283,873,444	101,897,962
Takaful operation fee	30	(9,068,243,573)	(844,814,243)
Surplus distribution		(64,461,014)	(88,852,062)
Other expenses		(88,482,518)	(88,669,188)
Net takaful benefits		(18,716,252,879)	(11,483,153,787)
Net change in takaful liabilities (Other than outstanding claims)		(18,096,402,473)	(10,083,232,213)
Surplus / (deficit) reserve for the year [ Participants Takaful Fund (PTF) ]		8,440,089	92,377,697

The annexed notes from 1 to 54 form an integral part of these financial statements.

  
  
  
  
  
 Chief Executive Officer      Director      Director      Chairman

**PAK-QATAR FAMILY TAKAFUL LIMITED**  
**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME - SHAREHOLDERS' FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

		December 31, 2024	December 31, 2023
	Note	(Rupees)	(Rupees)
<b>Shareholders' fund</b>			
Valuation fee	30	1,382,816,348	1,507,754,812
Commission expenses	37	(885,981,272)	(828,211,308)
		<u>763,834,077</u>	<u>679,543,503</u>
Takaful operator fee	38	1,064,243,573	641,814,243
Investment income	31	217,307,288	181,958,378
Net realized fair value gains on investments	32	73,739,680	93,224,438
Other income	34	16,882,818	32,485,318
		<u>1,373,265,231</u>	<u>949,480,377</u>
<b>Net income</b>		<u>2,127,087,308</u>	<u>1,629,023,880</u>
Acquisition expenses	37	(818,216,112)	(803,408,785)
Marketing and administration expenses	38	(884,338,048)	(790,553,037)
Other expenses	39	(14,819,220)	(17,230,880)
<b>Total expenses</b>		<u>(1,733,659,398)</u>	<u>(1,611,193,702)</u>
Mark up on finance lease	27	(27,071,624)	(26,887,528)
<b>Profit before tax</b>		<u>366,456,348</u>	<u>192,112,650</u>
Taxation	40	(98,735,200)	(35,814,347)
<b>Profit after tax</b>		<u>269,721,148</u>	<u>156,298,303</u>
<b>Other comprehensive income</b>			
<i>Items not to be recognized in profit and loss account in subsequent year</i>			
Actuarial loss on staff retirement benefit Tax effect	24.6.2	<u>932,838</u> <u>(278,484)</u>	<u>(4,093,333)</u> <u>1,187,087</u>
		<u>652,171</u>	<u>(2,906,246)</u>
<i>Items that may be recognized in profit and loss account in subsequent years</i>			
Change in unrealized gains on available for sale investments		<u>81,647,088</u>	<u>180,384,238</u>
Loss on disposal reclassified to profit or loss account		<u>(74,248,940)</u>	<u>(52,414,782)</u>
Tax effect		<u>3,852,223</u>	<u>(28,406,248)</u>
Change in unrealized (losses) / gains available for sale investments - net of tax		<u>(8,941,658)</u>	<u>99,563,208</u>
<b>Total other comprehensive income</b>		<u>(8,279,484)</u>	<u>68,637,962</u>
<b>Total comprehensive income for the year (Share holder fund only)</b>		<u>261,441,664</u>	<u>224,936,265</u>
<b>Earnings per share</b>	41	<u>2.08</u>	<u>1.20</u>

The annexed notes from 1 to 51 form an integral part of these financial statements.

  
 Chief Executive Officer

  
 Director

  
 Director

  
 Chairman

**Pak-Qatar Family Takaful Limited**  
**Statement of Changes in Equity**  
**As at December 31, 2023**

Balance at January 01, 2023

Accumulated surplus  
 Contribution by Shareholders Fund  
 Balance as at December 31, 2022

Accumulated surplus  
 Contribution by Shareholders Fund

Balance as at December 31, 2023

Code Money	Attributable to Participants of the Company		
	Accumulated surplus / deficit	Goodwill/Intangible Assets	Total
	(\$ Lakhs)		
	500,000	759,956,036	1,259,956,036
	-	(80,377,607)	(80,377,607)
	-	80,000,000	80,000,000
	(500,000)	679,578,429	1,179,578,429
	-	4,468,092	4,468,092
	800,000	745,000,919	1,545,000,919

Attributable to Shareholders of the Company					
The Unappropriated profit/(accumulated loss)					
Share Capital	Unappropriated Accumulated Profit/(Loss)	Surplus / deficit on realization of available for sale investments	Capital Contribution to Shareholder Fund	The Unappropriated Accumulated Profit/(Loss)	Total
	(\$ Lakhs)				

Balance at January 01, 2023

Total comprehensive income  
 for the year ended December 31, 2023

Profit for the year

Other comprehensive income for the year (net of tax)

Transfer to the reserve

Dividend for the year ended December 31, 2023  
 @ 10% on the share capital

Dividend income received by shareholders  
 Total comprehensive income for the year

Balance at December 31, 2023

Total comprehensive income  
 for the year ended December 31, 2023

Profit for the year

Other comprehensive income for the year

Total comprehensive income for the year

Transfer to the reserve

Dividend for the year ended December 31, 2023  
 @ 10% on the share capital

Dividend income received by shareholders

Balance at December 31, 2023

1,307,824,400	849,468,796	(91,360,000)	(175,800,000)	480,148,913	1,561,348,913
-	136,228,148	-	-	100,254,900	236,483,048
-	(2,646,265)	44,544,229	-	48,897,964	46,255,963
-	180,381,847	69,244,226	-	229,626,073	229,626,073
-	(69,130,226)	-	-	(69,130,226)	(69,130,226)
-	(60,348,267)	-	(25,880,000)	146,306,281	(140,348,226)
1,567,824,400	878,662,547	(21,615,771)	(280,819,999)	604,773,953	1,645,897,902
-	269,721,648	-	-	269,721,648	269,721,648
-	(62,127)	(6,861,000)	-	(6,923,127)	(6,923,127)
-	276,284,449	(7,111,000)	-	269,173,449	269,173,449
-	(69,356,334)	-	-	(69,356,334)	(69,356,334)
-	(69,356,334)	-	-	(69,356,334)	(69,356,334)
1,567,824,400	878,662,547	(28,767,580)	(280,819,999)	569,721,648	1,645,897,902

The attached notes form an integral part of these financial statements.

  
 Chief Executive Officer

  
 Director

  
 Director

  
 Chairman

**PAK-QATAR FAMILY TAKAFUL LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

		Shareholders' Fund	Participating Fund	December 31, 2024	December 31, 2023
(Rupees in millions)					
<b>Operating Cash Flows:</b>					
<b>(a) Operating activities</b>					
Contributions received	-	91,122,636,163	29,832,638,488	15,361,848,155	
Rebate payment - net	-	(39,651,831)	(39,651,831)	(39,651,831)	(9,187,132)
Claims/benefits paid	-	(17,438,844,203)	(17,438,844,203)	(17,438,844,203)	(10,591,347,173)
Commissions paid	(643,069,882)	-	(643,069,882)	(643,069,882)	(652,489,815)
Yield on investments received	7,819,948,931	-	2,419,808,401	2,419,808,401	2,848,565,056
Yield on investments paid	-	(2,419,808,401)	(2,419,808,401)	(2,419,808,401)	(2,149,565,056)
<b>Net cash flow from operating activities</b>	<b>1,825,948,312</b>	<b>8,374,081,815</b>	<b>19,708,078,822</b>	<b>3,044,913,937</b>	
<b>(b) Other operating activities</b>					
Income tax paid	(34,465,327)	(19,731,896)	(74,287,323)	(92,108,281)	
Management and other expenses paid	(1,544,796,319)	-	(1,544,796,319)	(1,421,719,894)	
Other operating receipts / (payments)	3,662,915	(75,283,323)	(78,641,213)	44,618,681	
Advances and deposits	(468,836)	(193,674,472)	(194,058,913)	(1,305,000)	
Surplus claim paid	-	(64,091,014)	(64,091,014)	(93,852,952)	
<b>Net cash flow from other operating activities</b>	<b>(1,877,693,645)</b>	<b>(377,890,816)</b>	<b>(2,052,163,889)</b>	<b>(1,662,699,727)</b>	
<b>Total cash flow from all operating activities</b>	<b>(51,745,333)</b>	<b>8,996,191,000</b>	<b>8,647,216,933</b>	<b>3,422,917,210</b>	
<b>(c) Investment activities</b>					
Profit / return received	118,814,860	4,247,219,237	4,416,253,893	3,296,041,570	
Payments for investments	(1,307,129,368)	(96,781,893,880)	(98,089,218,188)	(105,082,275,640)	
Proceeds from disposal of investments	1,267,983,363	\$1,370,881,082	43,337,506,885	52,715,024,771	
Dividend received	-	128,563,980	128,563,980	183,863,500	
Fixed capital expenditure	(55,411,311)	-	(55,411,311)	(178,967,187)	
Proceeds from disposal of operating assets	361,360	-	361,360	3,273,885	
<b>Total cash flow from investing activities</b>	<b>(18,755,556)</b>	<b>(91,311,109,879)</b>	<b>(9,432,374,798)</b>	<b>(47,661,787,047)</b>	
<b>(d) Financing activities</b>					
Dividend paid	(85,366,226)	-	(85,366,226)	(85,366,226)	
<b>Total cash flow from financing activities</b>	<b>(85,366,226)</b>	<b>-</b>	<b>(85,366,226)</b>	<b>-</b>	
<b>Net cash flow from all activities</b>	<b>(242,278,095)</b>	<b>87,348,831</b>	<b>249,486,910</b>	<b>788,763,937</b>	
Cash and cash equivalents at beginning of year	37,782,154	4,844,227,873	4,681,809,186	3,291,177,298	
<b>Cash and cash equivalents at end of year</b>	<b>318,879,817</b>	<b>4,931,576,705</b>	<b>4,931,296,097</b>	<b>4,080,941,235</b>	
<b>Reconciliation to profit and loss account</b>					
Cash flow from operating activities	189,886,245	8,454,428,858	8,647,216,933	3,422,917,210	
Surplus of participants' funds for the year (before distribution and changes in reserves)	-	-	-	-	
Exchange gain / (loss)	(19,725)	-	(19,725)	83,015	
Depreciation expense	(180,796,234)	-	(180,796,234)	(188,481,788)	
Amortization expense	(9,181,743)	-	(9,181,743)	(8,039,805)	
Acting as agent fees - Reserve benefits obligation	(652,834)	-	(652,834)	4,053,373	
Tax paid	34,465,327	39,781,914	74,287,323	52,908,281	
(Loss) / Gain on disposal of operating assets	(58,291)	-	(58,291)	34,913	
Return on investments	217,267,210	679,589,826	707,868,214	851,380,363	
Long term deposits	434,436	193,574,477	194,068,913	1,760,000	
Increase / (decrease) in receivables and other assets	3,662,915	(72,324,279)	(19,642,193)	(51,423,880)	
(Increase) / decrease in liabilities	(4,834,879)	(314,847,682)	(316,682,520)	(411,746,727)	
Fair value gain / (loss) on investments	81,447,888	8,426,229,315	8,487,379,861	8,034,802,564	
Net realized fair value gain on investments	71,739,880	3,096,819,800	3,770,589,780	2,830,758,894	
Income tax expense	(64,729,270)	-	(65,734,000)	(35,814,547)	
<b>Profit / Loss for the year (after Tax) (Investors)</b>	<b>(242,278,095)</b>	<b>87,348,831</b>	<b>249,486,910</b>	<b>788,763,937</b>	

Chief Executive Officer

Director

Director

Chairman



**PAK-QATAR FAMILY TAKAFUL LIMITED**  
**NOTES COMPRISING MATERIAL ACCOUNTING POLICY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**1 CORPORATE INFORMATION**

Pak-Qatar Family Takaful Limited (the Company) was incorporated in Pakistan as an unquoted public company limited by shares on March 15, 2006 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The Company received certificate of registration on August 19, 2007 under Section 6 of the Insurance Ordinance, 2000. The principal business activity of the Company is to undertake family Takaful business in accordance with the Insurance Ordinance, 2000, Securities and Exchange Commission, Repealed Insurance Rules, 2002 (now Insurance Rules, 2017) and Takaful Rules, 2012. The registered office of the Company is situated at suite # 101-105, Business Avenue, Block C, P.E.C.H.S, Karachi. The major shareholder is Pak-Qatar Investment (Private) Limited who holds 34.18 percent holding.

To carry out the family Takaful business, the Company has established the Takaful Business Statutory Fund as per Rule 8 of the Repealed Takaful Rules, 2005 (now Takaful Rules, 2012) and Section 14 of the Insurance Ordinance, 2000. The Takaful Business Statutory Fund has the following components in accordance with the Waqf-Makala Model adopted by the Company:

i) **Participant Takaful Fund (PTF i.e. POFTL Waqf)**: The Company formed a Waqf on August 17, 2007 under a trust deed executed by the Company with a code amount of Rs. 500,000. Waqf deed also governs the relationship of the shareholders and policyholders for the management of the Takaful operations, investment of participants' and shareholders' respective funds approved by the Shariah Board established by the Company used to manage the risk related contributions and payment of Takaful benefits. The Waqf supports the following:

- a) Individual Family;
- b) Group Family; and
- c) Group Health.

ii) **Participant Investment Fund (PIF)**: Investment component of the participants' contributions are managed in PIF which represents the aggregate of the individual Participant's Investment Accounts (PIA).

As per Section 21 of the Insurance Ordinance, 2000 capital contribution to a statutory fund is distributable back to the shareholders' fund subject to the written advice of the appointed actuary.

**2. BASIS OF PREPARATION**

These financial statements have been prepared in line with the format issued by the Securities and Exchange Commission of Pakistan (SECP) through Insurance Rules, 2017 (the Rules) vide SRO 800/2017 and Insurance Accounting Regulations, 2017 (the Regulations) vide SRO 810/2017 dated 04 February 2017, with appropriate modifications based on the advice of Shariah Advisor of the Company. In this regard, the Company has sought approval from the SECP vide email dated 20 April, 2019.

The Company maintains statutory / participants' funds in respect of each class of family Takaful business. Assets, liabilities, revenues and expenses related to respective funds have been recorded accordingly.

Apportionment of assets, liabilities, revenues and expenses, where required, between funds are made on a fair and equitable basis in accordance with the written advice of the appointed actuary.

These financial statements have been presented in Pakistani Rupees, which is the functional currency of the Company.

These financial statements reflect the financial position and results of operations of both shareholders' Fund and participants' funds in a manner that the assets, liabilities, income and expenses remain separately identifiable.

**3. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB), as are notified under the Companies Act, 2017 (the Act), and Islamic Financial Accounting Standards (IFAB) issued by the Institute of Chartered Accountants of Pakistan (ICAP);



- Provision of and directives issued under the Act and Insurance Ordinance, 2000, Insurance Rules, 2017, Takaful Rules, 2012 and Insurance Accounting Regulations, 2017.

In case requirements differ, the provision or directives of the act, the Insurance Ordinance, 2000, Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 shall prevail.

To clarify the applicability of Insurance Accounting Regulations, 2017 on Takaful business, the Company has applied through letter number SEC116-08/20 dated August 09, 2019 which was responded by Securities and Exchange Commission of Pakistan (SECP) vide letter ID/CSMA/PQFTL/2018/1507 dated August 20, 2019 that directed the company to apply Insurance Accounting Regulation 2017 format to maximum extent possible.

#### 4. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except as disclosed in accounting policies relating to investments, investment property, lease liabilities, retirement benefits obligation and insurance liabilities. These financial statements have been presented in Pakistani rupee, which is the functional currency of the Company.

#### 5. ACCOUNTING STANDARDS INTERPRETATIONS AND AMENDMENTS

##### 5.1 Amendments and Improvements that are effective for the year ended December 31, 2024

The following amendments and improvements are effective for the year ended December 31, 2024. These amendments and improvements are either not relevant to the Operator's operations or are not expected to have significant impact on the Operator's financial statements other than certain additional disclosures.

- Amendments to IFRS 16 'Leases' - Clarification on how safer - lessee subsequently measures safe and leaseback transactions;
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants;
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments - Disclosures' - Supplier Finance Arrangements.

##### 5.2 New accounting standards, amendments and IFRS Interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Operator's operations or are not expected to have significant impact on the Operator's financial statements other than certain additional disclosures.

	Effective Date (accounting periods beginning on or after)
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lock of Exchangeability	January 01, 2025
- IFRS 17 - Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments - Disclosures' - Classification and measurement of financial instruments	January 01, 2026
- Annual Improvements to IFRS Accounting Standards related to IFRS 1, IFRS 7, IFRS 8, IFRS 10 and IAS 7	January 01, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments - Disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026

Other than the aforesaid standards and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 16 – Presentation and Disclosures in Financial Statement
- IFRS 18 – Substantive without Public Accountability: Disclosures

5.3 The SECP vide SRD 1715 (I) / 2023 dated November 21, 2023 has directed the companies engaged in Insurance / Takaful and reinsurance / takaful to follow IFRS 17 from January 01, 2024. The Company is in the process of determination of impact assessment of IFRS – 17 on the Company's financial statements.

5.4 Temporary exemption from application of IFRS 9:

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement. As notified by the SECP, IFRS 9 is applicable for annual periods beginning on or after July 01, 2018.

In September 2016, the IASB issued amendments to IFRS 4 'Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts' to address issues arising from the different effective dates of IFRS 9 and the new insurance contracts standard (IFRS 17).

The amendments introduce two alternative options of applying IFRS 9 for entities issuing contracts within the scope of IFRS 4: a temporary exemption; and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9 until the application of IFRS 17 and continue to apply IAS 39 to financial assets and liabilities. The overlay approach allows an entity applying IFRS 9 from the effective date to retrace from the profit and loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. The Company has applied the temporary exemption which allows the Company to defer the application of IFRS 9.

The tables below set out the fair value as at the end of the reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, excluding any financial assets that share the definition of fair value through profit and loss in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis; and
- b) all other financial assets.

Financial assets	December 31, 2024			
	Other Financial Assets		Financial Assets that will pass the SPPI test	
	Fair Value	Change in unrealized gain or loss during the year	Fair Value	Change in unrealized gain or loss during the year
	(Rupees)			
Equity securities	39,754,835	(15,215,441)	-	-
Government securities	186,003,493	-	186,003,493	2,621,887
Debt securities	-	-	-	-
Term deposits	-	-	30,000,000	-
Mutual funds	51,490,864,410	-	-	-
Takaful / Re takaful receivables	-	-	342,188,278	-
Deposits, loans and other receivables	-	-	211,864,433	-
Cash and bank	-	-	4,381,626,712	-
	62,719,362,738	(15,215,441)	5,708,668,817	2,621,887

Financial assets	December 31, 2023			
	Other Financial Assets		Financial Assets that will pass the SPPI test	
	Fair Value	Change in unrealized gain or loss during the year	Fair Value	Change in unrealized gain or loss during the year
	(Rupees)			
Equity securities	7,084,356,773	470,408,424	-	-
Government securities	3,566,790,012	-	604,419,000	7,174,433
Other securities	88,437,680	-	-	-
Term deposits	-	-	60,000,000	-
Mutual funds	23,937,145,828	-	-	-
Takaful / Re-takaful receivables	-	-	1,108,330,870	-
Deposits, loans and other receivables	-	-	326,384,877	-
Cash and bank	-	-	23,937,145,828	-
	<b>34,578,300,683</b>	<b>470,408,424</b>	<b>26,277,871,675</b>	<b>7,174,433</b>

## 6. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2024.

### 6.1 Leases

#### 6.1.1 Leases (Policy applicable before 1 January 2019)

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

#### Company as a lessee

Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term. Contingent rental payable is recognized as an expense in the period in which it is incurred.

#### 6.1.2 The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessor

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities as future lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

At the commencement date of the lease, the right-of-use asset (RoU) is initially measured at the present value of lease liability. Subsequently, RoU assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any reimbursement of lease liabilities. RoU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

#### Lease liabilities

At the commencement date of the lease, the Company recognizes lease liability measured at the present value of the consideration (lease payment(s)) to be made over the lease term and is adjusted for lease payments. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lease may use the incremental rate of borrowing. After the commencement date, the carrying amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made.

### § 1.3 Determination of the lease term for lease contracts with renewal and termination options (Company as a lessee)

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

### § 1.4 Estimating the Incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease. Therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the flow in a similar economic environment. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments (such as stand-alone credit rating, or to reflect the terms and conditions of the lease).

### § 2 Property and equipment - operating assets

These are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged using reducing balance method at the rates specified in note 9 to the financial statements. Depreciation on additions is charged from the month in which asset is available for use while no depreciation is charged in the month of disposal. Gains and losses on disposals are taken to profit and loss account and other comprehensive income.

Residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to profit and loss account and other comprehensive income.

Asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account and other comprehensive income in the year the asset is derecognized.

### § 3 Intangible assets

These are stated at cost less accumulated amortisation and any provision for impairment loss. Amortisation on intangible fixed assets is charged to income applying the straight line method at the rates specified in note 9 to the financial statements after taking into account residual value, if any.

Full month's amortisation is calculated from the month the assets are available for use, whereby the cost of the intangible asset is amortised over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortisation method is reviewed, and adjusted if appropriate, at each reporting date.

### § 4 Capital work-in-progress

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. It also includes advances to suppliers in respect of tangible and intangible assets. These are transferred to specific assets as and when assets are available for use. Capital work-in-progress is stated at cost less impairment in value, if any.

## 6.6 Investments

### 6.6.1 Classification

Investments with fixed or determinable payments and fixed maturity, where the Company has positive intent and ability to hold to maturity, are classified as held-to-maturity. Investments acquired principally for the purpose of selling or repurchasing in the near future are classified as held for trading. All investments that have not been classified as either held to maturity, held for trading or at fair value through profit or loss have been classified as available-for-sale.

### 6.6.2 Initial recognition and measurement

All financial instruments are recognised in the financial statements when, and only when, the company becomes a party to the contractual provisions of the instruments.

All investments are initially recognised at cost, being the fair value of the consideration given, including transaction costs associated with the investments, except for held for trading investments and at fair value through profit or loss categories, wherein the transaction costs are charged to the profit and loss account and other comprehensive income.

### 6.6.2 Investment categories and subsequent measurement

#### Held-for-trading

The company classifies its investments into the following categories:

#### Fair-Value through profit or loss

Investments at FVTPL comprise held-for-trading investments and investments other than held-for-trading that are designated at fair value through profit or loss.

a) Held-for-trading investments are investments that are acquired and held principally for the purpose of selling in the short term or it is part of a portfolio of identified securities that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

b) Investments other than held-for-trading that are designated at fair value are classified as such if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different basis.

All investments under participants' funds except investment in short term deposits have been designated as carried at fair value through profit or loss.

Investments classified as FVTPL are subsequently measured at their fair values with fair value adjustments and realised gains and losses recognised in their respective funds. Equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost.

#### Available-for-sale

All investments under shareholders' fund except investment in short term deposits have been classified as available-for-sale (AFS) investments.

AFS investments are investments that are not classified in any of the other categories and are measured at fair value. AFS investments are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition and are subsequently carried at fair value. Fair value gains or losses of these investments are recognised directly in other comprehensive income, except for impairment losses. Significant or prolonged decline in the fair value of the investments below its cost is considered in determining whether the assets are impaired. If any such evidence arise for AFS investments, the cumulative losses, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in equity is removed from equity and recognised in profit or loss. If in a subsequent period, the fair value of debt instrument classified as AFS increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss. On de-recognition, the cumulative gains or losses previously reported in revaluation reserves are reclassified to profit and loss account and other comprehensive account.

#### Held-to-maturity

This represents term deposits of fixed maturity maintained with Islamic commercial banks under profit and loss sharing basis.

#### Investment in an associate - equity method

Associates are those entities in which the company has significant influence, but does not have control, over the financial and operating policies. These financial statements account for the Company's investment in associate under the equity method i.e. recognising Company's share of the post recognised gains and losses of associate on the equity accounting basis. The investment's carrying amount is reduced to nil where the Company's share of losses of the associate exceeds its interest in an associate. Having reduced the carrying amount to nil, further recognition of the associate's losses is disallowed, except to the extent that the Company has incurred legal or constructive obligation.

For investments in Gungahian and Qibla fund equity accounts, fair market value is determined by reference to quotations obtained from brokers. The fair market value of mutual fund units is determined as per the rates announced by the Mutual Funds Association of Pakistan (MUFAP). The fair / market value of shares is determined on the basis of closing quoted market prices available at the Pakistan Stock Exchange.

#### Investment properties

Investment properties comprising of land and buildings, is held for long term rental yields / capital appreciation. The investment property of the Company comprises of land which is valued using the Fair Value model i.e. the initial measurement at cost (expenditure that is directly attributable to the acquisition of the investment property) and subsequently at fair value with any change thereof recognised in profit and loss account and other comprehensive income.

The Company engages external, independent and qualified valuers to determine the fair value of the investment property at least once every financial year. The gain or loss on disposal of investment property, represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as income or expense in profit and loss account and other comprehensive income.

#### Date of recognition

Regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. Trade date is the date on which the Company commits to purchase or sell the investment.

### 5.6 Impairment of non-financial assets

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Impairment losses are charged to profit and loss account and other comprehensive income.

### 5.7 Lease arrangements

Lease rentals are recognised as an expense on accrual basis as and when the rentals become due.

### 5.8 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is fair value of the consideration to be paid in future for goods and / or services received, whether or not billed to the Company.

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.





## 3.2 Takaful Liabilities

These includes outstanding claims and the technical reserves comprising reserve for claims – incurred but not reported (IBNR), contribution deficiency reserve (CDR) and reserve for unearned contribution.

## 3.10 Financial Instruments

Financial assets and financial liabilities other than those arising out of takaful contracts are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. At the time of initial recognition, financial assets and liabilities are measured at fair values which is the cost of consideration given or received for it. Financial assets are de-recognized when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of the asset. Financial liabilities are de-recognized when obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial asset and liabilities are recognized in the statement of profit and loss and other comprehensive income.

## 3.11 Off-setting

A financial asset and financial liability is offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to set-off the recognized amounts and it intends either to settle on the net basis or to realize the asset and settle the liability simultaneously.

## 3.12 Takaful contracts

The takaful contracts are based on the principles of Waqf Waqala Model. Takaful is a programme based on shariah compliant, approved concept founded on the principles of mutual cooperation, solidarity and brotherhood.

The obligation of Waqf for Waqf participants liabilities is limited to the amount available in the Waqf Fund. In the event where there is insufficient funds in waqf to meet their current payments less receipts, the deficit is funded by way of an interest free loan (Qard-a-Hassan) from the Shareholders fund to the participant's fund (Takaful Business Statutory Funds). The amount of Qard-a-Hassan is refundable to the shareholders' fund.

Technical reserves are stated at a value determined by the appointed actuary through an actuarial valuation carried out as at each balance sheet date. In accordance with Section 50 of the Insurance Ordinance, 2000.

Principal actuarial assumptions used by the actuary in computing technical reserves are:

- a) the liability in respect of Family Takaful Business and riders of all types is set using the unearned contribution method. Due provision is made for claims incurred but not reported (IBNR) and contingencies over the term of coverage.
- b) the liability is calculated by summing up individual mathematical reserves for the policies. The mathematical reserves as at the valuation date are calculated individually.

### Group takaful

The group family takaful contracts are issued typically on yearly renewable term basis. The Company offers group term life and group credit plans to its participants.

### Individual takaful contracts

#### Un-linked

The Company offers Un-linked Takaful Plans which provide Shariah compliant financial protection and investment vehicle to individual participants. These plans carry cash value. The death benefit design is based on Constant Sum at Risk approach i.e. the sum cover is paid up to the cash value. The plans offer investment choices to the customer to direct their investment related contributions based on their risk / return objectives. No investment guarantees are offered. The investment risk is borne by the participants.



### Term life

The Company offers term life contracts which provides financial protection to individual participants. The death benefit design is based on decreasing term value i.e. the face value is reduced with term. The plan offers financial protection choices by selecting the factors for depressing the face value.

### 8.13 Provision for outstanding claims

A liability for outstanding claims is recognised in respect of all claims incurred up to the reporting date and includes expected settlement cost, except for accident and health claims / surrogates / partial withdrawals which are recognised as soon as reliable estimates of the claims amount can be made.

Claims where intention of the event giving rise to the claim is received or in respect of investment linked business when the policy ceases to participate in the earnings of the participants' funds are reported as claims in profit and loss account and other comprehensive income.

Claim recoveries receivable from the relevant operator are recognised at the same time as the claim which gave rise to the right of recovery and are measured at the amount expected to be recovered.

### 8.14 Reserve for claims – Incurred but not reported (IBNR)

The liability for claims – IBNR is determined by the Appointed Actuary and included in the technical reserves. The IBNR is expressed on the basis of past claims reporting pattern as percentage of earned contribution.

The Company maintains a provision in respect of contribution deficiency for the class of business where the unearned contribution reserve is not adequate to meet the expected future liability, after reinsurance claims and other supplementary expenses expected to be incurred after the reporting date in respect of the unexpired policies in that class of business at the reporting date. Provision for contribution deficiency reserve is made as per the advice of appointed actuary. The movement in the contribution deficiency reserve is recorded as an expense / income in profit and loss account and other comprehensive income.

### 8.15 Commission

Commission expense incurred in obtaining and retaining policies is recognised as an expense in accordance with the pattern of recognition / receipt of contribution revenue.

### 8.16 Reinsurance

Contracts entered into by the Company with reinsurer under which the Waqf cedes (transfers) risks assumed during normal course of its business and according to which the Waqf is compensated for losses on contracts ceded by it are classified as reinsurance contracts held.

#### Reinsurance contribution

Reinsurance contribution is recorded at the time the reinsurance is ceded. Surplus from reinsurance operator is recognised in profit and loss account and other comprehensive income.

#### Reinsurance expense

Reinsurance expense is recognised as a liability in accordance with the pattern of recognition of reinsurance contribution.

#### Reinsurance assets and liabilities

Reinsurance assets represent balances due from reinsurance operator. Recoverable amounts are estimated in a manner consistent with the associated reinsurance liabilities.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are calculated in a manner consistent with the associated reinsurance liabilities.

Reinsurance assets are not offset against related reinsurance liabilities. Income or expenses from reinsurance contract are not offset against expenses or income from related reinsurance contracts as required by the Insurance Ordinance, 2000.

Reinsurance assets and liabilities are derecognised when the contractual rights are extinguished or expired.

*Signature*



#### Impairment of intangible assets

An impairment review of intangible assets is performed at each reporting date. If there is an objective evidence that the asset is impaired, the Company reduces the carrying amount of the intangible asset to its recoverable amount and recognises that impairment loss in the profit and loss account and other comprehensive income.

#### 6.17 Operating segment

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments. The Company accounts for segment reporting using the classes or sub classes of business (Takaful Business Statutory Funds) as specified under the Insurance Ordinance, 2000.

The Company has following three primary business segments for reporting purposes:

- The Individual Family Takaful segment provides family takaful coverage to individuals.
- The Group Family Takaful business segment provides family takaful coverage to member of business enterprises, corporate entities and common interest groups under group family takaful schemes.
- The Group Health Takaful segment provides accident coverage and inpatient / outpatient health coverage to members of business enterprises and corporate entities under group health schemes.

#### 6.18 Revenue recognition

##### Contributions

##### I) Individual Family

- First year contributions and single contributions are recognised once the related policies are issued against receipt of contribution.
- Renewal contributions are recognised on receipt basis.
- Top up contributions are recognised against receipt of contribution.

##### II) Group Family

- Group Family contributions are recognised as and when due. In respect of certain group policies the Company continues to provide cover even if the contribution is received after the grace period.

##### III) Group Health

- Group Health contributions are recognised as and when due. In respect of certain group policies the Company continues to provide cover even if the contribution is received after the grace period.
- Income from admin services only (ASO) is recognised as a fixed percentage of claims paid based on the contractual terms with ASO group health customer. The company only manages the administration of the claims and the amount received in advance is recognised as a liability on the receipt. The contribution / advance received from ASO customers is recognised separately as liability and are not included in the Waqf fund.

##### Income from Investments

- Return on bank deposits and income on Islamic investment products is recognised on an accrual basis.
- Gain / loss on sale of available-for-sale investments and investments held at fair value through profit or loss are included in profit and loss account and other comprehensive income in the period of sale.
- Dividend income is recognised when the right to receive the dividend is established.

#### 6.18 Reserve for unearned contribution

The unearned portion of gross contribution net of Waqaf is set aside as a reserve and included in the technical reserves. Such reserve is calculated as a portion of the gross contribution of each policy, determined according to the ratio of the unexpired period of the policy and the total period, both measured to the nearest day.

#### 6.19 Acquisition cost

These are costs incurred in acquiring and maintaining takaful policies and include without limitation all forms of remuneration paid to takaful agents.

Commissions and other expenses are recognized as an expense in the earlier of the financial year in which they are paid and financial year in which they become due and payable, except that commission and other expenses which are directly referable to the acquisition of the renewal of specific contract are recognized not later than the period in which the contribution to which they relate is recognized as revenue.

#### 6.21 Takaful operator's fee / Waqaf fee

The shareholders of the Company manage the family takaful operations for the participants and as such the Company is entitled for the takaful operator's fee for the management of takaful operation under Waqaf Fund to meet its general and administrative expenses. The takaful operator's fee is recognized upfront.

#### 6.22 Modarib fee

The shareholders of the Company manage the PTF's investments as a Modarib and charge Modarib's share of takaful investment income and profit on bank balances earned by PTF.

#### 6.23 Contribution due but unpaid

These are initially recognized at fair value. Provision for impairment on contribution receivable is established when there is objective evidence that the Company will not be able to collect all amount due according to original terms of recognition. Receivables are analyzed as per their aging and accordingly provision is maintained on a systematic basis.

#### 6.24 Liability adequacy test

An assessment has been made to ensure that the business provisions are adequate. Using current estimates of future cash flows, specialized actuary has carried out expense projections of the Company to keep a reserve in the light of estimated future cash flows. The current estimates are adequate and no separately reserve needs to be set aside.

#### 6.26 Claims expenses

Provision is maintained in respect of all reported claims against losses incurred up to the reporting date which is measured at the undiscounted value of expected future payments. Claims are recognized if the takaful event occurs before the policy ceases to participate in the earnings of the funds.

#### 6.26 Dividend and appropriation to reserves

Dividend and appropriation to reserves except appropriations required by the law or determined by actuary or allowed by Insurance Ordinance, 2000, are recognized in the year in which these are approved.

#### 6.27 Qard-e-Hassana

When the participants takaful fund including reserves are insufficient to meet the current payments less receipts, the deficit is funded by way of contributions (qard-e-hassana) from the shareholder's fund.

## 6.28 Taxation

### Current

Provision for current taxation is based on taxable income of shareholders' fund at the current rate of taxation after taking into account tax credits and rebates available, if any, or 1.25 percent of turnover, whichever is higher.

### Deferred

Deferred tax is recognised using the liability method, on all temporary differences arising at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profit will be available against which the assets may be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recognised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset is utilised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

## 6.29 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees (functional currency) using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations of the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss account and other comprehensive income.

## 6.30 Staff retirement benefits - defined benefit plan

The Company operates funded gratuity scheme for all its permanent employees who have completed completed a minimum of five years continuous services. The condition of five years' continuous service shall be replaced by two years' continuous service when an employee dies (except suicide) or has to leave service on long permanent disability grounds. The expense is recognised on the basis of actuarial valuation carried out at each year end using the 'Projected unit credit method'. Actuarial gains and losses are recognised in other comprehensive income (OCI) in the periods in which they occur. Amounts recorded in the profit and loss SHF account are limited to current and past service costs, gains or losses on settlements and net interest income / (expense). All other changes in the net defined benefit obligation are recognised directly in other comprehensive income with no subsequent recycling through profit and loss account and other comprehensive income.

## 6.31 Staff retirement benefits - defined contribution plan

The Company operates an approved contributory provident fund for all its permanent employees. Contributions are made by both the Company and the employees to the fund at the rate of 10% of basic salary. Contribution made by the Company is recognised as an expense in profit and loss account and other comprehensive income.

## 6.32 Provisions

Provisions are recognised where the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

### 6.33 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include the following:

- Cash at bank in current and saving accounts,
- Cash and stamps in hand;
- Term deposits with original maturity within three months, and
- highly liquid short-term investments that are convertible to known amount of cash and are subject to insignificant risk of change in value.

## 7. ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The estimates / judgments and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates / judgments and associated assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, or judgments were exercised in application of accounting policies, are as follows:

	Note
- Estimation of technical reserves and underlying actuarial assumption	6.12, 6.13, 6.15, 6.20, 6.25 and 21
- Classification and valuation of investments	6.5, 10, 11, 12, 13 and 15
- Useful lives of assets and method of depreciation	6.1, 6.2, 6.3, 6.4, 6 and 9
- Taxation	6.23, 16 and 40
- Impairment of assets	6.2, 6.3, 6.4, 6.5, 6.6 and 6.23
- Determination of the lease term for lease contracts with purchase	6.13
- Estimating the incremental borrowing rate	6.14

## B. PROPERTY AND EQUIPMENT

Operating fixed assets  
Right-of-use assets  
Capital work in progress

Note	December 31, 2024	December 31, 2023
	(Rupees)	
6.1	286,804,442	307,720,506
6.2	125,858,528	180,844,557
6.3	11,585,611	6,821,616
	<u>423,948,478</u>	<u>474,945,788</u>

## B.1 Operating fixed assets

Particulars	Cost		Accumulated depreciation		Rate (%)
	As at January 01, 2024	As at December 31, 2024	As at January 01, 2024	As at December 31, 2024	
			For the year / (deposits)		
Building improvements	400,273,684	415,617,731	109,688,080	52,272,812	15
Furniture and fixtures	64,862,446	81,244,873	45,438,784	2,894,353	16
Office equipment	76,280,346	86,823,839	42,337,834	5,162,944	15
Motor vehicles	8,600,891	9,670,691	6,633,117	(480,484)	20
Computer equipment	163,979,466	161,627,654	118,879,458	363,594	50
				153,953,066	
2024	789,110,835	753,734,880	401,890,239	89,824,350	
				(1,664,461)	

B.1.1 The transfers were made to building improvements amounting to Rs. 1,739 million (December 31, 2023: Rs. 28,442 million)

Particulars	Cost		Accumulated depreciation		Rate (%)
	As at January 01, 2023	As at December 31, 2023	As at January 01, 2023	As at December 31, 2023	
			For the year / (deposits)		
Building improvements	345,068,484	400,273,684	158,308,048	50,085,080	15
Furniture and fixtures	57,068,848	80,862,416	40,759,760	16,402,888	16
Office equipment	88,732,246	75,280,346	38,441,802	2,830,442	15
Motor vehicles	8,600,891	9,630,691	6,411,224	(50,460)	20
Computer equipment	145,637,540	163,979,466	104,181,278	3,940,808	50
				(47,788)	
				441,889	
2023	616,075,769	709,110,435	356,600,692	14,688,689	
				(58,835)	
				51,880,194	
				(6,800,047)	

### 3.1.2 Disposal of operating assets

Particulars	Cost	Accumulated depreciation	Net book value	Book value	Gain / (Loss) on disposal	Mode of disposal	Particulars of buyers along with valuation
Plant & Furniture	3,283	1,899	19,821	10,288	(18,432)	As per company policy	Various PGFTL Employees
Office Equipment	448,813	409,154	229,100	1,48,980	(78,196)	As per company policy	Various PGFTL Employees
Computer Equipment	1,274,082	1,184,899	156,908	195,093	28,646	As per company policy	Various PGFTL Employees
	1,827,062	1,684,431	412,091	354,350	(28,201)		

### 3.1.3 Allocation of degradation

Acquisition expenses	30	23,227,418	31,341,797
Marketing expenses	20	27,346,802	20,648,397
		<u>60,574,280</u>	<u>61,990,194</u>

## 2.2 Right-of-use assets

**Estimated results**

Opening balance	90,844,557	195,397,127
Additions during the year	78,690,100	95,043,811
Termination during the year	(3,996,667)	(14,004,787)
Decommission costs	8.2.1 (104,179,394)	(118,521,584)
Closing balance	123,358,606	160,844,557

### 2.2.1 allocation of right-of-use assets & depreciations

Acquisition expenses	37	69,420,947	69,908,493
Marketing expenses	39	34,730,987	32,643,101
		<u>104,179,934</u>	<u>110,021,604</u>

3.2.1.1 The depreciation is charged at the rate ranging from 20 percent to 33.33 percent; (2023; 20 percent to 33.33 percent).

		December 31, 2024	December 31, 2023
		(Rupees)	
8.3	Capital work in progress		
	Building improvements		
	Opening balance	5,921,818	28,442,018
	Additions	5,482,869	8,921,815
	Transfers	(1,789,070)	(28,442,018)
	Closing balance	11,685,511	8,921,815

## 9. INTANGIBLE ASSETS

[illegible]

\$,1 Fully depreciated assets having cost of Rs. 65,524 million (December 31, 2023: Rs. 50,624 million) are still in use.

				Aggregate	
				December 31, 2024	December 31, 2023
				(\$Rupees)	
<b>10. INVESTMENT PROPERTY</b>	<b>Note</b>	<b>Shareholders' Fund</b>	<b>Participants' Fund</b>		
Opening balance		-	1,124,510,000	1,124,510,000	\$82,564,348
Additions and capital improvements		-	-	-	\$7,486,648
Unrealised fair value gains	10.1	-	75,480,000	75,480,000	13,643,705
Closing balance		-	1,200,000,000	1,200,000,000	1,124,510,000

10.1 The company acquired an investment property with the objective of capital appreciation. The fair value of investment property was determined by external independent property valuer, M/s. Cassa & Commerce Consultants (Pvt.) Limited having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The latest valuation was carried out as at December 31, 2024 resulting in total fair value of Rs. 1,200 million (December 31, 2023: Rs. 1,124,510 million). The independent valuer provides the fair value of the Company's investment property at least once every financial year as per Company's policy.

#### 10.2 Valuation technique

The valuer adopted market based approach for the valuation of investment property and has arranged inquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, age, utilisation, and current trends in prices of real estate including assumptions that ready buyers are available in the current scenario and analysed through detailed market surveys, the properties that have recently been sold or purchased or offered / quoted for sale in given vicinity to determine the best estimates of the fair value. The valuation technique used is included in level 3 in fair value hierarchy.

10.3 The covered area of the freehold land is 1,058.66 sq yards and office premises is 569 sq yards.

10.4 The cost of freehold land amount in Rs. 600 million (December 31, 2023: Rs. 600 million) and office premises Rs. 470.28 million (December 31, 2023: Rs. 470.23 million) respectively.

#### 11 INVESTMENTS IN EQUITY SECURITIES

		December 31, 2024			December 31, 2023		
		Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
	Note	(\$Rupees)			(\$Rupees)		
<b>Shareholders' Fund</b>							
Available for sale listed shares	11.1	45,844,617	(27,071,624)	24,784,835	45,844,617	-	40,332,872
Non-Banking Finance Company Pak-Qatar Asset Management Limited	11.2	15,000,000	-	15,000,000	15,000,000	-	15,000,000
<b>Participants' Fund</b>							
Fair value through profit or loss listed shares	11.3	-	-	-	6,279,628,074	-	7,023,624,380
		60,844,617	(27,071,624)	28,784,835	6,279,628,074	-	7,023,624,380



11.1	Unlisted Shares - Available-for-sale (SHP)	December 31, 2024	December 31, 2023		December 31, 2024	December 31, 2023
	Sector wise names of the investee companies / organizations	Number of units / shares	Face value		Carrying amount (Rupees)	
	<b>Food and Personal care</b>					
	As - Sheheer Corporation Limited	3,260,000	3,260,000	10	34,764,836	40,332,372
11.2	Unlisted Shares - Available-for-sale (SHP)					
	<b>Non-Banking Finance Company</b>					
	Pak-Qaim Asset Management Company Limited	1,500,000	1,500,000	10	15,000,000	15,000,000
	The above investment in unlisted related party is carried at cost as there is no major change in the book value of the shares. Therefore, the management considers that the impact of fair valuation is not material to the financial statements.					
11.3	Unlisted Shares - Fair value through profit or loss (PTIF)					
		December 31, 2024	December 31, 2023		December 31, 2024	December 31, 2023
	Sector wise names of the investee companies / organizations	Number of units / shares	Face value (Rupees)		Carrying amount (Rupees)	
	<b>Automobile</b>					
	Honda Atlas Cars (Pakistan) Limited	-	1,675,000	10	-	400,725,000
	<b>Engineering</b>					
	Agha Saeed Industries Limited	-	17,785,000	10	-	262,610,180
	Crescent Steel and Allied Products Limited	-	7,725,000	10	-	367,941,730
	Amrta Steels Limited	-	20,500,000	10	-	472,730,000
	<b>Food and personal care products</b>					
	Al-Sheheer Corporation Limited	-	22,140,500	10	-	274,763,605
	Unify Foods Limited	-	24,028,071	10	-	667,783,318
	<b>Refinery</b>					
	Pakistan Refinery Limited	-	100,000	10	-	2,919,000
	<b>Cement</b>					
	DG Khan Cement Company Limited	-	9,623,087	10	-	744,828,386
	<b>Technology &amp; Communication</b>					
	Pakistan Telecommunication Awaraz Limited	-	4,200,000	10	-	240,828,000
	<b>Oil and Gas exploration</b>					
	Oil and Gas Development Company Limited	-	8,000,000	10	-	699,600,000
	Pakistan Petroleum Limited	-	3,000,000	10	-	970,240,000
	<b>Chemicals and electrical goods</b>					
	Pak Elctron Limited	-	55,781,140	10	-	1,259,538,159
	<b>Oil and Gas marketing companies</b>					
	Pakistan State Oil Company Limited	-	-	10	-	-
	Sul Northern Gas Pipeline Limited	-	8,600,000	10	-	624,820,000
						7,029,824,360

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		December 31, 2024	December 31, 2023	Face value (Purpose)	December 31, 2024	December 31, 2023
		Number of units (Share)			Carrying amount (Rupees)	
16.2	Mutual Funds - Fair Value Through Profit or Loss (PTFL)					
	ABU Islamic Asset Allocation Fund	89,458,310	174,885,425	10	945,447,838	1,020,885,133
	AKD Islamic Income Fund	2,465,816	2,898,574	100	124,847,838	142,567,765
	Al Aman Islamic Aggressive Income Plan I	3,549,847	5,735,783	100	424,863,733	606,729,143
	Aljazeera Islamic Value Fund	8,278,215	23,954,806	100	1,012,271,242	2,397,954,343
	Bayat Islamic Asset Allocation Fund	7,443,419	19,348,803	100	247,872,842	1,318,882,153
	IBU Islamic Asset Allocation Fund Plan I	2,779,719	11,644,220	100	547,623,949	1,320,215,185
	Investment in related parties					
	Pak-Qatar Asset Allocation Plan I (PQAAP IIA)	106,428,648	24,673,357	900	11,884,286,448	2,577,885,324
	Pak-Qatar Asset Allocation Plan II (PQAAP IIA)	136,272,346	17,432,112	900	16,037,998,406	1,652,381,338
	Pak-Qatar Asset Allocation Plan II (PQAAP IIA)	86,732,184	-	900	8,691,062,773	-
	Pak-Qatar Islamic Asset Allocation Fund (Pak-Qatar Shari'ah Screen)	-	4,450,000	900	-	468,203,363
	Pak-Qatar Asset Allocation Plan	1,678,717	1,463,907	900	187,346,793	181,673,331
	Pak-Qatar Cash Plan	96,991,867	5,325,458	900	1,819,247,841	637,179,663
	Pak-Qatar Daily Dividend Plan	5,497,697	7,132,984	900	849,738,831	113,298,386
	Pak-Qatar Income Plan	66,712,370	63,687,728	900	7,437,934,124	3,979,046,307
	Pak-Qatar Islamic Stock Fund	4,881,937	4,183,898	900	679,332,243	638,088,403
	Pak-Qatar Khata Bonaat Plan	2,014,782	2,651,134	100	327,736,347	317,171,483
	Pak-Qatar Monthly Income Plan	4,432,788	3,789,663	100	465,428,423	381,480,106
	TSE Short Fund (Formerly: Diversed Income Fund)	-	1,543,318	-	-	150,428,122
					82,140,808,883	23,398,793,908
					Aggregate	
					October 31, 2024	December 31, 2023
16.	TAKAFUL / RETAKAFUL RECEIVABLES Unsecured, considered good	Note				
	Due from legal contract holders				778,434,868	1,034,658,233
	Due from retakaful operators				66,761,391	78,274,737
					845,196,259	1,112,932,970
17.	DEPOSITS, LOANS AND OTHER RECEIVABLES					
	Approved investments income		52,817,077	42,348,873	94,891,062	184,133,132
	Security deposit		18,450,984	19,049,477	46,488,471	42,885,430
	Advance to supplier		12,288,087	-	12,288,087	16,433,833
	Advance to employees	17.1	22,063,239	-	22,063,239	11,734,517
	Receivable against Barco takaful		28,276,886	17,002,431	37,373,237	25,264,712
	Car loans receivable		3,345,429	-	8,345,429	6,148,008
	Surety against legal expense		4,022,080	-	4,022,080	4,027,000
	Other receivables		6,767,899	8,787,300	16,628,968	41,751,985
			963,791,250	78,183,183	241,958,433	326,384,877

17.1 These are secured against repayment benefits obligations of employees. Repayments are made through deduction from salary paid.

				Aggregate	
		Shareholders' Fund	Participants' Funds	December 31, 2024	December 31, 2023
		(Rupees)			
18.	PREPAYMENTS	Note			
	Prepaid rent	493,810	-	493,810	908,220
	Prepaid overheads / hardware maintenance fee	5,147,206	-	5,147,206	9,238,885
	Prepaid marketing	3,852,837	-	3,852,837	4,455,381
	Other prepayments	18,185,927	-	18,185,927	6,954,309
		27,748,980	-	27,748,980	20,778,575
19.	CASH AND BANKS				
	Cash and cash equivalent				
	Cash in hand	775,087	-	775,087	478,177
	Stamps in hand	9,891,932	-	9,891,932	6,360,683
	Cash at bank				
	Current accounts	4,896,469	187,661,839	182,538,128	384,481,170
	Saving accounts	19.1 324,634,328	3,983,068,286	4,208,630,686	3,880,619,186
		349,977,817	4,161,547,895	4,381,925,712	4,031,839,186
19.1	Saving accounts carry profit rates of 8% to 21.6% (2023: 10% to 21%) per annum.				
				December 31, 2024	December 31, 2023
				(Rupees)	
	Cash for the purposes of the cash flow statement consists of:				
	Cash and other equivalents				
	Cash in hand			775,087	478,177
	Stamps in hand			9,891,932	6,360,683
				10,558,999	6,838,860
	Current and other accounts				
	Current accounts			182,538,128	384,481,170
	Saving accounts			4,208,630,686	3,880,619,186
				4,371,168,713	4,026,100,336
	Deposits maturing within 3 months (withdrawable on demand)			85,000,000	60,000,000
				4,431,628,712	4,081,939,186
20.	SHARE CAPITAL				
20.1	December 31, 2024      December 31, 2023			December 31, 2024	December 31, 2023
	(Number of shares)		Note	(Rupees)	
		AUTHORISED SHARE CAPITAL			
	200,000,000      140,000,000	Ordinary shares of Rs. 10 each		2,000,000,000	1,400,000,000
		ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL			
20.2	138,712,448      130,712,440	Ordinary shares of Rs. 10 each, fully paid up	20.3	1,387,124,400	1,307,124,400
20.3	The Company has only one class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to the Company's residual assets.				

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	December 31, 2024	December 31, 2023
	(Rupees)	
<b>22.2 Incurred but not reported claims</b>		
Gross of re-takaful	284,873,884	224,963,388
Re-takaful recoveries	(84,814,327)	(86,679,744)
Net of re-takaful	<u>199,259,359</u>	<u>158,283,622</u>

<b>22.3 Liabilities under individual takaful contracts</b>		
Gross of re-Takaful	89,568,842	104,862,120
Re-takaful recoveries	(49,729,883)	(84,930,885)
Net of re-takaful	<u>39,838,959</u>	<u>50,021,565</u>

## 23. UNCLAIMED TAKAFUL BENEFIT

Circular 11 of 2014 dated May 18, 2014 issued by the Securities and Exchange Commission of Pakistan (SECP) has established requirement for all insurers to disclose age wise break up of unclaimed Insurance benefits in accordance with format prescribed in the annexure to the said circular.

The unclaimed benefits are described in the circular as the amounts which have become payable in accordance with the terms and conditions of an insurance policy but have not been claimed by the Participants or their beneficiaries. Such unclaimed amounts may fall into the following categories:

	Age-wise break up - 2024					
	Total Amount	1 - 6 Months	7 - 12 Months	13 - 24 Months	25 - 36 Months	Beyond 36 months
	(Rupees)					
Unclaimed maturity benefits	6,847,813	377,528	485,313	3,050,815	408,412	1,814,845
Claims not encashed	<u>183,214,878</u>	<u>189,916,842</u>	<u>7,682,212</u>	<u>4,784,384</u>	<u>5,488,184</u>	<u>8,389,388</u>
	<u>190,062,691</u>	<u>190,294,370</u>	<u>8,167,525</u>	<u>7,835,199</u>	<u>5,896,596</u>	<u>10,203,733</u>

	Age-wise break up - 2023					
	Total Amount	1 - 6 Months	7 - 12 Months	13 - 24 Months	25 - 36 Months	Beyond 36 months
	(Rupees)					
Unclaimed maturity benefits	1,348,707	133,364	148,605	325,681	288,284	453,782
Claims not encashed	<u>60,783,118</u>	<u>45,112,878</u>	<u>4,883,523</u>	<u>3,472,304</u>	<u>1,807,774</u>	<u>5,608,839</u>
	<u>62,131,825</u>	<u>45,246,242</u>	<u>5,032,128</u>	<u>3,797,985</u>	<u>1,896,058</u>	<u>6,062,621</u>

## 24. STAFF RETIREMENT BENEFITS

### Defined benefits plan - gratuity scheme

The Company has approved funded gratuity scheme applicable to permanent employees with effect from January 01, 2012. The actuarial valuation is carried out annually. The latest actuarial valuation was carried out as at December 31, 2024. Following were the significant assumptions used for the actuarial valuation:

	December 31, 2024	December 31, 2023
	[%]	
Discount rate per annum	12.25	16.50
Expected rate of increase in the salaries of employees per annum	12.25	16.50



24.1 The scheme typically exposes the Company to actuarial risks such as: salary risk, discount rate risk, mortality risk and investment risk defined as follows:

• Salary increase risk

There is the risk that the salary at the time of cessation of service is higher than that assumed by the Company. There is a risk because the benefits payable are based on the final salary; if the final salary is higher than what was estimated, the benefits will also be higher.

• Discount rate risk

The discount rate is based on the yield on government bonds. If the market yield of bonds varies, the discount rate would vary in the same manner and would affect the present value of obligation and fair value of assets.

• Mortality / withdrawal risk

There is the risk that the actual mortality/withdrawal experience is different than what assumed by the Company.

• Investment risk

There is the risk that the assets are underperforming and are not sufficient to meet the liabilities.

		December 31 2024	December 31 2023
	Note	(Rupees)	
<b>24.2 Statement of financial position reconciliation</b>			
Present value of defined benefit obligations	24.3	138,888,685	108,837,114
Fair value of plan assets	24.4	(33,886,822)	(24,899,130)
Net liability	24.5	108,018,063	84,787,975
<b>24.3 Movement in present value of obligations</b>			
Opening balance		989,437,911	95,947,595
Past service cost		-	-
Current service cost		16,216,062	14,907,073
Interest cost		16,462,627	12,860,239
Benefits paid during the year		(6,884,629)	(14,650,500)
Actuarial loss		4,184,588	882,716
Closing balance		138,888,685	108,837,114
<b>24.4 Movement in fair value of plan assets</b>			
Opening balance		24,888,189	23,428,084
Interest income on plan assets		3,834,966	3,502,162
Contribution to the fund during the year		6,650,000	16,100,000
Benefits paid during the year		(6,884,629)	(14,650,500)
Actuarial gain / (loss)		6,837,142	(3,610,617)
Closing balance		34,640,822	24,899,130
<b>24.5 Movement in liability during the year</b>			
Opening balance		84,787,975	72,619,403
Charge for the year	24.5.1	28,823,723	24,233,169
Other comprehensive income	24.5.2	(932,498)	4,093,333
Contribution		(6,650,000)	(16,100,000)
Closing balance		108,018,063	84,787,975

2024

			December 31 2024	December 31 2023	
		Note	(Rupees)		
24.6	Change for the year				
24.6.1	Charged to profit and loss account - Shareholder's fund				
	Capital service cost		16,210,062	14,907,073	
	Interest cost - net	24.6.1.1	12,823,081	9,345,076	
			<u>28,833,723</u>	<u>24,255,149</u>	
24.6.1.1	Interest cost - net				
	Interest cost on obligation	24.3	18,462,627	17,653,239	
	Interest income on plan assets	24.4	(3,828,996)	(3,802,152)	
			<u>12,823,661</u>	<u>9,345,076</u>	
	Allocated to:				
	Shareholder's sub fund		28,833,723	24,255,149	
	Expenses not attributable to Participants' funds		-	-	
24.6.2	Charged to statement of comprehensive income				
	Actuarial loss on obligations		4,104,568	562,718	
	Actuarial (gain) / loss on plan assets		(8,807,142)	3,510,517	
			<u>(982,634)</u>	<u>4,063,333</u>	
24.6.3	Composition of fair value of plan assets				
		December 31, 2024	December 31, 2023		
		Fair value (Rupees)	Percentage (%)	Fair value (Rupees)	Percentage (%)
	Bank balance	216,897	1	591,749	2
	Mutual funds	33,321,941	99	24,302,767	98
	Residual profit	2,164	-	4,051	-
		<u>33,540,622</u>	<u>100</u>	<u>24,898,574</u>	<u>100</u>
24.6.4	Sensitivity analysis				
	Significant actuarial assumptions for the determination of the defined obligations are discount rate, expected rate of salary increase, mortality rates and withdrawal rates. Sensitivity analyses were carried out on each of these assumptions while keeping the other assumptions constant. The results are given below.				
			Present value of obligation	Change from base	
			(Rupees)	(%)	
	Base		<u>139,396,663</u>		
	Discount rate	Increase by 1%	129,072,876	(7.34)	
		Decrease by 1%	149,488,211	8.53	
	Salary growth rate	Increase by 1%	151,340,268	9.45	
		Decrease by 1%	128,884,484	(7.58)	

24.6.6 The estimated contribution to the fund for the year ending December 31, 2024 is Rs. 28,534 million

Comparisons for five years:	2024	2023	2022	2021	2020
As at December 31			(Rupees)		
Fair value of plan assets	33,540,822	24,869,139	23,828,084	28,127,883	19,801,498
Present value of defined benefit obligation	(139,658,886)	(109,637,113)	(85,947,585)	(88,479,697)	(87,517,464)
(Deficit) / Surplus	(106,118,063)	(84,767,974)	(72,119,492)	(60,351,742)	(67,715,965)
Experience adjustments					
Gain / (loss) on plan assets	6,037,142	(3,510,817)	(8,893,870)	2,100,713	(1,086,223)
Gain / (loss) on obligations	(4,104,806)	(582,710)	2,048,385	(4,232,004)	2,184,315
			(%)		
Gain / (loss) on plan assets (as a percentage of plan assets)	15.02%	(14.11%)	(37.30%)	7.21%	(18.32%)
Gain / (loss) on obligations (as a percentage of plan obligations)	(2.94%)	(0.53%)	2.13%	(4.89%)	3.18%

	Shareholders' fund	Participants' funds	December 31, 2024	December 31, 2023
			(Rupees)	

## 25. TAKAFUL / RE-TAKAFUL PAYABLE

Due to re-takaful operators

	Shareholders' fund	Participants' funds	December 31, 2024	December 31, 2023
			(Rupees)	
			143,831,016	143,481,094
			117,438,172	
	Shareholders' fund	Participants' funds	December 31, 2024	December 31, 2023
			(Rupees)	

## 26. OTHER CREDITORS AND ACCRUALS

Agent commission  
Payable for bonus-takaful  
Accrued expenses  
Withholding tax  
Unpaid dividend  
Advance against claim - administrative services only  
Computer and Software Maintenance  
Bills cheques  
Charity Payable  
Others

	Shareholders' fund	Participants' funds	December 31, 2024	December 31, 2023
			(Rupees)	
	60,835,984	-	60,835,984	64,025,334
	-	-	-	14,756,301
	55,732,380	28,834	55,831,234	66,828,953
	5,184,228	11,381	5,195,609	5,140,838
	7,387,478	-	7,387,478	9,757,811
	30,146,821	-	30,146,821	80,702,882
	-	-	-	2,500
	924,325	26,300,130	26,295,060	28,049,856
	8,388,259	3,554	8,391,813	9,531,787
	77,845,894	31,856,906	1,09,702,800	91,053,198
	266,887,132	68,384,329	324,882,262	339,880,813

26.1 The inclusion amount related to last month salary and provision related to bonus and leave encashment for the respective year.



## 27. LEASE LIABILITIES

Current portion  
Non current portion

Shareholders' fund	Participants' Peria	Aggregate	
		December 31, 2024	December 31, 2023
(Rupees)			
84,485,288	-	84,485,288	84,250,081
85,812,515	-	85,812,515	90,257,129
170,297,803	-	170,297,803	174,507,210
Opening balance	-	174,507,210	223,755,347
Increase in lease liability	-	38,880,390	98,043,811
Impact of amortisation	-	(19,812,965)	(19,810,519)
Expense cost	-	27,071,824	25,827,528
Payments	-	(948,880,374)	(141,314,226)
Closing balance	-	133,886,074	134,547,201

27.1. Finance cost on lease liabilities for the year ended December 31, 2024 was Rs. 27,071 million (2023: Rs. 25,827 million).

27.2. The lease liabilities are discounted using incremental borrowing ranges from 7.98% to 18.09%.

27.3.

	December 31, 2024		
	Present value of minimum lease payment	Financial charge for the future	Minimum lease payment
(Rupees)			
Not later than one year	59,577,685	4,251,343	78,036,188
Later than one year but not later than five years	54,318,628	7,874,882	74,185,892
	113,896,313	12,126,225	152,222,080
December 31, 2023			
	December 31, 2023		
	Present value of minimum lease payment	Financial charge for the future	Minimum lease payment
(Rupees)			
Not later than one year	84,250,081	18,820,254	114,070,315
Later than one year but not later than five years	90,257,129	18,049,424	108,306,544
	174,507,210	36,869,678	222,426,859

## 28. CONTINGENCIES AND COMMITMENTS

## 28.1 Contingencies

The company in the year 2019, together with other Life / Health Insurance companies, through writ petition in the Hon'ble Lahore High Court (LHC) and the Sindh High Court (SHC) challenged the levy of Punjab Sales Tax and Sindh Sales Tax on Life and Health Insurance in Punjab and on Life Insurance in Sindh as health insurance in Sindh was granted exemption in June 30, 2023, the LHC in its interim order directed that no final order shall be passed in pursuance to impugned show cause notices which were issued by PRA to some of the Life and Health Insurance companies until the final date of hearing. The SHC, in their interim order dated December 02, 2023, directed that the request of the petitioners seeking exemption in terms of Section 10 of the Sindh Sales Tax Act, 2011, shall be considered by the Sindh Revenue Board (SRB) in accordance with the law. Further, the SHC, in their interim order dated December 02, 2023, impugned that the Federal Government has also added as one of the respondents to the case.

The SRB through Notification No. SRB-3-4/13/2020 dated June 22, 2020, made the life insurance taxable w.e.f. July 01, 2020 at the rate of 13%. A conditional exemption for the financial year 2018-20 was granted from the levy of SST, subject to the person providing life insurance services commencing & depending with the SRB, the amount of GST due as such services for the tax periods from July 01, 2020 onwards.

Further, SRB did not extend the exemption on health insurance which was available till June 30, 2023, hence making it taxable with effect from July 01, 2023 at the full rate of 13%. The company with other 7 health insurance Takaful providers challenged the levy of Sindh Sales Tax on Health Insurance Takaful in Sindh High Court (SHC).

Further, the management of the Company after due consultation of legal advisors is of the view that since under the Unit Linked Family Takaful Policy, contribution is received for two separate purposes, i.e. "Risk coverage" and "Investment" and contributions thus received are segregated into separate funds. Therefore, only the risk based portion of contribution may potentially be subject to sales tax. This contention is further strengthened by the underlying provisions of Punjab Sales Tax on Services (Special Provisions) Rules, 2012 and Sindh Sales Tax on Services Rules, 2011. These rules clearly state that sales tax shall be calculated on the gross amount of premium charged on risk covered in the insurance policy.

Shortly after 2024, the SHC dismissed the cases, other than stay against SST on health insurance merely on technical grounds and without considering the merits of the arguments that form the basis of the petition, essentially deeming the petitioners to be without cause. The SHC regarding show cause notices issued by the department on the matter of liability of the life insurance. However, it has been subsequently decided by the industry, through the platform of Insurance Association of Pakistan (IAP), to refer the case to and the constitution of policies in the Supreme Court of Pakistan.

In view of the opinion of the legal advisors, and pending the adjudication of the petition filed, the Company has neither billed its customers, nor recognized the contingent liability for PST, SST, which calculated on the basis of risk premium and allocated the investment amount allocated to unit linked policies as per the opinion of the legal advisors, aggregated to Rs. 949.44 million (2023: Rs. 864.54 million). The management contends that should the administrative efforts fail, the amount will be charged to the Participants.

## 28.2 Commitments

Commitments under lease arrangements amounting to Rs. 144.21 million (2023: Rs. 258.379 million) and the period within these payments will become due are

	December 31, 2024	December 31, 2023
	(Rupees)	
Not over three years	86,881,076	84,888,677
More than one year and not over than five years	87,741,181	173,490,500
	<u>174,622,257</u>	<u>258,379,177</u>

## 29. NET TAKAFUL CONTRIBUTION REVENUE

### Gross contributions

#### For/for contributor individual policies

##### First year

##### Second year renewal

##### Subsequent year renewal

#### Single and top-up contributions

#### Group policies without cash values

#### Total gross contributions

#### Less: Re-insurable contributions ceded

##### On individual life first year business

##### On individual life second year business

##### On individual life subsequent renewal business

##### On single contributions individual policies

##### On group policies

#### Net contributions

## 30. UNPAID PREMIUM

#### Contribution allocated to Shareholders' sub-fund

#### Other uncollectible

## 31. INVESTMENT INCOME

### Dividend Income

#### Listed shares

##### - Available-for-sale

##### - Fair value through profit or loss

#### Return on debt securities

##### Debt securities

##### - Available-for-sale

##### - Fair value through profit or loss

#### Income from deposits

#### Total investment income

Shareholders' Fund	Participants' Funds	Aggregates	
		December 31, 2024	December 31, 2023
(Rupees)			
			4,855,000
	128,883,100	128,883,100	179,406,500
64,800,487		64,800,407	70,881,784
	243,417,135	243,417,186	284,205,942
<u>109,257,832</u>	<u>243,417,135</u>	<u>288,215,821</u>	<u>355,088,726</u>
<u>217,207,289</u>	<u>679,597,305</u>	<u>737,899,241</u>	<u>651,380,260</u>

## 32. NET REALISED FAIR VALUE GAINS ON INVESTMENTS

	Shareholders' fund	Participants' funds	Aggregate	
			December 31, 2024	December 31, 2023
			(Rupees)	
Available-for-sale:				
- Listed shares	-	-	-	18,587,568
- Mutual funds	72,767,221	-	72,767,221	74,961,285
- Debt securities	972,339	-	972,339	(424,436)
	73,739,560	-	73,739,560	93,224,438
Fair value through profit or loss:				
- Listed shares	-	532,636,045	532,636,045	1,051,696,723
- Mutual funds	-	3,178,280,005	3,178,280,005	1,697,270,090
- Debt securities	-	(64,096,250)	(64,096,250)	(211,434,557)
Net gain	73,739,560	3,696,819,800	3,770,559,360	2,723,981,132

		December 31, 2024	December 31, 2023
		(Rupees)	
33. NET FAIR VALUE GAINS / (LOSSES) ON INVESTMENTS	Note		
Fair value through profit or loss			
Net unrealised gain / (loss)		-	1,796,178,226
- Equity securities		5,436,550,972	1,811,434,490
- Mutual funds		23,115,843	228,861,552
- Debt securities		5,459,666,815	3,840,474,268

## 34. OTHER INCOME

	8.1.2		34,313
Gain on sale of operating assets		(18,725)	53,016
Exchange (loss) / gain		12,061,180	15,713,778
Administrative services income		-	5,540,890
Reassessment income		4,000,355	11,123,321
Miscellaneous income		16,062,810	32,465,318

## 35. TAKAFUL BENEFITS - NET

Gross claims			
Claims under individual policies		92,291,744	153,835,439
by death		13,713,583,515	7,331,485,471
by surrenders / withdrawals		1,266,693,016	816,162,237
by maturities		16,092,568,275	8,301,483,147
Total gross individual policy claims			
Claims under group policies		524,727,190	405,081,265
by death		2,156,163,646	2,157,850,916
by insured event other than death		2,680,890,836	2,852,932,213
Total gross group claims			
Total gross claims		17,773,459,111	10,654,415,360
Retakaful recoveries		(39,129,690)	(83,708,452)
On individual life		(243,883,754)	(218,189,530)
On group claims		(283,023,444)	(301,897,862)
Total retakaful			
Net claims		17,490,435,667	10,652,517,376

### 15.1 Aging and movement of outstanding claims

The claims development table for each class of business and an overall aging and movement of outstanding claims is presented below:

<u>Individual Family</u>	2021	2022	2023	2024
Accident Year	(Rupees)			
Estimate of ultimate claims costs:				
At end of accident year	184,032,512	156,747,984	165,454,393	102,662,806
One year later	158,751,116	132,960,825	107,995,223	-
Two years later	100,025,853	143,343,508	-	-
Three years later	151,249,042	-	-	-
Current estimate of cumulative claims	214,512,720	289,711,324	165,454,393	225,662,806
Less: cumulative payments to date	108,620,278	98,134,021	58,240,890	28,519,501
	105,892,442	191,577,303	107,213,503	197,143,305

Liability recognised in the statement of financial position

<u>Group Family</u>	2021	2022	2023	2024
Accident Year	(Rupees)			
Estimate of ultimate claims costs:				
At end of accident year	296,035,876	315,685,438	226,802,234	284,314,954
One year later	279,425,274	281,028,737	238,035,038	-
Two years later	280,315,089	245,368,074	-	-
Three years later	286,021,459	-	-	-
Current estimate of cumulative claims	370,895,339	449,845,147	464,837,272	464,314,954
Less: cumulative payments to date	370,689,839	438,084,081	267,005,848	327,587,572
	1,105,645,500	1,111,761,066	1,171,832,016	1,136,727,382

Liability recognised in the statement of financial position

<u>Group Muslim</u>	2021	2022	2023	2024
Accident Year	(Rupees)			
Estimate of ultimate claims costs:				
At end of accident year	918,121,587	1,249,123,827	1,018,207,524	2,134,643,267
One year later	821,611,842	1,221,478,124	1,131,317,021	-
Two years later	810,606,217	1,219,119,519	-	-
Three years later	910,964,003	-	-	-
Current Estimate of cumulative claims	1,209,132,739	1,942,343,910	1,159,024,545	2,134,643,267
Less: cumulative payments to date	1,209,132,739	1,942,343,910	1,321,352,444	1,884,223,882
	1,100,000,000	1,000,000,000	1,100,000,000	1,100,000,000

Liability recognised in the statement of financial position



	Note	December 31, 2021	December 31, 2022
		(Rupees)	
36. TAKAFUL OPERATOR FEE			
Modero life income		68,309,954	64,255,867
Other takaful income		997,133,509	947,577,066
		<u>1,065,243,473</u>	<u>1,011,832,933</u>
37. ACQUISITION EXPENSES / COMMISSION EXPENSE			
Remuneration to takaful intermediaries on individual policies:			
Commission to agent on first year contribution		95,473,730	228,873,798
Commission to agent on second year contribution		35,531,901	23,988,314
Commission to agent on subsequent renewal contribution		104,648,274	103,985,870
Commission to agent on top-up contribution and single contribution		231,936,383	41,855,944
Commission to takaful intermediaries on group policies		<u>108,791,359</u>	<u>109,126,445</u>
		<u>566,381,647</u>	<u>507,824,371</u>
Other acquisition expenses:			
Other benefits to takaful intermediaries		100,073,041	87,557,383
Salaries, allowances and other benefits		278,782,184	302,147,752
Contribution to defined contribution plan		11,895,877	10,090,546
Entertainment		1,570,959	919,272
Traveling / conference		3,442,847	4,425,904
Office supplies and amenities		18,848,071	18,798,133
Vehicle running		38,583,500	40,373,321
Car park		3,670,880	5,487,869
Traveling		23,205,889	17,042,417
Utilities		47,457,822	41,888,515
Rental		2,812,388	368,928
Postages		7,081,881	7,327,677
Telephone		6,891,476	10,923,343
Repairs and maintenance		16,795,882	14,745,551
Printing and stationery		11,379,981	15,000,147
Computer		4,565,793	10,152,678
Sales promotion		43,201,598	38,801,774
Depreciation (Operating assets)	8.1.2	29,127,418	31,341,707
Depreciation (Right-of-use assets)	8.2.1	68,438,847	83,828,493
Miscellaneous other expenses		128,731	676,153
Group Takaful		<u>82,127,750</u>	<u>49,385,887</u>
Policy stamps		<u>18,199,561</u>	<u>10,838,460</u>
		<u>815,210,112</u>	<u>803,409,785</u>
		<u>1,480,453,585</u>	<u>1,415,242,718</u>

	December 31, 2024	December 31, 2023
NOTE	in Rupees	
<b>28. MARKETING AND ADMINISTRATION EXPENSES</b>	<b>330,026,800</b>	<b>301,584,147</b>
Salaries, allowances and other benefits	28,833,773	28,255,140
Charge for defined pension plan	16,215,218	15,500,638
Contribution to defined contribution plan	14,354,588	35,343,062
Vehicle running	7,325,202	4,881,238
Car repair costs	-	34,084
Medical	12,125,140	8,128,282
Traveling	42,128,968	31,548,134
Utilities	-	621,400
Rental	20,816,169	31,482,005
Communication	11,111,873	8,519,140
Repairs and maintenance	8,035,631	15,846,280
Printing and stationery	75,127,887	68,301,206
Software maintenance	16,086,029	14,579,414
Advertisement	27,395,932	20,548,392
Depreciation (Operating assets)	8.1.2 34,739,987	32,583,101
Depreciation (Right-of-use assets)	8.2.1 8,181,753	8,059,505
Amortisation	3,880,084	3,844,843
Shareholders' fees	1,388,948	1,885,078
Actuary's fees	10,578,839	12,586,072
Legal and professional	138,904,673	75,272,821
Consultancy	16,377,824	18,076,201
Supervision fees	13,026,041	9,308,586
Subscription fees	2,808,148	1,533,568
Bank and brokerage	4,783,311	4,405,555
Entertainment	2,141,338	1,081,094
Training	10,711,867	11,838,708
Staff welfare	18,063,631	25,951,824
Group Takaful	1,489,688	1,881,786
Governors' Takaful	392,799	620,795
Miscellaneous	994,330,006	780,553,037
<b>29. OTHER EXPENSES</b>	<b>3,688,857</b>	<b>2,471,184</b>
Salaries, allowances and other benefits	188,491	138,841
Employer's contribution to provident fund	413,781	435,950
Vehicle running	188,893	184,530
Traveling	38,634	17,383
Communication	38,08,200	1,881,874
Auditors' remuneration	38.1.1 58,281	-
Loss on sale of operating assets	3.1.2 6,787,682	11,422,281
Consultancy	-	588,157
Miscellaneous expenses	14,019,220	17,230,880
<b>30.1 These expenses are not attributable to Participants' fund</b>		
<b>30.1.1 Auditors' remuneration</b>		
Audit and related services	1,000,000	1,000,000
Audit fee	700,000	625,000
Fee for review other certifications and advisory services	300,000	218,420
Out of pocket	183,200	147,584
Salaries	1,808,200	1,891,874

	December 31, 2024	December 31, 2023
	(Rupees)	
<b>48. TAXATION</b>		
Current year	86,848,843	37,199,657
Prior year	2,089,635	(507,803)
	88,938,478	36,691,854
	(1,393,338)	41,178,607
Deferred	86,735,200	35,814,547

40.1 The Company has filed returns upto and including tax year 2024 which are deemed to have been assessed under Section 120 of the Income Tax Ordinance, 2001.

40.2 Security and Exchange Commission of Pakistan (SECP) through the S.R.O. 3120/K2025 dated March 03, 2025, made payable for the Shareholders' Fund of a 1% advance to purchase the full amount of adjustable, advance, withholding, or refundable tax recorded in the books of the Statutory Fund(s), against consideration in the form of cash, cash equivalents, or government securities. Furthermore, the Shareholders' Fund is now required to mandatorily purchase such taxes related to the Statutory Fund(s) that are adjustable within a period of one year. Failing to do so may result in the lapse of the undeposited advance tax after one year.

40.3 The relationship between tax expenses and accounting profit for the year 2024 is given below.

	December 31, 2024	December 31, 2023
	(Rupees)	
Profit before taxation	388,456,344	192,112,650
Tax at the applicable rate of 29% (2023: 29%)	106,272,341	55,712,668
Tax effect of:		
- expenses not deductible for tax purposes	18,233,248	3,006,226
- income not subject to tax	(21,348,913)	(18,790,088)
- others	(4,421,876)	(4,128,258)
	86,735,200	35,814,547

**41. EARNINGS PER SHARE (EPS)**  
Basic and diluted

Profit after tax (Rupees)

Weighted average ordinary shares as at year end (Number)

EPS (Rupees)

Note

20

	December 31, 2024	December 31, 2023
	283,721,148	156,288,103
	130,712,440	130,712,440
	2.08	1.20

**42. REMUNERATION OF CHIEF EXECUTIVE OFFICER (CEO), DIRECTORS AND EXECUTIVES**

Aggregate amounts charged in the financial statements for remuneration, including all benefits to Chief Executive Officer (CEO), Directors, and Executives of the Company are as follows:

	December 31, 2024		December 31, 2023	
	CEO	Executives	CEO	Executives
	(Rupees)			
Managers' remuneration	6,495,387	22,967,765	6,098,923	73,000,733
House rent	2,904,923	37,335,888	2,704,018	32,850,332
Utilities	671,056	7,338,333	631,555	6,457,645
Others	3,004,305	30,488,353	3,782,540	30,290,478
	12,935,767	108,189,346	13,227,036	142,609,188
	(Number)			
	1	38	1	35

Persons

The Company also provides Company maintained cars to certain executives

Certain Directors have been reimbursed with the boarding and lodging costs in relation to attending board meetings of the company as per the company's policy which amounted to Rs. 1.37 million (2023: Rs. 0.065 million).

Executive and employees other than Chief Executive and Directors, whose basic salary exceeds Rs. 12 million in a financial year.

#### 43. PROVIDENT FUND

The Company operates approved contributory provident fund (the Fund) for its permanent employees. The following information is based on unaudited financial statements of the fund as at December 31, 2024 (2023: audited).

	(Un-audited) December 31, 2024	(Audited) December 31, 2023
Size of the fund - net assets (Rupees)	5,584,775	7,245,902
Cost of the investments made (Rupees)	5,584,775	4,800,284
Percentage of the investments made (%)	68	68
Fair value of the investments made (Rupees)	5,584,775	4,800,284

##### 43.1 The break up of fair value of the investments in provident fund is as follows:

	December 31, 2024		December 31, 2023	
	(Rupees)	(%)	(Rupees)	(%)
Cash balances	5,584,775	100	4,800,284	100

The investments have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

#### 44. RELATED PARTY TRANSACTIONS

Related parties comprise of related group companies, associates, directors, staff retirement funds and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Details of transactions and balances with related parties, except as disclosed elsewhere in the financial statements, are as follows:

Name of Related Party	Relationship	Shareholding (%)	
		December 31, 2024	December 31, 2023
Pak-Qatar General Takaful Ltd	Common Directorship	Nil	Nil
Pak-Qatar Asset Management Company Ltd	Common Directorship	5%	5%
Pak-Qatar Family Takaful Ltd - Employees' Provident Fund	Provident Fund	Nil	Nil
PTTU Pakistan	Associate Company	Nil	Nil

Relationship	Nature of transaction	December 31, 2024 (Rupees)	December 31, 2023 (Rupees)
Entities with common directorship	Net shared expenses received	147,010,330	106,528,479
	Claims received against general liability	890,850	74,000
	Claims paid against group liability	4,621,506	-
	Contribution paid against general takaful	1,168,327	250,640
	Contribution received against group liability	1,337,796	1,811,581
	Investment advisory fee	139,817,327	82,543,678
Associated company	Bank takaful acquisition, origination and administration fee	82,701,437	112,371,874
Employees provident fund	Contribution paid	32,128,179	29,178,021
Balances with related parties are as follows:			
Entities with common directorship	Investment advisory fee payable	18,294,853	7,383,828
Associated company	Administrative charges payable	-	14,680,361

#### EXPERIMENTAL PROCEDURE

#### 18.4 DEBIT AND CREDIT

**Exhibit 100: Investment Fund Fund FFO**

Account	2014	2013	2012	2011	2010	2009
Allocated compensation	2,424,337,770	1,811,444,758	1,438,381,809	-	-	2,424,337,770
High management bonus	5,787,843,838	4,357,888,418	3,828,888,348	-	-	5,787,843,838
Total compensation	8,212,181,608	6,169,333,176	5,267,270,157	-	-	8,212,181,608
Less: Other non-expenses	19,328,498,283	2,554,831,308	15,046,378,331	-	-	19,328,498,283
Excess (or deficit) after other non-expenses	61,853,109	3,614,501,868	317,891,826	-	-	61,853,109
Total other non-expenses	2,363,893	12,784,113	34,387,338	-	-	2,363,893
Other charges	13,398,138,413	2,843,387,261	11,963,377,235	-	-	13,398,138,413
Total charges and capital gains	13,398,138,413	2,843,387,261	11,963,377,235	-	-	13,398,138,413
Excess of income over other and other charges	17,005,441,338	1,224,944,947	63,229,444,128	-	-	17,005,441,338
Add: Technical reserves at beginning of the year	24,489,338,363	17,013,357,332	27,491,104,884	-	-	24,489,338,363
Less: Technical reserves at end of the year	41,489,338,363	14,448,25,363	35,417,338,373	-	-	41,489,338,363
Excess of technical reserves	(17,003,996,999)	(1,134,897,421)	(12,127,894,189)	-	-	(17,003,996,999)
Surplus (or deficit)	17,005,441,338	1,224,944,947	63,229,444,128	-	-	17,005,441,338
Excess of technical reserves	24,489,338,363	17,013,357,332	27,491,104,884	-	-	24,489,338,363
Less: Technical reserves at end of the year	41,489,338,363	14,448,25,363	35,417,338,373	-	-	41,489,338,363
Excess of technical reserves	(17,003,996,999)	(1,134,897,421)	(12,127,894,189)	-	-	(17,003,996,999)

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**Shareholders' Fund Fund****Income**

Takaful operator's fee  
Insurance fee income PTF  
Total income

Individual Family Account	Individual Family Account	Individual Family Account	Participating Payers		December 31, 2024
			Group F&B	Group F&B	

1,238,899,151	243,082,152	1,081,548,338	248,224,890	293,899,341	2,228,748,957
61,863,298	7,918,823	58,944,475	6,988,638	1,089,312	69,230,964
1,300,762,449	250,999,975	1,140,492,813	255,213,528	294,988,653	2,318,989,921

**Less: Expenses**

Net administrative expenses  
Other operating expenses  
Management expenses  
Total expenses

272,899,188	137,678,389	410,577,577	48,239,257	99,892,182	668,387,596
650,343,339	389,884	651,211,482	72,988,638	198,199,271	1,371,843,348
923,242,527	167,868,273	1,091,110,809	121,227,895	298,091,453	1,740,300,473
1,303,105,015	298,547,662	1,601,652,677	163,215,753	597,083,606	2,345,980,213

Excess (shortfall) of income over  
expenses  
Net Technical Income at beginning  
of the year

27,657,434	14,351,313	71,212,839	64,315,780	(38,897,187)	73,496,388
------------	------------	------------	------------	--------------	------------

Less: Technical reserves at end of  
the year

27,657,434	14,351,313	71,212,839	64,315,780	(38,897,187)	73,496,388
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Surplus (deficit) at the end of  
the year

(27,657,434)	(14,351,313)	(71,212,839)	(64,315,780)	38,897,187	(73,496,388)
--------------	--------------	--------------	--------------	------------	--------------

Transfer from the shareholders' fund

Contribution received from  
shareholders' fund  
Dividend income contributed to PTF  
Net transfer from (to)  
shareholders' fund

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Dividend of shareholders' fund  
Less: Long term of the year  
in surplus of fund at end of the year

-	-	-	-	-	-
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Balance of Participating funds at  
end of the year

48,987,952,248	14,023,876,847	69,878,237,134	228,403,408	186,983,228	87,261,444,865
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**Represented by:**

Participating in common fund  
Technical reserves for PTF

21,882,479,394	14,448,923,989	64,417,305,373	-	-	85,517,528,772
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Participating Technical Fund  
Technical reserves for PTF  
Group income contributions  
Accumulated surplus (deficit) - PTF

14,234,000	4,751,627	14,419,629	179,565,212	517,544,931	132,043,783
6,777,788,365	269,340,178	687,248,277	48,034,898	348,888,000	287,899,898
8,711,788,365	274,091,805	151,717,906	227,600,110	866,432,931	1,719,943,681

Shareholders' fund fund  
Technical reserves for shareholders' fund  
Accumulated surplus - shareholders' fund

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Balance of funds at the end of the year

42,147,441,610	19,725,078,615	84,878,722,768	228,403,408	899,873,228	87,261,444,865
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## 45.1 STATEMENT ACCOUNT

## Consolidated Income Statement (PTF)

## Income

	December 31, 2020 Individual Family (Pakistani)	December 31, 2020 Muslim Family (Bahrain)	December 31, 2020 Individual Family (Pakistani)	December 31, 2020 Muslim Family (Bahrain)	December 31, 2020 Group Results	December 31, 2020 Aggregate
Investment contribution	16,364,483,881	3,516,407,562	11,874,891,483	-	-	21,874,891,483
Net investment income	3,745,363,225	1,829,248,443	6,543,842,858	-	-	10,118,454,526
Total net income	14,609,847,106	5,345,656,005	18,418,734,341	-	-	23,764,346,447

## Less: Claims and expenses

Surplus / profit of year	8,316,422,488	2,652,367,582	8,143,842,108	-	-	13,011,632,178
Takaful operations loss	425,895,890	331,367,383	641,657,258	-	-	1,398,920,531
Other charges	3,168,488	42,837,119	43,298,566	-	-	87,943,613
Total claims and expenses	8,745,486,866	3,426,572,090	9,228,798,932	-	-	12,214,857,488
Balance of income over claims and expenses	5,864,360,240	1,920,093,915	9,189,935,409	-	-	13,794,450,535

## Add: Technical reserves at beginning of the year

Less: Technical reserves at end of the year	10,284,013,987	14,149,385,104	21,439,893,876	-	-	35,873,298,967
Movement in technical reserves	24,310,220,150	15,810,845,438	37,449,106,894	-	-	57,570,972,482
Surplus / profit of year	63,188,342,620	17,731,939,353	11,739,041,533	-	-	92,659,323,506

## Surplus / profit of year

Movement in technical reserves	9,431,862,068	1,652,489,857	18,091,863,008	-	-	29,176,220,933
Balance of PTF at beginning of the year	16,364,483,881	3,516,407,562	11,874,891,483	-	-	21,874,891,483
Balance of PTF at end of the year	24,310,220,150	15,810,845,438	37,449,106,894	-	-	57,570,972,482

## Particulars: Technical Reserve (PTR)

## Income

Contribution rate of PTF	298,716,081	24,341,480	36,450,180	439,894,914	2,312,968,846	3,137,134,791
Net investment income	33,336,848	12,674,485	36,029,459	11,863,888	6,987,827	62,892,517
Other income	39,666,816	43,148,408	62,816,185	-	-	145,631,410
Total net income	372,719,745	80,164,373	135,295,824	451,758,802	2,320,956,673	3,345,658,718

## Less: Claims and expenses

Surplus / profit of year	42,888,940	17,598,047	18,136,403	272,041,785	2,157,833,993	2,586,694,638
Takaful operations loss	153,383,487	3,346,890	162,918,683	151,894,222	388,114,087	698,653,369
Other charges	8,621,293	18,616,452	20,799,437	8,343,884	4,498,118	51,885,174
Total claims and expenses	210,036,727	22,561,399	294,637,603	269,132,994	400,710,212	751,134,723

## Balance of income over claims and expenses

Less: Technical reserves at beginning of the year	122,090,845	47,898,118	178,814,837	14,850,137	122,070,979	34,514,449
Less: Technical reserves at end of the year	36,898,891	3,119,420	89,548,464	1,961,382,233	438,381,867	1,993,781,215
Movement in technical reserves	85,191,954	44,778,698	89,266,373	2,146,532,100	316,310,888	1,959,266,766
Surplus / profit of year	117,092,899	62,376,716	109,028,455	1,931,989,685	1,841,523,105	3,032,937,215

## Surplus / profit of year

Distribution of surplus	131,364,348	144,387,148	109,862,603	-	-	385,614,100
Surplus / profit after distribution	45,728,551	17,989,568	99,165,852	1,931,989,685	1,841,523,105	3,032,937,215
Movement in technical reserves	4,372,746	562,366	4,393,112	37,648,221	18,746,128	67,722,573

## Reported Profit

On- and off-balance sheet	-	-	-	-	18,305,893	18,305,893
Off-balance sheet	-	-	-	-	68,886,183	68,886,183
Reported Profit	358,513,666	201,348,751	341,998,727	348,584,899	256,212,451	1,507,668,916

## Balance of PTF at beginning of the year

Balance of PTF at end of the year	538,076,273	185,871,538	411,947,912	385,311,796	678,658,442	1,779,766,971
Surplus	24,310,220,150	15,810,845,438	37,449,106,894	451,758,802	2,320,956,673	3,345,658,718



## 45.1 STATEMENT ACCOUNT

## Statement of Income and Expense

## Income

	December 31, 2020 Pakistani Rupee	December 31, 2019 Pakistani Rupee	December 31, 2018 Pakistani Rupee	December 31, 2017 Pakistani Rupee	December 31, 2016 Pakistani Rupee
Individual Family (Share)	10,364,483,881	5,516,407,562	11,874,891,483	-	-
Investment Income	2,745,363,225	1,829,298,413	6,543,842,858	-	-
Total Income	13,109,847,106	7,345,705,975	18,418,734,341	-	-

## Less: Claims and Expenses

Shareholder Contribution	5,316,422,488	2,832,327,832	8,143,847,108	-	-
Shareholder Contribution	425,895,890	331,307,383	641,657,258	-	-
Other charges	3,158,488	42,837,119	43,298,566	-	-
Total claims and expenses	6,095,476,866	3,206,472,334	8,788,802,932	-	-
Balance of Income over claims and expenses	7,014,370,240	4,139,233,641	9,629,931,409	-	-

## Add: Technical reserves at beginning of the year

Technical reserves at beginning of the year	10,284,013,987	14,148,385,108	21,451,882,875	-	-
Technical reserves at end of the year	24,370,220,430	15,810,845,438	27,481,106,844	-	-
Movement in technical reserves	14,086,206,443	(1,337,539,670)	(4,069,775,931)	-	-

## Surplus / Profit

Movement in technical reserves	14,086,206,443	(1,337,539,670)	(4,069,775,931)	-	-
Balance of PTF at beginning of the year	10,284,013,987	14,148,385,108	21,451,882,875	-	-
Balance of PTF at end of the year	24,370,220,430	15,810,845,438	27,481,106,844	-	-

## Particulars of Income and Expense

## Income

Individual Family (Share)	298,746,081	24,941,480	36,450,189	439,884,918	2,312,968,846
Investment Income	33,346,848	12,674,485	36,029,459	11,863,888	5,987,827
Other Income	3,866,816	43,148,408	62,845,815	-	-
Total Income	342,959,745	80,764,373	135,325,463	451,748,806	2,318,956,673

## Less: Claims and Expenses

Shareholder Contribution	42,888,440	17,508,047	18,128,480	272,881,785	2,157,832,993
Shareholder Contribution	151,381,487	3,446,893	162,918,683	151,884,222	388,114,087
Other charges	8,621,293	18,615,432	20,798,437	8,343,884	8,498,118
Total claims and expenses	202,891,220	39,569,372	394,845,500	433,109,891	2,554,445,198

## Balance of Income over claims and expenses

Balance of Income over claims and expenses	140,068,525	41,194,999	40,479,963	218,638,915	764,511,475
Technical reserves at beginning of the year	26,598,891	3,119,420	89,548,464	1,461,438,233	438,381,867
Technical reserves at end of the year	42,312,507	4,708,116	68,877,337	2,177,916,880	581,785,457
Movement in technical reserves	15,713,616	1,588,696	(20,671,127)	716,478,647	143,403,590

## Surplus / Profit (before distribution)

Surplus / Profit (before distribution)	155,782,141	42,783,695	19,808,836	935,117,562	907,915,065
Distribution of surplus	131,381,487	144,387,149	168,657,683	-	-
Surplus / Profit after distribution	24,400,654	28,396,546	30,151,153	935,117,562	907,915,065

## Movement in technical reserves

Technical reserves	119,799,945	46,874,158	195,845,733	1,461,438,233	1,461,438,233
Technical reserves at beginning of the year	26,598,891	3,119,420	89,548,464	1,461,438,233	438,381,867
Technical reserves at end of the year	42,312,507	4,708,116	68,877,337	2,177,916,880	581,785,457
Movement in technical reserves	15,713,616	1,588,696	(20,671,127)	716,478,647	143,403,590

## Balance of PTF at beginning of the year

Balance of PTF at beginning of the year	10,284,013,987	14,148,385,108	21,451,882,875	-	-
Balance of PTF at end of the year	24,370,220,430	15,810,845,438	27,481,106,844	-	-
Movement in PTF	14,086,206,443	(1,337,539,670)	(4,069,775,931)	-	-

## Statement

Statement	24,370,220,430	15,810,845,438	27,481,106,844	-	-
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## 48.2 SEGMENT REPORTING

## Income

## Gross Contributions

- First year individual regular contributions
- Individual renewal contributions
- Individual single & top-up contributions
- Group contributions

## Total gross contributions

## Relevant contributions

- Individual policies
- Group policies

## Total relevant contributions

## Net contribution revenues

## Surplus from relevant operators

## Net investment income

## Total net income

## Takaful benefits and expenditures

## Takaful benefits, including bonuses, net of relevant Management expenses less recoveries

## Total takaful benefits and expenditures

## Excess of income over takaful benefits and expenditures

Add: Participants liabilities at beginning of year

Less: Participants liabilities at end of year

Surplus reserve for the year (Participant Takaful Fund (PTF))

## SEGMENT REPORTING

## Income

## Gross Contributions

- First year individual regular contributions
- Individual renewal contributions
- Individual single & top-up contributions
- Group contributions

## Total gross contributions

## Relevant contributions

- Individual policies
- Group policies

## Total relevant contributions

## Net contribution revenues

## Surplus from relevant operators

## Net investment income

## Total net income

## Takaful benefits and expenditures

## Takaful benefits, including bonuses, net of relevant Management expenses less recoveries

## Total takaful benefits and expenditures

## Excess of income over takaful benefits and expenditures

Add: Participants liabilities at beginning of year

Less: Participants liabilities at end of year

Surplus reserve for the year (Participant Takaful Fund (PTF))

	December 31, 2024			
	Participants' funds			Aggregate
Individual Family	Group Family	Group Health		December 31, 2024
(Rupees)				
309,611,412	-	-		309,611,412
3,466,127,780	-	-		3,466,127,780
21,998,337,828	-	-		21,998,337,828
	678,864,141	2,422,844,779		3,122,015,829
26,804,076,060	688,864,141	2,422,844,779		29,915,010,910
(164,143,896)				(164,143,896)
	(263,688,349)			(263,688,349)
(164,143,896)	(263,688,349)			(417,832,168)
26,640,333,174	425,175,792	2,422,844,779		29,498,183,796
9,623,650,762	6,666,833	1,046,813		9,631,328,398
36,264,481,336	431,842,625	2,423,891,592		39,097,485,053
16,117,829,690	330,833,436	2,106,163,840		17,444,826,930
1,307,777,779	238,314,687	2,423,119,349		2,438,733,307
17,465,307,078	699,188,123	2,412,774,687		19,956,703,557
16,109,134,838	(74,300,268)	16,346,265		16,165,242,596
37,664,718,138	217,316,486	631,260,437		38,393,321,061
85,672,839,383	178,968,212	647,884,821		86,499,123,536
89,497,381	(38,881,139)	(6,012,049)		8,404,093

December 31, 2023			
Participants' funds			Aggregate
Individual Family	Group Family	Group Health	December 31, 2023
(Rupees)			
820,806,890	-	-	820,806,890
1,680,089,643	-	-	1,680,089,643
7,714,370,706	-	-	7,714,370,706
-	678,864,413	2,392,568,846	3,071,423,059
13,225,267,243	678,864,413	2,392,568,846	16,296,699,902
(212,057,047)	-	-	(212,057,047)
-	(238,258,494)	-	(238,258,494)
(210,567,047)	(238,258,494)	-	(449,915,541)
13,014,710,196	440,605,919	2,392,568,846	15,846,873,761
82,815,065	-	-	82,815,065
6,979,738,091	11,693,889	6,167,473	6,997,599,653
20,077,263,172	452,309,808	2,398,736,319	22,927,568,499
8,317,627,647	276,881,785	2,157,850,918	10,752,359,730
1,650,795,831	100,059,906	364,550,918	2,115,406,655
9,999,363,478	435,848,071	2,522,401,834	12,927,733,989
10,100,679,694	14,650,137	(123,875,615)	9,999,654,516
27,541,689,026	198,428,267	839,091,587	28,579,208,880
27,554,718,138	217,316,480	631,260,437	28,393,321,055
86,830,704	(19,238,670)	(114,870,385)	(82,377,697)

## 44.3 SEGMENTAL STATEMENT OF FINANCIAL POSITION

December 31, 2024

	Shareholders' Fund	Participant funds			Aggregate December 31, 2024
		Individual Family	Group Family	Group Health	
		(Rupees)	(Rupees)		
<b>ASSETS</b>					
Property and equipment	300,300,000	-	-	-	300,300,000
Intangible assets	70,074,407	-	-	-	70,074,407
Right-of-use Asset	125,866,426	-	-	-	125,866,426
Investments	1,406,320,224	82,167,870,922	101,040,165	-	83,764,239,100
Investment in Associate	-	-	-	-	-
Investment property	-	1,200,000,000	-	-	1,200,000,000
Advance against investment property	1,775,000	316,140,000	-	-	317,915,000
Takaful / Re-insured receivable	-	53,300,772	143,315,339	634,939,968	831,556,079
Deposits, loans and other receivables	163,780,804	86,220,468	644,434	11,302,146	261,947,852
Taxation - payments less provision	-	619,240,072	17,707,442	3,484,074	640,431,588
Prepayments	27,740,800	-	-	-	27,740,800
Cash and bank	300,977,817	3,035,271,077	72,240,800	56,000,210	4,364,489,904
<b>Total assets</b>	<b>2,430,841,002</b>	<b>58,504,640,453</b>	<b>415,632,301</b>	<b>710,902,427</b>	<b>62,221,117,180</b>
<b>EQUITY AND LIABILITIES</b>					
Shareholders' equity	-	-	-	-	-
Share capital	1,307,124,400	-	-	-	1,307,124,400
Unappropriated profit - net	642,860,900	-	-	-	642,860,900
<b>Total equity</b>	<b>1,949,985,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,949,985,300</b>
Deferred tax liability	7,020,121	-	-	-	7,020,121
Takaful / Participant Takaful Fund (PTF)	-	-	100,000	-	100,000
Cash money	-	597,740,373	40,834,100	(200,701,000)	706,820,923
Accumulated surplus / (Deficit)	-	597,740,373	40,834,100	(200,701,000)	706,820,923
<b>Total PTFs Equity</b>	<b>-</b>	<b>597,740,373</b>	<b>40,834,100</b>	<b>(200,701,000)</b>	<b>706,820,923</b>
Guarantee-Money	-	-	-	-	-
<b>Total Participants' equity</b>	<b>-</b>	<b>597,740,373</b>	<b>40,834,100</b>	<b>(200,701,000)</b>	<b>706,820,923</b>
Takaful liabilities	-	67,206,000,000	304,000,700	602,000,000	68,112,000,700
Retirement benefits obligations	100,000,000	-	-	-	100,000,000
Contributions received in advance	-	347,770,000	61,104,000	00,000,000	408,874,000
Takaful / reinsured payable	-	143,501,000	-	-	143,501,000
Other creditors and payables	300,000,000	50,000,000	-	00,000,000	350,000,000
Lease Liabilities	100,000,000	-	-	-	100,000,000
Taxation - provision less payments	70,000,000	-	-	-	70,000,000
<b>Total liabilities</b>	<b>672,000,000</b>	<b>67,706,000,000</b>	<b>365,000,000</b>	<b>602,000,000</b>	<b>68,675,000,000</b>
<b>Total equity and liabilities</b>	<b>2,430,841,002</b>	<b>58,504,640,453</b>	<b>415,632,301</b>	<b>710,902,427</b>	<b>62,221,117,180</b>

## 46.3 SEGMENTAL STATEMENT OF FINANCIAL POSITION

December 31, 2023

		Participants' funds			Aggregate December 31, 2023
	Shareholders' Fund	Individual Family	Group Family (Rupees)	Group Health	
<b>ASSETS</b>					
Property and equipment	474,885,788	-	-	-	474,885,788
Intangible assets	84,707,828	-	-	-	84,707,828
Right-of-use-asset	-	-	-	-	-
Investments	1,448,094,200	33,898,552,211	235,003,587	-	35,581,710,058
Investment in Associate	-	-	-	-	-
Investment property	-	1,124,510,000	-	-	1,124,510,000
Advance against investment property	3,773,000	128,624,000	-	-	132,397,000
Takaful / Re-takaful receivables	-	75,274,737	220,334,736	814,101,497	1,109,830,970
Deposits, loans and other receivables	138,584,814	173,314,170	748,841	13,739,346	325,387,171
Taxation - payments less provision	-	881,307,828	12,857,834	7,464,802	901,729,562
Prepayments	20,778,575	-	-	-	20,778,575
Cash and bank	37,702,124	3,777,791,598	72,893,918	143,551,556	4,031,939,196
<b>Total assets</b>	<b>2,203,929,159</b>	<b>40,059,374,548</b>	<b>542,211,816</b>	<b>978,858,301</b>	<b>43,788,071,864</b>
<b>EQUITY AND LIABILITIES</b>					
Shareholders' equity					
Share capital	1,307,124,400	-	-	-	1,307,124,400
Unappropriated profit - net	340,773,532	-	-	-	340,773,532
<b>Total equity</b>	<b>1,647,897,932</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,647,897,932</b>
Deferred tax liability	12,508,208	-	-	-	12,508,208
Wakil / Participant Takaful Fund (PTF)					
Call money	-	-	500,000	-	500,000
Accumulated surplus / (Deficit)	-	848,335,060	85,485,286	(234,743,488)	698,080,858
<b>Total PTFs Equity</b>	<b>-</b>	<b>848,335,060</b>	<b>85,485,286</b>	<b>(234,743,488)</b>	<b>698,080,858</b>
Ordinary Reserve	-	-	-	260,000,000	260,000,000
<b>Total Participants' equity</b>	<b>-</b>	<b>848,335,060</b>	<b>85,485,286</b>	<b>25,256,512</b>	<b>959,080,858</b>
<b>Takaful liabilities</b>					
Retirement benefits obligation	84,767,874	38,732,822,131	340,347,930	600,644,312	39,873,614,908
Contributions received in advance	-	288,713,142	108,288,803	352,348,672	751,488,717
Takaful / re-takaful payable	-	115,732,755	5,313,697	-	117,048,452
Other creditors and accounts	260,255,264	78,871,458	668,000	674,723	340,850,528
Lease liabilities	184,547,201	-	-	-	184,547,201
Taxation - provision less payments	13,238,000	-	-	-	13,238,000
<b>Total liabilities</b>	<b>542,323,066</b>	<b>39,213,038,486</b>	<b>455,716,530</b>	<b>953,635,788</b>	<b>41,164,584,868</b>
<b>Total equity and liabilities</b>	<b>2,206,829,189</b>	<b>40,059,374,648</b>	<b>542,211,816</b>	<b>978,858,301</b>	<b>43,788,071,864</b>

	Available- for-sale	Fair value through profit or loss (Rupees)	Term deposits	Total
<b>MOVEMENT IN INVESTMENTS</b>				
As at January 01, 2023	1,288,311,838	24,470,262,744	100,000,000	25,958,574,582
Additions	992,738,720	55,850,039,836	80,000,000	56,832,778,556
Disposal (sale and redemption)	(917,039,800)	(49,787,984,871)	(100,000,000)	(100,815,024,771)
Fair value net losses	87,849,476	3,409,835,143	-	3,207,884,619
As at January 01, 2024	1,399,467,134	34,132,262,863	80,000,000	35,581,730,000
Additions	1,307,125,384	84,731,591,400	80,000,000	86,088,716,788
Disposal (sale and redemption)	(1,362,983,363)	(82,824,601,082)	(80,000,000)	(183,437,904,455)
Fair value net losses	51,847,065	5,459,668,615	-	5,521,515,680
As at December 31, 2024	1,408,336,773	52,289,612,676	80,000,000	63,754,236,390

#### Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonable change in rates of profit, with all other variables held constant, of the Company's profit before tax and equity based upon average balances and rates:

	Increase / decrease in basis points	Effect on profit before tax (Rupees)	Effect on equity
December 31, 2024	100 (100)	42,826,610 (42,826,610)	30,406,822 (30,406,822)
December 31, 2023	100 (100)	7,679,342 (7,679,342)	5,377,073 (5,377,073)

#### 48. TAKAFUL AND FINANCIAL RISK MANAGEMENT

The Company issues contracts that transfer takaful risk or financial risk or both to the Company. This section summarizes those risks and the way the Company manages them.

##### 48.1 Takaful risk

The PTF issues takaful contracts which are classified in the following segments:

- Individual Family (unit linked)
- Group Family
- Group Health

The Individual Family including (unit linked) segment provides family takaful coverage to individuals under unit based policies issued by the PTF. The takaful contracts under individual family are distributed through Direct Sales Force and Bancassurance.

The Group Family segment provides Family takaful coverage to members of business enterprises and corporate entities under group family takaful schemes issued by the PTF. The takaful contracts under group family are distributed through Direct Sales Force and sales staff employed by the Company.

The Group Health segment provides accident coverage and medical / outpatient health coverage to members of business enterprises and corporate entities under group health schemes issued by the PTF. The takaful contracts under group health are distributed through Direct Sales Force and sales staff employed by the Company.

The Company assesses the takaful risk on the basis of the different factors such as non-medical factors, medical factors, financial assessment, occupation assessment, group size, industry class, average age of the group and free cover limit etc.

The basic risk the Company faces under takaful contracts is that the actual claims and benefit payments or timing thereof, differ from expectations. This is influenced by frequency of claims, severity of claims, actual claim paid and subsequent development of claims. The most significant risks arise from catastrophic events and epidemics.

Underwriting & Re-takaful and claims committees are in place to monitor the core business activities of the Company. This is further supplemented with a clear organisational structure with documented delegated authorities and responsibilities. Management of the Company recognises the critical importance of having efficient and effective risk management systems. The focus is on issuing policies to people having moderate risk of mortality and morbidity and having appropriate economic worth and source of income.

The PTF's risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage and monitoring of risk. This framework includes implementation of underwriting strategies which aim to ensure the careful selection of takaful contracts and the diversification in terms of portfolio, type and amount of the risk. Adequate re-takaful is arranged to mitigate the effect of the losses and re-takaful arrangement for catastrophic events. PTF exposure has also been limited by imposing limits to the maximum sum covered in a single takaful contract in each class of business.

Further, in order to reduce the risk exposure of the PTF, the Company adopts proactive claim handling procedures and strict claims review policies including active management and prompt pursuing of the claims, regular detailed review of claim handling procedures and frequent investigation of possible false claims.

The PTF's class wise risk exposure (for a single life policy) is as follows:

	December 31, 2024		
	Maximum Gross Risk Exposure	Maximum Retakaful Cover	Highest Net Risk Retention
	(Rupees)		
Class			
Individual family	300,000,000	297,000,000	3,000,000
Group family	200,000,000	198,000,000	2,000,000
Group health	2,000,000	-	2,000,000
	502,000,000	495,000,000	7,000,000

	December 31, 2023		
	Maximum Gross Risk Exposure	Maximum Retakaful Cover	Highest Net Risk Retention
	(Rupees)		
Class			
Individual family	300,000,000	297,000,000	3,000,000
Group family	200,000,000	198,000,000	2,000,000
Group health	2,000,000	-	2,000,000
	502,000,000	495,000,000	7,000,000

#### Categories of takaful contracts

- (i) Long term takaful contracts
- (ii) Short term takaful contracts

#### (i) Long term takaful contracts

- (a) Sources of uncertainty in the estimation of future benefit payments and contribution

Uncertainty in the estimation of future benefit payments and contribution receivable for long-term contracts arises from the unpredictability of long-term changes in overall levels of mortality and the variability in contract holder behaviour.

The Company uses appropriate base tables of standard mortality according to the type of contract being written and the territory in which the insured person resides. An investigation into the actual experience of the Company over the last years is carried out and statistical methods are used to adjust the crude mortality rates to produce a best estimate of expected mortality for the future. Where data is sufficient to be statistically credible, the statistics generated by the data are used without reference to an industry table. Where this is not based on standard industry tables adjusted for the Company's overall experience, contracts that leave survival, an adjustment is made for future mortality improvements based on trends identified in the data and in the continuous mortality reflected in this experience. The Company maintains voluntary termination statistics to investigate the deviation of actual termination experience against assumptions. Statistical methods are used to determine appropriate termination rates. An allowance is then made for any trends in the data to arrive at a best estimate of future termination rates.

(b) Process used to decide assumptions

**Mortality and morbidity experience**

Mortality / Morbidity tables are based on the risk rates being charged by the Re-insurer operators regarding individual and group lines of business. These rates vary due to the age, sex, occupation and the nature of industry.

**Persistence rates for long term individual policies**

An investigation into the Company's experience from time to time determines an appropriate persistence rate. Persistence rates vary by product type and policy duration. An allowance is then made for any trends in the data to arrive at a best estimate of future persistence rates that takes into account the Participant's behaviour.

**Expense levels and inflation**

All administrative and management expenses are charged to SHF, therefore, the inflationary risk is borne by the SHF.

**Investment returns**

The periodical account values of these plans depend upon actual investment returns earned on these policies.

No investment guarantees are offered by the Company. Investment risk is borne by the participant.

**Tax**

There is no major impact of taxes on valuation of liabilities, future benefit payments and contributions.

**Change in assumptions**

There has been no change in assumptions for the total contract during the year.

(c) Short term takaful contracts

(a) Frequency and severity of claims

These contracts mostly pay a pre-determined amount on death and disability without any maturity or surrender values. These contracts are issued to individuals and also to employees to ensure their commitments to their employers in terms of other employees' benefit plans.

The risk is affected by several factors e.g. age, occupation, benefit structure and life style. The Company attempts to manage the risk through its underwriting, claims handling and reliable policy.

(b) Sources of uncertainty in the estimation of future claim payments

Other than for the testing of the adequacy of the liability representing the unexpired risk at the end of the reporting period, there is no need to estimate mortality rates for future year because these contracts have short duration. However, for incurred disability income claims, it is necessary to estimate the rate of recovery from disability for future years. Standard recovery tables produced by reinsurers are used as well as the actual experience of the Company. The influence of economic circumstances on the actual recovery rate for individual contracts is the key source of uncertainty for these estimates.



(c) Process used to decide on assumptions

The assumptions used for these contracts are the same as for long term contracts.

Mortality

An appropriate base table of standard mortality is chosen depending on the type of contract. An investigation into Company's experience is conducted from time to time. Where data is sufficient to be statistically credible, the statistics generated by the data are used without reference to an industry table.

Morbidity

The rate of recovery from disability is derived from industry experience studies, adjusted where appropriate for the Company's own experience.

(d) Change in assumptions

The Company did not change its assumptions during the year.

Sensitivities

The claims are sensitive to changes in the key assumptions. Results of sensitivity testing due to the variation in assumptions of mortality and morbidity as determined by appointed actuary on PTF will be as follows:

Class of business	Change in assumption	Impact on PTF balance Rupees	
Individual Family	20 % Increase in mortality level	(301,376,634)	
	20 % decrease in mortality level	351,376,604	
Group Health	20 % Increase in morbidity level	(75,907,192)	
	20 % decrease in morbidity level	75,907,192	
Group Family	20 % decrease in mortality level	(19,927,332)	
	20 % decrease in mortality level	19,927,332	
		December 31, 2024	December 31, 2023
	Note	<u>----- (Rupees) -----</u>	
Aging of outstanding claims			
		1,151,469,146	1,064,997,974
Upto one year		662,448,802	275,995,368
Over one year	22	<u>1,763,906,248</u>	<u>1,370,293,340</u>
Movement of outstanding claim			
		1,370,293,340	1,007,220,753
Opening balance	35	17,773,469,111	10,854,415,360
Total gross claims		<u>(17,438,844,203)</u>	<u>(10,891,347,173)</u>
Claims paid		<u>1,705,608,248</u>	<u>1,370,293,340</u>
Closing balance			

48.2 Re-takaful risk

In order to minimise the financial exposure arising from claims, the Company, in the normal course of business, enters into agreement with other parties for re-takaful purposes. Re-takaful cover does not relieve the PTF from its obligation to Intakul contract holders and as a result the PTF remains liable for the portion of outstanding claims covered under re-takaful to the extent that re-takaful company fails to meet the obligation under the re-takaful agreements.

To minimise its exposure to significant losses from re-takaful insurances, the Company evaluated the financial condition of its re-takaful companies. The Company has obtained re-takaful arrangements with prominent international re-takaful operators having high credit rating.

#### 46.3 Financial risk management

The Board of Directors (the Board) of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Liquidity risk;
- Credit risk;
- Market risk;

##### Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee monitors management's compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Audit Committee is assisted in its oversight role by Internal Audit function. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

#### 46.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected operational requirements. To guard against the risk, the Company maintains balances of cash and cash equivalent and readily marketable securities. The maturity profile of assets and liabilities is also monitored to ensure that adequate liquidity is maintained. The following are contractual maturities of financial liabilities:

	December 31, 2024		December 31, 2023	
	Carrying Amount	Contractual cash flows upto one year	Carrying Amount	Contractual cash flows upto one year
(Rupees)				
Non derivative financial liabilities				
Outstanding claims	1,783,808,248	1,783,808,248	1,370,293,340	1,370,293,340
Takaful / re-insured payables	143,881,016	143,881,016	117,046,472	117,046,472
Agent commission	69,836,384	69,836,384	64,025,384	64,025,384
Creditors, deposits and other liabilities	248,259,082	248,259,082	172,869,515	172,869,515
	<u>2,105,784,730</u>	<u>2,105,784,730</u>	<u>1,724,034,611</u>	<u>1,724,034,611</u>

## 48.5 Maturity profile of financial assets and liabilities:

2024	Profit bearing			Non-profit bearing		
	Maturity upto one year	maturity after one year	Sub total	Maturity upto one year	maturity after one year	Total
(Rupees)						
<b>FINANCIAL ASSETS</b>						
Cash and bank deposits	4,206,630,385	-	4,206,630,385	172,895,727	-	4,379,526,112
Investments	-	1,223,889,000	1,223,889,000	52,839,349,245	-	53,754,234,350
Investment income accrued	84,561,762	-	84,561,762	-	-	84,561,762
Advance against development property	-	-	-	-	321,824,000	321,824,000
Other loans and receivables	-	-	-	169,112,716	46,455,471	202,803,187
December 31, 2024	4,291,191,147	1,223,889,000	5,515,080,147	53,004,387,048	368,279,471	56,780,127,325
<b>2024</b>						
<b>FINANCIAL LIABILITIES</b>						
Outstanding claims	-	-	-	1,793,109,246	-	1,793,109,246
Taxable/revenue payable	-	-	-	143,681,016	-	143,681,016
Agents commission	-	-	-	69,934,994	-	69,934,994
Creditor, payable and other liabilities	-	-	-	248,289,992	-	248,289,992
December 31, 2024	-	-	-	2,195,715,340	-	2,195,715,340

## Maturity profile of financial assets and liabilities.

2023	Profit bearing		Non-profit bearing		Total
	Maturity upto one year	maturity after one year	Maturity upto one year	maturity after one year	
	(Rupees)	(Rupees)			
<b>FINANCIAL ASSETS</b>					
Cash and bank deposits	3,650,619,168	-	3,713,200,030	-	4,031,639,196
Investments	-	1,403,004,592	31,022,102,596	31,022,102,596	25,515,127,656
Investment income accrued	184,130,132	-	1,109,600,970	1,909,930,870	1,909,930,970
Takaful / related receivables	-	-	263,488,467	328,384,877	348,384,877
Other loans and receivables	-	-	-	42,895,430	-
December 31, 2023	3,834,750,258	1,403,004,592	32,105,377,220	42,895,430	41,167,515,763
<b>FINANCIAL LIABILITIES</b>					
Outstanding borrowings	-	-	1,370,293,340	1,370,293,340	1,370,293,340
Takaful / related payable	-	-	117,046,472	117,046,472	117,046,472
Agents commission	-	-	94,024,334	94,024,334	94,024,334
Creditors, accruals and other liabilities	-	-	172,669,515	172,669,515	172,669,515
December 31, 2023	-	-	1,754,034,661	1,754,034,661	1,754,034,661

## 46.5 Profit / yield rate risk

Profit / yield rate risk is the risk of changes in profit / yield rates reducing the overall return on profit bearing assets. This Company is exposed to profit / yield rate risk in respect of bank balances and deposits and available for sale debt instruments. Effective profit / yield rates on such accounts are disclosed in note 20 to these financial statements.

At the reporting date, the rate of profit / yield of the Company's profit-bearing financial instruments were:

Variable rate instruments	Carrying amount		Effective rate of profit / yield	
	December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2023
	(Rupees)	(Rupees)		(%)
Financial assets	40,694,400	50,000,000	17.8 to 21.6	15.5 to 21.0
Term deposits	4,289,639,563	3,680,819,166	8.0 to 21.00	10.0 to 21.00
Savings accounts	1,173,888,033	4,503,607,462	8.37 to 15.95	8.37 to 25.05
Sukuk bonds	-	-	-	-
Financial liabilities	5,432,519,540	8,230,226,858	-	-

## 44.7 Credit risk

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures with counterparties and by continuously assessing the credit worthiness of counterparties and maintaining exposure with counterparties to remain at a reasonable level.

## 44.7.1 Exposure to credit risk

The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to an annual or more frequent review.

Rebakatu is used to manage default risk. This does not, however, discharge the Company's liability as primary default operator. If a rebakatu operator fails to pay a claim for any reason, the Company remains liable for the payment to the participant. The creditworthiness of rebakatu operators is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

Exposures to individual participants and groups of participants are collected within the ongoing monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual participants, or homogeneous groups of participants, a financial analysis equivalent to that conducted for rebakatu operators is carried out by the Company risk department.

The credit quality of the Company's bank balances and term deposit receipts can be assessed with reference to external credit ratings as follows:

	December 31, 2024	December 31, 2023
	(Rupees)	
<b>Rating</b>		
AAA	297,112,839	1,871,121,486
AA+	38,237,286	38,765,086
AA	829,245,947	684,598,609
AA-	1,813,809,594	1,238,101,997
A+	182,349,076	318,694,208
A	1,342,993,833	17,227,002
A-	18,210,839	69,732,078
BBB+	890,343	-
	<b>4,342,882,111</b>	<b>4,026,100,395</b>
<b>Term Deposit Receipts</b>		
AA	<b>50,000,000</b>	<b>50,000,000</b>

\*Rating of Banks performed by PACRA and JCR-VIS.

## 44.7.2 The carrying amount of financial assets represent the maximum credit exposure, as specified below:

	December 31, 2024	December 31, 2023
	(Rupees)	
Cash and bank deposits	4,381,626,712	4,034,939,186
Deposits maturing within 3 months	50,000,000	50,000,000
Long term security deposits	-	-
Contribution due but unpaid	842,186,278	1,109,930,875
Takaful / Reinsurance receivables	-	-
Accrued investment income	-	132,399,000
Advance age not investment property	241,964,433	328,284,877
Loans and other receivables	15,000,000	15,000,000
Investment in unlisted equity securities	5,830,468,424	5,886,634,049

		December 31, 2024	December 31, 2023
	Notes	(Rupees)	
Financial assets			
Secured		4,219,822,285	4,389,195,722
Unsecured		1,311,144,218	1,341,471,878
		<u>5,530,966,424</u>	<u>5,730,667,610</u>
Not past due		4,544,750,862	4,630,897,810
Past due but not impaired	40.7.2.1	<u>985,885,682</u>	<u>1,034,869,233</u>
		<u>5,530,636,424</u>	<u>5,665,654,043</u>

40.7.2.1 The age analysis of financial assets are as follows:

	December 31, 2024		December 31, 2023	
	Carrying value	Impairment	Carrying value	Impairment
	(Rupees)			
Not past due	4,544,750,862	-	4,630,897,810	-
Past due but not impaired				
Upto 1 year	985,885,682	-	1,034,869,233	-
1-2 year	-	-	-	-
Over 1 year	-	-	-	-
Total	<u>5,530,636,424</u>	<u>-</u>	<u>5,665,654,043</u>	<u>-</u>

These amounts are receivable from corporate customers having good credit standing in the market and are doing regular business with the Company, therefore the management believes that these amounts will be fully recoverable.

40.7.3 The table below analyzes the concentration of credit risk by industrial distribution in respect of:

	December 31, 2024	December 31, 2023
	%	
Banks	13	9
Manufacturing	96	20
Other Financial Institutions	3	2
Pharmaceuticals	3	1
Services	37	44
Trade	5	2
Trading	4	5
Foreign Embassy	20	17
	<u>100</u>	<u>100</u>

40.7.4 Amount due from re-insurer in respect of re-insurer recoveries against outstanding claims

The Company enters into a re-insurer arrangements with re-insurer having sound credit ratings accorded by reputed credit rating agencies. The Company is required to comply with the requirements of circular 327509 dated October 27, 2009 issued by SECP which requires a takaful company to place atleast 80% of their outward treaty cession with re-insurer rated 'A' or above by Standard and Poor's with the balance being placed with entities rated atleast 'BBB' by reputed credit agency. During the year, the Company placed 100% of their outward treaty cession with re-insurer having rating of 'A' or above.

An analysis of all relevant assets by the rating of the re-takaful entity is as follows:

Rating	Credit rating agency	December 31, 2024	December 31, 2023
		(Rupees)	
A or above	Standard and poor	417,813,185	449,818,541

#### 46.8 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company manages its exposure to such risks by maintaining a diversified portfolio comprising of sukuk, Islamic mutual funds and listed securities.

A decline in markets or an increase in market volatility may also adversely affect sales of our unit linked products. Company recognizes that market risk is part of the businesses and certain level of market risk is acceptable in order to deliver benefits to both participants and shareholders.

#### 46.9 Foreign exchange risk

Currency risk is the risk that the value of a financial asset or liability will fluctuate due to changes in foreign currency rates. Foreign exchange risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As the Company had no material assets or liabilities in foreign currencies at the year end, the Company is not materially exposed to foreign exchange risk.

#### 46.10 Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company manages its exposure to such risks by maintaining a diversified portfolio comprising of sukuk and Islamic mutual funds.

#### 46.11 Capital management

Capital requirements applicable to the Company are set and regulated by the SECP. These requirements have been put in place to ensure sufficient solvency margin. The Company manages its capital requirements by assessing its capital structure against the required capital level on a regular basis. Currently the Company has a paid up capital of Rs. 1,397.124 million against the minimum required paid-up capital of Rs. 700 million set by the SECP for Insurance companies / Takaful operators for the year ended December 31, 2024.

#### 46.12 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the process, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its objective of generating returns for shareholders.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities.
- requirements for the reconciliation and monitoring of transactions.



- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including takaful where this is effective.

Management ensures that the Company's staff have adequate training and experience and fosters effective communication related to operational risk management.

#### 47. FAIR VALUE MEASUREMENT

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred. There are no such transfers during the year.

Fair value is defined as the price that would be received upon selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair values of all the financial instruments are estimated to be not significantly different from their carrying values.

##### Fair value hierarchy

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurement:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
  - Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
  - Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).
- (a) Financial instruments in level 1
- Financial instruments included in level 1 comprise of investments in listed ordinary shares, Government and other securities and units of mutual funds.
- (b) Financial instruments in level 2
- Currently, no financial instruments are classified in level 2.
- (c) Financial instruments in level 3
- Currently, no financial instruments are classified in level 3.



Description	Carrying amount					Fair value		
	Amount for date	Fair value through profit or loss	Current value	Other financial liabilities	Total	Level 1	Level 2	Total
<b>December 31, 2023</b>								
<b>Receivable assets - measured at fair value</b>								
Investments	44,342,973	7,030,824,244	-	-	7,075,167,217	-	-	7,075,167,217
Equity securities	454,115,000	3,589,740,013	-	-	4,043,855,013	-	-	4,043,855,013
Government securities - Sukuk Certificates	-	89,437,489	-	-	89,437,489	-	-	89,437,489
Debt securities - Sukuk Certificates	624,351,914	21,254,753,804	-	-	21,879,105,718	-	-	21,879,105,718
Market funds	1,403,942,761	34,663,415,725	-	-	36,067,358,486	-	-	36,067,358,486
<b>Intangible assets - not measured at fair value</b>								
Cash and cash equivalents	-	-	6,871,299	-	6,871,299	-	-	6,871,299
Quoted and other receivables	-	-	4,825,140,236	-	4,825,140,236	-	-	4,825,140,236
Deposits maturing within 12 months	-	-	50,000,000	-	50,000,000	-	-	50,000,000
Investment Income receivable	-	-	144,143,142	-	144,143,142	-	-	144,143,142
Taxable / non-taxable receivables	-	-	1,483,594,976	-	1,483,594,976	-	-	1,483,594,976
Advances against immovable property	-	-	632,594,096	-	632,594,096	-	-	632,594,096
Other loans and receivables	-	-	328,344,877	-	328,344,877	-	-	328,344,877
Equity securities - Unquoted	15,476,446	-	-	-	15,476,446	-	-	15,476,446
<b>Receivable liabilities - measured at fair value</b>								
Staff retirement benefits	16,803,900	-	1,752,437,219	-	1,769,241,119	-	-	1,769,241,119
<b>Receivable liabilities - not measured at fair value</b>								
Ordinary shares	-	-	-	1,374,243,340	1,374,243,340	-	-	1,374,243,340
Convertible preferred in relation to	-	-	-	751,483,177	751,483,177	-	-	751,483,177
Taxable / non-taxable liability	-	-	-	117,044,472	117,044,472	-	-	117,044,472
Agent commission	-	-	-	84,025,334	84,025,334	-	-	84,025,334
Debt securities and other liabilities	-	-	-	112,044,315	112,044,315	-	-	112,044,315
<b>Liabilities</b>								
	-	-	-	2,475,823,378	2,475,823,378	-	-	2,475,823,378

The Company has not disclosed the fair value of liabilities because they are a non-recurring approximation of fair value.

#### 40. NUMBER OF EMPLOYEES

The average number of employees during the year ended December 31, 2024 was 638 (2023: 747) and number of employees as at December 31, 2023 was 641 (2022: 740).

#### 41. CONTINGENT LIABILITIES

Contingent liability has been recognized or reclassified where necessary for better presentation and disclosure. There is no material contingent liability as at year end.

#### 42. OTHERS

Summary of year end, the Board of Directors in its meeting has recommended ..... (2023: 641) (2022: 740) (2021: 740) (2020: 740) (2019: 740) (2018: 740) (2017: 740) (2016: 740) (2015: 740) (2014: 740) (2013: 740) (2012: 740) (2011: 740) (2010: 740) (2009: 740) (2008: 740) (2007: 740) (2006: 740) (2005: 740) (2004: 740) (2003: 740) (2002: 740) (2001: 740) (2000: 740) (1999: 740) (1998: 740) (1997: 740) (1996: 740) (1995: 740) (1994: 740) (1993: 740) (1992: 740) (1991: 740) (1990: 740) (1989: 740) (1988: 740) (1987: 740) (1986: 740) (1985: 740) (1984: 740) (1983: 740) (1982: 740) (1981: 740) (1980: 740) (1979: 740) (1978: 740) (1977: 740) (1976: 740) (1975: 740) (1974: 740) (1973: 740) (1972: 740) (1971: 740) (1970: 740) (1969: 740) (1968: 740) (1967: 740) (1966: 740) (1965: 740) (1964: 740) (1963: 740) (1962: 740) (1961: 740) (1960: 740) (1959: 740) (1958: 740) (1957: 740) (1956: 740) (1955: 740) (1954: 740) (1953: 740) (1952: 740) (1951: 740) (1950: 740) (1949: 740) (1948: 740) (1947: 740) (1946: 740) (1945: 740) (1944: 740) (1943: 740) (1942: 740) (1941: 740) 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50.2 A new format of financial statement has been prescribed where revenue account, statement of contribution, statement of claims, statement of expenses and statement of investment income have been done away with. Statement of financial position has been consolidated, previously presenting each class of business separately.

51. DATE OF AUTHORISATION FOR ISSUE

09 APR 2025

These financial statements were authorised for issue on \_\_\_\_\_ by the Board of Directors of the Company.



Chief Executive Officer



Director



Director



Chairman

6.5. LATEST MANAGEMENT ACCOUNTS AS AT 30<sup>th</sup> SEPTEMBER 2025
**PAK-QATAR FAMILY TAKAFUL LIMITED**  
**Condensed Interim Statement of Financial Position**  
**As at September 30, 2025**

		September 30, 2025 - Un-audited		Aggregate	
		Shareholders' Fund	Participants' Fund	September 30, 2025 Un-audited	December 31, 2024 Audited
Note		(Rupees)			
<b>ASSETS</b>					
Property and equipment		564,130,234	-	564,130,234	433,948,479
Intangible assets		74,301,300	-	74,301,300	76,974,407
Investment property		-	1,240,000,000	1,240,000,000	1,200,000,000
		638,431,534	1,240,000,000	1,878,431,534	1,710,922,886
<b>Investments</b>					
Equity securities	8	15,000,000	-	15,000,000	39,764,835
Government securities	9	1,102,993,801	447,771,970	1,550,764,971	1,173,889,055
Term deposits	11	-	-	-	50,000,000
Mutual funds	12	643,660,731	57,280,113,406	57,923,774,137	62,400,584,410
		1,761,653,732	57,727,885,376	59,489,539,108	53,754,238,300
Advance against investment property		3,775,800	318,149,000	321,924,000	321,924,000
Takaful / Re-takaful receivables		-	745,057,966	745,057,966	842,186,279
Deposits, loans and other receivables		237,608,877	86,171,917	323,779,995	241,364,433
Taxation - payments less provision		-	947,632,800	947,632,800	941,516,559
Prepayments		102,678,287	134,300	102,212,587	27,746,980
Cash and bank	13	171,842,406	2,813,685,458	2,985,527,864	4,381,525,712
<b>Total Assets</b>		<b>2,914,789,937</b>	<b>63,678,716,897</b>	<b>66,793,605,938</b>	<b>62,221,117,149</b>
<b>EQUITY and LIABILITIES</b>					
Share capital		1,007,124,400	-	1,007,124,400	1,307,124,400
Unappropriated profit - net		771,707,473	-	771,707,473	802,458,986
<b>Shareholders' Equity</b>		<b>2,678,831,873</b>	<b>-</b>	<b>2,678,831,873</b>	<b>2,109,583,386</b>
Qard-e-Hasna		(260,000,000)	-	(260,000,000)	(260,000,000)
<b>Total Equity</b>		<b>2,318,831,873</b>	<b>-</b>	<b>2,318,831,873</b>	<b>1,849,583,386</b>
<b>Waqf / Participant Takaful Fund (PTF)</b>					
Cash money		-	5,500,000	5,500,000	500,000
Accumulated surplus		-	766,320,854	766,320,854	706,320,945
<b>Total PTFs Equity</b>		<b>-</b>	<b>771,820,854</b>	<b>771,820,854</b>	<b>706,320,945</b>
Qard-e-Hasna		-	260,000,000	260,000,000	260,000,000
<b>Total Participants' Takaful Fund</b>		<b>-</b>	<b>1,031,820,854</b>	<b>1,031,820,854</b>	<b>966,320,945</b>
<b>Liabilities</b>					
Deferred tax		5,549,740	-	5,549,740	7,323,121
Takaful liabilities	14	-	61,854,552,987	61,854,552,987	58,104,031,781
Contributions received in advance		-	761,401,285	761,401,285	507,886,830
Takaful / Re-takaful payable		-	154,797,988	154,797,988	143,581,016
Other creditors and accruals		624,106,676	76,143,784	600,250,369	564,407,199
Lease liabilities		-	-	-	-
Tax provision - payment less provision		66,300,850	-	66,300,850	76,782,001
<b>Total Liabilities</b>		<b>595,957,165</b>	<b>62,846,896,863</b>	<b>63,442,853,209</b>	<b>59,404,612,837</b>
<b>Total Equity and Liabilities</b>		<b>2,914,789,937</b>	<b>63,678,716,897</b>	<b>66,793,605,938</b>	<b>62,221,117,149</b>

Contingencies and commitments 30

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.

## PAK-QATAR FAMILY TAKAFUL LIMITED

## Condensed Interim Statement of Profit &amp; Loss Account - Participants' Fund (Un-audited)

For the Nine Months and Quarter ended September 30, 2025

		Nine Months Ended		Quarter Ended	
		September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Note		(Rupees)			
<b>Participants' fund</b>					
Gross contributions revenue	15	19,767,040,101	19,206,341,715	6,630,977,494	7,738,809,655
Wakala fee	16	(818,973,028)	(944,139,127)	(315,636,056)	(325,103,529)
		18,948,067,073	18,262,202,588	6,315,341,438	7,413,706,126
Re-takaful contribution ceded		(255,388,205)	(379,691,095)	(81,849,410)	(100,383,623)
<b>Net contribution revenue</b>		18,692,678,868	17,882,511,494	6,233,492,028	7,223,322,503
Investment income	17	73,227,872	412,261,285	34,091,611	144,721,243
Net realized fair value gains on investments	18	1,103,631,766	2,444,960,369	323,380,092	(407,210,834)
Net fair value gains / (losses) on investments	19	4,665,937,194	2,435,013,040	2,969,726,628	1,617,209,952
Unrealized gain on revaluation of investment property		40,000,000	-	-	-
Surplus income		25,897,636	-	-	-
		5,808,694,268	5,292,254,700	3,326,198,332	1,354,720,361
<b>Net income</b>		24,501,373,136	23,174,766,194	9,559,690,360	8,578,042,864
Takaful benefits	23	(19,603,668,256)	(12,160,099,291)	(6,602,129,701)	(4,679,285,263)
Recoveries from re-takaful	23	197,301,799	208,293,695	64,362,879	58,589,749
Takaful operator fee	24	(963,048,487)	(657,384,526)	(294,608,593)	(233,300,844)
Surplus distribution		(37,361,883)	(47,838,068)	(10,834,361)	(17,292,830)
Other expenses		(16,777,314)	(61,299,845)	(5,840,153)	(50,092,467)
<b>Net takaful benefits</b>		(20,423,455,141)	(12,718,328,833)	(6,746,069,839)	(4,921,381,676)
Net change in takaful liabilities (Other than outstanding claims)		(4,017,618,086)	(10,372,647,579)	(2,805,554,284)	(3,643,457,172)
<b>Surplus reserve for the period [ Participant Takaful Fund (PTF) ]</b>		60,299,909	83,769,782	9,076,237	13,194,016

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.



**PAK-QATAR FAMILY TAKAFUL LIMITED****Condensed Interim Profit & Loss Account and Other Comprehensive Income - Shareholders' Fund (Un-audited)**

For the Nine Months and Quarter ended September 30, 2025

		Nine Months Ended		Quarter Ended	
		September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
		(Rupees)			
Shareholders' fund	Note				
Wakala fee	16	818,973,028	944,139,127	315,636,056	325,103,529
Commission expense	25.1	(274,958,951)	(440,633,527)	(85,414,824)	(156,762,791)
		544,014,077	503,505,600	230,221,232	168,340,738
Takaful operator fee	24	963,949,487	657,384,526	294,606,693	233,300,844
Investment income	20	98,470,183	196,465,549	45,915,143	58,342,470
Net realized fair value gains on investments	21	47,736,581	38,591,407	24,507,038	29,315,231
Other income	22	9,548,762	11,244,549	6,069,738	5,155,053
		1,119,904,993	903,686,031	371,040,505	326,113,638
Net income		1,662,919,070	1,407,191,631	601,261,737	494,434,376
Acquisition expenses	25.2	(722,708,404)	(569,605,020)	(258,297,995)	(217,309,869)
Marketing and administration expenses	26	(822,120,175)	(863,144,040)	(297,420,408)	(229,099,073)
Other expenses	27	(7,874,796)	(9,211,071)	(3,256,427)	(1,695,637)
Total expenses		(1,552,703,296)	(1,261,960,132)	(558,974,822)	(448,004,379)
Profit before tax		110,215,784	145,231,499	42,286,915	46,449,508
Taxation	28	(21,138,016)	(23,939,302)	(5,625,968)	(9,962,168)
Profit after tax		89,077,768	121,292,197	36,660,946	36,487,339
Other comprehensive income					
Items that may be recognized to profit and loss account in subsequent periods					
Change in unrealized gains on available for sale investments		14,765,038	5,782,230	11,677,575	8,980,188
Tax effect		(4,281,863)	(1,675,847)	(3,386,497)	(2,694,254)
Change in unrealized (losses) / gains - net of tax		10,483,175	4,106,383	8,291,078	6,285,933
Total other comprehensive income		10,483,175	4,106,383	8,291,078	6,285,933
Total comprehensive income for the period (Share holder fund-SHF)		99,560,943	125,397,580	44,952,024	43,573,763
Earnings per share (Diluted)		9.65	9.67	9.18	9.20

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.



**Pak-Qatar Family Takaful Limited**  
**Condensed Interim Statement of Changes in Equity**  
**For the Nine Months and Quarter ended September 30, 2025**

	Attributable to Participants of the Company			
	Cash Money	Accumulated surplus / (deficit)	Goodwill-Held	Total
	(Rupees)			
Balance at January 01, 2024 (Audited)	500,000	697,580,853	290,000,000	968,080,853
Accumulated surplus for nine months ended September 30, 2024	-	83,789,762	-	83,789,762
Balance as at September 30, 2024 (Un-audited)	500,000	781,370,615	290,000,000	1,041,870,615
Balance at January 01, 2025 (Audited)	500,000	708,020,948	290,000,000	968,020,948
Accumulated surplus for nine months ended September 30, 2025	-	68,299,909	-	68,299,909
Cash Money	5,800,000	-	-	5,800,000
Balance as at September 30, 2025 (Un-audited)	5,800,000	766,320,854	290,000,000	1,021,820,854

	Attributable to Shareholders of the Company					
	Net Unappropriated profit / (Accumulated loss)					
	Share Capital	Unappropriated Accumulated Profit(Loss)	Surplus / (Deficit) on revaluation of available for sale investments	Capital Contribution to Statutory Funds	Net Unappropriated Accumulated Profit(Loss)	Total
	(Rupees)					
Balance at January 01, 2024 (Audited)	1,307,124,400	626,592,387	21,818,895	(268,000,000)	696,773,532	1,563,897,832
Total comprehensive income for nine months ended September 30, 2024						
Profit for the nine months ended September 30, 2024	-	121,292,197	-	-	121,292,197	121,292,197
Other comprehensive income for the period	-	-	4,105,383	-	4,105,383	4,105,383
Total comprehensive income for the period	-	121,292,197	4,105,383	-	125,397,580	125,397,580
Transaction with the owners						
Dividend for the year ended December 31, 2023 @ Rs. 0.5 per share i.e. 5%	-	(95,398,220)	-	-	(95,398,220)	(95,398,220)
	-	(95,398,220)	-	-	(95,398,220)	(95,398,220)
Balance at September 30, 2024 (Un-audited)	1,307,124,400	694,526,364	(17,713,472)	(268,000,000)	696,814,892	1,712,008,292
Balance at January 01, 2025 (Audited)	1,387,124,400	823,619,472	(30,796,993)	(268,000,000)	892,898,899	1,848,883,316
Comprehensive income for nine months ended September 30, 2025						
Profit for the nine months ended September 30, 2025	-	89,077,798	-	-	89,077,798	89,077,798
Other comprehensive income for the period	-	-	10,483,179	-	10,483,179	10,483,179
	-	89,077,798	10,483,179	-	99,560,943	99,560,943
Transactions with the owners						
Dividend for the year ended 31 December 2024 @ Rs.1 per share i.e. 10%	-	(130,712,437)	-	-	(130,712,437)	(130,712,437)
Right share issue	500,000,000	-	-	-	-	500,000,000
	500,000,000	(130,712,437)	-	-	(130,712,437)	369,287,563
Balance as at September 30, 2025 (Un-audited)	1,887,124,400	791,984,833	(20,277,330)	(268,000,000)	771,797,473	2,218,831,873

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.

**PAK-QATAR FAMILY TAKAFUL LIMITED**  
Condensed Interim Cash Flow Statement (Un-audited)  
For the Nine Months and Quarter ended September 30, 2025

			Aggregate		
	Note	Shareholders' Fund	Participants' Fund	September 30, 2025	September 30, 2024
				(Rupees)	
<b>Operating Cash flows</b>					
<b>(a) Takaful activities</b>					
Contributions received		-	18,946,878,288	18,946,878,288	18,888,588,717
Rebates/ payment - net		-	(103,884,324)	(103,884,324)	(118,852,873)
Claims / benefits paid		-	(19,991,688,639)	(19,991,688,639)	(20,013,353,294)
Commission paid		(311,874,799)	-	(311,874,799)	(304,917,363)
Wakala fees / Modarib received		1,745,864,667	-	1,745,864,667	1,735,755,838
Wakala fees / Modarib paid		-	(1,748,094,987)	(1,748,094,987)	(1,738,755,838)
<b>Net cash flow from takaful activities</b>		<b>1,433,179,766</b>	<b>(2,794,063,832)</b>	<b>(1,360,884,063)</b>	<b>(1,719,534,914)</b>
<b>(b) Other operating activities</b>					
Income tax paid		(36,175,288)	(6,116,321)	(44,291,609)	(54,883,425)
Management and other expenses paid		(1,422,886,338)	-	(1,422,886,338)	(1,888,475,041)
Other operating (payments)/receipts		(88,472,747)	(749,164,709)	(837,637,455)	(942,325,856)
Advances and deposits		(513,660)	-	(513,660)	(1,305,000)
Surplus distributed		-	(37,361,863)	(37,361,863)	(47,836,888)
<b>Net cash flow from other operating activities</b>		<b>(1,858,246,793)</b>	<b>(792,642,813)</b>	<b>(2,650,889,606)</b>	<b>(2,745,256,388)</b>
<b>Total cash flow from all operating activities</b>		<b>(117,867,022)</b>	<b>(5,586,766,744)</b>	<b>(3,703,773,766)</b>	<b>(4,464,743,701)</b>
<b>(c) Investment activities</b>					
Profit / return received		58,288,750	52,852,591	151,141,341	579,542,063
Payment for investments		(683,307,888)	(8,707,211,516)	(9,390,519,404)	(5,633,988,392)
Proceeds from disposal of investments		178,424,417	10,814,540,131	10,992,964,548	8,559,285,919
Dividend received		-	128,663,100	128,663,100	86,321,475
Fixed capital expenditure		(24,115,660)	-	(24,115,660)	(49,557,210)
Proceeds from disposal of operating assets		354,350	-	354,350	255,147
<b>Total cash flow from investing activities</b>		<b>(406,358,951)</b>	<b>2,288,944,307</b>	<b>1,882,585,355</b>	<b>3,543,578,002</b>
<b>(d) Financing activities</b>					
Proceeds from issue of Right shares		500,000,000	-	500,000,000	-
Dividend paid		(138,712,437)	-	(138,712,437)	(85,356,234)
<b>Total cash flow from financing activities</b>		<b>361,287,563</b>	<b>-</b>	<b>361,287,563</b>	<b>(85,356,234)</b>
<b>Net cash flow from all activities</b>		<b>(146,136,410)</b>	<b>(1,297,862,436)</b>	<b>(1,443,997,846)</b>	<b>(968,521,334)</b>
Cash and cash equivalents at beginning of period		318,977,817	4,111,547,895	4,431,625,712	4,081,339,196
<b>Cash and cash equivalents at end of period</b>	13	<b>172,841,406</b>	<b>2,813,685,459</b>	<b>2,987,627,866</b>	<b>3,092,817,862</b>

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.

**Reconciliation to profit and loss account**

Cash flow from operating activities	(117,867,022)	(5,586,766,744)	(3,703,773,766)	(4,464,743,701)
Surplus of participants' funds for the period (Before distribution and changes in reserves)				
Exchange gain	-	-	-	-
Depreciation expense	(48,784,322)	-	(48,784,322)	(39,979,688)
Amortisation expense	(9,561,443)	-	(9,561,443)	(8,136,113)
Actuarial (gain) / loss - retirement benefits obligation	-	-	-	-
Tax paid	36,175,288	6,116,321	44,291,609	54,883,425
(Loss) / Gain on disposal of operating assets	-	-	-	-
Return on investments	146,206,744	73,227,872	219,434,616	847,338,241
Long term deposits	513,660	-	513,660	1,305,000
Increase / (decrease) in receivables and other assets	(88,472,747)	(749,164,709)	(837,637,456)	(942,325,856)
(Increase) / decrease in liabilities	123,666,522	(5,430,668,588)	(5,306,999,066)	(10,404,741,964)
Fair value gain / (loss) on investments	-	1,103,631,766	1,103,631,766	2,444,980,389
Net realised fair value gain on investments	47,736,881	4,665,937,194	4,613,673,775	2,473,904,453
Other income	9,648,762	-	9,648,762	11,240,833
Income tax expense	(18,978,016)	-	(18,978,016)	(23,938,302)
<b>Profit / Deficit for the period (after Tax / Reserves)</b>	<b>88,877,766</b>	<b>(4,817,818,868)</b>	<b>(3,828,940,318)</b>	<b>(10,251,355,381)</b>

**PAK-QATAR FAMILY TAKAFUL LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025**

**1. CORPORATE INFORMATION**

Pak Qatar Family Takaful Limited (the Company) was incorporated in Pakistan as an unquoted public company limited by shares on March 15, 2006 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The Company received certificate of registration on August 16, 2007 under Section 6 of the Insurance Ordinance, 2000. The principal business activity of the Company is to undertake family takaful business in accordance with the Insurance Ordinance 2000, Securities and Exchange Commission, Repealed Insurance Rules, 2002 (now Insurance Rules, 2017) and Takaful Rules, 2012. The registered office of the Company is situated at suite # 101-106, Business Arcade, Block 6, P.E.C.H.S, Karachi. The major shareholder is Pak Qatar Investment (Private) Limited who holds 44.40 percent holding.

To carry out the family takaful business, the Company has established the Takaful Business Statutory Fund as per Rule 8 of the Repealed Takaful Rules, 2005 (now Takaful Rules, 2012) and Section 15 of the Insurance Ordinance, 2000. The Takaful Business Statutory Fund has the following components in accordance with the Waqf-Wakala Model adopted by the Company.

i) Participant Takaful Fund (PTF i.e. PQFTL Waqf): The Company formed a Waqf on August 17, 2007 under a trust deed executed by the Company with a cash amount of Rs. 500,000. In January 2025 an amount of Rs. 5,000,000 was ceded from the Shareholders' Fund to further strengthened the Waqf pool. Waqf deed also governs the relationship of the shareholders and policyholders for the management of the takaful operations, investment of participants' funds approved by the Shariah Board established by the Company and to manage the risk related contributions and payment of Takaful benefits. The Waqf supports the following:

- a) Individual Family;
- b) Group Family; and
- c) Group Health.

ii) Participant Investment Fund (PIF): Investment component of the participants contributions are managed in PIF which represents the aggregate of the individual Participant's Investment Accounts (PIA).

As per Section 21 of the Insurance Ordinance, 2000, capital contribution to a statutory fund is distributable back to the shareholders' fund subject to the written advice of the appointed actuary.

**2. BASIS OF PREPARATION**

These financial statements have been prepared in line with the format issued by the Securities and Exchange Commission of Pakistan (SECP) through Insurance Rules, 2017 (the Rules) vide SRO 89(I)/2017 and Insurance Accounting Regulations, 2017 (the Regulations) vide SRO 89(I)/2017 dated 09 February 2017, with appropriate modifications based on the advice of Shariah Advisor of the Company. In this regard, the Company has sought approval from the SECP vide email dated 29 April, 2019.

The Company maintains statutory / participants' funds in respect of each class of family takaful business. Assets, liabilities, revenues and expenses referable to respective funds have been recorded accordingly.

Apportionment of assets, liabilities, revenues and expenses, where required, between funds are made on a fair and equitable basis in accordance with the written advice of the appointed actuary.

These financial statements have been presented in Pakistani rupees, which is the functional currency of the Company.

These financial statements reflect the financial position and results of operations of both shareholders' Fund and participants' funds in a manner that the assets, liabilities, income and expenses remain separately identifiable.

**3. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

- Provision of and directives issued under the Act and Insurance Ordinance, 2000, Insurance Rules, 2017, Takaful Rules, 2012 and Insurance Accounting Regulations, 2017.

In case requirements differ, the provision or directives of the act, the Insurance Ordinance, 2000, Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 shall prevail.

To clarify the applicability of Insurance Accounting Regulations, 2017 on Takaful business, the Company has applied through letter number SEC/19-06/20 dated August 09, 2019 which was responded by Securities and Exchange Commission of Pakistan (SECP) vide letter ID/OSIA/PQFTL/2019/1507 dated August 20, 2019 that directed the company to apply Insurance Accounting Regulation 2017 format to maximum extent possible.

#### 4. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except as disclosed in accounting policies relating to investments, investment property, lease liabilities, retirement benefits obligation and insurance liabilities. These financial statements have been presented in Pakistani rupees, which is the functional currency of the Company.

#### 5. ACCOUNTING STANDARDS INTERPRETATIONS AND AMENDMENTS

##### 5.1. Amendments and improvements that are effective during the period

The following amendments and improvements are effective for the accounting periods beginning on or after January 01, 2025. These amendments and improvements are either not relevant to the Operator's operations or are not expected to have significant impact on these condensed interim financial statements.

	Effective Date
IAS 21 - The effects of changes in foreign exchange rates (amendments)	January 01, 2025
IAS 1 - Non-current liabilities with covenants	January 01, 2025

##### 5.2. New accounting standards, amendments and IFRS interpretations that are not yet effective and have not been early adopted by the Company

The following accounting and reporting standards as applicable in Pakistan and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2025:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.
- Annual improvements to IFRS Accounting Standards – Amendments to:
  - IFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing IFRS 7; and
  - IAS 7 Statement of Cash flows.
- Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1336 (I)/2025 dated July 23, 2025 IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance/takaful and re-insurance/re-takaful business from financial years commencing on or after 01 January 2027.

IFRS 17, replaces IFRS 4 Insurance Contracts. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standard requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition/ derecognition of IFRS-17. Companies subject to the requirement of SRO will also be required to adopt requirements of IFRS-9 from the date of transition. On initial application of IFRS 17, comparative information for insurance contracts is restated in accordance with IFRS 17, whereas comparative information for related financial assets might not be restated in accordance with IFRS 9 if the insurer is initially applying IFRS 9 at the same date as IFRS 17.

SECP through the above referred SRO has also directed that the applicability period of optional temporary exemption from applying IFRS 9- Financial Instrument as given in para 20A of IFRS 4- Insurance Contracts is extended for annual periods beginning before January 1, 2027, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

The management is in the process of assessing the impacts of above amendments on the condensed interim financial statements of the Company.

#### 6. MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies and method of computation adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of annual financial statements of the company for the year ended 31 December 2024.

#### 7. ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The estimates / judgments and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



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		September 30, 2024 (Un-audited)			December 31, 2024 (Audited)			
12.	INVESTMENTS IN MUTUAL FUNDS	Note	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
			(Rupees)					
Shareholders' Fund								
Available-for-sale Mutual Funds			621,894,788	-	621,894,721	536,853,643	-	536,853,627
Participants' Fund								
Fair value through profit or loss Mutual Funds			52,728,974,112	-	52,728,973,406	21,527,319,579	-	21,527,319,583
			<u>53,350,868,871</u>	<u>-</u>	<u>53,350,776,537</u>	<u>558,381,222</u>	<u>-</u>	<u>558,381,110</u>
			September 30, 2025 (Un-audited)	December 31, 2024 (Audited)		September 30, 2025 (Un-audited)	December 31, 2024 (Audited)	
12.1	Mutual Funds - Available-for-sale (SHF)		Number of units / shares		Face value (Rupees)		Carrying amount (Rupees)	
HBL Islamic Asset Allocation Fund Plan I				104	100	-		354,611
Investment in related parties								
Pak Qatar Cash Plan			300,398	302,293	100	344,698,369		32,899,575
Pak Qatar Islamic Asset Allocation Fund (Pak Qatar Stable Return Plan)			-	1,729		-		1,729,604
Pak Qatar Income Plan			2,982,710	2,626,362		236,483,179		260,658,360
Pak Qatar Islamic Pension Fund-Gold Sub-Fund			100,000	100,000		15,616,832		14,335,142
Pak Qatar Islamic Pension Fund-Equity Sub-Fund			100,000	100,000		31,189,389		23,207,368
Pak Qatar Islamic Pension Fund-Money Market Sub-Fund			100,000	100,000		15,494,129		14,807,880
						<u>643,688,134</u>		<u>329,679,627</u>
12.2	Mutual Funds - Fair Value Through Profit or Loss (Participants' Fund)							
HBL Islamic Asset Allocation Fund			66,196,696	66,435,370	10.07	668,329,112		946,447,538
AKD Islamic Income Fund			2,768,806	2,405,818	32.88	148,298,287		134,867,638
Al Ameen Islamic Aggressive Income Plan I			-	3,551,557	100	-		426,583,725
Alfalah CMF Islamic Value Fund			6,350,404	6,279,295	132.57	837,143,467		1,012,271,340
Faysal Islamic Asset Allocation Fund			6,513,804	7,441,499	92.48	669,911,624		747,572,612
HBL Islamic Asset Allocation Fund Plan I			-	2,779,766	100	-		367,629,966
Investment in related parties								
Pak Qatar Asset Allocation Plan I (PGAAP IA)			66,890,723	106,429,323	122.56	11,019,573,537		11,684,285,446
Pak Qatar Asset Allocation Plan II (PGAAP IB)			550,663,265	136,272,840	120.06	22,638,879,883		16,057,168,076
Pak Qatar Asset Allocation Plan III (PGAAP IIA)			87,126,267	66,722,194	176.56	9,481,556,649		8,886,062,773
Pak Qatar Asset Allocation Plan IV (PGAAP IIB)			2,468,211	1,679,717	114.56	197,188,821		182,366,762
Pak Qatar Cash Plan			51,675,394	16,991,837	115.87	4,718,977,663		1,658,302,661
Pak Qatar Daily Dividend Plan			1,461,666	8,487,897	100	738,493,773		546,139,656
Pak Qatar Income Plan			70,740,171	66,712,370	119.77	4,521,383,354		2,407,914,724
Pak Qatar Islamic Stock Fund			4,490,990	4,491,937	272.52	1,223,943,768		678,282,340
Pak Qatar Khaila Doha Plan			2,864,238	2,971,782	117.21	173,147,384		827,728,817
Pak Qatar Monthly Income Plan			4,621,919	4,492,755	100.15	687,636,663		455,129,459
						<u>57,299,119,466</u>		<u>52,116,908,563</u>

	September 30, 2025 (Un-audited)		Aggregate	
	Shareholders' fund	Participants' funds	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
----- (Rupees) -----				
<b>13 CASH AND BANK</b>				
<b>Cash and cash equivalent</b>				
Cash in hand	6,196,866	-	6,196,866	775,067
Stamps in hand	8,878,801	-	8,878,801	9,581,932
<b>Cash at bank</b>				
Current accounts	3,726,501	169,209,828	172,936,329	162,538,128
Saving accounts	153,040,238	2,644,475,630	2,797,515,668	4,208,630,585
	<u>171,842,406</u>	<u>2,813,685,458</u>	<u>2,985,527,664</u>	<u>4,381,525,712</u>

13.1 Saving accounts carry profit rates of 8% to 10.8% (2024: 12% to 18%) per annum.

	Aggregate	
	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
----- (Rupees) -----		
Cash for the purposes of the cash flow statement consists of:		
<b>Cash and other equivalents</b>		
Cash in hand	6,196,866	775,067
Stamps in hand	8,878,801	9,581,932
	<u>15,075,667</u>	<u>10,356,999</u>
<b>Current and other accounts</b>		
Current accounts	172,936,329	162,538,128
Saving accounts	2,797,515,668	4,208,630,585
	<u>2,970,452,197</u>	<u>4,371,168,713</u>
<b>Deposits maturing within 3 months (non-cashable on demand)</b>	-	50,000,000
	<u>2,985,527,664</u>	<u>4,431,525,712</u>

	Note	September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
		----- (Rupees) -----		----- (Rupees) -----	
<b>14. TAKAFUL LIABILITIES</b>					
Reported outstanding claims (including claims in payment)	14.1	1,315,786,864		1,703,908,258	
Incurred but not reported claims	14.2	179,137,339		169,259,369	
Liabilities under individual takaful contracts	14.3	13,750,041		39,859,189	
Liabilities under group takaful contracts		671,830,787		573,485,202	
Investment component of unit-linked and account value policies		59,674,047,956		55,617,509,773	
		<u>61,854,552,987</u>		<u>58,104,031,791</u>	

#### 14.1 Reported outstanding claims

Gross of re-takaful			
Payable within one year	1,941,028,843		1,151,499,656
Payable over a period of time exceeding one year	274,758,021		552,448,602
	<u>1,315,786,864</u>		<u>1,703,908,258</u>

#### 14.2 Incurred but not reported claims

Gross of re-takaful	261,228,318		254,073,696
Re-takaful recoveries	(82,090,977)		(64,814,327)
Net of re-takaful	<u>179,137,339</u>		<u>169,259,369</u>

#### 14.3 Liabilities under individual takaful contracts

Gross of re-Takaful	18,062,056		89,585,042
Re-takaful recoveries	(4,312,015)		(49,725,853)
Net of re-takaful	<u>13,750,041</u>		<u>39,859,189</u>



**15. NET TAKAFUL CONTRIBUTION REVENUE**

	Nine Months Period Ended		Quarter Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	(Rupees)			
<b>Gross contributions</b>				
Regular contribution individual policies				
First year	237,350,301	349,824,594	71,459,002	65,012,251
Second year renewal	222,791,064	360,226,638	52,227,105	44,330,781
Subsequent year renewal	1,741,007,146	1,945,069,817	542,446,347	646,078,940
Single and top-up contributions	15,431,991,255	14,026,013,514	5,198,570,244	6,025,842,261
Group policies without cash values	2,133,900,334	2,526,207,151	766,274,796	957,745,422
<b>Total gross contributions</b>	<b>19,767,040,101</b>	<b>19,206,341,715</b>	<b>6,630,977,494</b>	<b>7,738,809,655</b>
<b>Less: Re-takaful contributions ceded</b>				
On individual life first year business	(6,171,108)	(7,696,141)	(1,857,934)	(1,430,270)
On individual life second year business	(7,129,314)	(12,607,932)	(1,671,267)	(1,551,577)
On individual life subsequent renewal business	(71,736,932)	(158,089,003)	(23,240,517)	(117,549,369)
On group policies	(170,350,851)	(201,238,018)	(55,079,692)	(69,852,407)
	<b>(255,388,205)</b>	<b>(379,601,095)</b>	<b>(81,849,410)</b>	<b>(190,383,623)</b>
<b>Net contributions</b>	<b>19,511,651,896</b>	<b>18,826,650,620</b>	<b>6,549,128,084</b>	<b>7,548,426,032</b>

**16. WAKALA FEE**

	Nine Months Period Ended		Quarter Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	(Rupees)			
Contribution allocated to Shareholders' sub-fund	352,300,099	511,319,963	108,753,301	175,887,129
Other wakala fee	466,672,929	432,819,164	206,882,755	149,216,400
	<b>818,973,028</b>	<b>944,139,127</b>	<b>315,636,056</b>	<b>325,103,529</b>

**17. INVESTMENT INCOME - PARTICIPANTS' FUND**

	Nine Months Period Ended		Quarter Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	(Rupees)			
<b>-Dividend income</b>				
Listed shares				
- Fair value through profit or loss	20,519,077	76,575,910	20,519,077	-
<b>-Return on debt securities</b>				
Debt securities				
- Fair value through profit or loss	11,091,560	266,267,047	2,091,854	117,825,845
Income from deposits	41,617,035	67,418,329	11,480,681	26,895,398
<b>Total investment income</b>	<b>73,227,672</b>	<b>412,261,285</b>	<b>34,091,611</b>	<b>144,721,243</b>

	Nine Months Period Ended		Quarter Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	(Rupees)			
<b>18. NET REALISED FAIR VALUE GAINS ON INVESTMENTS - PARTICIPANTS' FUND</b>				
Fair value through profit or loss:				
-Listed shares	145	370,221,908	821	228,220,656
-Mutual funds	1,080,423,468	2,087,806,026	327,885,505	1,949,999,852
-Debt securities	23,208,133	(13,067,564)	(4,486,234)	(2,585,431,361)
<b>Net gain</b>	<b>1,103,631,746</b>	<b>2,444,960,369</b>	<b>323,380,092</b>	<b>(407,210,834)</b>
	(Rupees)			
<b>19. NET FAIR VALUE GAINS / (LOSSES) ON INVESTMENTS - PARTICIPANTS' FUND</b>				
Fair value through profit or loss:				
Net unrealized gain / (loss):				
-Equity securities	-	300,262,162	-	-
-Mutual funds	4,570,209,670	1,714,486,348	2,972,999,104	1,346,095,376
-Debt securities	(4,272,476)	420,264,535	(4,272,476)	271,114,576
	<b>4,565,937,194</b>	<b>2,435,013,045</b>	<b>2,968,726,628</b>	<b>1,617,209,952</b>
	(Rupees)			
<b>20. INVESTMENT INCOME - SHAREHOLDERS' FUND</b>				
-Dividend income				
Listed shares				
- Available-for-sale	-	10,622,841	-	-
-Return on debt securities				
Debt securities				
- Available-for-sale	53,928,836	62,511,179	24,225,024	17,005,663
Income from deposits	44,549,327	123,331,529	21,690,128	41,336,607
<b>Total investment income</b>	<b>98,478,163</b>	<b>196,465,549</b>	<b>45,915,152</b>	<b>58,342,270</b>
	(Rupees)			
<b>21. NET REALISED FAIR VALUE GAINS ON INVESTMENTS - SHAREHOLDERS' FUND</b>				
Available for sale:				
-Mutual funds	47,736,581	38,591,407	24,607,038	29,315,231
<b>Net gain</b>	<b>47,736,581</b>	<b>38,591,407</b>	<b>24,607,038</b>	<b>29,315,231</b>

**22. OTHER INCOME**

(Loss) / Gain on sale of operating assets  
Administrative services income  
Miscellaneous income

Nine Months Period Ended		Quarter Ended	
September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
(Rupees)			
37,373	15,787	15,787	21,091
8,742,398	10,399,215	3,306,220	5,194,755
889,623	258,547	87,723	19,247
<b>9,669,794</b>	<b>11,344,549</b>	<b>3,409,730</b>	<b>5,195,093</b>

**23. TAKAFUL BENEFITS - NET**

Gross claims  
Claims under individual policies  
by death  
by surrender / withdrawals  
by maturities  
Total gross individual policy claims

Nine Months Period Ended		Quarter Ended	
September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
(Rupees)			
52,900,898	83,132,023	25,145,960	17,210,035
17,837,909,359	9,943,924,323	5,873,133,684	4,036,182,539
118,868,935	121,992,743	38,864,127	52,898,781
<b>17,891,317,842</b>	<b>10,136,749,089</b>	<b>5,929,332,851</b>	<b>4,075,491,314</b>

Claims under group policies  
by death  
by insured event other than death  
Total gross group claims

363,619,550	282,913,783	115,406,522	112,272,159
1,438,636,855	1,661,735,419	448,868,339	490,811,810
<b>1,792,256,405</b>	<b>2,024,350,201</b>	<b>562,296,860</b>	<b>602,883,969</b>

Total gross claims

<b>19,683,574,247</b>	<b>12,161,099,291</b>	<b>6,491,629,711</b>	<b>4,678,375,283</b>
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Rebatalul recoveries

On individual life  
On group claims

(29,935,463)	(36,454,286)	(7,664,918)	(8,988,103)
(178,366,331)	(171,825,400)	(57,268,952)	(60,551,696)

Total rebatalul

<b>(198,301,794)</b>	<b>(208,279,686)</b>	<b>(64,933,870)</b>	<b>(69,539,799)</b>
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Net claims

<b>19,485,266,452</b>	<b>11,952,819,605</b>	<b>6,426,695,841</b>	<b>4,608,835,484</b>
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**24. TAKAFUL OPERATOR FEE**

Monthly fee income  
Other takafa income

Nine Months Period Ended		Quarter Ended	
September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
(Rupees)			
26,696,639	32,048,501	8,898,841	14,175,904
925,442,625	629,337,965	299,812,952	219,124,940
<b>952,139,264</b>	<b>667,386,466</b>	<b>308,711,793</b>	<b>233,300,844</b>

**25. ACQUISITION EXPENSES / COMMISSION EXPENSE**

Remuneration to takaful intermediaries on individual policies:

- 25.1. Commission to agent on first year contributions  
Commission to agent on second year contributions  
Commission to agent on subsequent renewal contributions  
Commission to agent on top-up contribution and single contribution  
Commission to takaful intermediaries on group policies

Nine Months Period Ended		Quarter Ended	
September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
(Rupees)			
53,172,614	72,539,007	13,886,245	18,268,624
19,769,933	41,386,259	2,712,654	3,345,801
26,899,327	67,125,415	7,348,374	27,922,371
126,032,147	174,983,040	43,186,498	75,867,622
59,285,801	63,714,186	21,248,643	32,151,363
<b>274,959,821</b>	<b>460,631,827</b>	<b>85,414,324</b>	<b>196,782,791</b>

**25.2. Other acquisition expenses:**

Other benefits to takaful intermediaries  
Salaries, allowances and other benefits  
Contribution to defined contribution plan  
Entertainment  
Training / conference  
Office supplies and amenities  
Vehicle running  
Car lease  
Traveling  
Utilities  
Rental  
Postage  
Telephone  
Repairs and maintenance  
Printing and stationery  
Computer  
Sales promotion  
Depreciation  
Miscellaneous other expenses  
Group Takaful  
Policy stamp

81,828,391	74,413,640	26,716,075	26,800,980
257,356,748	174,488,556	84,352,728	53,335,851
18,491,349	8,551,762	3,417,804	2,988,903
1,670,494	1,091,210	508,809	544,826
5,061,156	3,835,040	638,888	953,414
13,683,285	13,227,075	4,842,469	4,862,523
38,898,182	29,898,515	12,216,899	10,380,848
1,888,938	2,995,840	648,969	1,186,740
15,920,394	14,324,560	5,354,154	6,732,229
38,744,125	35,846,620	12,688,648	17,797,265
79,112,158	88,878,060	22,211,571	26,843,884
3,763,354	3,798,107	904,672	289,281
3,862,349	5,124,847	1,193,888	1,776,253
8,873,779	13,073,000	3,388,639	5,862,265
7,957,827	8,199,486	3,831,485	3,305,648
3,159,811	3,208,856	1,092,313	809,180
31,972,639	20,972,917	11,935,430	6,857,409
28,292,349	19,582,267	7,387,733	6,739,113
208,697	188,564	76,976	42,694
191,877,298	59,415,932	41,888,943	38,134,876
18,012,131	6,048,667	11,826,382	4,914,059
<b>722,706,494</b>	<b>569,605,020</b>	<b>258,297,995</b>	<b>217,309,689</b>
<b>997,667,355</b>	<b>1,010,238,547</b>	<b>343,712,819</b>	<b>374,872,490</b>

**26. MARKETING AND ADMINISTRATION EXPENSES**

Salaries, allowances and other benefits  
 Charge for defined benefit plan  
 Contribution to defined contribution plan  
 Vehicle running  
 Car (petrol) rental  
 Travelling  
 Utilities  
 Rental  
 Communication  
 Repairs and maintenance  
 Printing and stationery  
 Software maintenance  
 Advertisement  
 Depreciation  
 Amortization  
 Shariah advisors' fees  
 Actuary's fees  
 Legal and professional  
 Consultancy  
 Supervision fees  
 Subscription fees  
 Bank and brokerage  
 Entertainment  
 Training  
 Staff welfare  
 Group Takaful  
 Statutory Audit Fee  
 General takaful  
 Miscellaneous

Nine Months Period Ended		Quarter Ended	
September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
(Rupees)			
264,885,636	258,429,689	932,898,224	81,356,794
23,973,360	21,281,560	7,891,109	7,387,123
14,481,333	11,423,042	4,867,524	3,380,358
38,331,583	25,383,987	16,799,871	7,896,237
4,429,587	3,233,583	1,625,708	3,346,955
7,664,187	2,250,772	3,871,287	192,174
31,896,731	31,686,270	14,892,958	11,112,581
35,844,891	35,614,993	11,443,988	13,891,430
25,271,177	19,344,689	8,898,925	7,259,698
7,622,383	6,487,284	2,270,952	2,798,633
8,448,634	7,438,334	1,389,894	1,721,985
88,882,331	67,176,882	17,781,873	22,216,198
26,631,422	12,086,351	13,881,339	3,402,732
28,492,073	21,344,244	7,119,971	7,395,548
8,561,443	4,856,688	3,882,713	2,286,299
3,583,083	2,895,048	1,185,903	965,519
8,449,785	8,357,774	2,816,295	3,288,144
12,480,286	8,240,135	6,838,575	4,379,854
118,673,038	82,951,784	39,184,108	27,806,375
18,596,047	12,282,788	6,218,862	5,459,038
17,469,643	6,236,065	10,328,586	2,851,977
2,485,155	1,907,025	915,821	705,798
4,688,089	2,064,371	1,663,761	903,084
3,424,716	2,376,375	2,877,436	1,798,628
7,230,788	7,870,185	3,625,759	2,277,531
22,584,796	25,091,993	7,821,569	2,825,029
2,424,916	2,076,235	1,399,939	768,742
1,785,022	1,894,774	864,994	894,931
1,695,521	225,373	1,433,952	32,839
512,120,178	483,144,040	227,428,458	229,926,073

**27. OTHER EXPENSES**

Salaries, allowances and other benefits  
 Employer's contribution to provident fund  
 Vehicle running  
 Travelling  
 Communication  
 Auditor's remuneration  
 Consultancy

3,116,286	1,930,040	1,332,848	377,659
172,647	112,680	55,808	38,943
431,618	328,481	162,845	128,114
125,426	140,073	42,497	99,939
37,361	16,987	12,265	6,432
184,537	91,785	92,238	(5,719)
3,885,328	6,511,946	1,798,744	903,250
7,876,766	9,211,071	3,256,627	1,386,637

**28. TAXATION**

Current year  
 Deferred

Nine Months Period Ended		Quarter Ended	
September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
(Rupees)			
27,683,257	28,559,328	11,868,558	11,114,515
(5,895,341)	14,620,025	(2,132,811)	(1,152,347)
21,787,916	43,179,353	9,735,747	9,962,168

**29. RELATED PARTY TRANSACTIONS**

Related parties comprise of related group companies, associates, directors, staff retirement funds and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Details of transactions and balances with related parties, except as disclosed elsewhere in the financial statements, are as follows:

Name of Related Party	Relationship	Shareholding
Pak-Qatar General Takaful Ltd.	Common Directorship	Nil
Pak-Qatar Asset Management Company Ltd.	Common Directorship	9%
Pak-Qatar Family Takaful Ltd - Employees' Provident Fund	Provident Fund	Nil
FWU Pakistan	Associate Company	Nil

		Nine Months period ended September 30, 2025	Nine Months period ended September 30, 2024
Relationship		(Rupees)	
Nature of transaction			
Entities with common directorship	Net shared expenses received	121,778,796	80,952,114
	Claims received against general takaful	38,913	78,537
	Contribution paid against general takaful	2,691,178	1,854,774
	Investment advisory fee	126,481,158	80,953,710
Associated company	Barena takaful acquisition, entrance and administration fee	12,837,484	7,896,237
Employees provident fund	Contribution paid	36,949,958	24,314,729
Balances with related parties are as follows:		September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
		(Rupees)	
Entities with common directorship	Investment advisory fee payable	22,319,888	11,223,774

**30. CONTINGENCIES AND COMMITMENTS**

There has been no major change during the period to provisional sales tax on family and health takaful as disclosed in the annual financial statement for the year ended 31 December 2024.

Shortly after end of 2024, the Hon'ble SHC, dismissed the cases, other than the petition against Sindh Sales Tax (SST) on health takaful merely on procedural grounds and without considering the merits of the arguments that form the basis of the petition, essentially directing the petitioners to re-approach Sindh Revenue Board (SRB) regarding above cases notices issued by the department on the matter of taxability of family takaful. The Company along with the other insurance/takaful companies through Insurance Association of Pakistan (IAP) has filed appeals in the S Supreme Court of Pakistan dated March 14, 2025. The hearing is yet to be scheduled.



## 31. SEGMENTAL INFORMATION

## 31.1 REVENUE ACCOUNT

	September 30, 2025 Participants' funds			Aggregate September 30, 2025
	Individual Family	Group Family	Group Health	
	(Rupees)			
<b>Participant Investment Fund (PIF)</b>				
<b>Income</b>				
Allocated contribution	17,027,063,278	-	-	17,027,063,278
Net investment income	5,799,231,186	-	-	5,799,231,186
<b>Total net income</b>	<b>22,736,294,464</b>	<b>-</b>	<b>-</b>	<b>22,736,294,464</b>
<b>Less: Claims and expenses</b>				
Surrender / partial withdrawal	17,748,416,944	-	-	17,748,416,944
Takaful operators' fee	526,442,628	-	-	526,442,628
Other charges	4,896,662	-	-	4,896,662
<b>Total claims and expenditure</b>	<b>18,679,756,234</b>	<b>-</b>	<b>-</b>	<b>18,679,756,234</b>
<b>Excess of income over claim and expenditure</b>	<b>4,056,538,230</b>	<b>-</b>	<b>-</b>	<b>4,056,538,230</b>
Add: Technical reserves at beginning of the year	55,617,509,726	-	-	55,617,509,726
Less: Technical reserves at end of the year	59,674,047,956	-	-	59,674,047,956
Movement in technical reserves	(4,056,538,230)	-	-	(4,056,538,230)
<b>Surplus / (deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Movement in technical reserves</b>	<b>4,056,538,230</b>	<b>-</b>	<b>-</b>	<b>4,056,538,230</b>
<b>Balance of PIF at beginning of the period</b>	<b>55,617,509,726</b>	<b>-</b>	<b>-</b>	<b>55,617,509,726</b>
<b>Balance of PIF at end of the period</b>	<b>59,674,047,956</b>	<b>-</b>	<b>-</b>	<b>59,674,047,956</b>
(a)				
<b>Participants' Takaful Fund (PTF)</b>				
<b>Income</b>				
Contribution net of retakaful	166,736,635	313,735,499	1,649,814,075	2,132,286,219
Net investment income	28,241,937	4,991,952	3,373,969	36,606,858
Other income	25,897,636	-	-	25,897,636
<b>Total net income</b>	<b>222,876,608</b>	<b>318,726,461</b>	<b>1,653,187,944</b>	<b>2,194,793,013</b>
<b>Less: Claims and expenditures</b>				
Claim net of retakaful recoveries	41,966,439	167,253,227	1,428,630,656	1,657,849,612
Takaful operators' fee	88,102,248	148,793,373	232,777,308	466,672,929
Other charges	6,449,624	2,027,287	3,052,014	11,528,925
<b>Total claims and expenditure</b>	<b>136,517,302</b>	<b>335,073,887</b>	<b>1,664,460,177</b>	<b>2,136,051,366</b>
<b>Excess of income over claims and expenditures</b>	<b>86,361,306</b>	<b>(16,347,426)</b>	<b>(11,272,233)</b>	<b>58,741,647</b>
Add: Technical reserves at beginning of the period	54,979,619	179,969,312	547,664,831	782,613,763
Less: Technical reserves at end of the period	53,596,304	176,493,230	513,601,075	743,693,609
Movement in technical reserves	1,380,305	3,476,082	34,063,756	38,920,144
<b>Surplus / (deficit) before distribution</b>	<b>87,741,612</b>	<b>(12,671,344)</b>	<b>22,791,523</b>	<b>97,861,791</b>
<b>Distribution of surplus</b>	<b>(37,361,882)</b>	<b>-</b>	<b>-</b>	<b>(37,361,882)</b>
<b>Surplus / (deficit) after distribution</b>	<b>50,379,730</b>	<b>(12,671,344)</b>	<b>22,791,523</b>	<b>60,299,909</b>
<b>Movement in technical reserves</b>	<b>(1,380,305)</b>	<b>(3,476,082)</b>	<b>(34,063,756)</b>	<b>(38,920,144)</b>
<b>Transfers from/(to)</b>				
Qard-e-Haana (returned to)/ contributed from shareholders' sub fund	-	-	-	-
Net transfer from shareholders' sub fund	-	-	-	-
<b>Balance of PTF at beginning of the period</b>	<b>952,726,463</b>	<b>229,003,466</b>	<b>966,576,193</b>	<b>1,748,606,124</b>
<b>Balance of PTF at end of the period</b>	<b>1,091,725,687</b>	<b>212,656,943</b>	<b>955,603,969</b>	<b>1,769,986,609</b>
(b)				
<b>Subtotal</b>	<b>60,676,773,643</b>	<b>212,656,943</b>	<b>955,603,969</b>	<b>61,444,933,645</b>
(a+b)				

	Shareholders' Fund			Aggregate
	Individual Family	Group Family	Group Health	September 30, 2025
	(Rupees)			
<b>Shareholders' Sub Fund</b>				
<b>Income</b>				
Takaful operator's fee	1,366,483,887	145,793,373	232,777,308	1,745,054,568
Mudarib fee from PTF	28,241,938	4,991,053	3,373,869	36,606,860
<b>Total income</b>	<b>1,394,725,825</b>	<b>150,784,426</b>	<b>236,151,177</b>	<b>1,781,661,428</b>
<b>Less: Expenditures</b>				
Net commission expenses	215,673,090	20,552,566	38,733,295	274,958,951
Other acquisition expenses	587,272,012	53,686,706	81,660,667	722,708,404
Management expenses	639,748,612	54,285,495	128,066,068	822,120,176
<b>Total expenditure</b>	<b>1,442,693,714</b>	<b>128,723,768</b>	<b>248,370,049</b>	<b>1,819,787,531</b>
<b>Excess / (deficit) of income over expenditure</b>	<b>(47,967,889)</b>	<b>22,060,658</b>	<b>(12,218,872)</b>	<b>(38,126,103)</b>
Add: Technical reserves at beginning of the period	-	-	-	-
Less: Technical reserves at end of the period	-	-	-	-
<b>Surplus / (deficit) for the period</b>	<b>(47,967,889)</b>	<b>22,060,658</b>	<b>(12,218,872)</b>	<b>(38,126,103)</b>
<b>(Surplus) / deficit transferred to shareholders' fund</b>	<b>47,967,889</b>	<b>(22,060,658)</b>	<b>12,218,872</b>	<b>38,126,103</b>
<b>Transfer from / (to) shareholders' fund</b>				
Contribution received from shareholders' fund	-	-	-	-
Qard-e-Hassan contributed to PTF	-	-	-	-
<b>Net transfer from / (to) shareholders' fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance of shareholders' sub fund at beginning of the period</b>				
	-	-	-	-
<b>Balance of fund at end of the period</b>				
(c)	-	-	-	-
<b>Balance of Participants' funds at end of the period</b>				
(a+b+c)	<b>60,675,773,843</b>	<b>212,656,043</b>	<b>555,603,960</b>	<b>61,444,033,845</b>
<b>Represented by:</b>				
<b>Participants' Investment Fund</b>				
Technical reserves for PIF	59,674,047,956	-	-	59,674,047,956
<b>Participants' Takaful Fund</b>				
Technical reserves for PTF	53,889,304	176,493,230	513,601,075	743,983,609
Qard-e-Hassan contributions	-	-	260,000,000	260,000,000
Accumulated surplus / (deficit) - PTF	948,155,156	38,162,813	(217,997,115)	768,320,854
	<b>1,001,725,887</b>	<b>212,656,043</b>	<b>555,603,960</b>	<b>1,769,985,889</b>
<b>Shareholders' sub fund</b>				
Technical reserves for shareholders' sub fund	-	-	-	-
Accumulated surplus - shareholders' sub fund	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance of funds at the end of the year</b>				
	<b>60,675,773,843</b>	<b>212,656,043</b>	<b>555,603,960</b>	<b>61,444,033,845</b>

## 31.2 REVENUE ACCOUNT

	September 30, 2024 Participants' funds			Aggregate
	Individual Family	Group Family	Group Health	September 30, 2024
(Rupees)				
<b>Participant Investment Fund (PIF)</b>				
<b>Income</b>				
Allocated contribution	15,848,504,189	-	-	15,848,504,189
Net investment income	5,228,101,639	-	-	5,228,101,639
<b>Total net income</b>	<b>21,077,605,828</b>	<b>-</b>	<b>-</b>	<b>21,077,605,828</b>
<b>Less: Claims and expenses</b>				
Surrender / partial withdrawal	10,075,617,066	-	-	10,075,617,066
Takaful operators' fee	625,337,995	-	-	625,337,995
Other charges	45,996,337	-	-	45,996,337
<b>Total claims and expenditure</b>	<b>10,746,951,398</b>	<b>-</b>	<b>-</b>	<b>10,746,951,398</b>
<b>Excess of income over claim and expenditure</b>	<b>10,330,714,430</b>	<b>-</b>	<b>-</b>	<b>10,330,714,430</b>
Add: Technical reserves at beginning of the period	37,489,105,584	-	-	37,489,105,584
Less: Technical reserves at end of the period	47,819,820,014	-	-	47,819,820,014
Movement in technical reserves	(10,330,714,430)	-	-	(10,330,714,430)
<b>Surplus / (deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Movement in technical reserves</b>	<b>10,330,714,430</b>	<b>-</b>	<b>-</b>	<b>10,330,714,430</b>
<b>Balance of PTF at beginning of the period</b>	<b>37,489,105,584</b>	<b>-</b>	<b>-</b>	<b>37,489,105,584</b>
<b>Balance of PTF at end of the period</b>	<b>(a) 47,819,820,014</b>	<b>-</b>	<b>-</b>	<b>47,819,820,014</b>
<b>Participants' Takaful Fund (PTF)</b>				
<b>Income</b>				
Contribution net of retakaful	157,262,929	331,791,106	1,976,682,436	2,465,826,489
Net investment income	19,984,784	11,165,509	896,238	32,046,531
Other income	-	-	-	-
<b>Total net income</b>	<b>177,247,713</b>	<b>342,956,615</b>	<b>1,977,578,674</b>	<b>2,497,872,909</b>
<b>Less: Claims and expenditures</b>				
Claims net of retakaful recoveries	37,144,750	187,307,262	1,641,738,418	1,875,190,529
Takaful operators' fee	196,694,431	106,166,533	219,989,200	432,819,164
Other charges	10,939,061	1,891,090	2,473,566	15,303,518
<b>Total claims and expenditure</b>	<b>154,748,242</b>	<b>305,363,995</b>	<b>1,864,199,977</b>	<b>2,324,311,215</b>
<b>Excess of income over claims and expenditures</b>	<b>22,599,469</b>	<b>37,592,630</b>	<b>113,379,697</b>	<b>173,561,796</b>
Add: Technical reserves at beginning of the period	65,612,552	217,316,480	531,286,437	814,215,469
Less: Technical reserves at end of the period	52,451,885	187,895,993	600,800,736	856,148,617
Movement in technical reserves	13,160,667	19,420,487	(74,514,302)	(41,933,148)
<b>Surplus / (deficit) before distribution</b>	<b>35,760,135</b>	<b>57,003,117</b>	<b>38,865,395</b>	<b>131,628,648</b>
<b>Distribution of surplus</b>	<b>(47,838,866)</b>	<b>-</b>	<b>-</b>	<b>(47,838,866)</b>
<b>Surplus / (deficit) after distribution</b>	<b>(12,078,731)</b>	<b>57,003,117</b>	<b>38,865,395</b>	<b>83,789,782</b>
<b>Movement in technical reserves</b>	<b>(13,160,667)</b>	<b>(19,420,487)</b>	<b>74,514,302</b>	<b>41,933,148</b>
<b>Transfers from/to</b>				
Qard-e-Hassan (returned to) contributed from shareholders' sub fund	-	-	-	-
Net transfer from shareholders' sub fund	-	-	-	-
<b>Balance of PTF at beginning of the period</b>	<b>911,947,615</b>	<b>303,311,798</b>	<b>556,536,620</b>	<b>1,771,796,031</b>
<b>Balance of PTF at end of the period</b>	<b>(b) 886,706,217</b>	<b>340,894,396</b>	<b>669,916,617</b>	<b>1,897,516,231</b>
<b>Subtotal</b>	<b>(a+b) 49,706,526,231</b>	<b>340,894,396</b>	<b>669,916,617</b>	<b>49,717,339,245</b>



	Participants' Funds			Aggregate	
	Individual Family	Group Family	Group Health	September 30, 2024	
	(Rupees)				
<b>Shareholders' Sub Fund</b>					
<b>Income</b>					
Takaful operator's fee	1,243,322,390	108,165,533	219,989,200	1,569,477,123	
Mutuals fee from PTF	19,984,784	11,165,509	896,238	32,046,531	
<b>Total income</b>	<b>1,263,307,174</b>	<b>117,331,042</b>	<b>220,885,438</b>	<b>1,601,523,654</b>	
<b>Less: Expenditures</b>					
Net commission expenses	358,362,488	37,838,307	44,432,752	440,633,527	
Other acquisition expenses	413,064,858	51,870,064	74,870,090	539,805,021	
Management expenses	545,627,410	54,095,529	117,021,101	717,644,040	
<b>Total expenditure</b>	<b>1,317,054,746</b>	<b>143,803,900</b>	<b>237,223,943</b>	<b>1,697,882,589</b>	
<b>Excess / (deficit) of income over expenditure</b>	<b>(53,747,572)</b>	<b>(26,272,858)</b>	<b>(16,338,505)</b>	<b>(96,358,934)</b>	
Add: Technical reserves at beginning of the period	-	-	-	-	
Less: Technical reserves at end of the period	-	-	-	-	
<b>Surplus / (deficit) for the period</b>	<b>(53,747,572)</b>	<b>(26,272,858)</b>	<b>(16,338,505)</b>	<b>(96,358,934)</b>	
<b>(Surplus) / deficit transferred to shareholders' fund</b>	<b>53,747,572</b>	<b>26,272,858</b>	<b>16,338,505</b>	<b>96,358,934</b>	
<b>Transfer from / (to) shareholders' fund</b>					
Contribution received from shareholders' fund	-	-	-	-	
Card-a-Hansa contributed to PTF	-	-	-	-	
<b>Net transfer from / (to) shareholders' fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Balance of shareholders' sub fund at beginning of the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Balance of fund at end of the period</b>	<b>(c)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Balance of Participants' funds at end of the period</b>	<b>(a+b+c)</b>	<b>48,796,628,231</b>	<b>340,894,398</b>	<b>688,916,617</b>	<b>49,717,339,245</b>
<b>Represented by:</b>					
<b>Participants' Investment Fund</b>					
Technical reserves for PTF	47,818,820,615	-	-	47,818,820,615	
<b>Participants' Takaful Fund</b>					
Technical reserves for PTF	52,451,885	197,895,993	655,800,739	856,148,617	
Card-a-Hansa contributions	-	-	280,000,000	280,000,000	
Accumulated surplus / (deficit) - PTF	834,256,329	142,996,403	(195,864,122)	781,370,610	
	586,708,210	340,894,398	688,916,617	1,617,519,230	
<b>Shareholders' sub fund</b>					
Technical reserves for shareholders' sub fund	-	-	-	-	
Accumulated surplus - shareholders' sub fund	-	-	-	-	
	-	-	-	-	
<b>Balance of funds at the end of the period</b>	<b>48,796,628,231</b>	<b>340,894,398</b>	<b>688,916,617</b>	<b>49,717,339,245</b>	

## 31.3 SEGMENT REPORTING

## Income

## Gross Contributions

- First period individual regular contributions
- Individual renewal contributions
- Individual single & top-up contributions
- Group contributions

## Total gross contributions

## Retakaful contributions

- Individual policies
- Group policies

## Total retakaful contributions

## Net contribution revenues

## Surplus from retakaful operations

## Net investment income

## Total net income

## Takaful benefits and expenditures

## Takaful benefits, including bonuses, net of retakaful

## Management expenses less recoveries

## Total takaful benefits and expenditures

## Excess of income over takaful benefits and expenditures

Add: Participants liabilities at beginning of period

Less: Participants liabilities at end of period

## Surplus reserve for the period [ Participant Takaful Fund (PTF) ]

## SEGMENT REPORTING

## Income

## Gross Contributions

- First period individual regular contributions
- Individual renewal contributions
- Individual single & top-up contributions
- Group contributions

## Total gross contributions

## Retakaful contributions

- Individual policies
- Group policies

## Total retakaful contributions

## Net contribution revenues

## Surplus from retakaful operations

## Net investment income

## Total net income

## Takaful benefits and expenditures

## Takaful benefits, including bonuses, net of retakaful

## Management expenses less recoveries

## Total takaful benefits and expenditures

## Excess of income over takaful benefits and expenditures

Add: Participants liabilities at beginning of period

Less: Participants liabilities at end of period

## Surplus reserve for the period [ Participant Takaful Fund (PTF) ]

September 30, 2025			
Participants' funds			Aggregate
Individual Family	Group Family	Group Health	September 30, 2025
(Rupees)			
237,360,301	-	-	237,360,301
1,963,798,210	-	-	1,963,798,210
15,431,991,265	-	-	15,431,991,265
-	434,006,259	1,649,814,075	2,133,803,334
17,633,159,766	434,006,259	1,649,814,075	19,717,040,101
(85,037,354)	-	-	(85,037,354)
-	(170,360,891)	-	(170,360,891)
(85,037,354)	(170,360,891)	-	(255,398,245)
17,548,102,412	313,735,408	1,649,814,075	19,511,651,895
25,897,636	-	-	25,897,636
5,737,473,124	4,891,052	3,373,969	5,745,838,045
23,311,473,172	318,726,461	1,653,187,944	25,283,387,577
17,627,744,256	187,293,227	1,426,630,855	19,441,628,339
1,378,191,262	147,829,698	235,629,322	1,761,641,243
19,205,935,518	335,073,887	1,664,460,177	21,205,469,582
4,105,537,654	(16,347,426)	(11,272,233)	4,077,917,995
55,672,489,337	179,969,312	547,664,631	56,400,123,480
59,727,647,265	176,493,238	513,601,075	60,417,741,565
59,379,736	(12,671,344)	22,791,623	69,299,999

September 30, 2024				
Participants' funds			Aggregate	
Individual Family	Group Family	Group Health	September 30, 2024	
(Rupees)				
349,824,594	-	-	349,824,594	
2,305,296,455	-	-	2,305,296,455	
14,026,013,514	-	-	14,026,013,514	
-	548,524,715	1,976,682,436	2,525,207,151	
16,681,134,964	548,524,715	1,976,682,436	19,206,341,715	
(178,393,077)	-	-	(178,393,077)	
-	(201,298,018)	-	(201,298,018)	
(178,393,077)	(201,298,018)	-	(379,691,095)	
16,502,741,487	347,226,697	1,976,682,436	18,826,650,620	
-	-	-	-	
5,248,146,423	11,165,509	896,238	5,260,208,170	
21,750,887,910	358,392,206	1,977,578,674	24,086,858,790	
10,166,800,682	197,307,392	1,541,736,418	11,905,844,492	
1,300,257,788	108,056,623	222,462,559	1,630,776,970	
11,466,858,470	305,363,985	1,864,198,977	13,636,421,431	
10,290,029,439	53,028,222	113,379,697	10,456,437,358	
37,554,716,136	217,316,480	531,286,430	38,303,321,055	
47,672,271,000	197,895,993	605,800,739	48,675,968,632	
(27,524,324)	72,448,709	38,865,397	83,789,782	

## 31.4 SEGMENTAL STATEMENT OF FINANCIAL POSITION

	September 30, 2025 (Un-audited)				
		Participants' funds			Aggregate
	Shareholders' Fund	Individual Family	Group Family	Group Health	September 30, 2025
		(Rupees)			
<b>ASSETS</b>					
Property and equipment	438,571,809	-	-	-	438,571,809
Intangible assets	74,301,300	-	-	-	74,301,300
Right-of-use-Asset	125,558,426	-	-	-	125,558,426
Investments	1,781,653,732	57,482,371,053	149,348,284	96,166,039	59,489,539,108
Investment property	-	1,240,000,000	-	-	1,240,000,000
Advance against investment property	3,775,000	318,149,000	-	-	321,924,000
Takaful / Re-takaful receivables	-	25,965,854	192,716,672	526,375,444	745,057,970
Deposits, loans and other receivables	237,008,077	75,915,635	1,784,471	8,471,808	323,179,992
Taxation - payments less provision	-	946,540,901	979,196	112,782	947,632,880
Prepayments	102,078,287	134,300	-	-	102,212,587
Cash and bank	171,842,406	2,768,873,334	33,282,305	11,529,819	2,985,527,864
<b>Total assets</b>	<b>2,914,789,037</b>	<b>62,857,950,077</b>	<b>378,110,928</b>	<b>642,655,893</b>	<b>66,793,505,935</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' equity</b>					
Share capital	1,807,124,400	-	-	-	1,807,124,400
Unappropriated profit - net	511,707,473	-	-	-	511,707,473
<b>Total equity</b>	<b>2,318,831,873</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,318,831,873</b>
Deferred tax liability	5,549,740	-	-	-	5,549,740
<b>Waqf / Participant Takaful Fund</b>					
Cede money	-	-	5,500,000	-	5,500,000
Accumulated surplus / (Deficit)	-	948,155,157	36,162,812	(217,997,115)	766,320,854
<b>Total PTFs Equity</b>	<b>-</b>	<b>948,155,157</b>	<b>41,662,812</b>	<b>(217,997,115)</b>	<b>771,820,854</b>
Qard-e-Haana	-	-	-	260,000,000	260,000,000
<b>Total Participants' equity</b>	<b>-</b>	<b>948,155,157</b>	<b>41,662,812</b>	<b>42,002,885</b>	<b>1,031,820,854</b>
<b>Takaful liabilities</b>					
Takaful liabilities	-	60,922,418,576	333,886,540	698,247,871	61,854,552,987
Retirement benefits obligations	-	-	-	-	-
Contributions received in advance	-	766,465,212	2,538,652	2,397,421	761,401,285
Takaful / re-takaful payable	-	154,797,988	-	-	154,797,988
Other creditors and accruals	390,110,700	76,113,144	22,924	7,716	466,254,484
Lease Liabilities	133,895,874	-	-	-	133,895,874
Taxation -provision less payments	66,300,849	-	-	-	66,300,849
	590,407,424	61,909,794,920	336,448,116	600,653,008	63,437,303,467
<b>Total liabilities</b>	<b>590,407,424</b>	<b>61,909,794,920</b>	<b>336,448,116</b>	<b>600,653,008</b>	<b>63,442,853,207</b>
<b>Total equity and liabilities</b>	<b>2,914,789,037</b>	<b>62,857,950,077</b>	<b>378,110,928</b>	<b>642,655,893</b>	<b>66,793,505,935</b>

## 31.5 SEGMENTAL STATEMENT OF FINANCIAL POSITION

	December 31, 2024 (Audited)				Aggregate
	Participants' funds				December 31,
	Shareholders' Fund	Individual Family	Group Family (Rupees)	Group Health	2024
<b>ASSETS</b>					
Property and equipment	308,390,053	-	-	-	308,390,053
Intangible assets	76,074,407	-	-	-	76,074,407
Right-of-use-Asset	125,558,426	-	-	-	125,558,426
Investments	1,405,326,224	52,167,873,922	181,038,155	-	53,754,238,301
Investment property	-	1,200,000,000	-	-	1,200,000,000
Advance against investment property	3,775,000	318,149,000	-	-	321,924,000
Takaful / Re-takaful receivables	-	63,310,772	143,915,518	634,959,988	842,186,278
Deposits, loans and other receivables	163,790,994	66,226,659	544,434	11,392,146	241,954,433
Taxation - payments less provision	-	915,268,073	17,787,412	8,461,074	941,516,559
Prepayments	27,748,981	-	-	-	27,748,981
Cash and bank	319,977,817	3,933,211,827	72,246,849	56,089,219	4,381,525,712
<b>Total assets</b>	<b>2,430,641,902</b>	<b>58,664,040,453</b>	<b>415,532,368</b>	<b>710,902,427</b>	<b>62,221,117,149</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' equity</b>					
Share capital	1,307,124,400	-	-	-	1,307,124,400
Unappropriated profit - net	542,858,956	-	-	-	542,858,956
<b>Total equity</b>	<b>1,849,983,356</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,849,983,356</b>
Deferred tax liability	7,823,121	-	-	-	7,823,121
<b>Waqf / Participant Takaful Fund (PTF)</b>					
Cede money	-	-	500,000	-	500,000
Accumulated surplus / (Deficit)	-	897,748,373	49,034,178	(240,761,606)	706,020,945
<b>Total PTFs Equity</b>	<b>-</b>	<b>897,748,373</b>	<b>49,534,178</b>	<b>(240,761,606)</b>	<b>706,520,945</b>
<b>Qard-e-Hassna</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>260,000,000</b>	<b>260,000,000</b>
<b>Total Participants' equity</b>	<b>-</b>	<b>897,748,373</b>	<b>49,534,178</b>	<b>19,238,394</b>	<b>966,520,945</b>
<b>Takaful liabilities</b>					
Retirement benefits obligations	106,019,063	-	-	-	106,019,063
Contributions received in advance	-	347,778,065	61,104,400	99,003,732	507,886,197
Takaful / retakaful payable	-	143,681,016	-	-	143,681,016
Other creditors and accruals	256,037,932	68,346,919	-	8,390	324,393,241
Lease Liabilities	133,895,619	-	-	-	133,895,619
Taxation -provision less payments	78,782,801	-	-	-	78,782,801
	572,835,415	57,766,262,080	365,998,190	691,684,033	59,398,789,717
<b>Total liabilities</b>	<b>560,656,536</b>	<b>57,766,262,080</b>	<b>365,998,190</b>	<b>691,684,033</b>	<b>59,404,612,836</b>
<b>Total equity and liabilities</b>	<b>2,430,641,902</b>	<b>58,664,040,453</b>	<b>415,532,368</b>	<b>710,902,427</b>	<b>62,221,117,149</b>



## 32 Valuation techniques and inputs used in determination of fair values

Item	Valuation techniques and input used
Ordinary shares of listed companies	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange Limited.
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on the redemption prices (NAV) as at the close of the business day.
Government sukuk and other sukuk	Fair values of sukuk are derived by reference to quotations obtained from brokers.

Fair values of sublets are derived by reference to quotations obtained from brokers.

	Fair value	Total	Level 1	Level 2	Level 3	Total
Available for Sale	Fair value through profit or loss	Cash and cash equivalents Loans, advances and receivables				
		Other financial liabilities				

September 10, 2025 (Un-audited)

## Financial assets - measured at fair value

[illegible]

	2017	2018	2019	2020	2021
Government securities - Sukuk Certificates	1,102,923,001	447,771,970	-	1,550,764,989	-
Mutual funds	643,669,731	57,280,113,406	-	57,923,774,136	-
	1,746,592,731	57,727,885,376	-	59,474,539,105	-
			-		59,474,539,106

## Financial assets - not measured at fair value

Cash and others*	-	-	15,075,667	-	-	15,075,667	-
Current and other accounts**	-	-	2,970,482,197	-	-	2,970,482,197	-
Investment income accrued*	-	-	-	-	-	-	-
Tax-deductible / non-deductible realizations*	-	-	163,154,027	-	-	163,154,027	-
Advance against investment property	-	-	745,067,966	-	-	745,067,966	-
Other basis and receivables*	-	-	321,924,000	-	-	321,924,000	-
Equity securities - Unlisted	15,800,000	-	160,025,968	-	-	160,025,968	-
	15,800,000	-	-	-	-	15,800,000	-
	15,800,000	-	2,965,637,864	-	-	4,390,685,825	-

## Financial liabilities - measured at fair value

Staff retirement benefits

Financial liabilities - not measured at fair value							
Outstanding claims <sup>a</sup>	-	-	-	1,315,795,864	1,315,786,864	-	-
Contributions received in advance <sup>a</sup>	-	-	-	761,401,285	761,401,285	-	-
Taxable / refundable payable <sup>a</sup>	-	-	-	154,797,908	154,797,908	-	-
Agents commission <sup>a</sup>	-	-	-	33,021,146	33,021,146	-	-
Deedion, accruals and other liabilities <sup>a</sup>	-	-	-	543,201,668	543,201,668	-	-
	-	-	-	2,808,208,952	2,808,208,952	-	-

## Financial liabilities - not measured at fair value

[illegible]

The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.



**33. GENERAL**

A new format of financial statement has been prescribed where revenue account, statement of contribution, statement of claims, statement of expenses and statement of investment income have been done away with. Statement of financial position has been consolidated, previously presenting each class of business separately.

**34. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on November 11, 2025 by the Board of Directors of the Company.

## 6.6. SUMMARY OF FINANCIAL HIGHLIGHTS OF PAK-QATAR FAMILY TAKAFUL

<i>Income Statement - Participants' Fund</i>	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>	<b>9MCY 2025</b>
<i>PKR Mn</i>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>
<b>Participants Fund</b>				
Gross Contributions (Premium) Revenue	10,236	16,297	28,817	19,767
Wakala Fee (Transfer to Shareholders' Fund)	(1,990)	(1,508)	(1,353)	(819)
Retakaful Contribution Ceded	(464)	(450)	(418)	(255)
<b>Net Contributions (Premium)</b>	<b>7,782</b>	<b>14,339</b>	<b>27,046</b>	<b>18,693</b>
Investment Income	630	669	571	73
Net realized fair value gains on investment	944	2,538	3,697	1,104
Unrealized Gain/(Loss) On Investments	(1,213)	3,840	5,460	4,566
Fair Value Gain on Investment Property	41	14	75	40
Impairment on Debt Securities	-	-	(33)	-
Surplus Income	91	83	-	26
<b>Net Income</b>	<b>8,275</b>	<b>21,483</b>	<b>36,816</b>	<b>24,501</b>
Net Claims (Takaful benefits)	(6,618)	(10,653)	(17,490)	(19,406)
Operator Fee (IMC & Modarib Fee)	(562)	(642)	(1,066)	(963)
Other Expenses	(73)	(89)	(89)	(17)
Surplus Distribution	(73)	(100)	(64)	(37)
Net Change in Takaful Liabilities	(800)	(10,062)	(18,097)	(4,018)
Surplus/(deficit) reserve for the year	148	(62)	8	60
<i>Income Statement - Shareholders' Fund</i>	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>	<b>9MCY 2025</b>
<i>PKR Mn</i>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>
<b>Shareholders' Fund</b>				
Wakala Fee	1,990	1,508	1,353	819
Net Commission Expense	(848)	(628)	(599)	(275)
<b>Net Wakala Fee</b>	<b>1,142</b>	<b>880</b>	<b>754</b>	<b>544</b>
Operator Fee Income	562	642	1,066	98
Investment Income	148	182	217	48
Net Realized fair value gains	16	93	74	963
Other Income	23	32	16	10
<b>Net Income</b>	<b>1,891</b>	<b>1,829</b>	<b>2,127</b>	<b>1,663</b>
Acquisition Expenses	(1,017)	(803)	(815)	(723)
Marketing and Administration Expenses	(652)	(791)	(904)	(822)
Other Expenses	(17)	(17)	(14)	(8)
<b>Total Expenses</b>	<b>(1,686)</b>	<b>(1,611)</b>	<b>(1,734)</b>	<b>(1,553)</b>
Mark-up on Lease (Finance Cost) <sup>93</sup>	(21)	(26)	(27)	
<b>Profit Before Tax</b>	<b>185</b>	<b>192</b>	<b>366</b>	<b>110</b>
Taxation	(36)	(36)	(97)	(21)
<b>Profit After Tax</b>	<b>149</b>	<b>156</b>	<b>270</b>	<b>89</b>

<sup>93</sup> Finance costs in CY 2022 and CY 2023 were clubbed in with marketing and administration expenses. Following the change in accounting policy in CY 2024, the presentation of the respective comparative figures of the finance cost figures in CY 2022 and CY 2023 has been adjusted.

<b>Balance Sheet - Participants' Fund</b>	<b>30-Dec-22</b>	<b>30-Dec-23</b>	<b>30-Dec-24</b>	<b>30-Sept-25</b>
<b>PKR Mn</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>
<b>Assets</b>				
Investment Property	983	1,125	1,200	1,240
Investments	24,570	34,134	52,349	57,728
Advance against investment property	129	129	318	318
Takaful/Retakaful Receivables	966	1,110	842	745
Deposit, loans and other receivables	158	188	78	86
Taxation - Payments Less Provision	834	902	942	948
Prepayments	-	-	-	0.134
Cash and Bank	3,250	3,994	4,062	2,814
<b>Total Assets</b>	<b>30,890</b>	<b>41,580</b>	<b>59,790</b>	<b>63,879</b>
<b>Waqf / Participant Takaful Fund (PTF)</b>				
Cede Money	0.5	0.5	0.5	5.5
Accumulated Surplus	760	698	706	766
Qard-e-Hasna <sup>94</sup>	175	260	260	260
<b>Total Participant's Takaful Fund</b>	<b>935</b>	<b>958</b>	<b>967</b>	<b>1,032</b>
<b>Liabilities</b>				
Takaful Liabilities	29,248	39,674	58,104 <sup>95</sup>	61,855
Contributions Received in Advance	559	751	508	761
Takaful/Retakaful Payable	104	117	144	155
Other Creditors and Accruals	43	80	68	76
<b>Total Liabilities</b>	<b>29,954</b>	<b>40,622</b>	<b>58,824</b>	<b>62,847</b>
<b>Total Equity and Liabilities</b>	<b>30,890</b>	<b>41,580</b>	<b>59,790</b>	<b>63,879</b>
<b>Liquid Investments</b>				
Equity	5,995	7,030	-	-
Government Securities	3,600	3,566	188	448
Debt Securities	228	89	-	-
Term Deposits	100	50	50	-
Mutual Funds	14,647	23,399	52,111	57,280
Cash and Cash Equivalents	3,250	3,994	4,062	2,814
	<b>27,821</b>	<b>38,128</b>	<b>56,410</b>	<b>60,542</b>
<b>Reported but Outstanding Claims</b>				
Payable with-in one year	808	1,099	1,151	1,041
Payable after one year	200	272	552	275
	<b>1,007</b>	<b>1,370</b>	<b>1,704</b>	<b>1,316</b>

<sup>94</sup> The Qard-e-hasna balance relates to the contributions by the Shareholders to the Group Health Statutory sub-fund.

<sup>95</sup> Of this Amount, PKR 55.6 billion relates to the investment component of the unit linked and account value policies, which can be further subdivided into PKR 41.5 for the individual – direct business and PKR 14 for the Individual – Banca business.

<i>Balance Sheet - Shareholders' Fund</i>	30-Dec-22	30-Dec-23	30-Dec-24	30-Sept-25
<i>PKR Mn</i>	Audited	Audited	Audited	Unaudited
<b>Assets</b>				
PPE	483	475	434	564
Intangible Assets	92	85	76	74
Investments	1,286	1,448	1,405	1,762
Advance against investment property	3.8	3.8	3.8	3.8
Other Loans and Receivables	177	139	164	237
Deferred Tax Asset	14	-	-	-
Prepayments	20	21	28	102
Cash and Bank	43	38	320	172
<b>Total Assets</b>	<b>2,119</b>	<b>2,209</b>	<b>2,431</b>	<b>2,915</b>
<b>Equity</b>				
Number of Shares (PKR 10/- each)	131	131	131	181
Paid up Capital	1,307	1,307	1,307	1,807
Unappropriated profit	449	607	803	772
Qard-e-Hasna	(175)	(260)	(260)	(260)
<b>Total Equity</b>	<b>1,581</b>	<b>1,654</b>	<b>1,850</b>	<b>2,319</b>
<b>Liabilities</b>				
Deferred Tax Liability	-	13	8	6
Retirement Benefit Obligations	73	85	106	-
Other Creditors and Accruals	241	260	256	524
Lease Liabilities	224	185	134	-
Taxation - Payments Less Provision	0.35	13	77	66
<b>Total Liabilities</b>	<b>537</b>	<b>555</b>	<b>581</b>	<b>596</b>
<b>Total Equity and Liabilities</b>	<b>2,119</b>	<b>2,209</b>	<b>2,431</b>	<b>2,915</b>
<i>Cash Flow Statement - Participants' Fund</i>	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>	<b>9MCY 2025</b>
<i>PKR Mn</i>	Audited	Audited	Audited	Unaudited
Cash Flow from Operating Activities	788	3,447	8,498	(3,587)
Cash Flow from Investing Activities	(910)	(2,653)	(8,431)	2,289
Cash Flow from Financing Activities	-	-	-	-
Net increase/ (decrease) in cash and cash equivalents	(122)	794	67	(1,298)
Cash and cash equivalents at the beginning of the year	3,372	3,250	4,044	4,112
Cash and cash equivalents at the end of the year	3,250	4,044	4,112	2,814
Claims Paid	(6,885)	(10,591)	(17,440)	19,992
<i>Cash Flow Statement - Shareholders' Fund</i>	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>	<b>9MCY 2025</b>
<i>PKR Mn</i>	Audited	Audited	Audited	Unaudited
Cash Flow from Operating Activities	68	(24)	149	(117)
Cash Flow from Investing Activities	(220)	85	199	(400)
Cash Flow from Financing Activities	-	(65)	(65)	369

Net increase/ (decrease) in cash and cash equivalents	(152)	(5)	282	(148)
Cash and cash equivalents at the beginning of the year	195	43	38	320
Net Cash Balance	43	38	320	172
Capex	(104)	(179)	(55)	(24)

<b>Growth</b>	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>	<b>9MCY 2025</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>
Gross Premium (Contributions) - Growth (%)	2%	59%	77%	N/A
Net Premium (Contributions) - Growth (%)	5%	84%	89%	
Net Income (Participants' Fund) - Growth (%)	10%	160%	71%	
Profit After Tax - Growth (%)	-15%	5%	73%	
<b>Participants' Fund Performance</b>	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>	<b>9MCY 2025</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>
Claim settlement ratio (Claims Paid to Reported Claims) (%)	87%	89%	91%	107%
Claims Ratio (Net Claims to Net Premium) (%)	85%	74%	65%	104%
Expense Ratio (Operating Expenses to Net Premium) (%)	8%	5%	4%	5%
Combined ratio (Claims & Management Expenses to Net Premium) (%)	93%	79%	69%	109%
Retakaful Cession Ratio (Retakaful Contributions Ceded to Gross Premium) (%) <sup>96</sup>	5%	3%	1.4%	1.3%
Risk Retained (Gross Premium (post Wakala Fee) to Net Premium) (%)	95%	97%	99%	99%
Total Investment Return (incl. income and FV gains/losses) (%)	1%	24%	22%	10%
Net Premium to PTF Surplus (times)	10.24	20.56	38.31	24.39
Liquid Investments to Outstanding claims (times)	28x	28x	33x	46x
<b>Profitability Ratios - Shareholders' Fund</b>	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>	<b>9MCY 2025</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>
Earnings per share (PKR)	1.14	1.20	2.06	0.49
Earnings per share – Adjusted (PKR) <sup>97</sup>	0.65	0.68	1.17	0.39
Break-up value per share (PKR)	12.1	12.7	14.2	12.8
Break-up value per share – Adjusted (PKR) <sup>98</sup>	6.85	7.17	8.02	10.05
PAT to Wakala Fee Income (%)	7%	10%	20%	11%
PAT to Net Income (%)	8%	9%	13%	5%

<sup>96</sup> Retakaful cession ratio fell as PQFTL actively took the strategy of reducing use of Retakaful partners to mitigate risk, and focused on managing risks via improved client screening and due diligence.

<sup>97</sup> PQFTL issued 50,000,000 right shares and is to issue 50,000,000 shares through initial public offering in CY 2025. The adjusted EPS has been calculated using the updated shareholding of 230,712,440 shares.

<sup>98</sup> PQFTL issued 50,000,000 right shares and is to issue 50,000,000 shares through initial public offering in CY 2025. The adjusted break-up value per share has been calculated using the updated shareholding of 230,712,440 shares.

Return on equity <sup>99</sup> (%)	10%	10%	15%	4%
Return on assets <sup>100</sup> (%)	7%	7%	12%	3%
Marketing & Administrative Expenses to Net Income	36%	43%	43%	49%
Total Expenses to Total Income (%)	93%	91%	86%	94%
Commission Expense to Wakala Fee Income (%)	43%	42%	44%	34%
Commission Expense to Total Income (%)	31%	26%	22%	14%
Investment Yield (Investment Income to Avg. Investments) (%)	13%	13%	15%	6%
Dividend per Share	-	0.50	0.50	0.72
<b>Balance Sheet Ratios - Shareholders' Fund</b>	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>	<b>9MCY 2025</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>
Capex to Total Assets	5%	8%	2%	1%
Paid-up Capital to Equity	83%	79%	71%	78%
Cash to Current Liabilities	0.18x	0.15x	1.25x	0.33x
Liquid investments to Current Liabilities	5.52x	5.72x	6.74x	3.69x
<b>Leverage Ratios - Shareholders' Fund</b>	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>	<b>9MCY 2025</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>
Debt to Equity	14%	11%	7%	NMF
Debt to Total Assets	11%	8%	6%	NMF
Debt Service Coverage Ratio (DSCR) (Mark-up on lease / (Profit Before Tax + Mark-up on Lease))	N/A	8.5x	14.5x	NMF
<b>Solvency Ratios</b>	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>	<b>9MCY 2025</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>
Net Admissible Assets	30,307	40,479	58,800	-
Minimum Solvency Requirements	(28,406)	(38,468)	(56,565)	-
<b>Excess/(Deficit) in Net Admissible Assets</b>	<b>1,901</b>	<b>2,011</b>	<b>2,235</b>	-
Solvency Margin as per Rule 14	(799)	(968)	(1,187)	-
<b>Excess/(Deficit) in Net Admissible Assets over Minimum Requirements</b>	<b>1,101</b>	<b>1,043</b>	<b>1,048</b>	-

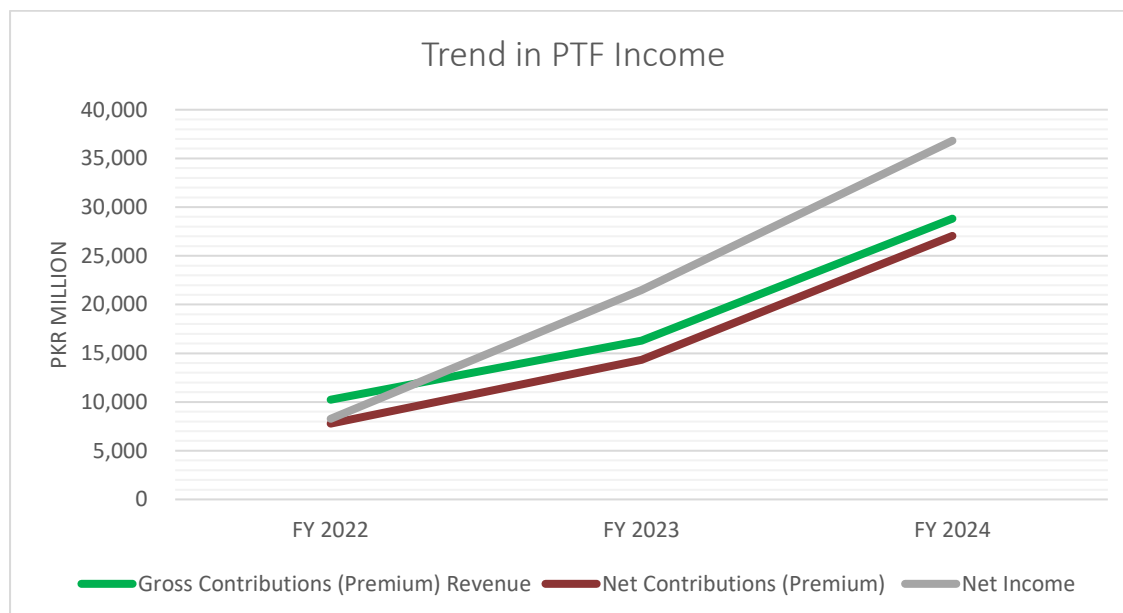
<sup>99</sup> PAT to Average Equity

<sup>100</sup> PAT to Average Assets



## 6.6.1 COMMENTARY ON SELECTED RATIOS

### Participants' Fund:



### Policyholder Premiums and Other Income:

In CY 2024 the Gross and Net Contributions (premiums) collected by PQFTL amounted to PKR **28.8 Bn** and PKR **27.0 Bn**, respectively. During the three financial years ended December 31, 2024, the Gross contributions collected by PQFTL experienced a CAGR of **42%**, with the largest increase (77%) occurring in CY 2024. This translated to a CAGR of **54%** in Net premiums, with the largest increase (89%) also arising in CY 2024. The primary driver of the growth experienced in CY 2024 was the increased Single and Top-up contributions of PKR 21.9 Bn (CY 23: PKR 7.7 Bn). In addition, PQFTL's market share in the Life Insurance sector rose from 4.4% in CY 2023 to **6.6%** in CY 2024, further showcasing the company's excellent top-line performance.

PQFTL's persistency ratios declined in CY 2024 (First-year: 44%, Renewal: 63%) due to a strategic shift from regular contribution plans to market-aligned single contribution (lump-sum) plans. This move emphasizes flexibility and upfront accumulation, meaning future revenue growth will be driven by the increasing single contribution business, not a decline in overall activity.

During this period the Participant Funds' Net income grew by CAGR of **70%**, with the largest YoY increase (160%) arising in CY 2023. This increase was primarily attributable to the total Participant Funds' investment income and fair value changes rising to PKR **7.0 Bn** in CY 2023 (CY 21: PKR 177 Mn). Of this amount, PKR 669 Mn is representative of earned investment income, with PKR 2.5 Bn attributable to net realized fair value gains and PKR 3.8 Bn attributable to unrealized fair value gains. Investment yield marginally declined to 1.3% in CY 2024 (CY 22: 2.6%), with earned investment income falling to PKR 571 Mn (CY 22: PKR 630 Mn).

### PTF's Performance:

Claims ratio represents the proportion of claim costs relative to earned premiums, indicating an insurer's financial strength and risk management effectiveness. A claim arises when an event covered by an insurance policy transpires. The average claims ratio of PQFTL for three years period ended December 31, 2024 was approximately **75%**, with net claims amounting to PKR **17.5 Bn** (CY 23: PKR 10.6 Bn). This increase was primarily driven by increased surrender/withdrawal claims of PKR **13.7 Bn** in CY 24 (CY 23: PKR 7.3 Bn). The claims settlement ratio rose to **91%** in CY 2024 (CY 22: 87%), highlighting PQFTL's ability to fulfil its obligations and successfully handle valid claims.

Sufficient Net premiums written to pay-off claims coupled with prompt payment of benefits underscore PQFTL's commitment to meeting obligations to policyholders. Moreover, PQFTL has Retakaful arrangement in place with Munich Re, rated AA by S&P<sup>101</sup>, Hannover Re-takaful Bahrain, rated A+ by S&P<sup>102</sup>, and Hannover Re Germany, rated AA by S&P<sup>103</sup>. The company's robust claims management system has allowed it to obtain an IFS rating of "A++" from PACRA and "AA" from VIS.

The Retakaful (cession) ratio of the Participants' Fund significantly decreased from 5% in CY 2022 to 1.4% in CY 2024. This change results from a 7.11% reduction in Retakaful contributions ceded, primarily due to a strategic shift in the Company's sales mix and policy characteristics. The majority of new policies are issued with a Takaful Sum Covered (i.e. the amount of takaful coverage provided) of less than PKR 3 million. Per the current re-takaful treaty, the risk associated with these smaller policies is entirely retained by PQFTL. This has the effect of increasing the gross contribution written while correspondingly decreasing the Retakaful share, directly leading to a lower Retakaful cession ratio. Furthermore, for previously issued policies, the Retakaful contribution decreases as the policy's Cash Value surpasses the Takaful Sum Covered. This is because the policy benefit criteria stipulate that the payable amount is the higher of the Takaful Sum Covered or the Cash Value at the time of claim, thus lowering the net amount at risk that needs to be ceded for Retakaful coverage.

PQFTL's expense ratio favorably moved to **4%** in CY 2024 (CY 2022: 8%), highlighting improvements in the fund's costs management abilities. The expense ratio and the claims (loss) ratio can be combined to obtain the Combined ratio, which is a measure of underwriting profitability; a ratio below 100% indicates that the company is generating an underwriting profit, while a ratio above 100% indicates an underwriting loss. PQFTL's combined ratio favorably moved to **69%** in CY 2024 (CY 2022: 93%), signifying that the company is making profits from its core operations and managing its expenses and claims effectively relative to its premiums.

Liquid investments of the company (incl. cash & bank balance) grew to PKR **56.4 Bn** in CY 2024 (CY 2022: PKR 27 Bn), driven by an increase in the value of equity securities held. As such, liquid investments to outstanding claims ratio favorably increased to **33x** in CY 2024 (CY 2022: 28x). Total PTF fund equity also increased to PKR **967 Mn** in CY 2024 (CY 2022: PKR 935 Mn). This evidences that PQFTL has more than sufficient capital and ample liquidity to meet policyholder obligations.

#### Solvency Position:

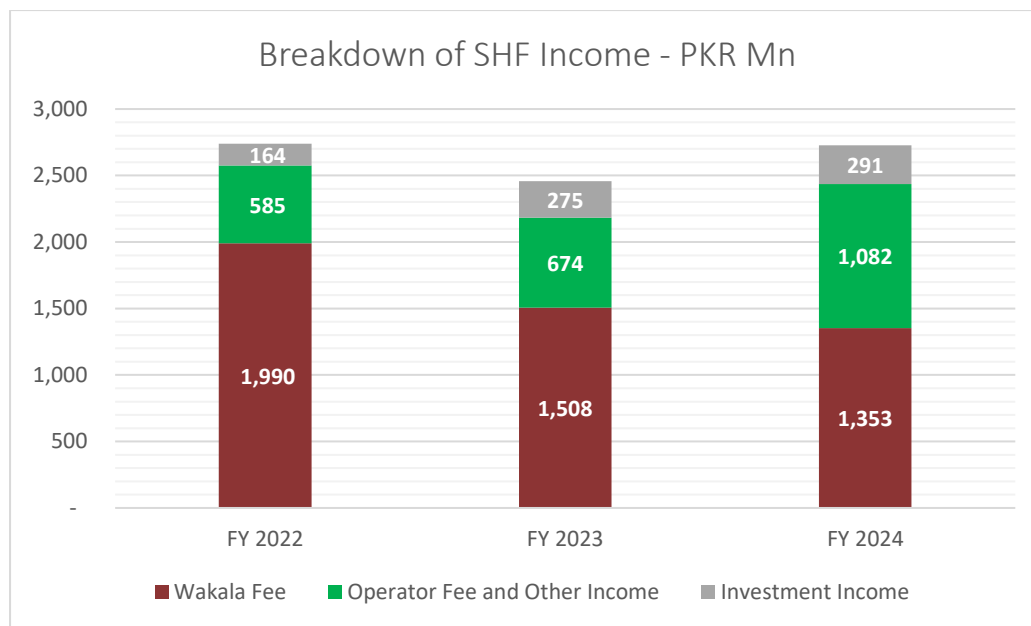
As per Insurance Ordinance, 2000, PQFTL is required to maintain a surplus of admissible assets over liabilities of not less than the required amount. Under Rule 12(2) of the SEC (Insurance) Rules, PQFTL has been given approval to maintain solvency margins in its Shareholders' fund and Statutory funds in aggregate.

During the three years ended December 31, 2024, PQFTL was able to comfortably meet its solvency requirements, having surplus admissible assets of more than PKR 1 Bn in all three years.

<sup>101</sup> <https://www.munichre.com/en/company/investors/ratings-and-solvency.html>

<sup>102</sup> <https://www.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3143654>

<sup>103</sup> [https://assets.hannover-re.com/asset/533267266226/document\\_phc5e1178d6nf8fph41fpfed72/RatingsDirect\\_HannoverRueckSE\\_Sep-05-2024.pdf?content-disposition=inline](https://assets.hannover-re.com/asset/533267266226/document_phc5e1178d6nf8fph41fpfed72/RatingsDirect_HannoverRueckSE_Sep-05-2024.pdf?content-disposition=inline)

**Profitability – Shareholders’ Fund (SHF):**

PQFTL’s profit after tax (PAT) grew by a CAGR of **15%** during the three years period ended December 31, 2024, with the PAT in CY 2024 totaling up to **PKR 270 Mn** (CY 2022: PKR 149 Mn). A substantial increase in PAT of 73% was experienced from CY 2023 to CY 2024, primarily as a result of higher Operator fees of PKR 1.1 Bn (CY 23: PKR 0.7 Bn). The company’s margins also improved, with PAT as a portion of total income rising to **10%** in CY 2024 (CY 2022: 5%).

Investment income also increased to **PKR 291 Mn** (CY 2022: PKR 164 Mn), with investment yield rising from 14% to 20%, highlighting improved investment performance. Alongside the positive trends in income, PQFTL’s cost management also improved, with total expenses to total income ratio falling to **86%** in CY 2024 (CY 2022: 93%).

Increased income and better cost control allowed PQFTL to record significant improvements in its bottom-line as highlighted above, thereby leading to a greater ROE of **15%** (CY 2022: 10%) and ROA of **11%** (CY 2022: 7%) in CY 2024.

**Financial Position and Solvency – Shareholders’ Fund:**

PQFTL’s cash and bank balance attributable to the SHF grew significantly in CY 2024 to **PKR 320 Mn** (CY 2022: PKR 43 Mn). The trickle-down effects of increased gross contributions and improved investment performance allowed the company to generate positive cash flows from its operating and investing activities. Increased cash balance contributed to the improved liquid investments to current liabilities ratio of **6.74x** in CY 2024 (CY 2022: 5.52x). PQFTL’s shareholders’ equity balance grew to **PKR 1.8 Bn** in CY 2024 (CY 2022: 1.5 Bn) by virtue of higher unappropriated profits arising due to the company’s improved profitability. These improvements clearly highlight how PQFTL maintains sufficient liquidity and capital balance to provide shareholders with sustainable returns.

## 6.7. SUMMARY OF MAJOR ITEMS OF REVENUE AND EXPENSES

### 6.7.1 Participants' Fund:

PKR MN	CY 2022	CY 2023	CY 2024	9MCY 2025
<i>Key Revenue Items - Participants' Fund</i>	Audited	Audited	Audited	
<b>Gross Contributions (Premiums)</b>				
<u>Regular contribution individual policies:</u>				
First year	1,476	821	310	237
Second year renewal	1,072	862	352	223
Subsequent year renewal	3,718	3,828	3,103	1,741
Single and top-up contributions	1,255	7,714	21,930	15,432
Group policies without cash values	2,715	3,071	3,122	2,134
<b>Total Gross Contributions (Premiums)</b>	<b>10,236</b>	<b>16,297</b>	<b>28,817</b>	<b>19,767</b>
<b>Investment Income</b>				
Dividend Income	272	179	129	21
Return on Debt Securities	260	384	343	11
Income from Deposits	98	106	99	42
<b>Total Investment Income</b>	<b>630</b>	<b>669</b>	<b>571</b>	<b>73</b>
<b><i>Key Expense Items - Participants' Fund</i></b>				
Wakala Fee	(1,990)	(1,508)	(1,353)	(819)
Net Takaful Claims	(6,618)	(10,653)	(17,490)	(19,406)
Operator Fee (IMC & Modarib Fee)	(562)	(642)	(1,066)	(963)
Surplus Distribution	(73)	(100)	(64)	(37)
Other Expenses	(73)	(89)	(89)	(17)
<b>Net Change in Takaful Liabilities</b>	<b>(800)</b>	<b>(10,062)</b>	<b>(18,097)</b>	<b>(4,018)</b>

### 6.7.2 Shareholders' Fund:

PKR Mn	CY 2022	CY 2023	CY 2024	9MCY 2025
<i>Key Revenue Items - Shareholders' Fund</i>	Audited	Audited	Audited	Unaudited
<b>Wakala Fee</b>				
Contribution allocated to SHF	1,219	835	721	352
Other Wakala Fee	771	673	631	467
<b>Total Wakala Fee</b>	<b>1,990</b>	<b>1,508</b>	<b>1,353</b>	<b>819</b>
<b>Investment Income</b>				
Dividend Income	8	5	-	
Return on Debt Securities	59	70	65	54
Income from Deposits	81	107	152	45
<b>Total Investment Income</b>	<b>164</b>	<b>275</b>	<b>291</b>	<b>98</b>
<b>Operator Fee (Admin, IMC &amp; Modarib)</b>	<b>562</b>	<b>642</b>	<b>1,066</b>	<b>(963)</b>
<b>Other Income</b>	<b>23</b>	<b>32</b>	<b>16</b>	<b>10</b>
<b><i>Key Expense Items - Shareholders' Fund</i></b>				
Commission Expense	(848)	(628)	(599)	(275)
Acquisition Expenses	(1,017)	(803)	(815)	(723)
Marketing and Administration Expenses	(673)	(791)	(904)	(822)

## 6.8. BIFURCATION OF REVENUE WITH RESPECT TO LOCAL AND EXPORT SALES, IF APPLICABLE.

Not Applicable as PQFTL provides services in Pakistan only.

## 6.9. CONTINGENCIES AND COMMITMENTS

As at December 31, 2024, PQFTL has disclosed a contingent liability of PKR 949.44 million with respect to provincial sales tax (see further details in Section 8.1).

As at December 31, 2024, commitments under the Ijarah Arrangements were as follows:

	December 31, 2024	December 31, 2023
	PKR Mn	PKR Mn
Not Later than one year	56.5	94.9
Later than one year and not later than five years	87.7	173.5
<b>Total</b>	<b>144.2</b>	<b>268.4</b>

## 6.10. COMPARATIVE FINANCIAL ANALYSIS WITH PEER GROUP COMPANIES:

PKR Mn	PQFTL	Adamjee Life	Askari Life	EFU Life	IGI Life	Jubilee Life	TPL Life
	CY 2024	CY 2024	CY 2024	CY 2024	CY 2024	CY 2024	CY 2024
<b>Operating Performance</b>							
Gross Contributions (Premiums)	28,817	30,969	2,018	41,672	13,493	48,713	392
Net Premiums	27,046	30,285	1,693	39,408	13,095	46,563	295
Net Claims	(17,490)	(24,350)	(346)	(43,300)	(5,570)	(57,416)	(161)
Investment Income	4,558	20,317	366	40,359	4,482	35,279	46
Fund Operating Expenses (Excl. Claims)	(1,156) <sup>104</sup>	(4,691)	(1,230)	(11,830)	(2,756)	(13,542)	(478)
Claims Ratio	65%	80%	20%	110%	43%	123%	54%
Expense Ratio	4%	15%	73%	30%	21%	29%	162%
Combined Ratio	69%	96%	93%	140%	64%	152%	217%
<b>Profitability and Capital Adequacy</b>							
Total Income	2,726 <sup>105</sup>	57,056	2,082	101,121	17,741	100,843	368
PAT	270	1,544	15	2,990	279	2,574	(340)
Shareholders' Equity	1,850	5,432	509	9,192	2,279	17,333	292
Total Assets	62,221	116,428	2,950	259,439	39,002	236,764	1,247
PAT to Total Income	10%	3%	1%	3%	2%	3%	NMF
Liquid Investments	56,410	111,997	2,704	242,921	35,540	223,196	1,031
Outstanding Claims	1,704	4,827	131	7,125	543	10,398	124
Liquid Investments to Outstanding Claims	33.1x	23.2x	20.6x	34.1x	65.5x	21.5x	8.3x

<sup>104</sup> Only includes expenses attributable to the Participants' Takaful Fund

<sup>105</sup> Only includes Income attributable to the Shareholders' Fund

	TTM <sup>106</sup>	TTM	TTM	TTM	TTM	TTM	TTM
<b>Pricing Comparison</b>							
Number of Shares (Mn)	231**	263	150	105	171	100	225
Share price*	14.00	35.00	13.08	155.00	21.02	168.01	36.50
PAT (TTM)	241	1,486	91	2,651	343	2,625	(317)
EPS	1.33 <sup>107</sup>	5.66	0.61	25.25	2.01	26.16	(1.41)
BVPS	12.60***	21.90	3.56	87.03	14.31	172.76	1.22
P/E	10.49	6.18	21.56	6.14	10.47	6.42	NMF
P/B	1.11	1.60	3.68	1.78	1.47	0.97	29.91
ROE	12%	28%	21%	31%	15%	16%	NMF
ROA	9.8%	1.4%	3.3%	1.1%	0.9%	1.2%	NMF

\* price as of 09/10/2025

\*\* Shareholding post rights issue of 50,000,000 shares and Initial Public offering of 50,000,000 shares.

\*\*\* BVPS post rights issue of 50,000,000 shares on August 28, 2025.

<sup>106</sup> TTM period from July 01, 2024 to June 30, 2025.

<sup>107</sup> Total Earnings / Total No. of Shares. The Earnings Per Share (EPS) is based on a total shareholding of **180,712,440** shares, following a rights issue of **50 million** shares at par on August 28, 2025. The EPS prior to the right issue, for the 12 months period ended June 30, 2025, is **1.85 per share**, giving a p/e multiple of **7.59x**.



## 6.11. SUMMARY OF FINANCIAL PROJECTIONS FOR FIVE YEARS

### 6.11.1 Profit and Loss Statement:

PKR Mn	2025F	2026F	2027F	2028F	2029F
<b>Gross contributions revenue</b>	<b>32,252</b>	<b>34,496</b>	<b>36,954</b>	<b>39,743</b>	<b>42,159</b>
<i>Growth rate</i>	<i>11.9%</i>	<i>7.0%</i>	<i>7.1%</i>	<i>7.5%</i>	<i>6.1%</i>
<b>Shareholders' fund</b>					
Wakala fee	1,459	1,524	1,634	1,750	1,868
Commission expense	(570)	(536)	(622)	(677)	(758)
	<b>889</b>	<b>988</b>	<b>1,012</b>	<b>1,072</b>	<b>1,110</b>
Takaful operator fee	1,383	1,659	1,980	2,392	2,836
Investment income	211	270	280	305	336
Realized FV Gains	-	-	-	-	-
Other income	19	2	(8)	(7)	4
	<b>1,612</b>	<b>1,932</b>	<b>2,252</b>	<b>2,690</b>	<b>3,176</b>
<b>Net income</b>	<b>2,501</b>	<b>2,920</b>	<b>3,264</b>	<b>3,762</b>	<b>4,286</b>
Acquisition expenses	(917)	(958)	(1,033)	(1,114)	(1,178)
Marketing and administration expenses	(1,158)	(1,383)	(1,525)	(1,687)	(1,860)
Other Expenses	(3)	(14)	(4)	(5)	(5)
<b>Total expenses</b>	<b>(2,078)</b>	<b>(2,354)</b>	<b>(2,562)</b>	<b>(2,805)</b>	<b>(3,043)</b>
Finance Cost	(15)	(13)	(12)	(10)	(9)
<b>Profit before tax</b>	<b>409</b>	<b>552</b>	<b>690</b>	<b>947</b>	<b>1,234</b>
Taxation	(118)	(215)	(269)	(369)	(481)
<b>Profit after tax</b>	<b>290</b>	<b>337</b>	<b>421</b>	<b>578</b>	<b>753</b>
<i>Effective Tax Rate<sup>108</sup></i>	<i>29%</i>	<i>39%</i>	<i>39%</i>	<i>39%</i>	<i>39%</i>

<sup>108</sup> 10% super-tax would be applicable on the company from CY 2026 onwards as its PBT rises above PKR 500 Mn.

**6.11.2 Balance Sheet:**

PKR Mn	2025F	2026F	2027F	2028F	2029F
<b>Assets</b>					
PPE	417	421	434	446	468
Intangible Assets	69	125	160	187	187
Investments	2,789	2,733	2,970	3,238	3,600
Advance against investment property	4	4	4	4	4
Deposits, Loans and Other Receivables	160	173	190	208	226
Deferred Tax Asset	-	-	-	-	-
Taxation - Payments Less Provision	-	-	-	-	-
Prepayments	22	25	28	30	33
Cash and Bank	248	362	295	304	289
<b>Total Assets</b>	<b>3,709</b>	<b>3,844</b>	<b>4,081</b>	<b>4,415</b>	<b>4,808</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Paid up Capital <sup>109</sup>	2,307	2,307	2,307	2,422	3,149
Accumulated Reserves	1,162	1,268	1,424	1,552	1,118
Qard-e-Hasna	(310)	(310)	(240)	(170)	(100)
<b>Total Equity</b>	<b>3,159</b>	<b>3,266</b>	<b>3,491</b>	<b>3,804</b>	<b>4,167</b>
<b>Liabilities</b>					
Deferred Tax Liability	6	7	8	7	7
Retirement Benefit Obligations	106	106	106	106	106
Other Creditors and Accruals	275	297	321	348	385
Lease Liabilities	116	101	88	76	66
Taxation - Payments Less Provision	46	67	67	74	77
<b>Total Liabilities</b>	<b>549</b>	<b>578</b>	<b>590</b>	<b>611</b>	<b>641</b>
<b>Total Equity and Liabilities</b>	<b>3,709</b>	<b>3,844</b>	<b>4,081</b>	<b>4,415</b>	<b>4,808</b>

<sup>109</sup> The company intends to issue bonus shares of 115,356,220 in CY 2028 and 726,744,186 in CY 2029 in order to meet the minimum paid-up capital requirements of PKR 3 Bn by CY 2030.

**6.11.3 Cash Flow Statement:**

PKR Mn	2025F	2026F	2027F	2028F	2029F
Profit before Taxation	409	552	690	947	1,234
<b>Adjustments for:</b>	0	0	0	0	0
Depreciation	135	129	125	122	122
(Gain)/Loss on disposal of PPE	-	-	-	-	-
Amortization	7	13	17	20	20
Financial Charge Expense	15	13	12	10	9
Investment Income (incl. FV gains)	(211)	(270)	(280)	(305)	(336)
Realized FV gains	-	-	-	-	-
OCI FV (gain)/loss	-	-	-	-	-
Exchange (gain)/loss	-	-	-	-	-
Working Capital Changes	29	12	10	14	23
<b>Cash generated from Operations</b>	<b>385</b>	<b>450</b>	<b>574</b>	<b>808</b>	<b>1,072</b>
Income tax paid	(151)	(194)	(268)	(364)	(478)
Actuarial gain/(loss)	-	-	-	-	-
Security Deposit	-	-	-	-	-
Qard-e-hasna repayment	-	-	70	70	70
Capital Contribution by SHF	(50)	-	-	-	-
<b>Net Cash generated from Operating Activities</b>	<b>184</b>	<b>256</b>	<b>377</b>	<b>514</b>	<b>663</b>
<b>Cash flow From Investing Activities</b>					
Fixed Capital Expenditure	(64)	(157)	(150)	(145)	(135)
Proceeds from disposal of PPE	-	-	-	-	-
Proceeds from disposal of investments	-	312	211	316	371
Payment for investments	(1,384)	(256)	(447)	(584)	(733)
Profit/Return received	209	264	274	298	329
<b>Net Cash used in Investing Activities</b>	<b>(1,238)</b>	<b>163</b>	<b>(112)</b>	<b>(115)</b>	<b>(168)</b>
<b>Cash flow From Financing Activities</b>					
Proceeds from issuance of shares	1,200	-	-	-	-
Repayment of lease liabilities	(87)	(75)	(65)	(57)	(49)
Dividends paid	(131)	(231)	(265)	(335)	(460)
<b>Net cash generated from Financing Activities</b>	<b>983</b>	<b>(306)</b>	<b>(330)</b>	<b>(391)</b>	<b>(509)</b>
<b>Net Increase / (decrease) in Cash</b>	<b>(72)</b>	<b>114</b>	<b>(66)</b>	<b>8</b>	<b>(14)</b>
<b>Cash at the beginning of the year</b>	<b>320</b>	<b>248</b>	<b>362</b>	<b>295</b>	<b>304</b>
<b>Cash at the end of the year</b>	<b>248</b>	<b>362</b>	<b>295</b>	<b>304</b>	<b>289</b>

PKR Mn	2025F	2026F	2027F	2028F	2029F
PAT	290	337	421	578	753
Interest	11	8	7	6	5
Depreciation	135	129	125	122	122
Amortization	7	13	17	20	20
Capital Expenditure	(64)	(157)	(150)	(145)	(135)
Changes in Working Capital	29	12	10	14	23
<b>FCFF</b>	<b>408</b>	<b>342</b>	<b>431</b>	<b>594</b>	<b>788</b>
Interest	(11)	(8)	(7)	(6)	(5)
Net Debt	(18)	(15)	(13)	(12)	(10)
<b>FCFE</b>	<b>380</b>	<b>319</b>	<b>410</b>	<b>577</b>	<b>773</b>

#### 6.11.4 Macro-economic Assumptions:

	2025F	2026F	2027F	2028F	2029F
Inflation <sup>110</sup>	5.1%	7.7%	6.5%	6.5%	6.5%
KIBOR <sup>111</sup>	10.28%	10.28%	10.28%	10.28%	10.28%

<sup>110</sup> <https://www.imf.org/external/datamapper/PCPIPCH@WEO/WEOWORLD/PAK>

<sup>111</sup> Source: AHL Research

## 6.11.5 CERTIFICATE OF REASONABLENESS OF FINANCIAL PROJECTIONS:

**ARIF HABIB LIMITED**

The Chief Executive  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Chief Listing Officer  
Listing Department  
Pakistan Stock Exchange Limited  
Karachi

Subject: Certification of Reasonableness of Financial Projections as per Schedule 1 14(vii)(xii) of the Public Offering Regulations, 2017

Dear Sir(s),

We, Arif Habib Limited, acting as the Consultant to the Issue in connection with the proposed Initial Public Offering of Pak Qatar Family Takaful Limited, hereby confirm that we have reviewed the financial projections for the five-year period ending CY2029 included in the draft Prospectus and submitted to the Exchange.

Based on our sector expertise, market research and discussions with the Company's management regarding the underlying assumptions, we certify that the financial projections have been prepared on reasonable grounds and assumptions. The key assumptions cover, inter alia, premium growth rate, underwriting margins, effective tax rate, and relevant macroeconomic factors, and are considered reasonable in light of the Company's historical performance, industry outlook, and the prevailing economic environment.

This certification is being provided in accordance with the Public Offering Regulation issued by the Securities and Exchange Commission of Pakistan (SECP).

**Disclaimer:**  
The financial projections are subject to inherent uncertainties and are based on assumptions regarding future events and circumstances which may not occur as expected. Actual results may differ from those projected. This certification should not be construed as a guarantee of the attainment of the projected results. Please read the offering document/prospectus to understand the investment policies, risks and tax implication involved.

Yours Faithfully,



**Farhan Rizvi**  
Managing Director Investment Banking,  
Arif Habib Limited

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Lahore Office: Office No. Q-3 B Q-4, Ground Floor, 108 Plaza, 18, Shalimar-e-Ikhtesari Road, Lahore, / Tel: +92 42 3635 3780 - 11, 3631 8781 - 24  
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BREC holder of the Pakistan Stock Exchange Ltd. / BREC Reg No. 848-950 / 95

## 6.12. REVALUATION OF ASSETS

PQFTL has ownership of investment property comprising of freehold land and office premises. The Company acquired the property with the objective of capital appreciation. The fair value of the investment property was determined by an external, independent property valuer, Ms. Credit & Commerce Consultants (Pvt) Limited. The independent valuer provides the fair value of the Company's investment property at least once every financial year, as per Company's policy.

Particulars	Details	
Owner	Pak-Qatar Family Takaful Limited	
Date of Latest Valuation	December 31, 2024	
Covered Area	<b>Gulberg Green 11-A</b> Plot Area - 1866.66 sq. yards	<b>SMCHS Property</b> Plot Area - 888 sq. yards
Fair Value	PKR 1,200 Mn	
Cost	PKR 826 Mn	

## 6.13. DIVIDEND POLICY

The following table discloses a non-binding expected dividend pay-out ratio, including the percentage of earnings to be distributed to the shareholders as dividend in case the company is profitable, has cash and does not intend to pursue any expansion opportunities.

	2025F	2026F	2027F	2028F	2029F	2030F
<b>Dividend Per Share (DPS) - PKR</b>	1.00	1.15	1.45	1.90	1.90	2.425
<b>Payout Ratio (Dividend/Earnings)</b>	80%	79%	80%	78%	80%	80%

The Company intends to follow a consistent profit distribution policy for its members, with future dividend payments being influenced by factors including profitability, availability of adequate cash flows, the Board's recommendation, and shareholders' approval, where required.

The rights in respect of bonus issues and dividends attached to each ordinary share are and will be the same. The Company in its general meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors. Dividend, if declared in the general meeting, shall be paid according to the provisions of the Companies Act.

The Board of Directors may from time to time declare interim dividends as appear to it to be justified by the profits of the Company. No dividend shall be paid otherwise than out of the profits of the Company for the year or any other undistributed profits.

No unpaid dividend shall bear interest or mark-up against the Company. The dividends shall be paid within the period laid down in the Companies Act. Under Section 242 of the Companies Act, any dividend payable in cash by a listed company shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Therefore, the applicants must provide the details of the bank account in the relevant part of the Shares Subscription Form.

No bonus shares issued in last 5 years. The Company paid the following dividends in the last 5 years.

Year	Dividend per share (PKR)
2020	0.75
2021	-



2022	0.50
2023	0.50
2024	1.00

**Covenants / Restriction on Payment of Dividends:**

It is stated that there is no restriction on the Company by any regulatory authority, creditor, stakeholder, etc. on the distribution and capitalization of its profits.

**Eligibility for Dividend**

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

**6.13 (B) DIVIDEND PAYOUT OF LISTED ASSOCIATED COMPANIES OVER WHICH THE ISSUER HAS CONTROL**

PQFTL has no listed associated company over which it has control.

## 7. BOARD AND MANAGEMENT OF THE COMPANY

### 7.1. BOARD OF DIRECTORS

S. No	Name	Designation	Address	CNIC / Passport No:	Period of Directorship	Directorship in other companies
1	H. E. Sheikh Ali bin Abdullah Thani Jassim Al-Thani	Non-Executive Director	Al-Gharafa, Doha, Qatar	S037908	Board Member Since March 2006	<ul style="list-style-type: none"> <li>Umm-Haish International</li> <li>Al Jazeera Trading &amp; Contracting</li> <li>Pak-Qatar General Takaful Limited</li> </ul>
2	Said Gul	Non-Executive Director	House No. 2, Kohsar Road, F-7/3, Islamabad, Pakistan	153027-821829-3	Board Member Since April 2007	<ul style="list-style-type: none"> <li>Eurotec Projects Development for Oil &amp; Gas</li> <li>Qatar Petrochemical Company</li> <li>Al-Muftah Projects &amp; Industrial Services</li> <li>Pak-Qatar General Takaful Limited</li> <li>Pak-Qatar Investment (Private) Limited</li> <li>Pak-Qatar Asset Management Company Limited</li> </ul>
3	Mr. Abdul Basit Ahmad Al-Shaibei	Non-Executive Director	Villa No. 94, Al-Roadah, Doha, Qatar	01709999	Board Member Since March 2006	<ul style="list-style-type: none"> <li>Islamic Financial Securities Company</li> <li>Pak-Qatar General Takaful</li> <li>Qatar International Islamic Bank</li> </ul>
4	Mr. Ali Ibrahim Al Abdul Ghani	Non-Executive Director	P.O. Box 22676, Doha Qatar	01744817	Board Member Since October 2014	<ul style="list-style-type: none"> <li>Qatar Islamic Insurance Company</li> <li>Pak-Qatar General Takaful Limited</li> </ul>
5	Mr. Zahid Hussain Awan	Non-Executive Director	215-B, Ghazikot Township, Mansehra, Pakistan	135039-451450-5	Board Member Since April 2007	<ul style="list-style-type: none"> <li>Pak-Qatar General Takaful Limited</li> </ul>
6	Mr. Muhammad Kamran Saleem	Executive Director	A-185/8 K.A.E.C.H.S., Karachi, Pakistan	42301-5927051-1	Board Member Since April 2022	<ul style="list-style-type: none"> <li>Pak-Qatar Asset Management Company</li> <li>Pak-Qatar General Takaful</li> <li>Pak-Qatar Investments (Private) Limited</li> <li>Pak Elektron Limited</li> <li>Crescent Steel &amp; Allied Products</li> </ul>
7	Zahid Haleem Shaikh	Independent Director	H. No. 105, Street 3, Khyaban-e-Muhafiz, Phase 6 DHA, Karachi, Pakistan	42201-2515026-3	Board Member Since April 2025	<ul style="list-style-type: none"> <li>Shafi Foods</li> <li>Shafi Agro (Pvt) Muhammad Shafi Tanneries</li> <li>Shafi Taxcel</li> <li>Shafi Gluco Chem</li> <li>Everfresh Farms (Pvt.)</li> </ul>

8	Asad Pervaiz	Independent Director	H. No. 64/2, Khyaban-e-Rahat, Phase 6 DHA, Karachi, Pakistan	42301-8305745-9	Board Member Since April 2025	-
9	Ammara Shamim Gondal	Independent Director	Villa#29, DHA Villas, Phase 8 (Ex-Park View), Street 2, DHA, Lahore	34101-2303214-2	Board Member Since April 2025	<ul style="list-style-type: none"> <li>Prissol Pvt Ltd</li> </ul>

## 7.2. NUMBER OF DIRECTORS

Pursuant to Section 154 of the Companies Act, 2017 a listed Company shall not have less than seven (7) directors. At present, the Board consists of 9 directors, excluding the Chief Executive Officer, who is not an elected director but a member of the management team.

## 7.3. PROFILE OF DIRECTORS

### H. E. Sheikh Ali bin Abdullah Thani Jassim Al-Thani - Chairman Board of Directors:

A distinguished member of the Royal Family of Qatar, His Excellency Sheikh Ali Bin Abdullah Thani Jassim Al-Thani has been a steadfast supporter of Pakistan's progress and development. He has championed initiatives to attract foreign investment, foster workforce opportunities, and uplift communities, especially in education and healthcare.

Since 2007, Sheikh Ali has served as the visionary Chairman of Pak-Qatar Family Takaful Limited, steering the Company's mission to redefine Islamic financial services with excellence and purpose.

### Said Gul - Non-Executive Director:

A prominent Pakistani entrepreneur in Qatar, Mr. Said Gul is the driving force behind transformative initiatives that bridge the business communities of Pakistan and Qatar. As the Executive Director of Eurotec Projects Development for Oil & Gas, he has cultivated innovative solutions in international trade and consultancy. As a founding Director and key sponsor of the Pak-Qatar Group, Mr. Gul has been instrumental in shaping its modern success. His leadership has cemented the Group's reputation as a pioneer in Islamic finance since its inception in 2007.

### Mr. Abdul Basit Ahmad Al-Shaibei - Non-Executive Director:

As the CEO of Qatar International Islamic Bank, Mr. Abdul Basit Ahmad Al-Shaibei has played a pivotal role in advancing Islamic banking on a global scale. He also serves as a Board Member of the Islamic Financial Securities Company, Doha, reflecting his deep expertise in Shariah-compliant financial solutions. Since 2007, Mr. Al-Shaibei has been an invaluable member of the Board of Pak-Qatar Family Takaful and General Takaful, bringing strategic insights to the Group's leadership.

### Mr. Ali Ibrahim Al Abdul Ghani - Non-Executive Director:

A seasoned leader in Islamic finance, Mr. Ali Ibrahim Al Abdul Ghani is the CEO of Qatar Islamic Insurance Company. His career spans key roles in Qatar's Ministry of Labor and Social Affairs as Head of Finance & Administration and the Qatar Armed Forces as Head of Procurement. He contributes his vast expertise as a Board Member of Pak-Qatar Family Takaful and General Takaful, guiding its vision of halal financial investment and protection.

### Mr. Zahid Hussain Awan - Non-Executive Director:

With over three decades of international banking experience, Mr. Zahid Hussain Awan has held leadership roles in the GCC, including at Qatar International Islamic Bank. His expertise spans treasury, product development, and banking innovation. Since 2007, Mr. Awan has been a cornerstone of the Board of Pak-Qatar Family Takaful and General Takaful, contributing his strategic acumen to the Group's sustained success.

**Mr. Muhammad Kamran Saleem - Executive Director and Company Secretary:**

A seasoned professional with expertise as a Fellow Chartered Accountant, Fellow Cost Accountant, and Advocate (LLM), Mr. Muhammad Kamran Saleem has played a transformative role in corporate governance, long-term planning, and shaping the strategic direction of the Pak-Qatar Group over the span of two decades.

As a member on the Boards of Pak-Qatar Asset Management, Pak-Qatar Family Takaful and General Takaful, he has been a key architect in strengthening the group's leadership providing invaluable guidance to drive innovation and sustainable growth. He is also a Director at Pak Elektron Limited and Crescent Steel & Allied Products Limited, where he lends his expertise to enhance excellence and governance.

**Zahid Haleem Shaikh - Independent Director:**

Mr. Zahid Haleem Shaikh serves as Chief Executive Officer of Shafi Foods (Pvt.) Ltd. and Shafi Agro (Pvt) Ltd, and holds Directorships at Muhammad Shafi Tanneries (Pvt.) Ltd., Shafi Taxcel Ltd., Shafi Gluco Chem (Pvt.) Ltd. and Everfresh Farms (Pvt.) Ltd. His strategic oversight supports the group's vertically integrated model, driving sustained growth and value creation within the Shafi Group.

Mr. Zahid earned a Bachelor of Commerce from Scholars College, Punjab University in 1988 and a BSBA in Business Administration with a concentration in Finance (cum laude) from Boston University in 1992. With over two decades of leadership across agribusiness, food processing, manufacturing, and exports, he combines academic excellence with sector expertise.

**Asad Pervaiz - Independent Director:**

Mr. Asad Pervaiz held the pivotal role of Chief Actuary & Appointed Actuary at Friends Provident International, UAE (IFGL), where he was responsible for overseeing financial reporting, risk projection, and actuarial strategy. His expertise strengthens governance and insight across complex insurance portfolios. He holds a Bachelor of Commerce degree from the University of Karachi (2008), and is a Fellow of the Society of Actuaries, USA, as well as a Fellow of the Pakistan Society of Actuaries, both awarded in 2012. With more than a decade of professional experience in actuarial science and risk management, he brings a rare blend of international and local credentials to the board.

**Ammara Shamim - Independent Director:**

Ms. Ammara Shamim Gondal serves as a Director at Prissol (Pvt) Limited and Chief Financial Officer at Reem Rice Mills (Pvt) Limited, where she leads key financial functions including strategic planning, budgeting, financial reporting, and the development of robust internal control frameworks. With a strong track record in corporate governance and financial stewardship, Ms. Gondal brings valuable insight and accountability to the boardroom, strengthening investor confidence and supporting sustainable, long-term value creation across diversified operations.

She is a Chartered Accountant (ACA) and holds a Bachelor of Arts degree from the University of the Punjab. She brings over a decade of professional experience grounded in audit, analytics, and financial leadership, with recognition from the Institute of Chartered Accountants of Pakistan where she formerly chaired CASA-North.

**7.4. PROFILE OF SENIOR MANAGEMENT****Waqas Ahmad - Chief Executive Officer:**

Mr. Waqas Ahmad is a seasoned Takaful and insurance professional with over three decades of diverse experience in operations, strategy, product development, underwriting, and digital transformation. He has held several senior leadership roles, including Chief Operating Officer at PQFTL and Executive Director at Salaam Takaful Limited, and was instrumental in launching Life Takaful operations at Al Rajhi Takaful in Saudi Arabia. He also led the establishment of Pakistan's first digital Family Takaful insurer and currently serves on the Executive Committee of the Insurance Association of Pakistan (IAP).

Mr. Waqas holds an MBA in Marketing from Allama Iqbal Open University and a Post-Graduate Diploma in Islamic Finance from the Centre for Islamic Economics. He is a Certified Director from the Institute of Chartered Accountants of Pakistan, a Fellow of the Life Management Institute (FLMI), and an Associate in Customer

Services (ACS) from LOMA. His academic and professional qualifications complement his strategic leadership in the Takaful industry.

**Muhammad Ahsan Qureshi - Chief Financial Officer:**

Mr. Muhammad Ahsan Qureshi is serving Pak-Qatar Family Takaful Limited. With nearly three decades of hands-on experience in financial reporting, insurance accounting, and treasury management, he drives strategic planning, budgeting, forecasting, and investment decisions while ensuring robust liquidity management and adherence to regulatory standards. Under his stewardship, PQFTL has successfully implemented core finance systems including Pentasoft, SAP, Oracle, and introduced industry specific accounting formats and cost allocation policies for Family Takaful. Mr. Qureshi also plays a key role in board level reporting and regulatory liaison with stakeholders such as SECP and SBP, contributing to the company's strong governance framework.

Holding a Master's in Islamic Banking & Finance alongside Master's in Commerce, Mr. Qureshi complements his academic credentials with international training in risk management (Japan), Takaful principles, and ERP systems, including SAP power user certification. His analytical mindset and team focused leadership have resulted in streamlined finance procedures and performance measurement systems. Additionally, he has contributed to academia by teaching accounting and management courses in Karachi's universities and colleges.

**Mufti Muhammad Shakir Siddiqui - Head of Shariah Compliance:**

Mufti Muhammad Shakir Siddiqui serves as the Head of Shariah Compliance at Pak-Qatar Family Takaful, where he oversees Shariah trainings, compliance, and audits. Since joining the organization in 2017, he has been instrumental in developing and implementing comprehensive Shariah compliance and audit manuals, ensuring adherence to Islamic principles across all operations. Mufti Siddiqui holds the esteemed Takhassus Fe Aliftah and Almiyah, Fiqh (Islamic Jurisprudence) from Jamia Darul Uloom, Karachi, and has completed an M.A. in Arabic as well as an M.Phil. leading to a Ph.D. in Islamic Learning from the University of Karachi. His areas of specialization include Islamic Finance, Islamic Jurisprudence, Takaful, Islamic Risk Management, Shariah Audit & Compliance, Waqf Management, and Islamic Business Ethics.

In addition to his role at Pak-Qatar, Mufti Siddiqui is a respected Shariah advisor and consultant, serving on the Standing Committee on Takaful & Window Takaful at the Federation of Pakistan Chambers of Commerce and Industry (FPCCI). He is also a visiting faculty member at several leading institutions in Karachi, including the Institute of Business Administration's Centre for Excellence in Islamic Finance (IBA-CEIF), where he imparts knowledge on Islamic finance and Takaful. His commitment to promoting ethical financial practices and his extensive experience make him a pivotal figure in the Islamic finance sector.

**Muhammad Danish Raza - Head of Internal Audit:**

Mr. Danish Raza is the Head of Internal Audit at Pak-Qatar Family Takaful Limited, bringing over a decade of extensive experience in Internal Audit. Prior to joining Pak-Qatar, he served as Senior Manager Internal Audit at Mega & Forbes Group of Companies, where he played a key role in strengthening governance frameworks and ensuring regulatory compliance. He also held a senior audit position at Grant Thornton, where he led multiple assurance and advisory engagements for clients across various industries.

Mr. Raza is an ACCA-qualified professional with a strong command of internal control systems and financial reporting standards. In addition, he holds a Certification in Shariah Compliance & Audit of Islamic Financial Institutions from IBA-CEJ, equipping him with a deep understanding of Shariah-based audit practices. His combined expertise in conventional and Islamic auditing principles enables him to uphold the highest standards of accountability and transparency in his current role.

**Junaid Asghar - Head of Group Operations:**

Junaid Asghar has an experience of more than a decade in the Takaful and insurance industry. As Head of Group Operations at Pak-Qatar Family Takaful, he oversees key functions including life and health underwriting, claims management, reinsurance operations, and customer service.

He holds a Marketing degree from IBA, Karachi, and a Postgraduate Diploma in Islamic Banking & Finance. Mr. Junaid is also a certified Fellow of the Life Management Institute (FLMI), and an Associate in Reinsurance

Administration (ARA) and Customer Service (ACS) from LOMA, USA. His leadership continues to enhance operational efficiency and customer-focused service across the organization.

**Murtaza Soomro - Head of Agency Administration & Branch Operations:**

Mr. Murtaza Soomro brings more than two decades of diverse experience in the Takaful and insurance industry, with expertise in Individual Life and Bancassurance operations. At Pak-Qatar Family Takaful, he leads Agency Administration, and Branch Operations, focusing on strategic planning, digital optimization, and service excellence.

Previously with Jubilee Life Insurance, he played a key role in business management, automation, and product development. Mr. Soomro holds an MBA in Human Resource Management and multiple professional certifications. His leadership is defined by data-driven insights, operational efficiency, and a strong commitment to business growth.

**Muhammad Shahzad - Head of Underwriting (Member Onboarding):**

Mr. Muhammad Shahzad is an experienced professional with over two decades of experience in Pakistan's insurance and Takaful industry. As Head of the Members Onboarding Department, he brings specialized expertise in Life Underwriting, Customer Service, and Branch Management, and system development to optimize processes, along with strong leadership in planning and team coordination.

He holds an MBA and is a Certified Underwriter from the Life Office Management Association (LOMA). Mr. Shahzad has completed numerous technical and soft skills trainings both locally and internationally, and also has teaching experience in business studies, reflecting his commitment to professional development.

**Adnan Arif – Head of BancaTakaful Operations:**

Adnan Arif is a seasoned professional with nearly three decades of experience in the financial services industry, specializing in Insurance, Bancassurance/BancaTakaful, and Wealth Management. Currently serving as Head of Operations, BancaTakaful at Pak-Qatar Family Takaful, Adnan plays a pivotal role in strategy formulation, operational excellence, and client service enhancement.

He has held key leadership roles at Chartis, NIB Bank, and Jubilee Life Insurance, where he consistently demonstrated strong leadership, compliance, and people management skills. Adnan holds a Master's degree in Public Administration from the University of Karachi and has completed multiple professional certifications from the Life Office Management Association (LOMA), reflecting his commitment to continuous professional development and industry best practice.

**Muhammad Farhan Hasan - Head of Membership Support Services:**

Muhammad Farhan Hasan oversees operations that directly enhance client satisfaction and retention. With over a decade in the insurance industry, he excels at turning insights into customer-centric service strategies, ensuring customers receive timely and reliable support.

Prior to this role, Farhan held the position of Manager of Branch Operations & Agency Administration. In that capacity, he crafted and rolled out nationwide operational frameworks that elevated consistency and efficiency across the organization's branch network. His thoughtful approach ensured a cohesive experience for clients regardless of location.

Farhan earned his MBA from the Institute of Business Management (IoBM) and remains an engaged industry professional. He serves on the Life Insurance Policy Locator Committee and the internal Claims & Grievance Handling Committee, where he champions transparency and fairness. Notably, Farhan was one of the pioneers who established a Service Quality & Excellence Department in the insurance sector-solidifying a lasting standard of organizational excellence and client care.

**Obaid Hussain Qureshi - Head of Legal & Compliance:**

Mr. Obaid Hussain Qureshi brings over two decades of extensive experience in legal affairs, compliance, and risk management across diverse sectors, including roles at K-Electric, Standard Chartered Bank, and the District &



Sessions Court in Karachi. At Pak-Qatar Takaful, he leads the Legal, Compliance & Grievance department, providing strategic oversight on regulatory adherence, dispute resolution, and legal risk mitigation.

His expertise spans legal drafting, litigation (civil, criminal, and family law), arbitration, commercial banking regulations, anti-money laundering (AML), and compliance frameworks. Mr. Qureshi holds a Bachelor of Laws (LLB) from the University of Karachi and has completed multiple certifications in legal and compliance domains. His multidisciplinary background and sharp legal insight contribute significantly to maintaining governance standards and organizational integrity.

#### **Haq Nawaz – Head of Retail Sales:**

Mr. Haq Nawaz is a seasoned professional and a diligent performer who has risen to the position of Head of Country Sales at Pak-Qatar Family Takaful Limited in February 2021. He has nearly three decades of experience in Sales & Marketing in Pakistan. He has been in the Insurance/Takaful industry for almost two decades and has worked at many senior managerial level positions.

His long list of commendable achievements is based on his innovative approach and dynamic execution of modern managerial techniques. At Pak-Qatar, Mr. Haq Nawaz has shown special expertise in developing highly motivated teams, comprising of well-trained professionals who are intellectually superior and morally upright. He has successfully handled multi-dimensional assignments, while heading large operational teams across Pakistan.

He holds a Post-Graduate Diploma in Islamic Finance (PGD), MBA in Finance, and holds Sales Force Management & Building High Performance Teams Certificates from LUMS.

#### **Dr Bilal Rafaqat – Head of Corporate Sales (Central & North):**

With nearly three decades of industry experience, Dr. Bilal Rafaqat has led corporate sales strategy and high-performing teams across Pakistan's Central and North regions since January 2020 at Pak-Qatar Family Takaful. In this role, he drives institutional business growth and market expansion with significant results in corporate client acquisitions.

Before assuming his current position, Dr. Rafaqat spent eight years in senior management with Allianz EFU. He holds an MBBS from Allama Iqbal Medical College, an MBA in Marketing and an MHRM from the University of the Punjab, and completed sales force management certification at LUMS.

#### **Abdul Ghafir – Head of Corporate Sales (South):**

Mirza Abdul Ghaffir Baig is a seasoned professional with nearly two decades of expertise in business development, customer service, branding, and Islamic finance, currently serving as Head of Corporate Sales - South at Pak Qatar Family Takaful Limited. A skilled market-analyst and innovative thinker, he plays a key role in shaping regional strategy and driving performance across corporate and direct sales channels.

Known for his strong leadership, relationship-building, and critical thinking abilities, Mr. Ghaffir consistently delivers client-focused solutions and nurtures high-performing teams. His strategic vision continues to foster growth and excellence within the South region's takaful operations. He holds a Bachelor's degree in Business Administration and has undergone specialized training in Islamic finance and Takaful operations, equipping him with deep domain knowledge and analytical skills.

#### **Asad Ahmed Hakro – Head of Digital Sales:**

Asad Ahmed Hakro is serving as the Head of Digital Sales at Pak-Qatar Family Takaful Limited, where he leads the development of seamless digital sales channels including onboarding journeys, e-payment platforms for both retail and corporate clients, ensuring alignment with the company's technology-driven transformation ambitions.

He brings over a decade of leadership experience across Pakistan and Malaysia's banking sector, with impactful roles at Meezan Bank, JS Bank, Standard Chartered, Allied Bank, and Maybank Kuala Lumpur. His background

spans digital product design, strategic onboarding initiatives, priority banking, and cross-border operations. Asad holds an MBA and a BBA (Honors) from Limkokwing University of Creative Technology (Malaysia), complemented by specialized certifications in core banking, Islamic finance, and advanced business English.

**Zeeshan Haider – Head of Banca Takaful Sales:**

Zeeshan Haider is a seasoned professional with over two decades of extensive experience in the banking and insurance sectors. Currently serving as the Country Head – Banca Takaful at Pak-Qatar Family Takaful Limited, he leads the national BancaTakaful business, overseeing strategic initiatives across alternate distribution channels.

Throughout his career, Mr. Haider has held pivotal roles in esteemed organizations, including Askari Bank, Bank Alfalah, Adamjee Life, Askari Life, and EFU Life. His expertise encompasses sales, product development, operations, training, and strategic planning, contributing significantly to business growth and operational excellence.

Academically, he holds an MBA in Marketing from the University of South Asia, a Postgraduate Diploma in Islamic Banking and Finance from the Centre of Islamic Banking and Economics (CIBE), and a certification in Strategic Management & Leadership from Westminster Business School, London.

Mr. Haider's leadership continues to drive the expansion and innovation of Pak-Qatar's BancaTakaful services, aligning with the organization's commitment to providing Shariah-compliant financial solutions.

**Saifuddin Shaikh - Head of Administration & Procurement:**

Mr. Saifuddin Shaikh has been leading the Administration & Procurement function at Pak-Qatar Family Takaful Limited since its inception in 2007. As the company's first employee and a founding member, he played a vital role in establishing the head office and branch network across Pakistan. His responsibilities span general administration, procurement, project office oversight, and support operations for the Company.

With over two decades of professional experience, Mr. Saifuddin Shaikh brings expertise in administration, IT support, and HR management. He previously headed the Information Technology & Systems department and has held leadership roles in the tech and services sectors. He holds an LLB from Government Islamia Law College, an MPA from COMSATS Institute of Information Technology, a postgraduate diploma in Islamic Banking & Finance, and an Associate Engineering Diploma in Electronics Technology.

**Kamran Ali Khan - Head of Human Resources & Training:**

Mr. Kamran Ali Khan is a polished HR and business leader with over two decades of experience across Human Resources, Learning & Development, Customer Experience, Sales, and Quality Assurance. At Pak-Qatar Family Takaful, he heads HR and Training, where he leads strategic initiatives in talent development, organizational culture, and performance management.

Prior to joining Pak-Qatar, Mr. Kamran Khan held senior roles at K-Electric, wi-tribe, and Mobilink, and has also served as a visiting faculty member at Institute of Business & Technology (IBT). -

**Muhammad Asad Ali - Acting Head of Actuarial & Risk Management:**

Mr. Muhammad Asad Ali leads the design, pricing, and risk assessment of Shariah-compliant Takaful products. With nearly a decade of dedicated experience in the pure Takaful sector, Mr. Asad Ali brings deep expertise in actuarial modeling, regulatory compliance, and data-driven strategies that support long-term business sustainability.

His career in Family Takaful includes impactful roles at Dawood Family Takaful Limited, 5th Pillar Family Takaful Limited, and other financial institutions, where at each organization he contributed significantly to product innovation and risk management.

Mr. Ali holds a Bachelor's degree in Actuarial Science and Risk Management providing a solid foundation in statistical analysis, financial modeling, and risk evaluation. His specialization lies in aligning actuarial strategies

with Islamic finance principles; advancing the company's vision of creating ethical, customer-centric protection solutions. Through his leadership and analytical acumen, he continues to enhance the actuarial function at Pak-Qatar, strengthening its role in the Takaful industry.

**Bilal Rashid - Head of Marketing and Corporate Communications:**

Mr. Bilal Rashid has over two decades of diverse experience in Marketing & Corporate Communications, leading high-impact marketing, branding, and communication strategies with various organizations such as IGI Life, Telenor Bank (Easypaisa), JS Investments, GEO TV, Lakson Tobacco, etc. He possesses strong competencies in corporate communications, conventional & digital marketing, business planning, brand activation, advertising, and market analysis.

Mr. Bilal holds a Marketing Degree from Institute of Business Management (IoBM), is a Fellow Chartered Institute of Marketing (FCIM), Certified Professional Marketer (CPM Asia) from the Asia Marketing Federation, and has further augmented his expertise with certifications in journalism, traditional and digital marketing from esteemed institutions such as Semrush, Reuters, Google, Facebook, Chartered Institute of Marketing and Wharton Business School.

**Aslam Zaki – Head of IT Infrastructure:**

An accomplished IT Infrastructure and Systems Specialist with over two decades of progressive experience in designing, managing, and securing enterprise-scale IT environments. Currently serving as Head of Infrastructure at Pak Qatar Family Takaful Limited, Aslam has led critical projects such as corporate data center design, network revamps, virtualization deployments, and disaster recovery implementations.

His expertise spans infrastructure planning, system and network administration, virtualization (VMware, Hyper-V, SangFor, Oracle), cybersecurity (SIEM, IDS/IPS, Sophos, Cisco, Juniper), data center operations, VPNs, backup and DR strategies, and IT budgeting. He is skilled in managing cross-functional teams, vendor relationships, and complex multi-site environments.

Certifications include OCI Certified Professional Architect along with multiple other OCI certifications in Operations, Architect Associate, Foundations, and Security. He is also a Certified NSE 2 Network Security Associate and CCNA, and has completed professional trainings in MCITP, ISA Server, and computer networking.

## 7.5. QUALIFICATION OF DIRECTORS

No person shall be appointed as a director of the Company who is ineligible to be appointed as Director on any one or more of the grounds enumerated in Section 153 of the Companies Act or any other law for the time being in force.

## 7.6. APPOINTMENT AND ELECTION OF DIRECTORS AND CHIEF EXECUTIVE

The Directors of the Company are elected for a term of three years in accordance with the procedure laid down in Section 159 of the Companies Act, 2017.

The Directors shall comply with the provisions of Sections 154 to 159 and Sections 161 and 167 of the Companies Act relating to the election of Directors and matters ancillary thereto.

Subject to the provisions of the Companies Act, the Company may from time to time increase or decrease the number of Directors.

Any casual vacancy occurring on the Board of Directors may be filled up by the Directors, but the person so appointed shall be subject to retirement at the same time as if he/she had become a Director on the day on which the Director in whose place he/she is chosen was last elected as Director.

The Company may remove a director in accordance with the provisions of the Companies Act.

The last election of Directors was held on **30-04-2025**.

The company shall have a Chief Executive appointed in accordance with the provisions of the Act. The Chief Executive is a deemed director, with respect to rights and privileges associated with that of a director. Lastly,

The Chief Executive may be removed by the Board or by company through special resolution, in accordance with the provisions of section 190 of the Act.

The Company will comply with the Listed Companies (Code of Corporate Governance) Regulation, 2019 as and when the regulations will be applicable on it. Currently, the Company follows the Code of Corporate Governance for Insurers, 2016.

## 7.7. INTEREST OF DIRECTORS AND PROMOTERS

The directors and promoters of the company may have a direct or indirect interest in contracts, arrangements, or dealings with the company, as permitted under the provisions of the Companies Act, 2017, and the Articles of Association. In accordance with Article 51, no director or intending director is disqualified from entering into contracts, transactions, or proposals with the company in a professional capacity or otherwise, provided that the nature of their interest is fully disclosed at the time and in the manner prescribed by the Act.

Furthermore, the directors are required to abstain from participating in discussions or voting on matters in which they have a personal interest, as per the provisions of Article 51. Such contracts or arrangements are subject to approval by the Board of Directors.

The Directors performing whole time services in the Company may also be deemed interested in the remuneration payable to them by the Company. The nominee directors have an interest in the Company to the extent of representing the sponsors in the Company.

Following directors are holding Ordinary Shares of the Company:

Name	Designation	Share Held (No.)	Ownership %
H.E Sheikh Ali Bin Abdullah Thani	Chairman	13,300,734	7.36%
Said Gul	Non-Executive Director	5,614,249	3.11%
Zahid Hussain Awan	Non-Executive Director	2,863,932	1.58%
Ali Ibrahim Ali Abdul Ghani	Non-Executive Director	1	0.00%
Abdul Basit Ahmad Al-Shaibei	Non-Executive Director	1,563,484	0.87%
Muhammad Kamran Saleem	Executive Director	11,670,097	6.46%

## 7.8. INTEREST OF THE DIRECTOR AND PROMOTER IN PROPERTY/ASSETS AND PROFIT OF THE COMPANY

Directors have no interest in the property/assets and profits of the Company other than dividends based on their shareholdings as and when declared by the Company.

## 7.9. REMUNERATION OF THE DIRECTORS

No remuneration is paid by PQFTL to directors.

Given below is the remuneration, including benefits, provided to the Chief Executive Officer (CEO), and Executives (i.e. employees other than the CEO and directors, whose basic salary exceeds PKR 1.2 Mn).

	CY 2022		CY 2023		CY 2024	
	CEO	Executives	CEO	Executives	CEO	Executives
Managerial Remuneration	5,722,788	84,031,319	6,008,923	73,000,733	6,455,383	82,967,765
House Rent	2,575,255	37,814,094	2,704,015	32,850,332	2,904,923	37,335,495
Utilities	506,244	7,433,411	531,555	6,457,645	571,056	7,339,333
Others	2,085,599	24,626,029	3,782,540	30,290,478	3,004,395	30,466,353
<b>Total</b>	<b>10,889,886</b>	<b>153,904,853</b>	<b>13,027,033</b>	<b>142,599,188</b>	<b>12,935,757</b>	<b>158,108,946</b>

### 7.10. BENEFITS (MONETARY OR OTHERWISE) PROVIDED TO SPONSORS, SUBSTANTIAL SHAREHOLDERS, AND DIRECTORS DURING THE LAST THREE YEARS

Certain directors have been reimbursed with the boarding and lodging costs in relation to attending board meetings of the company as per the company's policy which amounted to PKR 1.37 million in CY 2024 (CY 2023: PKR 0.668 million). The Company also provides Company maintained cars to certain executives.

Apart from the remuneration for services rendered as executives of the company and benefits mentioned above, no amount of benefits has been paid or given during the last three years to any director of the Company. No meeting fee for attending Directors Committee meetings were paid to the any director of the company.

No amount of benefits has been paid or given during the last three years to any sponsor shareholders of the Company other than dividends as and when declared by the Company.

### 7.11. VOTING RIGHTS

As outlined in Article 61 of the Articles of Association, subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote, irrespective of the number of shares held.

On a poll, every member, whether present in person, by proxy, or by representative, is entitled to one vote for each share held. On a poll votes may be given either personally or through video-link, by proxy or through postal ballot. Provided that no body corporate shall vote by proxy as long as a resolution of its directors in accordance with the provisions of section 138 is in force.

In case of joint shareholders, Article 62 specifies that only the vote of the senior who tenders a vote, whether in person or by proxy or through video-link, shall be accepted to the exclusion of the votes of the other joint-holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

### 7.12. AUDIT COMMITTEE

PQFTL's audit committee reviews, and reports to the board on, financial reporting, internal controls, and risk management process, providing oversight of key internal functions, including the internal audit department, as well as monitoring the external auditor.

The Board of Directors has set up an effective internal audit function managed by suitable qualified and experienced personnel who are well versed with the policies and procedures of the Company and are involved in the internal audit function on a full-time basis.

The internal audit function is under the supervision of the Board Audit Committee, which consists of five (5) members, of whom at least 3 are non-executive directors. The chairman of the Committee is an independent director.

The Audit Committee comprises of the following members:

S. No	Name of the Member	Category
1	Mr. Zahid Haleem Shaikh	Chairman
2	Mr. Said Gul	Member
3	Mr. Zahid Hussain Awan	Member
4	Mr. Muhammad Kamran Saleem	Member
5	Mr. Danish Raza	Secretary

### 7.13. ETHICS, HUMAN RESOURCE, REMUNERATION AND NOMINATIONS COMMITTEE

The Board of Directors has instituted a well-structured and effective Human Resources function, led by highly qualified and experienced personnel with in-depth knowledge of the Company's policies and procedures. These professionals are engaged on a full-time basis to ensure the efficient and compliant execution of all human

resource-related responsibilities. Oversight of this function is entrusted to the Ethics, Human Resource, Remuneration, and Nominations Committee, which is composed of the following members:

S. No	Name of the Member	Category
1	Ms. Ammara Shamim Gondal	Chairman
2	Mr. Said Gul	Member
3	Mr. Zahid Hussain Awan	Member
4	Mr. Muhammad Kamran Saleem	Member & Secretary

#### 7.14. INVESTMENT COMMITTEE

The Investment Committee is constituted as follows:

S. No	Name of the Member	Category
1	Mr. Asad Pervaiz	Chairman
2	Mr. Said Gul	Member
3	Mr. Muhammad Kamran Saleem	Member
4	Mr. Waqas Ahmed	Member
5	Mr. Abdul Rahim Abdul Wahab (Appointed Actuary)	Member
6	Mr. Muhammad Ahsan Qureshi	Member & Secretary

#### 7.15. UNDERWRITING AND RETAKAFUL COMMITTEE

The Underwriting & Retakaful Committee is constituted as follows:

S. No	Name of the Member	Category
1	Mr. Zahid Hussain Awan	Chairman
2	Mr. Waqas Ahmed	Member
3	Mr. Muhammad Ahsan Qureshi	Member
4	Mr. Muhammad Shahzad	Member & Secretary
5	Mr. Imran Lakhani	Member
6	Mr. Asad Ali	Member

#### 7.16. CLAIM SETTLEMENT COMMITTEE

The Claim Settlement Committee is constituted as follows:

S. No	Name of the Member	Category
1	Mr. Said Gul	Chairman
2	Mr. Waqas Ahmed	Member
3	Mr. Junaid Asghar	Member
4	Mr. Obaid Hussain Qureshi	Member
5	Mr. Nasir Ali Soomro	Member
6	Mr. Ramesh Kumar	Member & Secretary

#### 7.17. RISK MANAGEMENT AND COMPLIANCE COMMITTEE

The Risk Management & Compliance Committee is constituted as follows:

S. No	Name of the Member	Category
1	Mr. Muhammad Kamran Saleem	Chairman
2	Mr. Waqas Ahmed	Member
3	Mr. Muhammad Ahsan Qureshi	Member
4	Mr. Junaid Asghar	Member
5	Mr. Muhammad Shahzad	Member
6	Mr. Danish Raza	Member
7	Mr. Aslam Zaki	Member
8	Mufti Muhammad Shakir Siddiqui	Member
9	Mr. Asad Ali	Member
10	Mr. Obaid Hussain Qureshi	Member & Secretary

## 7.18. POWERS OF DIRECTORS

### 7.18.1 General Power of Directors:

As per article 88, the business of the company shall be managed by the directors, who may pay all expenses incurred in promoting and registering the company, and may exercise all such powers of the company as are not by the Act or any statutory modification thereof for the time being in force, or by these regulations, required to be exercised by the company in general meeting, subject nevertheless to the provisions of the Act or to any of these regulations, and such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the company in general meeting but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

### 7.18.2 Borrowing Power of Directors:

As per article 91, the amount for the time being remaining un-discharged of moneys borrowed or raised by the directors for the purposes of the company (otherwise than by the issue of share capital) shall not at any time, without the sanction of the company in general meeting, exceed the issued share capital of the company.

### 7.18.3 Power to appoint attorneys:

As per article 92, the Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) for such period and subject to such conditions if any as they may think fit. The powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney to delegate all or any of the powers, authorities and discretion vested in him.

As per article 93, the Board may from time to time and at any time by power of attorney appoint any of director or directors, to be its attorney or attorneys for such purposes and with such powers, authorities and discretion on such conditions as it may think fit. The powers of attorney may contain such provisions for the protection and convenience of such appointed director or directors under this regulation to delegate all or any of the powers, authorities and discretion vested in such attorneys.

### 7.18.4 Directors may hold office of profit:

As per article 94, A Director of the Company or a firm of which such Director is a partner or a private company in which such Director is a Director or member may with the consent of the Company in general meeting hold any office of profit in the Company.



#### **7.18.5 Directors may make contract with the Company**

As per article 95, Subject to the provisions of the Act, the Directors shall not be disqualified from contracting with the Company either as vendor, purchaser, or otherwise, nor shall any such contract or agreement entered into by or on behalf of the Company with any company or partnership or in which any Director of the Company shall be a member or otherwise interested be avoided nor shall any such Director so contracting or being such member or so interested, be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. However, the nature of his interest shall be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined on, if the interest then exists, or in any other case at the first meeting of the Directors after the acquisition of the interest. A General Notice that any Director of the Company is a Director or a member of any other company or is a member of any named firm and is to be regarded as interest in any subsequent transaction with such company or firm shall as regards any such transaction be sufficient disclosure under this Article. Subject to the provision of Section 205 of the Act, after any such general notice it shall not be necessary to give any special notice relating to any particular transaction with such firm or company. In the case of a contract for the appointment of a manager of the Company, the provisions of Section 205 of the Act shall be observed and performed.

#### **7.18.6 Register of contract with directors**

As per article 96, in accordance with the provisions of Section 209 of the Act, a Register shall be kept by the Directors in which shall be entered particulars of all contracts or arrangements to which Article 83 applies and which shall be open to inspection by any member at the office during business hours.

#### **7.18.7 Manner of signing certain documents**

As per article 97, all cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

#### **7.18.8 Directors to comply with the law**

As per article 98, The directors shall duly comply with the provisions of the Act, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages, charges and pledge affecting the property of the company or created by it, to the keeping of a register of the directors, and to the sending to the registrar of an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or sub-division of shares, and copies of special resolutions and a copy of the register of directors and notifications of any changes therein.

#### **7.18.9 Directors to cause minute books to be maintained**

As per article 99, the Directors shall cause records to be kept and minutes to be made in book or books with regard to:

- of all appointments of officers made by the Directors;
- of the names of the Directors present at each meeting of the Directors and of Committee of Directors;
- all resolutions and proceedings of the meeting(s) of directors and Committee(s) of directors, and every director present at any meeting of directors or Committee of directors shall put his signature in a book to be kept for that purpose;
- recording the names of the persons present at each meeting of the directors and of any committee of the directors; and
- all orders made by the directors and Committee(s) of directors:

Provided that all records related to proceedings through video-link shall be maintained in accordance with the relevant regulations specified by the Commission which shall be appropriately rendered into writing as part of the minute books according to the said regulations.

**7.19. INDEMNITY AVAILABLE TO DIRECTORS AND OTHER EMPLOYEES OF THE COMPANY**

As per article 155 of the Articles of Association, Every officer or agent for the time being of the company may be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the company, except those brought by the company against him, in which judgment is given in his favor or in which he is acquitted, or in connection with any application under section 492 in which relief is granted to him by the Court.

**7.20. CORPORATE GOVERNANCE**

The Company shall comply with all the rules and regulations applicable to the Company with regards to the Listed Companies (Code of Corporate Governance) Regulation, 2019.

## 8. LEGAL PROCEEDINGS AND OVERDUE LOANS

### 8.1. LEGAL PROCEEDINGS

All outstanding legal proceedings against the issuer (i.e. PQFTL) at the time of this offering, which could have a material impact on the Company, have been disclosed below:

S. No	Year	Issuing Authority	Brief Case Description	Stage of Case	Amount (PKR)	Management Instance & Current Status
1	2020	Islamabad High Court	Client is unsatisfied with the Rate of Return	The case is fixed for hearing.	1,090,000	The Complainant is not satisfied with the rate of return and want full refund of the paid contribution. The Company not expected adverse order. No mis-selling is established on the part of the Company. We remain confident that the matter will be decided in favor of the Company
2	2020	Islamabad High Court	Client is unsatisfied with the Rate of Return	The case is fixed for hearing.	78,000	Rate of Return Issue. Constitution Petition filed by the Company to challenge the order passed by FIO/ President of Pakistan, Interim injunction has been granted by the Honorable Islamabad High Court and we remain confident that the matter will be decided in favor of the Company
3	2020	Islamabad High Court	Client is unsatisfied with the Rate of Return	The case is fixed for hearing	222,563	Demanding full contribution refund, FIO/PP upheld that company is making profit at the expense of policyholder, thus make full refund. Constitution Petition filed by the Company to challenge the order passed by FIO/ President of Pakistan, Interim injunction has been granted by the Honorable Islamabad High Court. We remain confident that the matter will be decided in favor of the Company.
4	2021	High Court Peshawar	Client is unsatisfied with the Rate of Return/Cash Value	The case is for Final Arguments	40,000	Participant requested for the full refund, being aggrieved by the cash back value of the policy filed an insurance claim. After lengthy trial, matter was dismissed and now he has appeal against the order. We remain confident that the matter will be decided in favor of the Company
5	2022	Insurance Tribunal Karachi	Rejected Death Claim due to concealment of facts	The case is fixed for order on Application.	2,000,000	Death claim repudiated on the basis of non-disclosure of pre-existing illness. We remain confident that the matter will be decided in favor of the Company

6	2022	Civil Judge Peshawar	Rejected Death Claim	The case is fixed for Evidence of defendant side.	2,500,000	Death claim repudiated on the basis of non-disclosure of pre-existing illness. We remain confident that the matter will be decided in favor of the Company
7	2022	Insurance Tribunal Multan	Rejected Death Claim due to concealment of facts	The case is fixed for the settlement of issues.	1,000,000	Death claim repudiated on the basis of non-disclosure of pre-existing illness. We remain confident that the Company will not receive any adverse order.
8	2021	Insurance Tribunal Lahore	Rejected Death Claim due to concealment of facts	The case is reserved for order.	12,650,000	Death claim repudiated on the basis of non-disclosure of pre-existing illness. We remain confident that the Company will not receive any adverse order.
9	2024	Insurance Tribunal Peshawar	Client is unsatisfied at the Rate of Return	The case is fixed for Evidence.	552,442	The client wanted a full refund of the paid contribution.
10	2024	Insurance Tribunal Lahore	Death Claim	The case is fixed for hearing. Stay Granted by Supreme Court.	2,090,658	Death Claim matter, appealed filed in Supreme Court against the Order of Insurance Tribunal Lahore. The Company is hopeful to set aside the Tribunal Order.
11	2023	Senior Civil Judge Faisalabad	Client is unsatisfied with the Rate of Return	The case is fixed for defendant evidence.	1,500,000	Regarding the rate of return issue, the claimant asked for the full refund of the paid contribution. The Company is positive that the matter will be decided in its favor.
12	2023	Islamabad High Court	Client is unsatisfied with the Rate of Return	The case is fixed for Service.	200,000	The Company has filed a Constitutional Petition challenging the order passed by the FIO/President of Pakistan. An interim injunction has been granted by the Honorable Islamabad High Court, and the Company remains confident that the matter will be decided in its favor.
13	2024	Islamabad High Court	Financial Fraud	The case is fixed for hearing.	1,150,000	Case filed by Company against Ex Agent; the agent affixed forged signature of his father.
14	2023	Lahore High Court	Rejected Death Claim	The case is fixed for Service and Stay Granted.	2,500,000	The Company has challenged the decision of the FIO/President of Pakistan, Death claim repudiated on the basis of non-disclosure of pre-existing illness. We remain confident that the matter will be decided in favor of the Company

15	2022	Civil Judge, Noushera, Pabi	Client is unsatisfied with the Rate of Return	The case is fixed for Evidence.	600,000	Regarding the rate of return issue, the claimant asked for the full refund along with profit, the Company is positive that the matter will be decided in its favor. We remain confident that the matter will be decided in favor of the Company
16	2023	Peshawar High Court	Mis-selling	Case is fixed for hearing.	223,245	The Complainant has alleged mis-selling and is seeking a full refund. However, the Company does not expect an adverse order, as the factual record does not support any finding of mis-selling.
17	2024	Islamabad High Court	Client is unsatisfied with the Rate of Return	Case is fixed for hearing.	4,500,000	The Company has filed a Constitutional Petition challenging the order passed by the FIO/President of Pakistan. An interim injunction has been granted by the Honorable Islamabad High Court, and the Company remains confident that the matter will be decided in its favor.
18	2023	Lahore High Court	Mis-selling	Case is fixed for hearing.	2,000,000	The Complainant has alleged mis-selling and is seeking a full refund. However, the Company does not expect an adverse order, as the factual record does not support any finding of mis-selling.
19	2023	Insurance Tribunal Multan	Rejected Death Claim due to concealment of facts	The case is fixed for Evidence.	30,000,000	The death claim was rejected on grounds of fraudulent intent and concealment of facts. The Company believes it has strong merits and we remain confident that the matter will be decided in favor of the Company
20	2024	Insurance Tribunal Karachi	Rejected Death Claim due to concealment of facts	The case is fixed for Evidence.	5,000,000	The Company has challenged the decision of the FIO/President of Pakistan, Death claim repudiated on the basis of non-disclosure of pre-existing illness. We remain confident that the matter will be decided in favor of the Company
21	2024	High Court of Sindh	Rejected Death Claim	The case is fixed for the hearing	950,000	The claim has been settled by the Company, which possesses strong evidence in support of its position, and remains hopeful for a favorable decision. We remain confident that the matter will be decided in favor of the Company.

22	2024	Civil Judge West Islamabad	Client is unsatisfied with the Rate of Return	The case is fixed for Evidence.	90,000	Regarding the rate of return issue, the claimant asked for the full refund along with profit, the Company is positive that the matter will be decided in its favor.
23	2024	Lahore High Court	Rejected Death Claim	The case is fixed for Evidence.	1,344,000	Death Claim, the participant died within month of obtaining policy. We denied on grounds that the policy was obtained by misrepresenting medical condition of the deceased, The Company believes it has strong merits and evidence in the case.
24	2024	Islamabad High Court	Rejected Death Claim	Case is fixed for Hearing & order.	1,800,000	The Company has filed a Constitutional Petition challenging the order passed by the FIO/President of Pakistan. and the Company remains confident that the matter will be decided in its favor.
25	2024	Islamabad High Court	Rejected Death Claim	Case is fixed for hearing	3,850,000	The Company has filed a Constitutional Petition challenging the order passed by the FIO/President of Pakistan, the death claim was rejected on grounds of fraudulent intent and concealment of facts. The Company believes it has strong merits and evidence in the case.
26	2024	Lahore High Court	Client is unsatisfied at the Rate of Return	Case is fixed for hearing	625,000	PQFTL appealed against the order of the Insurance Tribunal. The Court directed the Company to pay an amount. We remain confident that the matter will be decided in favor of the Company
27	2024	Lahore High Court	Client is unsatisfied with the Rate of Return	Case is fixed for hearing	2,500,000	The Company has filed a Constitutional Petition challenging the order passed by the Insurance tribunal Lahore to pay the amount of Sum assured and the Company remains confident that the matter will be decided in its favor.
28	2024	Lahore High Court, Multan Bench	Client is unsatisfied with the Rate of Return	Case is fixed for hearing	110,000	The Complainant has filed a Constitutional Petition challenging the order passed of the FIO/President of Pakistan and Insurance Tribunal Lahore, which dismissed the claim of participant and issued the order in the favor of company, and the Company remains confident that the matter will be decided in its favor

29	2025	Consumer Court Chitral Lower	Client is unsatisfied with the Rate of Return	Case is fixed for hearing	250,000	The participant approached to Consumer court against the low return and wants to full refund with profit. We remain confident that the matter will be decided in favor of the Company
30	2025	Supreme Court of Pakistan	Provincial Sales Tax on Life Insurance	Constitutional petition filed and now pending hearing	PKR 949.44 million. Kindly refer to Note 28.1 'Contingencies' of the Audited Financial Statements for the year ended December 31, 2024.	The company along with other industry participants has filed a Constitutional petition in in the Supreme Court of Pakistan, through the platform of IAP. In view of the opinion of the company's legal advisors, the company has a strong case on the basis of the merits in the Constitutional petition. As such, the company has neither billed sales tax to its customers nor recognized a provision in respect of these amounts.

**Note:** There are no other pending litigations against the Company, Sponsors, Substantial Shareholders, Associated Companies and Directors other than those already mentioned above.

Summary of **all** outstanding legal cases by category is provided hereunder:

Type of cases	Number of Cases	Amount (PKR Mn)
Alleged Mis-selling	3	3.31
Death Claim	1	2.09
Rejected Claims	11	63.59
Rate of Return	13	11.27
Financial Fraud	1	1.15
Sales Tax	1	949.44
<b>Total</b>	<b>30</b>	<b>1,030.85</b>

#### Further Details on Sales Tax:

The provincial authorities in Sindh and Punjab withdrew the exemption on life and health insurance in their respective provinces and subjected these to sales tax on services. With effect from November 01, 2018, the Punjab Revenue Authority (PRA) subjected life and health insurance to Punjab Sales Tax (PST) at the rate of 16%. The Sindh Revenue Board (SRB) made life insurance taxable at the rate of 13% with effect from July 01, 2020.

The levy of provincial sales tax on life insurance places the whole industry at the risk of jeopardy. If the sales tax exemption is not renewed, PQFTL's business viability may be affected. Passing the tax onto policyholders creates the risk of insurance products not being financially viable, whilst absorbing the sales tax would lead to a significant financial burden for the company.

Under a unanimous decision the company has referred the case to and filed a constitutional petition with other industry players in the Supreme Court of Pakistan, through the platform of the Insurance Association of Pakistan (IAP). The petitions are based on the strength of the legal advice that:

- Insurance is not a service but a financial arrangement, whereby payment is made on the occurrence of an event as specified in the terms of the relevant contingent contract. As such, sales tax applicable on services provided should not apply to an insurance arrangement.



- As per the constitution, life insurance is a Federal subject, therefore, only the Federation is entitled to levy any tax in relation to insurance business.
- In the context of individual policyholders, the provincial sales tax applies to the entire gross contribution amount. This amount consists of two distinct elements; one allocated towards the policyholder's investments, which belongs to them, and the difference between the gross contribution and investment amount allocated. Legal advisors expressed the view that if the entire gross contribution (premium) collected was subject to provincial sales tax, this would be akin to a direct tax on policyholders and thus would fall exclusively within the domain of Federal Legislature.

On this basis, PQFTL has not billed any of its customers for sales tax, nor recognized a provision for the provincial sales tax payable, which is estimated to be aggregated to PKR 949.44 Mn at CY 2024. The contingent liability for Sales Tax has been disclosed in Note 28.1 'Contingencies' of the Audited Financial Statements for the year ended December 31, 2024.

## 8.2. ACTIONS TAKEN BY PSX AGAINST THE ISSUER OR ASSOCIATED LISTED COMPANIES OF THE ISSUER DURING THE LAST THREE YEARS DUE TO NON-COMPLIANCE OF ITS REGULATIONS

No action has been taken by the Pakistan Stock Exchange against the issuer or its associated companies over which the issuer has control.

## 8.3. ACTIONS/PENALTIES IMPOSED ON THE ISSUER BY THE COMMISSION DURING THE PAST FIVE YEARS

The following table outlines the actions been taken by the Commission against the issuer during the past five years:

Challan Submit Date	Challan No.	Nature	Penalty Amount
6-Oct-21	M-2021-335652	Order in the matter of Show Cause Notice under Section 12(4), 76(1), 95 and 156 of the Insurance Ordinance, 2000, Rule 62 of the Insurance Rules, 2017, Regulations 10(b), 15(4), 17(a), 17(g) and 17(h) of the Bancassurance Regulations, 2015, Rule 6(1)(d) of the Unit Linked Products and Fund Rules, 2015 read with Section 156 of the Ordinance	275,000
27-Jun-22	M-2022-422737	Order regarding the Show Cause Notice issued under Section 6A(2)(h) of the Anti-Money Laundering Act, 2010, in conjunction with Rule 4(1) of the AML/CFT Sanction Rules, 2020.	178,000
28-Jul-25	M-2025-1777568	Order regarding Show Cause Notice No. ID/Enf/PQFTL/2025/531, issued on May 6, 2025, under Section 83(2) of the Insurance Ordinance, 2000, and Rule 12(4) of the Unit Linked Products and Fund Rules, 2015, in conjunction with Section 156 of the Ordinance	50,000
9-Oct-25	M-2025-1888640	Appellate bench order dated September 18, 2025, in the case Pak-Qatar Family Takaful Limited vs Director/HOD, Adjudication-1, concerning Appeal No. 83 of 2024 against the adjudication order from October 11, 2024	250,000

#### **8.4. OVERDUE LOANS**

There are no overdue loans (local or foreign currency) on the Company, its Sponsors and promoters, substantial shareholders, directors and associated group companies (over which the Company has control). The Company, its CEO, its directors and its Sponsors, under the oath, undertake that they have no overdue payment to any financial institutions.

## 9. UNDERWRITING ARRANGEMENT, COMMISSIONS, BROKERAGE AND OTHER EXPENSES

### 9.1. UNDERWRITING

Underwriters	Number of Shares Underwritten	Amount Underwritten *
Arif Habib Limited	12,500,000	175,000,000

\* at the Floor Price of PKR 14.00 per Share

### 9.2. OPINION OF THE DIRECTORS REGARDING RESOURCES OF THE UNDERWRITERS

In the opinion of the Directors of Pak-Qatar Family Takaful Limited, the resources of the Underwriters are sufficient to discharge their underwriting commitments.

### 9.3. RATE OF UNDERWRITING AND TAKE-UP COMMISSION

Underwriters	Rate of Underwriting (%)	Take up Commission (%)
Arif Habib Limited	1.00%	1.00%

### 9.4. STATEMENT ABOUT NON-EXECUTION OF ANY BUY-BACK, OR REPURCHASE AGREEMENT BETWEEN THE UNDERWRITERS OR THEIR ASSOCIATES AND THE ISSUER OR ITS ASSOCIATES

The underwriters nor any of their associates have entered into any buyback or repurchase agreement with the issuers or any other person in respect of this issue.

Also, neither the Offerors nor any of their associates have entered into any buy-back/repurchase agreement with the underwriters or their associates. The Offerors and their associates shall not buyback/repurchase shares from the underwriters and their associates

### 9.5. FEES AND EXPENSES FOR CENTRALIZED E-IPO SYSTEM (CES)

Commission on applications received through PES and CES will be paid to PSX and CDC, which shall be not more than 0.80% of the total applications. PSX and CDC will share the fee with other participants of the e-IPO system at a ratio agreed amongst them.

### 9.6. RATE OF BROKERAGE COMMISSION

The Issuer will pay brokerage to the TRE Certificate Holder of PSX at the rate of 1.00% of the value of on successful applications. No brokerage shall be payable in respect of shares taken up by the underwriter by virtue of their underwriting commitment

### 9.7. ESTIMATED EXPENSES OF THE ISSUE

Expenses to the Issue are estimated not to exceed PKR **35,728,000/-** The break-up of these preliminary expenses is given below:

Particulars	Rate	Expense (PKR)
Advisory Fee	2.00% of the Issue Size	14,000,000
Underwriting Fee	1.00% of the Retail Portion	1,750,000
CDC and PSX e-PO facility charges	0.80% of the retail portion	1,400,000
Brokerage Commission	1.00%	5,250,000
PSX Initial Listing fee		2,200,000
PSX Book Building software charges		1,000,000
Share Registrar, Transfer Agent and Balloting Agent		800,000
Advertising, Printing & Publication of Prospectus & Marketing / Roadshows		6,000,000
CDC Fresh Issue fee	0.144%	1,008,000
CDC Eligibility fee		800,000

SECP Supervisory fee	220,000
SECP IPO Application Processing fee	200,000
Miscellaneous Expenses	1,000,000
<b>Total</b>	<b>35,628,000</b>

\*All fees are based on the Floor price and are subject to change with the strike price.

## 10. MISCELLANEOUS INFORMATION

### 10.1. REGISTERED OFFICE / CORPORATE OFFICE

**Office No:** 102 – 105, Business Arcade, Plot # 27A, Block 6, P.E.C.H.S, Shahrah-e- Faisal, Karachi 75400

**Contact No:** +92 21 3431 1747-56

**Email:** [info@pakqatar.com.pk](mailto:info@pakqatar.com.pk)

**Website:** <https://pqftl.com.pk>

### 10.2. BANKERS TO THE COMPANY

S. No.	Name	Address	Contact Person	Contact No.	Email
1	Al Baraka Bank	Shahrah-e-Faisal, Karachi	Jaffar Alam	0333-3530861	<a href="mailto:jafar.alam@albaraka.com.pk">jafar.alam@albaraka.com.pk</a>
2	Allied Bank Limited	IBG Ameer Khusro Branch, Karachi	Urooba Bhutto	0300-0455149	<a href="mailto:Urooba.Bhutto@abl.com">Urooba.Bhutto@abl.com</a>
3	Askari Bank Limited	F B Area, Karachi	Maira Memon	021-69830313	<a href="mailto:maira.memon@askaribank.com.pk">maira.memon@askaribank.com.pk</a>
4	Bank Alfalah Ltd	I.I Chundrigar Road, Karachi	Muhammad Farhan	021-33122217	<a href="mailto:muhammadf@bankalfalah.com">muhammadf@bankalfalah.com</a>
5	Bank Islami Pakistan Ltd	Main Branch Sky Tower, Clifton, Karachi	Muhammad Yousuf	0331-2871669	<a href="mailto:m.yousuf@bankislami.com.pk">m.yousuf@bankislami.com.pk</a>
6	Dubai Islamic Bank	Khadda Market, DHA, Karachi	Muhammad Nouman	0333-2200608	<a href="mailto:muhammad.nauman1@dibpak.com">muhammad.nauman1@dibpak.com</a>
7	Faysal Bank Limited	Sharfabad Branch, Karachi	Wajahat Khan	0310-2905992	<a href="mailto:SharjeelAhmed@faysalbank.com">SharjeelAhmed@faysalbank.com</a>
8	Habib Bank Ltd	Dhoraji Branch, Karachi	Barkha Azhar	021-34911171	<a href="mailto:barkha.azhar@hbl.com">barkha.azhar@hbl.com</a>
9	MCB Bank Ltd	Uni Tower, Karachi	Syeda Humera Sultana	021-32433846	<a href="mailto:syeda.humera@mcb.com.pk">syeda.humera@mcb.com.pk</a>
10	MCB Islamic Bank	Business Arcade, Shahrah e Faisal, Karachi.	Adeel Ahmed	0333-2489250	<a href="mailto:BOM138@mcbislamicbank.com">BOM138@mcbislamicbank.com</a>
11	Meezan Bank Ltd	Shahrah-e-Faisal, Karachi	Ghufran Hassan	0304-0923026	<a href="mailto:bm.khi11@meezanbank.com">bm.khi11@meezanbank.com</a>
12	NRSP Microfinance Bank	Shahrah-e-Faisal, Karachi	Noman Malik	0346-2888501	<a href="mailto:noman.malik@nrspbank.com">noman.malik@nrspbank.com</a>
13	Silk Bank Ltd	Hussain Centre, Shahrah-e-Faisal Karachi	Fahad Ahmed	021-34533106	<a href="mailto:fahad.ahmed3@silkbank.com.pk">fahad.ahmed3@silkbank.com.pk</a>
14	Soneri Bank	Al-Tijarah Centre, Shahrah-e-Faisal, Karachi	Muhammad Sajid	021-34169252	<a href="mailto:msajid.allahdino@soneribank.com">msajid.allahdino@soneribank.com</a>

15	Standard Chartered Bank	Main Branch, I.I Chundrigar Road, Karachi	Ayesha Ahmed	0331-3994934	<a href="mailto:Ayesha.Ahmed@sc.com">Ayesha.Ahmed@sc.com</a>
16	U Microfinance Bank	Tariq Road Branch, Karachi	Orangzeb Khan	0333-0182995	<a href="mailto:orangzeb.khan@ubank.com.pk">orangzeb.khan@ubank.com.pk</a>
17	United Bank Ltd	M.A Jinnah Road, Karachi	Waqas Riaz	0326-8250891	<a href="mailto:wagaas.riaz@ubl.com.pk">wagaas.riaz@ubl.com.pk</a>

### 10.3. AUDITOR OF THE COMPANY

**Name:** Yousuf Adil, Chartered Accountants

**Address:** Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah e Faisal, Karachi, 7535

**Phone:** +92 (21) 34546494-7

**Email:** [henasadiq@yousufadil.com](mailto:henasadiq@yousufadil.com)

### 10.4. LEGAL ADVISOR OF THE COMPANY AND TO THE ISSUE

**Name:** Nishtar & Zafar, Advocates & Legal Consultants

**Address:** C-6/1/A Second Street, Bath Island, Karachi 75530

**Contact Person:** Atir Aqeel Ansari

**Tel:** +92 (21) 35300673

**Email:** [atiransari@nishtar.com](mailto:atiransari@nishtar.com)

### 10.5. COMPUTER BALLOTTERS & SHARE REGISTRAR

**Name:** CDC Share Registrar Services Limited

**Address:** CDC House, 99-B, Block B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi – 74400.

**Email:** [info@cdcsrsl.com](mailto:info@cdcsrsl.com)

**Website:** [www.cdcpakistan.com](http://www.cdcpakistan.com)

**Phone:** 021-111 111 500

### 10.6. CONSULTANT TO THE ISSUE

**Name:** Arif Habib Limited

**Address:** Arif Habib Center

23, MT Khan Road, Karachi

**Tel:** 021-3828 0273, 021-3828 0271

**Fax:** 021-3243 3542

**Email:** [hamza.rehan@arifhabibltd.com](mailto:hamza.rehan@arifhabibltd.com)

**Website:** [www.arifhabibltd.com](http://www.arifhabibltd.com)

### 10.7. Eligible Participants

All Eligible participants including securities brokers, mutual funds, scheduled banks, and development finance institutions that are clearing member of NCCPL.

## 11. MATERIAL CONTRACTS

### 11.1 VEHICLE IJARAH AGREEMENT

Bank	Facility	Facility Limit (PKR Mn)	Profit Rate	Tenor Period	Expiry/Review Date*
Meezan Bank Ltd	Vehicle Ijarah Facility	249	1YK+1.5%	Up to 5 years	30 <sup>th</sup> June 2025

\* Review/Renewal in Process

### 11.2 BANCATAKAFUL AGENCY AGREEMENTS

Agreements	Banks/ Financial Institutions
BancaTakaful Agency Agreement	Standard Chartered Bank Ltd
BancaTakaful Agency Agreement	Silk Bank Ltd
BancaTakaful Agency Agreement	Dubai Islamic Bank Ltd
BancaTakaful Agency Agreement	MCB Bank Ltd
BancaTakaful Agency Agreement	MCB Islamic Bank Ltd
BancaTakaful Agency Agreement	BankIslami Pakistan Ltd
BancaTakaful Agency Agreement	Al Baraka Bank (Pakistan) Ltd
BancaTakaful Agency Agreement	Faysal Bank Ltd
BancaTakaful Agency Agreement	Bank Alfalah Ltd
BancaTakaful Agency Agreement	Allied Bank Ltd
BancaTakaful Agency Agreement	Askari Bank Ltd
BancaTakaful Agency Agreement	Khushhali Microfinance Bank Ltd
BancaTakaful Agency Agreement	U Microfinance Bank Ltd
BancaTakaful Agency Agreement	JS Bank Ltd

### 11.3 Property Agreements

Type of Agreement	Company	Party to the Agreement	Address	Area	Date of Agreement
Land Purchase Agreement	Pak-Qatar Family Takaful Limited	I.B Employees Co-operative Housing Society Limited, Islamabad	Plot # 11A, Business Avenue, Gulberg Expressway, Gulberg Greens, Islamabad	1,866.66 Sq. Yds	01.01.2018
Land Purchase Agreement	Pak-Qatar Family Takaful Limited & Pak-Qatar Investment (Private) Limited	Mr. Saifuddin Kapasi & Mr. Juzer Qurban Hussain Kapasi	Plot # 98, Block-A, SMCHS, Karachi.	889 Sq. Yds	13.08.2022



<b>Land Purchase Agreement</b>	Pak-Qatar Family Takaful Limited	Pak-Qatar Investment (Private) Limited	4th Floor, PQ Tower/ Corporate 5, Tower-'A', located over Plot # 21,22,27 and 28, Executive Block, Gulberg Greens, I.B Employees Co-operative Housing Society, Islamabad	9,975 Sq. Feet	17.01.2024
<b>Land Purchase Agreement &amp; Assignment and Novation Agreement</b>	Pak-Qatar Family Takaful Limited	Pak-Qatar Investment (Private) Limited	6th Floor, PQ Tower/ Corporate 5, Tower-'A', located over Plot # 21,22,27 and 28, Executive Block, Gulberg Greens, I.B Employees Co-operative Housing Society, Islamabad	8,039 Sq. Feet	05.10.2022 & 05.10.2023

#### 11.4 RETAKAFUL TREATY AGREEMENTS

Class	Type of Treaty	PQFTL's Maximum Retention	Max Liability per life/group	Name of Reinsurer	Respective Share	S&P Rating	Address of Reinsurer
<b>Individual Life - Direct</b>							
<ul style="list-style-type: none"> <li>Basic Death</li> <li>Family Income Benefit</li> <li>Additional Term Takaful</li> </ul>	Surplus	3,000,000	Basic Death 20,000,000 Family Income Benefit 1,200,000	Munich Re	100%	AA-	Munich Reinsurance Suite 13.1, Level 13, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
<ul style="list-style-type: none"> <li>Accidental Death Benefit</li> </ul>	Surplus	3,000,000	Occupational Class I-II risks and/or in case standard rates for life: PKR 20,000,000	Munich Re	100%	AA-	
<ul style="list-style-type: none"> <li>Accidental Total and Permanent Disability</li> </ul>	Surplus	Retained in the same Proportion as Accidental Death Benefit		Munich Re	100%	AA-	
<ul style="list-style-type: none"> <li>Accidental Partial and Permanent Disability</li> </ul>	Surplus	Retained in the same Proportion as Accidental Death Benefit	Occupational class III risks and/or in case 2 per mille extra for life: PKR 5,000,000	Munich Re	100%	AA-	
<ul style="list-style-type: none"> <li>Total and Permanent Disability Sickness</li> </ul>	Surplus	3,000,000	Occupational class IV risks and/or in case 4 per mille extra for life: PKR 3,000,000	Munich Re	100%	AA-	
<ul style="list-style-type: none"> <li>Individual Life - CI</li> </ul>	Surplus	3,000,000	3,000,000	Munich Re	100%	AA-	
<b>Individual Life - Banca</b>							

<ul style="list-style-type: none"><li>• Basic life</li><li>• Family Income Benefit</li><li>• Other supplementary benefits (Accidental death benefit, Permanent Total Disability Accident)</li></ul>	Quota Surplus	10% up to a maximum of 400,000	80,000,000	Hannover Re Germany	100.0%	AA-	Hannover Rückversicherung AG Life & Health Business Group Karl-Wiechert-Allee 50 30625 Hannover Germany
Banca 2 (Alternative Distribution Channel)							
<ul style="list-style-type: none"><li>• Basic Death</li><li>• Family Income Benefit</li><li>• Additional Term Takaful</li></ul>	Quota Surplus	10% up to a maximum of 500,000 for each benefit	80,000,000	Hannover Retakaful Bahrain	100%	A+	Hannover ReTakaful B.S.C, 19th Floor, Al Zamil Tower, Government Avenue, Manama, Bahrain
<ul style="list-style-type: none"><li>• Accidental Death Benefit</li></ul>	Quota Surplus	10% up to a maximum of 500,000 for each benefit	24,000,000	Hannover Retakaful Bahrain	100%	A+	
<ul style="list-style-type: none"><li>• Accidental Total and Permanent Disability</li></ul>	Quota Surplus	10% up to a maximum of 500,000 for each benefit	10,000,000	Hannover Retakaful Bahrain	100%	A+	
<ul style="list-style-type: none"><li>• Accidental Partial and Permanent Disability</li></ul>	Quota Surplus	10% up to a maximum of 500,000 for each benefit	10,000,000	Hannover Retakaful Bahrain	100%	A+	
<ul style="list-style-type: none"><li>• Total and Permanent Disability Sickness</li></ul>	Quota Surplus	10% up to a maximum of 500,000 for each benefit	10,000,000	Hannover Retakaful Bahrain	100%	A+	
<ul style="list-style-type: none"><li>• Individual Life - CI</li></ul>	Quota Surplus	10% up to a maximum of 500,000 for each benefit	10,000,000	Hannover Retakaful Bahrain	100%	A+	
Group Life							
<ul style="list-style-type: none"><li>• Group Life</li></ul>	Quota Surplus	60% up to a maximum of 2,000,000 for each benefit	20,000,000 for total SAR of each benefits	Hannover Retakaful Bahrain	100%	A+	Hannover ReTakaful B.S.C, 19th Floor, Al Zamil Tower, Government Avenue , Manama, Bahrain
Catastrophic Cover							

• Catastrophic Cover	Catastrophic Cover	10,000,000	200,000,000	Hannover Retakaful Bahrain	100%	A+	Hannover Retakaful B.S.C, 19th Floor, Al Zamil Tower, Government Avenue, Manama, Bahrain
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PQFTL maintains minimum retention levels under each re-takaful arrangement. For Individual Life - Direct, a surplus treaty is in place with a retention of PKR 3 million. For Group Life, PQFTL retains 60% with surplus up to PKR 2 million, whereas for the Individual Life - Banca Family business, PQFTL retains 10% with surplus up to PKR 0.5 million.

Family	Type of Re-Takaful Arrangement	PQFTL's Minimum Retention
Individual Life – Direct	Surplus Treaty	Up to PKR 3 million
Group Life	Quota Share + Surplus	60% Retention, subject to a maximum of PKR 2 million
Individual Life (IL) – Banca	Quota Share + Surplus	10% Retention, subject to a maximum of PKR 500,000.

#### 11.5 INVESTMENT ADVISORY AGREEMENT

Company	Assets Under Management as at June 30, 2025 (PKR Mn)	Asset Management Fee	Date of Agreement <sup>112</sup>
Pak-Qatar Asset Management Company Limited	57,673	0.26% per annum	23 <sup>rd</sup> June 2025

**Validity:** One Year, Subject to automatic renewal on same terms and conditions unless revoked or terms and conditions amended by way of an addendum

#### 11.6 INSPECTION OF DOCUMENTS AND CONTRACTS

Documents relating to the Issuer (i.e. PQFTL) and the issue, including copies of all agreements, contracts and reports referred to in the prospectus, will be made available for inspection at the registered office of the company at 102 – 105, Business Arcade, Plot # 27A, Block 6, P.E.C.H.S, Shahrah-e- Faisal, Karachi 75400, during usual business hours from the date of publication of this prospectus till the closing of subscription list.

#### 11.7 MEMORANDUM OF ASSOCIATION

The Memorandum of Association, inter alia, contains the objects for which the Company was incorporated and the business which the Company is authorized to undertake. A copy of the Memorandum of Association is annexed to this Prospectus and with every issue of the Prospectus except the one that is released in newspapers as advertisement.

<sup>112</sup> Date of latest addendum to principal agreement dated 01 January 2022

## 12. BOOK BUILDING PROCEDURE/INSTRUCTIONS FOR REGISTRATION AND BIDDING

### 12.1. IN CASE OF ISSUE THROUGH BOOK BUILDING, INFORMATION NEEDED TO BE DISCLOSED I.E. NUMBER OF SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION AND RETAIL PORTION, FLOOR PRICE AND THE PRICE BAND

The Issue comprises of 50,000,000 Ordinary Shares of face value worth PKR 10/- each, which constitutes 21.67% of the Post-IPO Paid Up Capital of the Company.

Of the entire Issue of 50,000,000 Ordinary Shares, seventy five percent (75%) of the issue i.e. 37,500,000 shares will be offered through the Book Building process at a Floor Price of PKR 14.00/- per share with a price band of 50% above the floor price i.e. PKR 21.00/-.

The bidders shall be allowed to place bids for seventy five percent (75%) of the Issue size and the Strike Price shall be the price at which the seventy five percent (75%) of the Issue is subscribed. The remaining 25% of the issue i.e. 12,500,000 will be offered to retail investors. The retail portion will be fully underwritten, with Arif Habib Limited acting as the underwriter to the issue.

Unsubscribed shares, if any, of the retail (General Subscription) portion will be taken up by the underwriter to the issue.

Within 1 working days of the closing of the Bidding Period, a Supplement to the Prospectus will be published in at least all those newspapers in which the Prospectus is published. The Supplement will contain information related to the Strike Price, the Offer Price, names of the underwriters of the retail portion, underwriting commission bifurcating as take up commission or any other, dates of the Public Subscription, and category wise break-up of the Successful Bidders. Format of the Supplement is given on page 3 of this Prospectus.

### 12.2. Types of Bids and Procedure for making a Bid

Book Building is a process whereby investors bid for a specific number of shares at various prices. The Issuer set a Floor Price, which is the minimum / lowest price a Bidder can bid at. An order book of bids is maintained by the Designated Institution, which is then used to determine the Strike Price through the “**Dutch Auction Method**”.

Under the Dutch Auction Method, the Strike Price is determined by lowering the Bid Price to the extent that the total number of shares issued through the Book Building process are subscribed.

A bid by a Bidder can be a “**Limit Bid**”, or a “**Step Bid**”, each of which are explained below:

**Limit Bid:** Limit bid is at the Limit Price, which is the maximum price a Bidder is willing to pay for a specified number of shares. The amount of any individual limit bid shall not be less than PKR. 2,000,000.

In such a case, a Bidder explicitly states a price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 1 Mn shares at PKR 14.00/- per share, based on which the total Application Money would amount to PKR 14.00 Mn. In this case the Bid Amount will be also be PKR 14.00 Mn. Since the Bidder has placed a Limit Bid of PKR 14.00/- per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 14.00/- per share.

**Step Bid:** A series of Limit Bids at increasing prices. The amount of any individual step shall not be less than PKR. 2,000,000.

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 5 Mn shares at PKR 14.00 per share, 3 Mn shares at PKR 14.50 per share and 2 Mn shares at PKR 16.00 per share. Therefore, in essence the Bidder has placed one Step Bid comprising of three Limit Bids at increasing prices. The Application Money would amount to PKR 145.5 Mn, which is the sum of the products of the number of shares Bid for and the Bid price of each Limit Bid. In such a case, Eligible Participant shall collect advance/margin money against bids based on their own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts.

#### **RESTRICTIONS:**

- (i) **AN ELIGIBLE INVESTOR SHALL NOT:**
- (a) **MAKE BID BELOW THE FLOOR PRICE AND ABOVE THE UPPER LIMIT OF THE PRICE BAND;**
  - (b) **MAKE BID FOR MORE THAN 10% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION**
  - (c) **MAKE A BID WITH A PRICE VARIATION OF MORE THAN 10% OF THE PREVAILING INDICATIVE STRIKE PRICE AS PER REGULATION 10(2)(iii) OF THE PO REGULATIONS**
  - (d) **PLACE CONSOLIDATED BID**
  - (e) **MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY**
  - (f) **MAKE DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME; PROVIDED THAT INCASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME; AND**
  - (g) **WITHDRAW BID**
- (ii) **IT IS THE RESPONSIBILITY OF THE CTI TO ENSURE IMPLEMENTATION OF THE FOLLOWING RESTRICTIONS BY INCORPORATING RELEVANT UINS / CUINS IN THE PSX BOOK BUILDING SYSTEM:**
- a. **The associates of the Issuer as disclosed in the Prospectus shall not in aggregate make bids in excess of ten percent of the securities offered through Book Building.**
  - b. **The associates of the Consultant to the Issue shall not in aggregate make bids in excess of ten percent of the securities offered through Book Building.**
- Provided that it shall not apply to such associates of the Consultant to the Issue that are Financial Institutions, Mutual Funds and Insurance Companies.*
- (iii) **RELATED EMPLOYEES (I.E. EMPLOYEES OF THE ISSUER, THE OFFEROR, THE UNDERWRITERS, AND THE CONSULTANTS TO THE ISSUE, WHO ARE INVOLVED IN THE ISSUE OR THE OFFER FOR SALE) ARE NOT ELIGIBLE TO PARTICIPATE IN THE BIDDING.**
- (iv) **NO PERSON SHALL TAKE PART IN THE BOOK BUILDING PROCESS, DIRECTLY OR INDIRECTLY SEVERALLY OR JOINTLY IN ANY MANNER OR ENGAGE IN ANY ACT OR PRACTICE WHICH CREATE A FALSE AND MISLEADING APPEARANCE OF ACTIVE BIDDING FOR RAISING OR DEPRESSING STRIKE PRICE IN THE BOOK BUILDING PROCESS.**
- (v) **AS PER REGULATION 7(8) OF THE PO REGULATION, THE ASSOCIATES OF THE ISSUER AS DISCLOSED IN THE PROSPECTUS SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PER CENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.**
- (vi) **AS PER REGULATION 7(9) OF THE PO REGULATIONS, THE ASSOCIATES OF THE CONSULTANT TO THE ISSUE TO THE ISSUE SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PERCENT OF THE SHARES OFFERED THROUGH BOOK BUILDING. PROVIDED THAT IT SHALL NOT APPLY TO SUCH ASSOCIATES OF THE CONSULTANT TO THE ISSUE THAT ARE FINANCIAL INSTITUTIONS, MUTUAL FUNDS AND INSURANCE COMPANIES.**

**LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER, NAMES OF RELATED EMPLOYEES OF THE ISSUER AND CONSULTANT TO THE ISSUE ARE PROVIDED IN SECTION 3A (vi).**

Once the Bidding Period has lapsed and the book has been built, the, Strike Price shall be determined on the basis of Dutch Auction Method.

Successful Bidders shall be intimated, within one (1) working day of the closing of the Bidding Period, about the Strike Price and the number of shares provisionally allotted to each of them. Upon conclusion of Book Building and determination of successful bidders, NCCPL will commence its pay and collect process one working day after the close of the bidding period, by debiting the settling bank accounts of Eligible Participants. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its shortfall management process

as per the Joint Procedures. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants one working day after the close of the bidding period within banking hours.

**As per PO Regulations, the successful bidders shall be issued shares at the time of issuance of shares to the retail investors. Shares to successful bidders shall be issued only in the form of book-entry through credit in their respective CDS accounts (Investors Account or Sub-Account). All the bidders shall, therefore, provide number of their CDS accounts in the bid application.**

The Bidders must provide the bank account details in their Bidding form, so that cash dividend can be credited into their respective International Bank Account Number (IBAN).

### **12.3. Time Frame for Intimation to the Successful Bidders and Mechanism for Payment of the Balance Amount by the Successful Bidders**

At the end of bidding period, successful bidders and their Eligible Participants shall be notified by the Book Building System via their registered email that their bids are accepted and such bidders are required to arrange settlement with NCCPL at B+1 (one day after the end of the bidding) within designated time specified in the Joint Procedures.

Upon conclusion of Book Building and determination of successful bidders, NCCPL will commence its pay and collect process at B+1 by debiting the settling bank accounts of Eligible Participants. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its shortfall management process as per the Joint Procedures.

### **12.4. NCSS Designated Time Schedule for Book Building**

Activity <sup>113</sup>		Start Time:	End Time:
<b>Monday to Friday</b>	Advance/ Collection of Margin Money against bid amount from bidders one day before the start of bidding (B-1)	9:00 AM	16:30 PM
	Increase in the bid amount during bidding period subject to deposit of additional margin money by existing bidder	9:00 AM	16:30 PM
	Margin collection during the bidding period for the registration of new bidders	9:00 AM	16:30 PM
	Final collection from bank account of successful bidders (B+1)	9:00 AM	12:00 PM
	Refund/ Release the advance amount/margin money of Eligible Participants against unsuccessful bids (B+1)	9:00 AM	12:00 PM

### **12.5. Eligible Participant(s) for Book Building:**

All Eligible Participants including securities brokers, mutual funds, scheduled banks, and development finance institutions that are clearing members of NCCPL.

Functions of the Eligible Participant as per PSX and NCCPL Joint Procedures for Book Building:

- Eligible Participants shall establish bidding accounts in the PSX Book Building System for proprietary participation.

<sup>113</sup> Joint Procedures, Nov 07, 2025, Annexure – A: NCSS Designated Time Schedule (DTS) for book building

- ii. Eligible participants shall register bidders and create accounts for the bidders to participate in the bidding.
- iii. Eligible Participants that are Banks, Mutual Funds and DFIs can only create bidding account for proprietary participation and cannot on board/register bidders or create bidding account of the bidders for participation in the bidding. A bank and DFI may however onboard/register bidders only in case such bank or DFI is acting as CTI in the public offering transaction. For Trading Only Broker and their clients, the user bidding account must be created through the Professional Clearing Member — PCM (EClear Services Limited).
- iv. Eligible Participant shall collect advance amount/margin money against bids from the bidders.

#### **12.6. Name of the Designated Institution and its Roles and Responsibilities:**

PSX being the Designated Institution, shall ensure that Book Building System shall smoothly perform following functions:

- I. record name, Unique Identification Number (UIN), National Tax Number (NTN), postal and email addresses, land line and cell numbers, bank account Number and branch address and Investor Account Number or Sub-Account Number of the bidder with participant account number;
- II. provide a mechanism for registration of the bidders before commencement of the bidding period till 03:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned in para (i) above;
- III. generate bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the bids are placed;
- IV. record the number of shares bid for, the Bid Price, type of the bid i.e. Limit Bid or Step Bid, date and time of the entry of the bid;
- V. display the bids revised, and date and time of upward revision;
- VI. neither allow withdrawal of bid, nor accept the bids placed at a Bid Price that is below the Floor Price or above the upper limit of the Price Band;
- VII. display live the total number of shares offered for sale, the Floor Price, Price Band, total number of bids received, total number of shares bid for and indicative Strike Price;
- VIII. build an order book showing demand for the shares at various price levels in a descending order along with the accumulated number of shares bid for and percentage of total shares offered under the Book Building Portion;
- IX. discover the strike price at the close of the Bidding Period;
- X. generate alerts for the Bidders via Short Message Service through cell phones and emails upon entry of the bid, at the time of upward revision of the bid, and upon discovery of the strike price; and
- XI. ensure that system must provide the bidders the option to revise their bids during the period permitted under these Regulations;

The Designated Institution shall ensure that:

- identity of the bidder is not displayed; and
- no bid is entered into the System after closing of the Bidding Period.

#### **12.7. Roles and Responsibilities of the Issuer:**

The Issuer shall ensure that:

- 1. The Issuer, its Sponsors, promoters, substantial shareholders, directors and associates shall have no over dues or defaults, irrespective of the amount., appearing in the report obtained from the credit information bureau;
- 2. The Issuer or its directors, Sponsors or substantial shareholders should not have held the office of the directors, or have not been Sponsors or substantial shareholders in any company:
  - I. which had been declared defaulter by the securities exchange or futures exchange; or
  - II. whose TRE certificate has been cancelled or forfeited by the securities exchange; or
  - III. which has been de-listed by the securities exchange due to non-compliance of its regulations.



3. The Consultant to the Issue, Underwriter, Balloter and Share Registrar, are appointed through separate agreements in writing.
4. It has submitted through its Consultant to the Issue, an application along with draft prospectus for listing of its securities to the PSX.
5. The shares shall be issued in book-entry form only.

### 12.8. Opening and Closing of the Registration Period

The Registration period shall be for **Five (5) working days** as under:

REGISTRATION PERIOD	
December 08, 2025	9:00am to 5:00pm
December 09, 2025	9:00am to 5:00pm
December 10, 2025	9:00am to 5:00pm
December 11, 2025	9:00am to 5:00pm
December 12, 2025	9:00am to 3:00pm

### 12.9. Opening and Closing of the Bidding Period

The Bidding Period shall be for **Two (2) working days** as under:

<b>BIDDING PROCESS STARTS ON</b>	December 11, 2025
<b>BIDDING PROCESS ENDS ON</b>	December 12, 2025

### 12.10. Eligibility to Participate in Bidding

Eligible Investors who can place their bids in the Book Building process include local and foreign Individual and Institutional Investors whose Bid Amount is not less than PKR 2,000,000/- (PKR Two Million only).

### 12.11. Information for Bidders

1. The Prospectus for Issue of Shares has been approved by PSX and SECP.
2. The Prospectus can be obtained from the Registered Office of PQFTL, and AHL (CTI). Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites of the Consultant to the Issue, PSX and the Company i.e. <http://www.arifhabibltd.com>, <http://www.psx.com.pk> and <https://pqftl.com.pk/>.
3. Eligible Investors who are interested to participate in bidding for subscribing the Ordinary Shares of the Company should approach the Eligible Participants at the for registration for submitting their Bids.
4. REGISTERED INVESTORS CAN PLACE AND REVISE THEIR BIDS UPWARDS BY ACCESSING THE DESIGNATED INSTITUTIONS ONLINE PORTAL FOR BOOK BUILDING BY USING THE USER ID AND PASSWORD COMMUNICATED TO THEM VIA EMAIL BY PSX.

### 12.12. Procedure for Registration

1. All Eligible Participants shall be required to get registered with the Designated Institution i.e. PSX.
2. For registration purposes, each Eligible Participant shall submit an Expression of Interest for participation in the Book Building.
3. In order to commence registration, PSX shall issue a public notice regarding the book building at least three (3) working days before the bidding period (B-3). The notice shall cover the Issuer Name, Issue size, Floor Price, Price Band, Registration Dates, Bidding Dates along with the salient features of the Issue.
4. Eligible Participant shall be required to register itself with the NCCPL. In order to register, Eligible Participant shall submit an interest to the NCCPL for participation in the book building being conducted by the Book Building System of PSX. Registration would be a one-time process and would not be required before each new book building transaction.
5. Upon registration, PSX will configure its Book Building System by creating Eligible Participant. Once the Eligible Participant is created, credentials such as participant ID, PIN and password will be transmitted by

the Book Building System to the authorized person of Eligible Participants at their registered email addresses and designated mobile numbers.

6. The Designated Institution and NCCPL shall jointly develop and notify the detailed procedures covering the operational and procedural requirements for Book Building, after obtaining prior approval from the Commission.
7. The Issuer shall publish the Prospectus at least one (1) day prior to the commencement of bidder registration.
8. The bidding process shall be conducted electronically through the Book Building System in a fair, efficient, and transparent manner.
9. The registration of bidders by the Eligible Participants shall commence at least three (3) working days prior to the start of the bidding period and shall remain open until 3:00 p.m. on the last day of the bidding period.
10. The bidding period shall remain open for at least two (2) working days.
11. The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. during the Bidding Period.
12. The bidders can revise the bids till 05:00 p.m. on the last day of the Bidding Period.
13. The Eligible Participant shall register bidders, including both individual and institutional investors, and create user bidding accounts for them. The Eligible Participant may also create bidding accounts for proprietary participation.
14. The creation of a user bidding account shall require minimum information such as the bidder's name, bid amount, UIN/CNIC, incorporation number or CUIN (where applicable), contact details, CDC sub-account or investor account number, and IBAN. An IPO Facilitation Account may be used if the bidder does not have a CDC sub-account or investor account. All such details shall be captured by the Eligible Participant at the time of registration.
15. Bidders can opt for disclosed or undisclosed bidding at the time of registration. In the case of disclosed bidding, bids shall be placed by the Eligible Participant, and in the case of undisclosed bidding, bids shall be placed directly by the bidder.

Explanation:

- In the case of disclosed bidding, the bidder shall convey the bid amount and bid price (profit rate/spread) to the Eligible Participant for entry into the Book Building System.
  - In the case of undisclosed bidding, the bidder shall enter the bid amount and bid price (profit rate/spread) directly into the Book Building System.
16. In case of disclosed bidding, the bidder at the time of registration, shall authorize the Eligible Participant for placing bid on his behalf.
  17. In case of undisclosed bidding, for creating user bidding account for bidders, the Eligible Participant shall use the bidder details (**email, name, phone number** etc.). Book Building System will share the **User ID, PIN and password** directly with the bidder via registered email and mobile number.
  18. Once the user is created and confirmed by the Eligible Participant, bidder shall receive system generated credentials for participation in the bidding process.
  19. At the end of the bidding period, **successful bidders and their Eligible Participants** shall be notified by the Book Building System via registered email that their bids have been accepted. Such bidders shall arrange settlement with NCCPL at **B+1** within the time specified in the Joint Procedures.
  20. Upon conclusion of the Book Building process and determination of successful bidders, **NCCPL** shall commence its **pay and collect process** at B+1 by debiting the settling bank accounts of the Eligible Participants. In the event of any shortfall in payments due to failure to meet commitments, NCCPL shall initiate its **shortfall management process** in accordance with the Joint Procedures.
  21. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at **B+1** within banking hours.

22. The funds in lieu of accepted bids will be credited to the Issuer's bank account(s) by NCCPL after the end of the public subscription period, credit of securities to the successful investors, and issuance of NOC by the Securities Exchange.
23. The Book Building process shall be deemed cancelled if the Issuer fails to receive bids for the total number of shares allocated under the Book Building Portion or if the total number of bids received is less than forty (40). In such an event, the Consultant to the Issue/Issuer shall immediately notify the Commission and the Securities Exchange accordingly.

### 12.13. Procedure for Bidding

The following procedure shall be followed for bidding:

1. Bids may be placed as either a Limit Bid or a Step Bid. Provided that the minimum size of a Limit Bid, as well as any incremental step in the case of a Step Bid, shall not be less than PKR 2 million.
2. The Issuer shall publish the Prospectus at least one (1) day prior to the commencement of bidder registration by the Eligible Participants and before the issuance of the public notice by the Designated Institution announcing the opening of the Book Building process.
3. The bidding shall commence at 09:00 a.m. and close at 05:00 p.m. during the Bidding Period.
4. PSX shall display live throughout the bidding period an order book in descending order for equity securities and discounted debt securities, and in ascending order for debt instruments quoted on a yield basis showing demand for securities at various prices/yields and the accumulated number of securities bid for along with percentage of the total securities offered. The order book shall also display the revised bids, which shall be accessible only through the PSX website.
5. The Designated Institution shall issue a public notice regarding the Book Building process at least three (3) working days before the commencement of the Bidding Period (B-3). The notice shall include, among other details, the name of the issuer, issue size, floor price, bidding dates, and salient features of the issue.
6. At the time of registration, bidders shall authorize the Eligible Participant to place the bid on their behalf in the case of disclosed bidding.
7. **Eligible Participants** shall collect the **margin money** from the bidders and deposit the same with the **NCCPL**.
8. **Individual and institutional investors** shall pay **100% of the bid amount** as margin money to the Eligible Participant; provided that the Eligible Participant may accept a **lower margin** from bidders based on its own **risk assessment**.
9. In the case of **undisclosed bidding**, for creating user bidding accounts, the Eligible Participants shall use the bidder's details such as **name, email address, and phone number**. The Book Building System shall share the **User ID, URL for the bid screen, PIN, and password** directly with the bidder through their registered email and mobile number.
10. Once a user is created and confirmed by the Eligible Participant, the **credentials for participation** in the bidding process shall be forwarded by the Book Building System to the user — i.e., the investor in the case of undisclosed bidding or their Eligible Participant in the case of disclosed bidding — via their registered email and mobile number.
11. Eligible Participants may limit the **amount of bidding** by their bidders, depending on the margin money received and their own risk assessment criteria.
12. In the event of a **Trading Only Broker** and their clients, the user bidding account must be created through a **Professional Clearing Member (PCM)**.
13. Eligible Participant shall deposit the advance amount/margin money or standing instruction or irrevocable undertaking from the trustee, where applicable with the NCCPL by 5:00 p.m., one working day before the start of the bidding period. (B-1) Provided that during the bidding period, the Eligible Participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required, with the NCCPL.

14. Based on the information shared by NCCPL, PSX will mark the Eligible Participants who have submitted advance amount/margin money for the bidding purposes.
15. NCCPL shall communicate the **confirmation of advance/margin money** received against the bid amount of Eligible Participants to the **Designated Institution** in accordance with the Joint Procedures.
16. Based on the information shared by the NCCPL, the **Designated Institution (PSX)** shall activate the Eligible Participants who have submitted advance/margin money for bidding purposes
17. NCCPL shall continue to share **real-time information** with PSX regarding margin money deposited by Eligible Participants during the bidding period, including new bidder registrations or increases in bid amounts, in line with the Joint Procedures.
18. Eligible Participants may bid **on behalf of their clients** in the case of disclosed bids, whereas users may bid **anonymously** using their provided credentials during the bidding period, within the maximum participation amount assigned.
19. The Book Building System shall ensure that all bids are submitted **within the assigned limits**, based on the advance/margin money confirmed by the NCCPL and the resultant maximum participation amount.
20. The eligible participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required with the NCCPL, until **4:30 pm** on the last day of the bidding period, as specified in the Designated Time Schedule (DTS) – Annexure A of the Joint Procedures.
21. Bidders may **revise their bids upward** until **5:00 p.m. on the last day** of the bidding period
22. At the close of the bidding period, the **Strike Price** shall be determined by the Book Building System on the basis of the **Dutch Auction Method**.
23. At the end of bidding period, successful bidders and their eligible participants shall be notified by the Bidding System via their registered email that their bids have been accepted and such bidders are required to arrange settlement with NCCPL by **12:00 pm**, one working day after the end of the bidding period (B+1), as specified in the Designated Time Schedule (DTS) – Annexure A of the Joint Procedures.
24. After the allocation process run by PSX, NCCPL will commence its pay and collect process at B+1 by debiting the settling bank accounts of eligible participants.
25. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of eligible participants at B+1 within banking hours. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its Shortfall Management Process.
26. The funds in lieu of accepted bids will be credited to the Issuer's bank account by NCCPL after the end of public subscription, credit of securities to the successful investors and issuance of NOC by the PSX.
27. Bidders who have submitted bids at prices **above the Strike Price** shall be allotted shares **at the Strike Price**.
28. In cases where the bids received are sufficient to cover the total number of shares offered under the Book Building Portion, the **allotment** shall be made based on **highest bid priority** — that is, bids made at the highest price shall be considered first for share allocation.
29. If all bids above the Strike Price are accommodated and shares are still available for allotment, the remaining shares shall be allotted **on a proportionate basis** among the bids made at the Strike Price
30. Bidders who have made bids **below the Strike Price** shall not qualify for allotment of shares.
31. **Restrictions:**
  - a. The bidding period shall not be extended except in extraordinary circumstances like closure of banks, failure of system, etc. In such case, the Issuer or the Consultant to the Issue shall apply to the Commission for extension in the bidding period after obtaining NOC from the Securities Exchange. In case extension is granted, the same shall be disseminated through publication in all those newspapers where the prospectus was published and on the website of the Issuer, Consultant to the Issue, the Designated Institution, and the Securities Exchange.
  - b. The bidder shall not:
    - make bid below the Floor Price and above the upper limit of the Price Band;

- make bid for more than 10% of the shares allocated under the Book Building Portion;
  - subject to the provision of clause (A) above, make bid with price variation of more than 10% of the prevailing indicative strike price or such other percentage as may be specified by the Commission;
  - make consolidated bid;
  - make more than one bid either severally or jointly;
  - make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same; or
  - withdraw the Bid.
- c. No person shall take part in the book building process, directly or indirectly, severally or jointly in any manner, or engage in any act or practice which creates a false or misleading appearance of active bidding for raising or depressing the strike price in the book building process.

#### **12.14. Title and number of the bank account for book building portion of the issue and Mechanism for payment of the margin money into the book building account.**

The margin requirements for Eligible Participants shall be as under:

- I. Securities Brokers shall be allowed to participate with 100% margin money. Securities Brokers shall collect margin money against bid amount from the investors/clients/bidders based on their own risk assessment criteria.
- II. Individual investors and institutional investors shall pay 100% of bid amount as margin money to the Eligible Participant, provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment.
- III. A bank or DFI shall be allowed to onboard/register bidders and create bidding account of the bidders for participation in the bidding, only in such case where bank or DFI is acting as Consultant to the Issue (CTI) in the public offering transaction. In such case individual investors and institutional investors shall pay 100% of bid amount as margin money to the Eligible Participant, provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment.
- IV. The Eligible Participant such as, Banks, DFIs and Mutual Funds shall be allowed to participate in the bidding process with 0% margin money for proprietary trades only.
- V. For participation with 0% margin money for proprietary trades:
  - i. Banks and DFIs shall provide standing instruction to the NCCPL to directly debit the bank account in case of default, as per the format prescribed by the NCCPL.
  - ii. Mutual Funds shall provide Irrevocable Undertaking from the Trustee, as per the format prescribed by the NCCPL.
  - iii. If the Bank fails to discharge its obligation on time in accordance with the applicable laws, rules and regulations, NCCPL shall be authorized to debit the settlement account of the Bank (maintained with SBP) with the settlement amount against accepted bids of the Bank.
  - iv. The Mutual Fund through its Trustee unconditionally and irrevocably indemnifies through Irrevocable Undertaking any failure of the Fund to settle any bids for the auction which was submitted and subsequently accepted in accordance with the applicable laws, rules and regulations.
- VI. Eligible Participant shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts. NCCPL shall communicate the confirmation of advance/margin money against the bid amount of Eligible Participants to Designated Institution as per the Joint Procedures. Based on the information shared by NCCPL, Designated Institution will activate the Eligible Participants who have submitted advance/margin money for the bidding purposes.

#### **PAYMENT PROCEDURE**

The payment procedures for a Limit Bid or a Step Bid are explained below:

## PAYMENT FOR LIMIT BID

If investors are placing their bids as a Limit Bid, then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 1 Mn shares at a price of PKR 14.00/- per share, then the total Application Money would amount to PKR 14.00 Mn. In such a case, Eligible Participant shall collect advance/margin money against bids based on their own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts.

## PAYMENT FOR STEP BID

If an investor is placing a Step Bid which is a series of Limit Bids at increasing prices, then he/she/it shall deposit the Margin Money / bid money based on the total number of shares he/she/it is bidding for at his/her/its stated bid prices.

For instance, if the investor bids for 5 Mn shares at PKR 14.00/- per share, 3 Mn shares at PKR 14.50/- per share and 2 Mn shares at PKR 16.00/- per share, then in essence the investor has placed one Step Bid comprising three limit bids at increasing prices. The Application Money would amount to PKR 145.5 Mn, which is the sum of the products of the number of shares bid for and the bid price of each limit bid. In such a case, Eligible Participant shall collect advance/margin money against bids based on their own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts.

## 12.15. PROCEDURE FOR PAYMENT OF MARGIN MONEY BY FOREIGN INVESTOR

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (I)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue shares on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e.

- (i) A Pakistan national resident outside Pakistan,
- (ii) A person who holds dual nationality including Pakistan nationality, whether living in or outside Pakistan,
- (iii) A foreign national, whether living in or outside Pakistan and
- (iv) A company or firm (including a partnership) or trust or mutual fund or private fund incorporated, registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government

The issue price of such shares must be paid in foreign exchange through normal banking channels, either by remittance from abroad or from a foreign currency account maintained by the subscriber or purchaser in Pakistan.

Non-resident investors who wish to participate in the **book-building process** for subscription of shares may do so through the **Roshan Digital Account (RDA)** — an initiative of the State Bank of Pakistan designed to facilitate **Non-Resident Individual Pakistanis (NRIPs)** in opening and operating digital bank accounts with designated SBP banks. Through the RDA, NRIPs can conduct banking transactions, make remittances, pay utility bills, and invest in various financial instruments in Pakistan, including the Pakistan Stock Market.

To invest in the Pakistan Stock Market through a Roshan Digital Account, the Non-Resident Individual Pakistani (NRIP) must authorize the respective bank to share the RDA details with the Central Depository Company of Pakistan Limited (CDC) and agree to the Terms and Conditions for Investing in Pakistan's Capital Market. Upon receipt of this information, the CDC forwards the investor's details to the National Clearing Company of Pakistan Limited (NCCPL) for the creation and registration of a Unique Identification Number (UIN). The CDC also facilitates the opening of a trading account by sharing the UIN and related information with the investor's selected broker and opens a CDC Custody Account in the investor's name. Upon completion of these formalities, the NRIP becomes eligible to invest in the Pakistan Stock Market using funds available in the Roshan Digital Account.

For participation in an Initial Public Offering (IPO) through the Roshan Digital Account, investors must ensure that their RDA is linked with an **active Investor Account** maintained with the CDC. The investor must subscribe through this account only and not through any other custody accounts such as Sub-Accounts, IPO Facilitation Accounts, or other Investor Accounts. The investor is required to register on the **CDC e-Services Portal** at



<https://csp.cdcaccess.com.pk> and complete the **e-IPO Subscription Form** by entering the CDC Participant ID (03277) and the Investor Account Number to generate a **Subscription ID**. After filling the form, the investor should save a PDF copy of the completed form and transfer the exact IPO subscription amount from the RDA bank account to the **CDC-designated bank account** maintained with the same bank.

It must be ensured that the investor's account holds sufficient funds at the time of subscription; otherwise, the application will not be processed. Once the payment is made, the investor must email the PDF copy of the Subscription Form along with payment details to [roshandigital@cdcpak.com](mailto:roshandigital@cdcpak.com). Both the payment and the eIPO Subscription Form must reach the CDC **no later than 12:00 p.m. (PST) on the last day of the subscription period**. Any payment or form received after the deadline will not be accepted. Investors are also advised to note that payments made through any method other than the one prescribed above may result in complications, particularly during the **refund process**, in cases where the application is either partially successful on a pro-rata basis or declared unsuccessful.

#### 12.16. Procedure for Rejection of Bids

As per Regulation 9(37) & (38) of the PO Regulations:

1. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at **B+1** within banking hours.
2. The funds in lieu of accepted bids will be credited to the Issuer's bank account(s) by NCCPL after the end of the public subscription period, credit of securities to the successful investors, and issuance of NOC by the Securities Exchange.

#### 12.17. Time Frame for Upward Revision of Bids by the Bidders

The registered investors may revise their Bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.

The Eligible Participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required, with the NCCPL. The bidders can revise their bids upward till 05:00 p.m. on the last day of the Bidding Period. **NO DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME IS ALLOWED PROVIDED THAT IN CASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME. HOWEVER, NO WITHDRAWAL OF BID IS ALLOWED.**

#### 12.18. Ten Percent (10%) Price Variation

An investor will not be allowed to place or upward revise a bid with a price variation of more than ten percent (10%) of the prevailing Indicative Strike Price subject to Floor Price and Price Band i.e. Bid Price must not be below the Floor Price and must not exceed 50% of the Floor Price which is upper limit of Floor Price. **Please note that the Indicative Strike Price may not be constant and may keep on changing during the bidding period. Therefore, the 10% range will also change with the changing Indicative Strike Price.**

For Example, if the Floor Price is PKR 14.00/- per share and Indicative Strike Price at any given point in time during the bidding period is PKR 14.00/- per share, registered bidders may place or revise their bids at/to any price between PKR 14.00/- per share to PKR 15.40/- per share. If at any given point in time during the bidding period, the Indicative Strike Price changes from PKR 14.00/- per share to PKR 15.40/- per share, the registered bidders may place or upward revise their bids at/to between PKR 15.40/- per share to PKR 16.94/- per share.

Please note that the 10% range on the lower side cannot go below the floor price and cannot exceed the upper cap of 50% of the floor price i.e. PKR 21.00/- per share. The price range of 10% applicable at any given point in time during the bidding period will also be displayed on the bid screen available at the website of PSX.

#### 12.19. Procedure for Withdrawal of Issue

1. In accordance with regulation 8(16) of the PO Regulations, the Book Building process shall be considered as cancelled if the Issuer does not receive bids for the number of shares allocated under the Book Building Portion and the same shall be immediately intimated by the Consultant to the Issuer/Issue to the Commission and Securities Exchange.



- In accordance with regulation 8(17) of the PO Regulation, the Book Building process shall be considered as cancelled if the total number of bids received is less than forty (40).


#### 12.20. Mechanism for Determination of Strike Price

- At the close of the bidding period, the Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution. Under this methodology, the Strike Price is determined by lowering the price to the extent that the total shares offered under the Book Building Portion are subscribed.
- Designated Institution shall through the Book Building System display live order book throughout the bidding period in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares offered. The order book should also show the revised bids. The order book shall be accessible through websites of the Securities Exchange and Designated Institution.
- In case the bids received are sufficient to allot the total number of shares offered for sale under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.
- As per the regulation 9(27) of the PO Regulation, in case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted on proportionate basis against the bids made at the Strike Price.


The mechanism for determination of the Strike Price can be understood by the following illustration:

- Number of shares being Issued through the Book Building: 50,000,000 Ordinary Shares
- Floor Price: PKR 14.00/- per Ordinary Share with maximum price band of 50% i.e. PKR 21.00/-per share
- Bidding Period: December 11, 2025 to December 12, 2025
- Bidding Time: 9:00am – 5:00pm
- Bidding Revision Time (Upward Revision only): 9:00am – 5:00pm on all days


Bidder	Price (PKR/share)	Quantity	Cumulative Number of shares	Category of Order
Institution A	17.20	2,100,000	2,100,000	Limit Price
Institution B	17.00	2,700,000	4,800,000	Limit Price
HNWI A	16.50	5,200,000	10,000,000	Step Bid
Institution C	16.40	5,700,000	15,700,000	Limit Price
Institution D	15.90	2,200,000	17,900,000	Limit Price
Institution E	15.70	5,900,000	23,800,000	Limit Price
HNWI B	15.30	6,300,000	30,100,000	Limit Price
HNWI A	15.02	3,500,000	33,600,000	Step Bid
Institution F	14.60	2,900,000	36,500,000	Limit Price
Institution G	14.70	3,200,000	39,700,000	Limit Price
Institution H	14.90	3,300,000	43,000,000	Limit Price
HNWI C	14.40	1,000,000	44,000,000	Limit Price
Institution I	14.35	2,200,000	46,200,000	Step Bid
Institution H	14.20	1,700,000	47,900,000	Limit Price
Institution J	14.10	2,100,000	50,000,000	Step Bid
HNWI E	14.00	1,900,000	51,900,000	Limit Price



Strike Price determine through Dutch Auction Method



Bid has been revised upwards and placed at PKR 14.90



Total shares bid for at and above the Floor Price

On the basis of the figures provided in the above illustration, according to the Dutch Auction Method, the Strike Price would be set at PKR 14.10 per share to sell the required quantity of 50,000,000 ordinary shares.

At PKR 17.20 per share, investors are willing to buy 2,100,000 shares. Since 47,900,000 shares are still available, therefore the price will be set lower.

At PKR 17.00 per share, investors are willing to buy 4,800,000 shares. Since 45,200,000 shares are still available, therefore the price will be set lower.

At PKR 16.50 per share, investors are willing to buy 5,200,000 shares. Since 40,000,000 shares are still available, therefore the price will be set lower.

At PKR 16.40 per share, investors are willing to buy 5,700,000 shares. Since 34,300,000 shares are still available, therefore the price will be set lower.

At PKR 15.90 per share, investors are willing to buy 2,200,000 shares. Since 32,100,000 shares are still available, therefore the price will be set lower.

At PKR 15.70 per share, investors are willing to buy 5,900,000 shares. Since 26,200,000 shares are still available, therefore the price will be set lower.

At PKR 15.30 per share, investors are willing to buy 6,300,000 shares. Since 19,000,000 shares are still available, therefore the price will be set lower.

At PKR 15.02 per share, investors are willing to buy 3,500,000 shares. Since 16,400,000 shares are still available, therefore the price will be set lower.

At PKR 14.90 per share, investors are willing to buy 2,900,000 shares. Since 13,500,000 shares are still available, therefore the price will be set lower.

At PKR 14.70 per share, investors are willing to buy 3,200,000 shares. Since 10,300,000 shares are still available, therefore the price will be set lower.

At PKR 14.60 per share, investors are willing to buy 3,300,000 shares. Since 7,000,000 shares are still available, therefore the price will be set lower.

At PKR 14.40 per share, investors are willing to buy 1,000,000 shares. Since 6,000,000 shares are still available, therefore the price will be set lower.

At PKR 14.35 per share, investors are willing to buy 2,200,000 shares. Since 3,800,000 shares are still available, therefore the price will be set lower.

At PKR 14.20 per share, investors are willing to buy 1,700,000 shares. Since 2,100,000 shares are still available, therefore the price will be set lower.

At PKR 14.10 per share, investors are willing to buy 2,100,000 shares. **Since after bidding for 2,100,000 shares at PKR 14.10 per share, no shares will be available therefore the Strike Price will be set at PKR 14.10 per share for the entire lot of 50,000,000 shares.**

The bidders who have placed bids at prices above the Strike Price (which in this illustration is PKR 14.10 per share), will become entitled for allotment of shares at the Strike Price and the differential would be refunded.

In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(27) of the PO Regulations.

The Bidders who have made bids below the Strike Price shall not qualify for allotment of shares. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at B+1 (one day after the end of the bidding period) within banking hours.

### 12.21. Basis of Allotment of Shares

- (a) In case the bids received are sufficient to allot the total number of shares offered for sale under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.
- (b) In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the bids made at the Strike Price on proportionate basis

As per regulation 7(3) of the PO Regulation, 2017, maximum of seventy-five percent (75%) of the offer size i.e. 37,500,000 ordinary shares shall be allocated to the Book Building Portion, while the remaining minimum twenty-five percent (25%) i.e. 12,500,000 ordinary shares shall be reserved for retail investors. The retail portion of the public offer shall be fully underwritten. At the close of the bidding period, Strike Price shall be determined on the basis of Dutch Auction Method by the Book Building System.

As per regulation 11(2) of the PO Regulation, 2017, The Issuer may offer the shares to retail investors at a certain discount to the Strike Price.

As per regulation 11(4) of the PO Regulation, 2017, within five (5) working days of the close of the public subscription period, or within such shorter period as may be specified by the Commission from time to time, the shares shall be allotted and issued against the accepted and successful applications, and the subscription money of unsuccessful applicants shall be unblocked/refunded.

As per regulation 11(5) of the PO Regulation, 2017, in case the retail portion of the issue, if any, remains unsubscribed, the unsubscribed shares shall either be taken up by the underwriters or allotted to successful bidders at the Strike Price determined through the Book Building process on a pro-rata basis

Final allotment of shares out of the Book Building portion shall be made after subscription of the retail portion and receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be issued simultaneously with issuance of shares to retail investors, in the form of book-entry to be credited in their respective CDS Accounts. All the Bidders shall, therefore, provide number of their respective CDS Accounts in the Bid application as required under regulation 9(16) of the PO Regulations.

### 12.22. MECHANISM AND MODE FOR REFUNDING / UNBLOCKING OF THE MARGIN MONEY

The Bidders who have made Bids below the Strike Price shall not qualify for allotment of securities. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants within banking hours one day after the bidding period.

**The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of shares of unsubscribed retail portion, if any, to them on pro-rata basis.**

### 12.23. PUBLICATION AND TIME FRAME FOR PUBLICATION OF SUPPLEMENT TO THE PROSPECTUS

In accordance with regulation 11(1) of the PO Regulations of the closing of the Bidding Period, Supplement to the Prospectus shall be published at least in all those newspapers in which the Prospectus was earlier published and also disseminated through PSX within one working day.

The Supplement to the Prospectus would contain information relating to the Strike Price, the Offer Price and Category-wise breakup of the successful Bidders along with the number of shares provisionally allocated to them. Format of the Supplement is given on page 2 of this Prospectus.

**Public subscription for the shares shall be held at any date(s) within thirty days (30) of the publication of the Prospectus but not earlier than seven (7) days of such publication.**

### 13. APPLICATION AND ALLOTMENT INSTRUCTION FOR RETAIL PORTION

#### 13.1 Eligible Investors Instructions for submitting application

1. Pakistani citizens resident in or outside Pakistan or Persons holding dual nationalities including a Pakistani nationality;
2. Foreign Nationals whether living in or outside Pakistan
3. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
4. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts, (subject to the terms of the Trust Deed and existing regulations); and
5. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

#### 13.2 Opening and Closing of the Subscription List

The subscription list will open at the commencement of banking hours on December 17, 2025 and will close on December 18, 2025 at the close of banking hours. **Please note that online applications can be submitted 24 hours during the subscription period which will close at 12:00 midnight on December 18, 2025**

#### 13.3 Procedure for public subscription through PSX's E-IPO system and Centralized E-IPO System and other additional electronic system

##### (i) PSX's e-IPO System (PES):

To facilitate investors, the Pakistan Stock Exchange Limited ("PSX") has developed an e-IPO System ("PES") through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. PES has been made available in this Issue and can be accessed through the web link (<https://eipo.psx.com.pk>). Payment of subscription money can be made through 1LINK's and NIFT's member banks available for PES.

For making application through PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year. Registration is free of cost and can be done by:

- the investor himself, or
- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.
- Similarly, an e-IPO application can be filed by:
- the investor himself, or
- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad, Deputy General Manager - IT Division at phone number: 111-001-122 or (021)-35274401-10, or email: [itss@psx.com.pk](mailto:itss@psx.com.pk).

Investors who are registered with PES can submit their applications through the web link, <https://eipo.psx.com.pk>, 24 hours a day during the subscription period which will close at midnight on October 03, 2024

##### (ii) Centralized E-PO System (CES):

CES can be accessed through the web link ([www.cdceipo.com](http://www.cdceipo.com)). Payment of subscription money can be made through 1LINK's member banks available for CES.

For making application through CES, investors must be registered with CES. Registration can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, investors/sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. For queries regarding CES, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: [info@cdcpak.com](mailto:info@cdcpak.com) or contact Mr. Owais Anwer at Phone 021-111-111-500 Ext 500 and email: [owais\\_anwer@cdcpak.com](mailto:owais_anwer@cdcpak.com).

### 13.4 Facilities available to local, Non-Resident Pakistanis and Foreign Investors

For each IPO, a prospectus is issued, circulated, and published in newspapers at least 7 days before the start of the public subscription. The issuer also publishes advertisements in newspapers. The prospectus is available on the websites of the Pakistan Stock Exchange (PSX), the consultant to the issue, the issuer, and the Central Depository Company of Pakistan Limited (CDC), which provides the Centralized e-IPO System (CES). A list of all upcoming IPOs is also available on the PSX website.

#### 13.4.1 Applications made by Individual Investors

1. In case of individual investors, one can submit an application for share subscription through electronic/online mode. Electronic/online applications can be submitted through PSX's e-IPO system (PES) and CDC's Centralized e-PO system (CES). PES and CES can be accessed via the web links <https://eipo.psx.com.pk>, and [www.cdceipo.com](http://www.cdceipo.com). Both Pakistani residents and non-residents can avail the e-IPO facility. To register for the CDC and PSX Access e-IPO Service, the applicant must possess a valid CNIC and NICOP.
2. Online applications via CDC Access can be submitted 24 hours a day during the subscription period.

#### 13.4.2 Applications made by Institutional Investors

1. In case of corporate entities an application for share subscription through electronic/online mode. Electronic/online applications can be submitted through PSX's e-IPO system (PES) and CDC's Centralized e-PO system (CES). PES and CES can be accessed via the web links <https://eipo.psx.com.pk>, and [www.cdceipo.com](http://www.cdceipo.com). The corporate entities can avail the e-IPO facility by registering, if not have already been, for the CDC and PSX Access e-IPO Service, the corporate must possess a valid Registration number and NTN.
2. Online applications via CDC Access can be submitted 24 hours a day during the subscription period.

### 13.5 Minimum Amount of Application and Basis of Allotment of Shares of the Issue

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. Application for shares must be made for 500 shares or in multiples of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
2. The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
3. Application for shares below the minimum amount shall not be entertained.
4. SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.
5. If the shares offered to the general public are sufficient to accommodate all applications, all applications shall be accommodated.

6. If the shares applied for by the general public are in excess of the shares allocated to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of PSX in the following manner:
  - If all applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares cannot be accommodated, then balloting will be conducted among applications for 500 shares only.
  - If all applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares cannot be accommodated, then balloting will be conducted among applications for 1,000 shares only.
  - If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares cannot be accommodated, then balloting will be conducted among applications for 1,500 shares only.
  - If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares cannot be accommodated, then balloting will be conducted among applications for 2,000 shares only.
  - After allotment in the above-mentioned manner, the balance shares, if any, shall be allotted in the following manner:
    - If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.
    - If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares to each successful applicant.
7. If the Issue is over-subscribed in terms of amount only, then allotment of shares shall be made in the following manner:
  - First preference will be given to the applicants who applied for 500 shares;
  - Next preference will be given to the applicants who applied for 1,000 shares;
  - Next preference will be given to the applicants who applied for 1,500 shares;
  - Next preference will be given to the applicants who applied for 2,000 shares; and then
  - After allotment of the above, the balance shares, if any, shall be allotted on pro rata basis to the applicants who applied for more than 2,000 shares.
8. Allotment of shares will be subject to scrutiny of applications for subscription of shares.
9. Applications, which do not meet the above requirements, or application which are incomplete, will be rejected.

### **13.6 Refund/Unblocking of Subscription Money To Unsuccessful Applicants**

As per the regulation 11(4) of the PO Regulations, within five (5) working days of the close of public subscription period or such shorter period of time as may be specified by the Commission from time to time, the Shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.

As per sub-section (2) of Section 68 of the Companies Act, if refund as required under sub-section (1) of Section 68 of the Companies Act is not made within the time specified hereinabove, the directors of the company shall be jointly and severally liable to repay that money with surcharge at the rate of two percent (2%) for every month or part thereof from the expiration of the fifteenth day and, in addition, shall be liable to a penalty of level 3 on the standard scale as defined in Section 479 of the Companies Act. Provided that the directors of the Company shall not be liable if it proves that the default in making the refund was not on their own account and was not due to any misconduct or negligence on their part.

In case retail portion of the Issue remains unsubscribed, the unsubscribed shares shall be allotted to the successful bidders at the strike price on pro-rata basis.

### 13.7 Minimum Amount of Application and Basis of Allotment

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. The minimum value of application will be calculated as Issue Price x 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
3. Allotment / Transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
4. Allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan.
5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Online Application Form.
6. The Company will credit shares in the CDS Accounts of the successful applicants.

### 13.8 Issue and Credit of Shares

Within five (5) working days of the closing of public subscription period, the shares shall be allotted, issued and credited against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/refunded, as required under regulation 11(4) of the PO Regulations. **Shares will be issued only in the book-entry form and will be credited into the respective CDS Accounts of the successful applicants. Therefore, the applicants must provide their CDS Account Number in the Shares Subscription Applicant.**

If the Company defaults in complying with the above requirements, it shall pay PSX a penalty of PKR 5,000 per day for every day during which the default continues. PSX may also notify the fact of such default and name of the Company by notice and also by publication in its ready-board quotation of the Stock Exchange.

Name of the Company will also be notified to the TRE Certificate Holders of the PSX and placed on the web site of the PSX.

### 13.9 Transfer of Shares

The shares shall be transferred in accordance with the provisions of Section 74 of the Companies Act read with Section 75 thereof and the Central Depositories Act, 1997 and the CDCPL Regulations.

### 13.10 List of E-IPO Facilities

S. No	Name of Facility
01	PSX E-IPO System
02	Centralized E-PO System

### 13.11 Interest of Shareholders

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than their capacity as holder of Ordinary shares except from the shareholders who are also the Director of the company. Directors of the Company have interest in receiving remuneration for their role as Directors.



### 13.12 Eligibility for Dividend

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

### 13.13 Deduction of Zakat

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980 (XVIII of 1980) as may be applicable from time to time except where the Ordinance does not apply to any shareholder or where such shareholder is otherwise exempt or has claimed exemption from payment / deduction of Zakat in terms of and as provided in that Ordinance.

### 13.14 Taxations, Like Applicability of Capital Gain Tax, Withholding Tax on Dividends, Tax on Bonus Shares, Federal Excise Duty and Capital Value Tax & Withholding Tax on Sale/Purchase of Shares.

#### 13.17.1 CAPITAL GAINS TAX

Capital gains derived from the sale of listed securities are taxable in the following manner under section 37A of Income Tax Ordinance, 2001 effective from July 1, 2024:

Sr. No.	Capital Gain Tax for CY 2025	Investors Appearing in ATL	Investors Not Appearing in ATL
1	Where the securities are acquired before the first day of July, 2013.	0%	0%
2	Where the securities are acquired on or after the first day of July, 2013 but on or before the 30th day of June, 2022.	12.5%	25.0%
3	<b>Where the securities are acquired on or after the first day of July, 2022 but on or before the 30<sup>th</sup> day of June, 2024, below reduced rates of tax on capital gain arising on disposal shall apply:</b>		
	1. Where holding period does not exceed one year	15.0%	30.0%
	2. Where holding period exceed one year but does not exceed two years	12.5%	25.0%
	3. Where holding period exceed two years but does not exceed three years	10.0%	20.0%
	4. Where holding period exceed three years but does not exceed four years	7.5%	15.0%
	5. Where holding period exceed four years but does not exceed five years	5.0%	10.0%
	6. Where holding period exceed five years but does not exceed six years	2.5%	5.0%
	7. Where holding period exceed six years	0.0%	0.0%
4	<b>Where the securities are acquired on or after the first day of July, 2024 onwards:</b>		
	Where the securities are acquired on or after the first day of July, 2024 and onwards.	15.0%	As per rates specified in First Schedule, Part 1, Division 1 for individuals and association of persons and Division II for companies.  Provided that the rate of tax for individuals and association of persons shall

			not be less than 15% in any case.
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### 13.17.2 WITHHOLDING TAX ON DIVIDENDS

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 as specified in Part III Division I of the First Schedule of the said ordinance or any time-to-time amendments therein. In terms of the provision of Section 8 of the said ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits in case of persons only. Applicable withholding tax rate on dividend is 15% for active tax payers and 30% for inactive tax payers.

### 13.17.3 TAX ON BONUS SHARES

As per section 236Z of the Finance Act 2025, shall only be issued to a shareholder, if the company collects from the shareholder, tax equal to ten percent of the value of the bonus shares issued to the shareholder including bonus share withheld, determined on the basis of day-end price on the first day of closure of books in the case of listed company and the value as prescribed in case of other companies.

## 13.15 Tax on Income of The Issuer, Sales Tax

### 13.18.1 INCOME TAX

The income of the Company is subject to Income Tax under the Income Tax Ordinance, 2001.

### 13.18.2 SALES TAX

With effect from November 01, 2018, the Punjab Revenue Authority (PRA) subjected life and health insurance to Punjab Sales Tax (PST) at the rate of 16%. The Sindh Revenue Board (SRB) made life insurance taxable at the rate of 13% with effect from July 01, 2020. The Life insurance industry members have unanimously filed a petition against the imposition of provincial sales in the Supreme Court of Pakistan, through the platform of IAP (Insurance Association of Pakistan). The case is pending hearing. Please find further details on sales tax in Section 8.1.

### 13.18.3 SALES TAX ON SALE / PURCHASE OF SHARES

Under the Constitution of Pakistan and Articles 49 of the 7th NFC Award, the Government of Sindh, Government of Punjab, Government of Khyber Pakhtunkhwa and Government of Baluchistan have promulgated the Sindh Sales Tax on Services Act, 2011, Punjab Sales Tax on Services Act, 2012, Khyber Pakhtunkhwa Sales Tax on services through Khyber Pakhtunkhwa Finance Act, 2013 and the Baluchistan Sales Tax on services Act, 2015 respectively. The Sindh Revenue Board, the Punjab Revenue Authority, and the Khyber Pakhtunkhwa Revenue Authority and the Baluchistan Revenue Authority administer and regulate the levy and collection of the Sindh Sales Tax ("SST"), Punjab Sales Tax ("PST"), Khyber Pakhtunkhwa Sales Tax ("KST") and Baluchistan Sales Tax ("BST") respectively on the taxable services provided or rendered in Sindh, Punjab or Khyber Pakhtunkhwa provinces respectively.

The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange. The above-mentioned Acts levy a sales tax on Brokerage at the rate of 15% in Sindh, 16% in Punjab and in Baluchistan and Khyber Pakhtunkhwa the rate is 15%. Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

## 13.16 Deferred Taxation

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses,

to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forwards of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

## 14. SIGNATORIES TO THE PROSPECTUS

**SIGNATORIES TO THE PROSPECTUS**

 <b>Sheikh Ali Bin Abdullah Thani J. Al-Thani</b> Chairman/Non-Executive Director	 <b>Waqas Ahmed</b> Chief Executive Officer
 <b>Abdul Basit Ahmed Al-Shaibei</b> Non-Executive Director	 <b>Ali Ibrahim AL Abdul Ghani</b> Non-Executive Director
 <b>Said Gul</b> Non-Executive Director	 <b>Muhammad Kamran Saleem</b> Executive Director
 <b>Zahid Hussain Awan</b> Non-Executive Director	 <b>Zahid Haleem Shaikh</b> Independent Director
 <b>Asad Pervaiz</b> Independent Director	 <b>Ammara Shamim Gondal</b> Independent Director



**WITNESSES**

 <b>Muhammad Ahsan Qureshi</b> Chief Financial Officer	 <b>Nasir Ali</b> Chief Accountant & Group Head of Taxation
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Certified by:

  
**Muhammad Kamran**  
Company Secretary

Date: 13<sup>th</sup> Oct, 2025

## 15. MEMORANDUM OF ASSOCIATION

### THE COMPANIES ACT, 2017 (XIX of 2017) (COMPANY LIMITED BY SHARES)

#### MEMORANDUM OF ASSOCIATION

#### OF

#### PAK QATAR FAMILY TAKAFUL LIMITED

- I. The name of the Company is **PAK QATAR FAMILY TAKAFUL LIMITED**.
- II. The registered office of the Company will be situated in the Province of Sindh.
- III. The objects for which the Company is established are:
  1. To carry on in Pakistan or elsewhere in any part of the world, all kinds of family Takaful operator business under the principles of takaful and in connection therewith to design family takaful schemes or plans that meet the principles of takaful and which may be undertaken and transacted by the Company accordance to the prevailing law in Pakistan and as may be permissible by the Shariah Board.
  2. To offer investment schemes of all kinds, whether dependent on human life, and whether perpetual or terminable, immediate or deferred, contingent or otherwise, and generally to transact the business of a family takaful operator company, which may in any way be connected with or dependent on the contingencies of human life, to be undertaken and transacted according to prevailing law and Islamic Shariah.
  3. Generally to transact the business of a family takaful operator company, including the sale and purchase or re-purchase of annuities and reversionary interest, and life or other interests of uncertain duration or commencement, and endowments for children and all other business appertaining to or commonly transacted by life insurance companies.



4. To operate family takaful policies or other instruments of assurance against or assuming compensation or payment in case of death, injury to health or body or organ or part thereof by railway accident or shipwreck or other perils of land, sea, air or any other accident or misadventure and also to assure payment during sickness or incapacity arising from general or other than the above causes.
5. To offer takaful policies against all manners of accidents, liability or guarantee and to do every other description of takaful business kindred to the above inclusive of all powers incidental to or necessary for the fulfillment of the objects aforesaid.
6. To purchase and deal in or accept by way of exchange reversionary or other interests in property of all kinds whether absolute, contingent or expectant, and whether determinable or not, and to acquire, accept by way of mortgage or exchange, redeem, cancel or extinguish by purchase, surrender or otherwise any policy, security, grant or contract issued, made or taken over, or entered into by the Company in line with the Islamic Shariah.
7. To contact with leaseholders, borrowers, lenders and others for the establishment, accumulation, provision and payment of sinking funds, depreciation funds, renewal funds, endowment funds, and any other special funds to be developed in line with injunction of Islamic Shariah and prevailing law on such terms and conditions as may be arranged.
8. To re-takaful or counter-re-takaful all or any risks, and to undertake all kinds of re-takaful, and counter-re-takaful connected with any of the business aforesaid and to participate accept or cede to Takaful or re-Takaful pool(s) managed by other Takaful operator(s).
9. To give to any class or section of those who insure, or have other dealings with the Company, any rights over or in relation to any fund or funds, or a right to participate in

the profits of the Company or in the profit of any particular branch or part of its business, or any other special privileges, advantages or benefits.

10. To carry on business of family takaful and specified miscellaneous takaful.
11. To act as agents for the issue of any securities or shares to be issued under the Islamic modes of financing, whether or not offered to the public for subscription, and to guarantee the subscription, of any such securities or shares, and to act as trustee, executor, or administrator with or without remuneration, and to undertake trusts of all kinds and the conduct of any business connected with trusts of any description or the estates of deceased persons, and to receive for safe custody.
12. To enter into any arrangement in accordance with the Islamic Shariah with any government or authorities (federal, provincial, municipal, local or otherwise), or any corporations, companies, undertakings or persons in Pakistan or elsewhere that may seem conducive to the Company's object and to obtain from any such government, authority, corporation, company, undertaking or person any charters, contracts, decrees, rights, privileges, licenses and concessions which the Company may think desirable, and to carry out, exercise and comply with any such charters, contracts, decrees, rights, privileges, licenses and concessions.
13. To get insured against losses, damages, risks, accidents and liabilities of all kinds which may affect the Company whether in respect of its contracts, agreements, consequential loss of profits, advances or securities or in respect of servants or employees of the Company, or in respect of properties belonging to or rented or hired by the Company, either by setting apart funds of the Company or by effecting such insurance as may be deemed necessary.
14. To open accounts with bank or banks or financial institutions and to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, cheques, bills of lading, warrants, debentures and other negotiable or transferable instruments, concerning the business of the Company.



15. To invest the moneys of the Company not immediately required by the Company in and subscribe for, take, acquire, trade or deal in, hold Shariah compliant, such as shares, stocks, sukaks, bonds, securities or instruments of redeemable capital of any other company, institution, mutual fund or corporation or body corporate, whatsoever, whether local or overseas, and to invest moneys of the Company in any other manner subject to Islamic Shariah and as may be approved by the Shariah Board of the Company.
16. To borrow, procure, raise money in local or any foreign currency from banks, financial institutions, non-banking financial institutions and or avail finances under any Islamic financing scheme like modaraba, morabaha, musharika, Ijara-wa-iktina and Qaraze-Hasna and to borrow, procure, or to secure the money in such manner as the Company may deem fit and particularly by mortgage or hypothecation of its property in full or in part or both the present and future assets or by the issue of shares, stocks, bonds, debentures, Participation Term Certificates, Term Finance Certificates, or any other form of redeemable capital or securities charged or based upon the undertaking of the Company, or any part of its property, both present and future and generally to borrow or procure money for the purposes of the business of the Company in such manner as the Company shall deem fit, including by issue of debentures, bonds, securities, Participation Term Certificates, Term Finance Certificates, either permanent or redeemable or repayable or convertible into shares and to secure any securities of the Company by a trust or other assurances.
17. To pay commission or otherwise remunerate any company or firm or firms or person or persons (whether an officer of the Company or not) for services rendered in placing or assisting to place any of the shares of the Company or any debentures or other securities of the Company, or for negotiating any of the purchase or sale by the Company, or for rendering any service of any kind whatsoever to the Company.

18. To procure the incorporation, registration or other recognition of the Company in any country, state or place and to establish and regulate and open branches of the Company in any part of the world for the purposes of the Company's business.
19. To pay costs, charges and expenses preliminary and incidental to the formation, establishment and registration of the Company.
20. To grant pensions, allowances, gratuities and bonuses to directors, officers, ex-officers, employees or ex-employees of the Company or its predecessors in business or the dependents or connections of such persons and establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees and ex-employees and officers and ex-officers (including Directors and Ex-Directors) of the Company, or the dependents or connections of such persons, and to pay gratuities or grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition, or for any public, general or useful object(s).
21. To distribute any part of the undertaking, property and assets of the Company among its creditors and members in specie or in kind at the time of dissolution of the Company but so that no distribution amounting to a reduction of capital may be made without the sanction (if any) for the time being required by law.



22. To create provident fund, gratuity fund, pension fund, reserve fund, sinking fund, insurance fund, or any other special fund conducive to the interest of the Company.
23. To capitalize such portion of the profits, accumulated profits or reserves of the Company as are not distributed amongst shareholders of the Company in the form of dividend and as the Directors of the Company may think fit and to issue bonus shares as fully paid-up in favour of the shareholders of the Company.
24. To remunerate Directors, officials, servants of the Company or any other person or firm or company rendering services to this Company, out of, or in proportion to the returns or profits of the Company or otherwise as the Company may think proper, either by cash payment and/or by the allotment to him or them shares or securities of the Company credited as paid up in full or otherwise as may be thought expedient in accordance with the laws to which the Company may be subject.
25. To appoint agents, experts and attorneys to do any and all of the above matters and things on behalf of the Company or any thing or matter for which the Company may act as agent or in any other way whatsoever interested or concerned in any part of the world, except managing agent.
26. To establish and maintain branches in or outside Pakistan, service points or centres, receiving offices, depots, collection and distribution centres and to enter into contracts or agency agreements (other than managing agency) with any other person, firm or company or for the branches or distribution service centres, for the efficient carrying on of the business of the Company.
27. To pay for any property or rights acquired by the Company either in cash or fully paid-up shares, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.



28. To subscribe or contribute to any charitable, benevolent or useful objects of a social or public character, the support of which will, in the opinion of the Company, tend to increase its reputation or popularity among its employees, its customers, or the public generally.
29. To aid pecuniarily or otherwise any association, institution, body or movement having for its object the solution, settlement or surmounting of industrial or labour problems or troubles, or the promotion of industry or trade or development of takaful, savings and investment.
30. To adopt such means (both in and outside Pakistan) of promotion, marketing and making known and advertising the products and services of the Company as may seem expedient subject to the laws to which the Company may be subject.
31. To transfer the registered office of the Company from one place or province to another if deemed beneficial for the Company subject to regulatory approval(s) as may be applicable under the laws of Pakistan.
32. To amalgamate, merge with, absorb, reconstruct, de-merge, acquire or take over any other company or the whole or part of any undertaking having objects altogether or in part similar to those of the Company or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company, whether by sale or purchase of the assets, property or undertaking, or divestiture of the whole or part of the undertaking of the Company or by partnership or any arrangement in the nature of partnership or in any other manner or to enter into and carry into effect any arrangement, or for sharing of profits, with any partnership undertaking or person carrying on business within the objects of this Company.
33. To carry on any other lawful business or activity and in compliance with Islamic Shariah and do any act or thing which in the opinion of the Company is or may be capable of being conveniently carried on or done in connection with any of the above, or likely directly or indirectly to enhance the value of or render more profitable all or any part of the Company's property or assets or otherwise to advance the interests of the Company or its Members.



34. To cease carrying on and wind up any business or activity of the Company, and to cancel any registration of and to wind up and procure the dissolution of the Company subject to the provisions of the law for the time being in force.
35. To exercise all or any of the above objects and to do all such other things as are incidental or conducive to the attainment of the above objects or any of them.
36. Notwithstanding anything stated in any object clause, the Company shall obtain such other approval or license from the competent authority, as may be required under any law for the time being in force, to undertake a particular business. The Company shall not launch multilevel marketing, pyramid and ponzi schemes.

IV. The liability of the Members is limited.

- V. The authorized share capital of the Company is **Rs. 3,300,000,000/- (Rupees Three Billion Three Hundred Million Only)** divided into **330,000,000 (Three Hundred and Thirty Million)** Ordinary shares of the denomination of **Rs.10/- (Rupees Ten)** each with power from time to time to increase the capital of the Company.



we, the several persons whose names and addresses are hereunder subscribed, are desirous of being formed into a Company, in pursuance of the Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names:

Name and Surname With Father's or Husband's name (present & former name) in full and block Letter	Nationality with any former Nationality	Occupation	Residential address in full	Number Of Shares taken By each Subscriber	Signature
Mr. H.E. Shk. Ali Ibn Abdullah Thani Al-Thani S/o. Ali Passport # 011284	Qatar	Businessman	P.O. Box No. 1010, Doha, Qatar.	01 (One)	
Mr. H.E. Shk. Khalid Bin Thani Abdulla Thani Al-Thani S/o. Thani Passport # 010610	Qatar	Banker	P.O. Box No. 1010, Doha, Qatar.	01 (One)	
Mr. Abdullah Ahmed A. Al Bakher S/o Ahmed Passport # 00599000	Qatar	Banker	P.O. Box No. 1010, Doha, Qatar.	01 (One)	
Mr. H.E. Shk. M. Al-Rashed S/o. M. Al-Rashed Passport # 00600401	Qatar	Banker	P.O. Box No. 1010, Doha, Qatar.	01 (One)	
Mr. Shaker Ahmed Randeem S/o. Ahmed Goudam Mohamed Randeem Passport # 093069877	British	Banker & Businessman	Church House, 142- 146, Old Street, London, EC1V, 9BW	01 (One)	
Shamir Muhammad Wasi S/o. Shamir Muhammad Wasi Passport # 310780717	Canadian	Banker	P.O. Box No. 539, Doha, Qatar.	01 (One)	
Mr. Mubeen Ahmed Khan S/o. Mubeen Ahmed Khan Passport # 02301-5829543-2	Pakistani	Banker	G-21/3, Block-8, Scheme-5, Clifton, Karachi.	01 (One)	
Mr. Zahid Hassan Awan S/o. Mr. Hassan Passport # 115039-45150-S	Pakistani	Banker	215-B, Ghazloo, Township, Munster	01 (One)	
Total number of shares taken				08 (Eight)	

Witness this 10th day of March 2006

#### WITNESS TO ABOVE SIGNATURES

Witness Name: Syed Aftab Sajiduddin Signature: 

Witness Address: Room No. 601-603, Progressive Plaza, Beaumont Road, Karachi.

Witness's Name: Late, Syed Sajiduddin Ahmed Occupation: Service

**Certified to be True Copy**  
  
**Joint Registrar of Companies**

**Certified to be True Copy**  
  
**Joint Registrar of Companies**