

Takaful Insight

NEWSLETTER JAN - JUN - 2013



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PAK-QATAR FAMILY & GENERAL TAKAFUL
Together for the Future

Dear Readers,

Assalam-o-Alaikum!

We are proud to present the first newsletter of Pak-Qatar Family & General Takaful. This newsletter aims at publicizing the ongoing activities and a source of communication to share knowledge. We intend to make it a regular publication and to use it to keep you in touch with news and developments. We hope that you will find this Newsletter both interesting and informative.

This issue marks the beginning of our new communication channel that aims to keep our readers updated about the happenings. Therefore, we humbly encourage all of you to make use of this platform to remain connected with us. Let me reiterate that we welcome all contributions so that we can make this newsletter a place for our collective voices. If you have articles you wish to share, please let us know.

Pak-Qatar Family & General Takaful as a company is still growing at a rapid pace and new initiatives are being taken to provide a wider variety of efficient services to its beneficiaries. With commendable performance from both companies since inception and a standout performance during 2012, Pak-Qatar Group feels itself on a solid platform to witness a prosperous future and most importantly to perform its duty of fulfilling financial protection and saving needs of our customers.

As we look to the years ahead, we renew our pledge to remain committed to excellence, keep abreast of changes and innovation, adopt better management and successfully overcome all challenges before us.

We are confident that with the blessings of Almighty Allah we will continue to enjoy an unblemished reputation with your continued support. We look forward to serving you as we have in the past with a high level of integrity and commitment to excellence.

We look forward to you for any comments/suggestions that you may have to further improve this publication.

If you miss an edition, you can catch up by visiting our website at www.pakqatar.com.pk

Enjoy reading!



Syed Adnan Hasan
Head of Marketing & Corporate Communication



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In the Name of Allah, the most Gracious, the most Merciful May Peace, Blessings, and Mercy of Allah be upon Prophet Muhammad (Peace Be Upon Him)

Historical Background of Insurance and Takaful

It is generally believed that the history of insurance began with marine insurance in the fourteenth century. It was invented as a solution to the problem of sea piracy and protect from losses due to the possibility of ship sinking in high waters. Both carried immense financial risk. Insurance served to protect against these and other such financial risks.

However contrary to the general belief, we find attempts to mitigate risk of loss in high waters in Chinese and Babylonian civilizations two to three thousand year before Hazarat Essa (May peace be upon him). The Hammurabi code recorded such practices of Babylonians around 1750 BC. Greeks and Romans created “Benevolent Societies” which were earlier forms of life and health insurance.

Similar institutions were available for welfare of general public and trading fraternities in Islamic Societies. While going through Islamic history, we find the following on risk management techniques being practiced in Islamic societies.

Managing risk is therefore nothing new and is very much permissible in Islam if practiced justly.





Few of such instances are as follows:

Dhaman Khatr Al-Tareeq:

This is an understanding between two people wherein one of them guarantees the other (a trader) of safety and security in adopting a particular route, and compensation for any losses incurred along the way. So if that person adopts this path on account of the guarantor but then finds himself robbed and his valuables snatched away, the guarantor will then be Shar'an (legally) liable to recompense him.

Dhaman Al-dark:

If a person was hesitant in purchasing a slave in fear of the possibility of him being a free man, but does so nevertheless on account of another person's guarantee, he was Shar'an (legally) allowed to claim refund either from the guarantor or from the seller of that slave if later the slave was indeed proven a free man. A person who influences a sale by promising to compensate if the item is proved faulty, is legally bound to fulfill his promise if the sale results in loss to the buyer.

Aqila:

Aqila is a risk-sharing mechanism in which the payment of blood-money (diyat) due on the murderer is, under some situations, paid off collectively by his/her community members.

Aqd-e-muwala'at:

Aqd-eMuwal'at is when a person embraces Islam at the hand of another person and then makes an agreement with him or with any third person that he will become the inheritor of his wealth after his death and that all liabilities of his wrongdoings during his lifetime will be upon him. That agreeing person will have to comply accordingly. This is a clear example of mutual cooperation.

All these risk management techniques are based on the principles of brotherhood & mutual solidarity.

Assurance to Traders

Seljuk Sultan Gias ud din in 12th century compensated those traders from state treasury who were robbed while travelling within Seljuk territory.





Going forward, conventional insurance contracts in its present forms were introduced in Genoa in 14th Century. First such known contract was issued in 1347 AC.

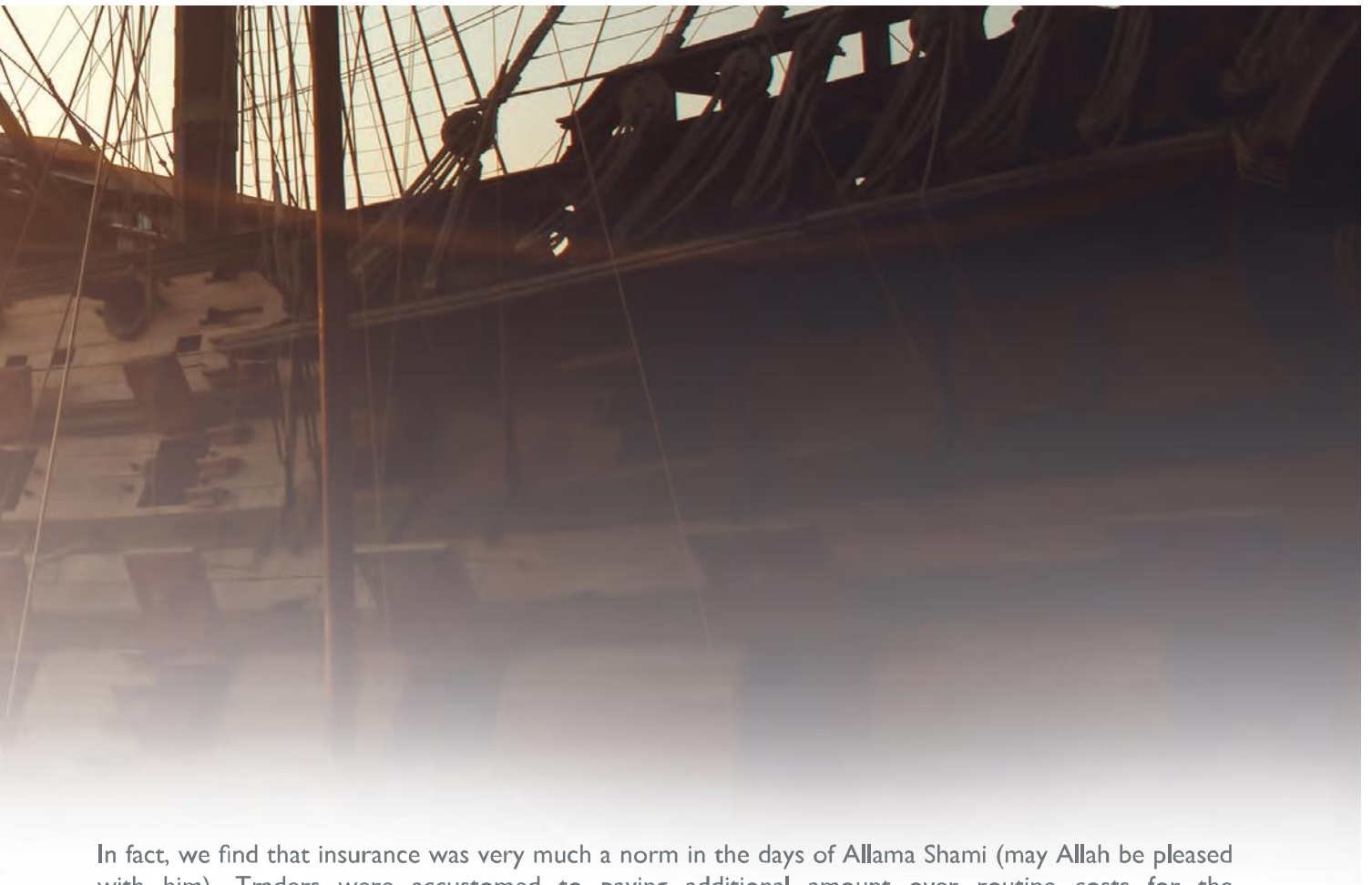
First known book on insurance was written in 1488 AC by Pedro de Santerna, which was published in 1552 AC.

London being center of global trade had ever increasing demand for Marine insurance in 17th century. In 1680 Mr. Edward Lloyd established a coffee house where ship owners, merchants and ship captains would usually visit. The coffee house soon became a source of reliable shipping news and a meeting place for parties wishing to insure cargoes and those ready to underwrite such ventures. The Lloyd of London today is a leading market place for different types of insurance, although it works differently than an insurance company.

From the foregoing, it is evident that insurance started as an act of compassion and a way to promote and safeguard trade and society but was later converted in to a major commercial activity by Europe.

Many believe that conventional insurance first got introduced in Islamic Fiqh in the twentieth century, but this is not so. Research tells us that the first fatwa issued on the subject was by a renowned Jurist from Syria by the name of Allama Ibn Abideen Shami (may Allah be pleased with him) in his famous book titled “Radul Mukhtar” (which is also known as Fatawa Shamia. This fatwa is regarded as an authentic fatwa).





In fact, we find that insurance was very much a norm in the days of Allama Shami (may Allah be pleased with him). Traders were accustomed to paying additional amount over routine costs for the transportation of their goods overseas. This additional amount was called “Sokara”. Sokara means insurance and security. The insurers promised to compensate for any loss to their cargo while at sea against these premiums. This was marine insurance in action.

Allama Shami declared the practice of this form of insurance impermissible. He used the term “Sokrah” for Insurance. Since that time Ulema has declared insurance as impermissible in Islam.

Reasons for the Impermissibility of Conventional Insurance

The conventional Insurance Contract is a commutative contract which involves some ills due to lack of its conditions. These ills are ;

- 1. Riba (Interest)**
- 2. Qimar/Maysir (Gambling)**
- 3. Gharar (Uncertainty)**





The conventional insurance contract is a commutative contract (compensatory and bilateral), in which premium is the cost and the sum insured/assured/covered is the subject matter. There will always be fluctuations in the money involved, and being a sales contract with money being exchanged from both sides, any such fluctuation will automatically fit the description of “interest”. Interest is, staying relevant to a financial institution, defines as one party giving money in exchange for less or more money, which is exactly what happens when a conventional insurance company receives premiums and pays less or more money in return, depending on whether the covered risk materializes.

Likewise, gambling also is a fundamental part of the conventional insurance contract. Gambling is defined as a transaction whereby any of the contracting parties, after placing their goods or money at stake, can win or lose the other’s stake depending on an uncertain outcome without compensation. Hence, one party wins the other’s amount completely without paying anything in return, or loses everything without being paid anything in return.

Finally, the third damning feature of a conventional insurance contract is “Gharar”, translated as “uncertainty”. In a technical sense, it means “at least one party’s compensation being subject to uncertainty due to an uncertainty in the very object being contracted”. In insurance, the insured does not know for sure whether he will be paid his capital with interest, or will be paid the insured sum in case the risk for which he insured materializes, and might end up receiving more than he paid to the insurer. This excessive uncertainty, when coupled with the price he pays, the subject-matter for which he pays or the time period over which his payments are distributed, render the conventional insurance contract impermissible in Islamic Shari’ah.



As noted earlier, helping someone in time of need, which is the underlying benefit of insurance is not only allowed but encouraged by Shariah. Muslim Ulema researched on the finding an alternative permissible way to make the system available for the benefit of general public and the economy. This was a general search for finding ways to do financial transactions avoiding Riba and other ills especially establishing a banking system which complies with Islamic Shariah. Moreover, Insurance and Modern Financial institutions go hand in hand with each other. It was therefore necessary to propose a Shariah Complaint alternative to conventional insurance as well.

Effort on devising such alternatives started in middle of the last century but bore fruits in the seventies when general fatwas were issued in favor of a proposed model of Islamic insurance. First Islamic Insurance (Takaful) company was established in 1979 in Sudan. More companies in different part of the Islamic world were established in later years. In 1984, the first ever law was enacted in Malaysia to regulate the Takaful Industry. Growth of Takaful, while keeping with in the limits imposed by Shariah, without having Re-Takaful Companies to enhance the overall capacity of the industry was impossible. Therefore in 1997 ASEAN Re-Takaful International was established.

In 2003, an Ijtim'a of Ulema of Pakistan was held in Jamia Darul Uloom Karachi to discussed permissibility of Takaful.

In 2005, Government of Pakistan issued first ever Takaful Rules to regulate the Takaful Operators. In 2006 first Takaful Company was established. In 2007 Pak-Qatar Family Takaful was issued license to be the first Family Takaful company of the Country.





TAKAFUL

Takaful is a community-pooling system based on the principles of brotherhood and mutual help wherein participants contribute in a fund to help those who need it most in times of financial difficulties.

Reference of Takaful Concept in Holy Quran & Sunnah

Takaful is not a recent invention. In fact, its reference is available in the Holy Quran and Sunnah. The reference is in connection with the divine commandment for brotherhood and mutual solidarity which is exactly what Takaful stands for.

It is mentioned in the Holy Quran:

- “Cooperate with one another in matters of righteousness and piety.” (Surah Maida: 2)
- “Muslims are brothers to one another.” (Surah Hujarat: 10)





• “The believers, in their affection, mercy and sympathy to each other, are like the body, if one of its organs suffer and complains, the entire body responds with insomnia and fever.” (Hadith Muslim: 4685)

• In the sixth year of the Hijri date, the Prophet Muhammad (PBUH) made a pact with the Jews of Medina which is generally known as the ‘Meethaaq-e-Madina’. This pact was based on the principles of brotherhood and mutual solidarity and as such one of the clauses states that “every member will have to pay just compensation for their respective tribe”, meaning that the responsibility of freeing the slave will be on the shoulders of those to whose tribe the slave will belong. This is a prime example of the concept of brotherhood and solidarity in Islam.

Such kinds of pacts have been existent during the rule of the Caliphs as well, though not by the name of Takaful. However the spirit of Takaful has always been there: different people through community-pooling help create a common fund which is used to benefit them in times of need.

Therefore, there is no doubt about the permissibility of Takaful given that is functioning on the principles of brotherhood and mutual solidarity and with sincerity.



The Modus Operandi of Takaful

Different models are in practice in different parts of the world. We will briefly introduce you to these models before delving in to details of the model adopted by Takaful Operators in Pakistan.

All Takaful Models are based on mutuality and donating for a charitable purpose (Tabbaru).

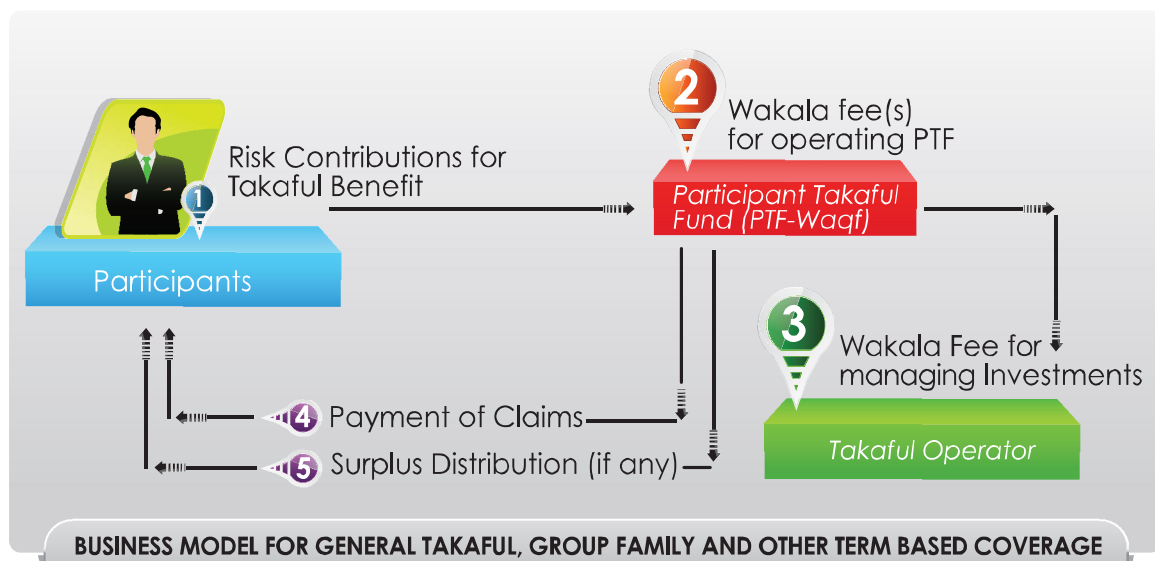
The model used by Malaysian operators established after promulgation of Takaful Act 1984 is known as Modaraba Model taking its name from the Modraba arrangement on which the pool is managed. Here the risk is shared on the basis of Tabbaru and underwriting profit (Surplus) are shared on the basis of Modraba.

Another arrangement which is usually practiced in Middle East excluding Saudi Arabia is known as Wakala Model. In this model, the operator manages the pool as an agent of the pool, which has money collected from the participants on the basis of Tabbaru. Saudis use co-operative model, which in essence is a form of mutual insurance with certain conditions to make it Shariah Complaint.

The model used in Pakistan is known as Wakala-Waqf Model. This is an enhancement over the Wakala Model where the pool is formed as a Waqf. Waqf is juristic person in Shariah, whose ownership rest with Allah (SWT) and no other person can claim it ownership. By creating a Waqf, certain anomalies observed by Ulema are eliminated from the Wakala model.

The shareholders firstly would create a Waqf Pool in order to initiate the Takaful activities. Because they had been the ones to establish this Waqf they are called the Waqif, whereas the ownership of the Waqf is transferred to Allah Almighty. People are able to benefit from it for their risk mitigation purposes after acquiring a membership of this Waqf Pool which is legally referred to as the Participants' Takaful Fund or PTF.

The Shareholders thereafter formalize certain conditions for the Waqf which will form the basis of its operations. Based on the Fiqh ruling these conditions are judged to be as effective and valid as if they would have been laid out by the Shariah itself. This means that the Waqif, by virtue of its legal position, can therefore stipulate that financial benefits may only be provided to those who contribute to the Waqf Pool. The relationship of the participant and the Waqf on the other hand is merely a relationship of an Aqd Taburru.

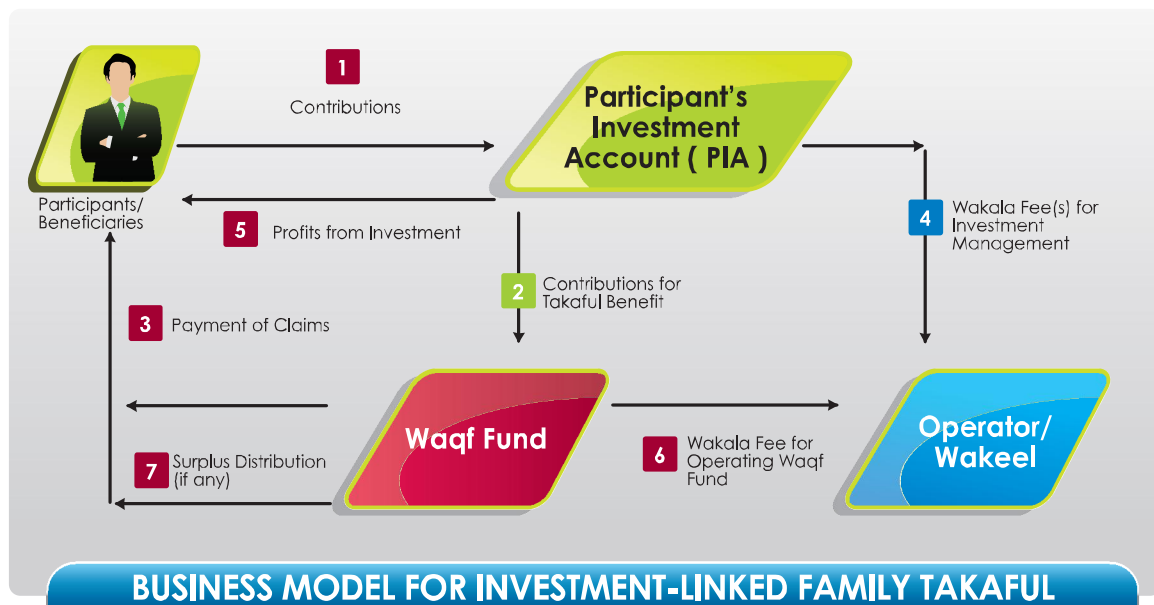


The contributions paid by the participants are recognized as Taburru'at and not as Waqf, and in fact become the property of the Waqf. This is akin to the charity we give to any other Waqf; the charity given is not considered as Waqf but simply as a donation. This means that the participants immediately lose their right of ownership, therefore the laws pertaining Zakat and even the Inheritance law won't apply here. As mentioned earlier, these contributions become the property of the Waqf with immediate effect and thus benefits from it need to be according to the conditions sanctioned by the Waqif, such as utilizing these contributions for the payment of claims, for example. Hence, it is the Waqf Pool which compensates for the participant's loss and not the Takaful Operator.

The funds available in the Waqf Pool are invested in Shariah Compliant business avenues. Any profits realized from these investments are returned to the Waqf thereafter.

The Role of the Company in Takaful System

The company or the operator serves as the Wakeel or the Manager of the Waqf Fund and charges a 'Wakala fee' for it. This fee is paid from the Waqf Fund. As the Wakeel, the Operator must invest the funds available in the Waqf Pool in Shariah-compliant businesses for profits. Since the Operator is the Mudarib (working partner) and the Waqf Fund is the Rabul-ul-Maal (sleeping partner), any profits made from the investments are shared between the two on pre-defined percentages.



Difference Between Conventional Insurance and Takaful

	TAKAFUL	CONVENTIONAL INSURANCE
Nature of Contract	Takaful is a Tabarru' based contract	Conventional Insurance is a contract of Compensation (Aqd Mua'wza)
Contribution/ Premium	The Contribution paid to the Waqf belongs to the Waqf; the Operator is not the owner of this amount.	The premiums paid by the insured belongs to the insurance company
Investment Profit	Since the owner of the Waqf Pool is the Waqf itself, all investment profits also return to the Pool and not to the Operator.	In conventional insurance, all investment profits belong to the insurance company.
Claims	Payable from Participant's Takaful fund(Waqf Fund).	Payable from overall fund of the company
Surplus /Underwriting Profit	No provision for underwriting profit for the Operator. Can be given to the Participants only	Belongs to Company Shareholders. Insurance companies will make profit if the claims are lesser than the premium
Deficit	Qardh-al-Hasan is given to the Participants Takaful fund.	Financed from shareholders fund i.e. company
Shariah Supervision	A Shariah Board is an integral part of any Takaful setup which supervises the investment activities of the company. As per the Takaful Rules 2005, a Shariah Board comprising of at least 3 scholars is compulsory.	In conventional insurance, no such kind of supervision takes place nor is there any law concerning it. The insurance company simply invests their funds in any business they deem fit, irrespective if the business is Shariah-compliant and Halal.



FAMILY TAKAFUL

Business Partnerships

Pak-Qatar Bancatakaful Partnership with NIB & KASB

Pak-Qatar Family Takaful has recently inked new strategic Bancatakaful partnerships with two more Banks i.e. NIB Bank Limited and KASB Bank Limited. Agreements have been signed to launch new Bancatakaful partnerships. NIB and KASB Bank would be offering Takaful products of Pak-Qatar Family Takaful to its customers through all its branches across Pakistan. It is noteworthy that Pak-Qatar Family Takaful has successful Bancatakaful relationships with major banks such as SCB, MCB, Dubai Islamic, Bank Islami, Faysal Bank, Bank Alfalah, Burj Bank and Al Baraka Bank.

This strategic move marks an exceptional chapter for the two companies Pak-Qatar Family Takaful and FWU committing to a long-term synergy which has been established since inception. FWU will continue to strengthen the relationship by investing and building up value-added services such as sales and system support, marketing and training, etc.



Trainings (NMAD)

NMAD holds Training and Development Sessions:

Training and Development plays significant role in any organization and sound knowledge and skills can resolve the business issues as well as enhance the quality of services which impacts business growth. At Pak-Qatar Family Takaful, training sessions are routinely conducted for valuable employees.

Munich Re Training Session:

One-day training session on non-medical, claims and financial underwriting was arranged by Munich Re at PQFTL, Head Office. The Chief Underwriter and Deputy CEO of Munich Re conducted this session and from PQFTL the staff from NMAD, Claims, PBS and RBO Central and North attended this session

Branch Officer Training Sessions:

Branch Officer training sessions were conducted on a regular basis. Two-day training sessions of Branch Officers were arranged at all regions during March 2013.

Regional Branch Officer Training Sessions:

Refresher operational training session for Deputy Managers (Central & North) was conducted to perform smooth decentralization activities and minimize time expense of sales staff. Proposal entry and access to new business & customer service reports at decentralized locations (Central & North) has been successfully implemented for quick response to our sales team. In order to decentralize the underwriting and policy issue, training for resources at these two locations was organized. Initial underwriting comments/decision will be reviewed at Head Office (HO) level to evaluate underwriting skills of existing resources.

Service Officer Training Session:

One-day training session for Service Officer was held for better service and to maintain persistency.

Appointment of new Doctors and Medical bodies:

Regular visits of medical bodies were conducted in order to control and implementation of our best understanding practice in all areas. Replacements and appointments of new panel doctors took place at new locations. Around ten new doctors and medical bodies were appointed in first quarter of 2013.

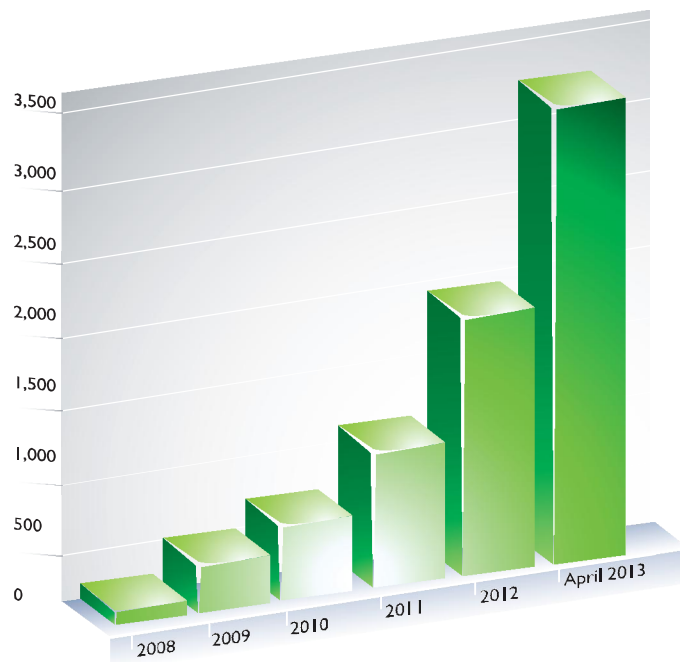


Growth Analysis

Investment Performance over the Years

Pak-Qatar Takaful Group has been able to provide to its customer wholesome returns with minimal risk.

Growth in funds has been remarkable where participant's fund were 8 million to approximately 3.5 billion at the end of April 2013. The funds have grown consistently over the years which depict the confidence of participants in the services rendered by Pak-Qatar Family Takaful Limited in terms of the financial protection & savings needs.

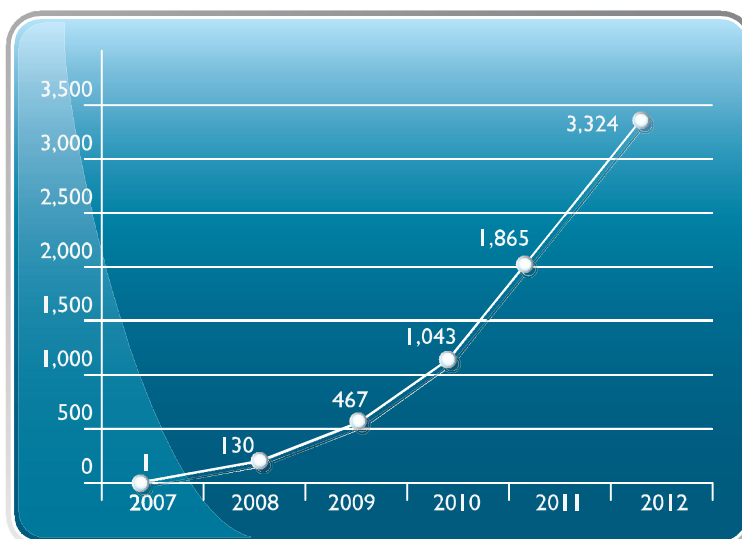


Business Growth Analysis

Total Contribution for the Group stood at Rs. 3,873.4 million, with Pak-Qatar Family Takaful at Rs. 3,324.3 million and Pak-Qatar General Takaful at Rs. 549.1 million.

Gross contribution for Pak-Qatar Family Takaful Limited in 2012 was 78 percent higher than the previous year with an increase of 37 percent in first year contribution for Individual Family. The Company has attained prominence as a leader in the field of Family Takaful through competence, competitiveness and excellent services which are vital for the satisfaction of our prime stakeholders, our customers.

Operating in an environment where competition is more intense, Pak-Qatar General Takaful Limited displayed impressive performance during the outgoing year. Total contribution was 66 percent higher than the previous year and this growth was an outcome of excellent performance in all segments. Although the motor segment has been our star performer with major contribution during 2012, the figures are more pleasing as the growth in contribution income can be depicted as diversified. The fire and property segment showed an increase in contribution of 53 percent and the increase for marine, aviation & transport was 64 percent.



PQFTL's Investment-Linked Portfolio Summary

Pak-Qatar Family Takaful Limited commenced operations in 2008. The company has introduced the following products to the market:

- 1) Share n Care Plan
- 2) Share n Care Plus Plan
- 3) ABC Education Plan
- 4) Salary Saving Plan
- 5) Investment Shield Plan
- 6) Share n Care Economy Plan
- 7) ABC PLUS Education Plan
- 8) Flexi Saving Takaful Plan



Share n Care Plan is our most popular product. It is a traditional investment-linked product that has reasonable benefits for all stakeholders—takaful operator, participant and takaful agent. It is for this reason that Share n Care Plan dominates PQFTL's investment-linked portfolio.

Share n Care Plus Plan is similar to Share n Care Plan. However, the charge structure favors the participant much more than it does in Share n Care Plan. We give this product to participants that take out a policy with a sizeable regular contribution.

ABC Education Plan is one of our more innovative products. Where as Sum at Risk is linked to cash value in all other products, it is linked to remaining policy term in ABC Education Plan. If the participant passes away, the takaful operator pays contributions for the remaining term of the policy. The accumulated benefit is then paid to the policy nominee at maturity.

Salary Saving Plan is currently being sold to groups. One of the distinctive features of this product is that the minimum regular contribution figure is very low. Also, this product allows for monthly contributions at no extra charge. We are able to offer such good terms because the product is sold in bulk and therefore allows us to easily cover our operating cost and profit margin.

Investment Shield Plan is a product that is marketed as an investment vehicle. It is a single contribution product. Although some takaful coverage is a part of this plan, it is not the overriding feature. The charges have been kept very low to allow for good investment returns. We launched this product with the intention of competing with mutual funds and other similar investment firms.

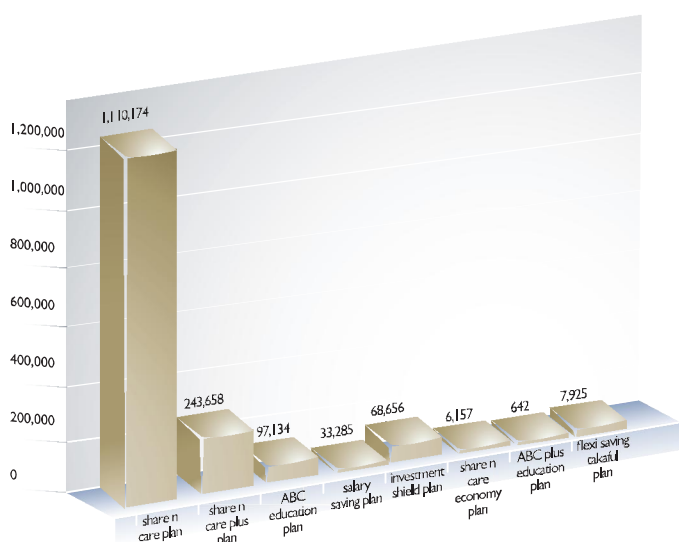
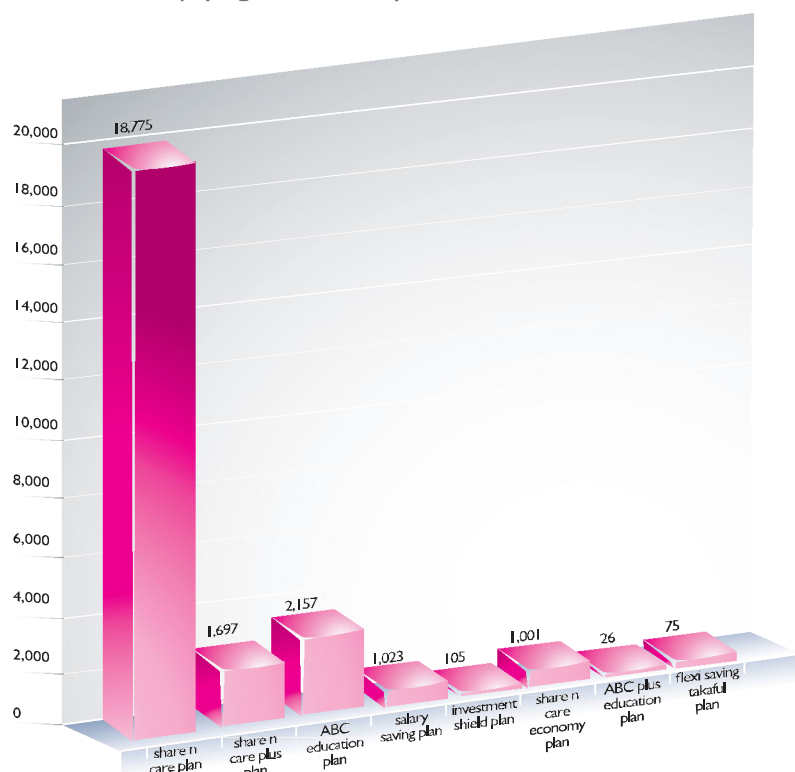


Share n Care Economy Plan is just like Share n Care Plan. However, lower contributions are allowed for this plan. Also, the charge structure is more aggressive for this plan.

ABC Plus Education Plan is similar to ABC Education Plan. However, the charge structure favors the participant much more than it does in ABC Education Plan. We give this product to participants that take out a policy with a sizeable regular contribution.

Flexi Saving Takaful Plan was launched only recently. The charge structure is similar to Share n Care Plus. However, in this plan the participant has the option of keeping separate benefit and contribution paying terms. For example, a participant may choose to pay contributions for five years for a benefit paying term of ten years.

A total of 29,302 policies were issued from commencement of operations till 31 December 2012. As at the end of 2012, there were 24,859 active policies. A break up of number of policies according to product is given in the table below.



A break up of the total portfolio fund value according to product as at 31 December 2012 is given below. Note that all values are in thousands of PKR.





HR Department

Induction of 50 new Employees

Recruitment function in May 2013 was one of the busiest for the HR department at Pak-Qatar. Overall 50 new employees were inducted in Takaful Distribution Team (Individual), Takaful Distribution Team (Corporate) & Information Technology & Systems (IT&S) departments at both Pak-Qatar Family & General Takaful.

HR holds Training & Development Sessions

Pak-Qatar believes itself to be a learning organization and always strive for betterment and wellness of its employees. The following in-house training programs were facilitated in the month of May 2013:

1. IBM Lotus Notes-Exploring Enhanced Features: was conducted on May 16, 2013 at PQFTL's Board Room. The course was facilitated by Waqas Waseem (Assistant Manager, Human Resources) and explored various enhanced features and efficient use of IBM Lotus Notes which the official communication medium at Pak-Qatar. Total Participants were 21.

2. Introduction to Takaful & Shariah Guidelines: was conducted on May 28, 2013 at PQFTL's Board Room. The course was facilitated by Mufti Muhammad Shakir Siddiqui (Deputy Manager, Shariah Compliance) and introduced participants to the basics of concept of Takaful and the Shariah Compliance associated with it. Total Participants were 15.

In alignment with in-house training programs, the Introduction to Takaful & Shariah Guidelines program was also conducted by Mufti Akhlaq Ahmed through the month of May 2013 at branches located in Central and North regions.

Finally a two-day Takaful & Shariah training session was conducted by Mufti Zahid Sangharwi (Deputy Manager, Shariah Compliance) and Saqib Zeeshan (Head of Distribution, Corporate) at Jamiat-ul-Rasheed, Karachi on May 23 & 24, 2013.

Gratuity Policy Announced

The Employee Gratuity Policy was announced on June 3, 2013 for both PQFTL & PQGTL. The policy will be effective from January 1, 2012 and will apply to all back-office staff and senior management in Sales & Distribution.



Credit Rating



JCR-VIS Upgrades Rating of Pak-Qatar Family Takaful Limited

JCR-VIS Credit Rating Company Limited (JCR-VIS) has upgraded the IFS rating of Pak-Qatar Family Takaful Limited (PQFTL) from 'A-' (Single A Minus) to 'A' (Single A). Outlook on the rating is 'Stable'.

The upgrade reflects PQFTL's increasing presence in the Family Takaful (Life Insurance) market. PQFTL has witnessed significant growth in contributions through distribution of unit linked Individual Family products. Business generated through the Bancatakaful channel has been another key driver of growth in contributions. Productivity indicators of dedicated agency sales force have improved significantly.

PQFTL's underwriting performance has improved over time. With growth in volumes, expense ratio has more than halved over the course of the last three years. This along with consistent claims Performance in the Individual and Group Family segment has resulted in surplus in the Participants' Takaful Fund. Performance of all funds under management has remained competitive.

Demonstrated support of sponsors, comprising some of the largest Qatar based financial institutions, provides strength to the assessment of overall risk profile of the institution

TDT (Corporate) pay Rs 2 million in claims to SYCOP

Pak-Qatar Family Takaful (Corporate Distribution Team) has paid claim of Rs. 2 million on the death of Muhammad Asghar, who was working as a cook in SYCOP. Relationship Manager Mr. Nizam Haider Hashmi handed over the cheque to SYCOP HR Officer Mr. Asim Feroz.



General Takaful



Al-Islami Cash Cover (Dubai Islamic Bank)

Al-Islami Cash Cover is a BancaTakaful arrangement, especially designed by Pak-Qatar General Takaful Limited for customers of Dubai Islamic Bank. It offers coverage against loss of cash resulting from armed hold-up/ mugging and / or forced deprivation of cash following its withdrawal. This arrangement covers only cash personally withdrawn by the customer from their own account through any I-Link ATM network or over the counter at any DIBPL branch all over Pakistan.

Muhafiz (Standard Chartered Bank)

Muhafiz is a Cash Cover BancaTakaful product especially designed by Pak-Qatar General Takaful Limited for customers of Standard Chartered Bank. It provides coverage against loss of cash resulting from armed hold-up and / or violent and forced deprivation of cash subsequent to its withdrawal. Cash should be withdrawn by the customer through any I- Link ATM network or over-the-counter at Standard Chartered Bank branches across Pakistan.

FPCCI Nominates Mehmod Arshad as Chairman for Standing Committee on Islamic Banking & Takaful

For the very first time in Pakistan a Standing Committee on Islamic Banking & Takaful has been formed to address the industry concerns related to Islamic Banks and Takaful. The committee includes some highly renowned names from the Islamic Banking and Takaful industry. Mr. Mehmood Arshad was nominated as the Chairman for the Standing Committee on Islamic Banking & Takaful who is also the Executive Vice President Pak-Qatar General Takaful Limited. The Standing Committee was formed last year and in a very short span of time it has proved its existence as the most essential and active committees in FPCCI.

Pak-Qatar General Takaful receives Momentos from Dubai Islamic Bank

It has been an honor for Pak-Qatar General Takaful to receive a privileged memento from Dubai Islamic Bank highlighting the successful partnership between both the organizations over the last five years. Mr. Najmullah Khan, Mr. Muhammad Raza & Mr. Rashid Shah Khan are recognized as 'Core Team Members during the 5-year journey between 2007 to 2012'.

The partnership and excellent working relationship between the organizations on a number of fronts has led Pak-Qatar General Takaful to view Dubai Islamic Bank as a business partner rather than a separate entity.v



Pak-Qatar General Takaful IFS rating upgraded to A-

Pak-Qatar General Takaful Limited IFS (Insurer Financial Strength) rating has been upgraded to 'A-' (Single A Minus) from 'BBB+' (Triple B Plus) by the JCR-VIS Credit Rating Company Limited. The outlook on the assigned rating has been designated as 'Stable'. The assigned rating incorporates the ownership structure of PQGTL; comprising prominent Qatar based financial institutions, where by sponsors have demonstrated financial support, with equity injection of Rs. 33.7 Million and a further commitment of Rs. 66.3 Million in 2013. Improvement in results of the Shareholders' Fund has contributed positively to aggregate capitalization indicators in FY12. Liquidity profile of the company is considered sound with insurance debt maintained within manageable limits and ageing of outstanding claims is also satisfactory. Losses from underwriting operations have been curtailed on account of reduction in expense ratio, achieved as a result of business growth.

Annual Sales Conference

Pak-Qatar Family and General Takaful Limited held its Annual Sales Conference in Islamabad on 15-Feb-2013. The event was attended by employees from all over the region to mark the success of the company and its achievements during the past year.



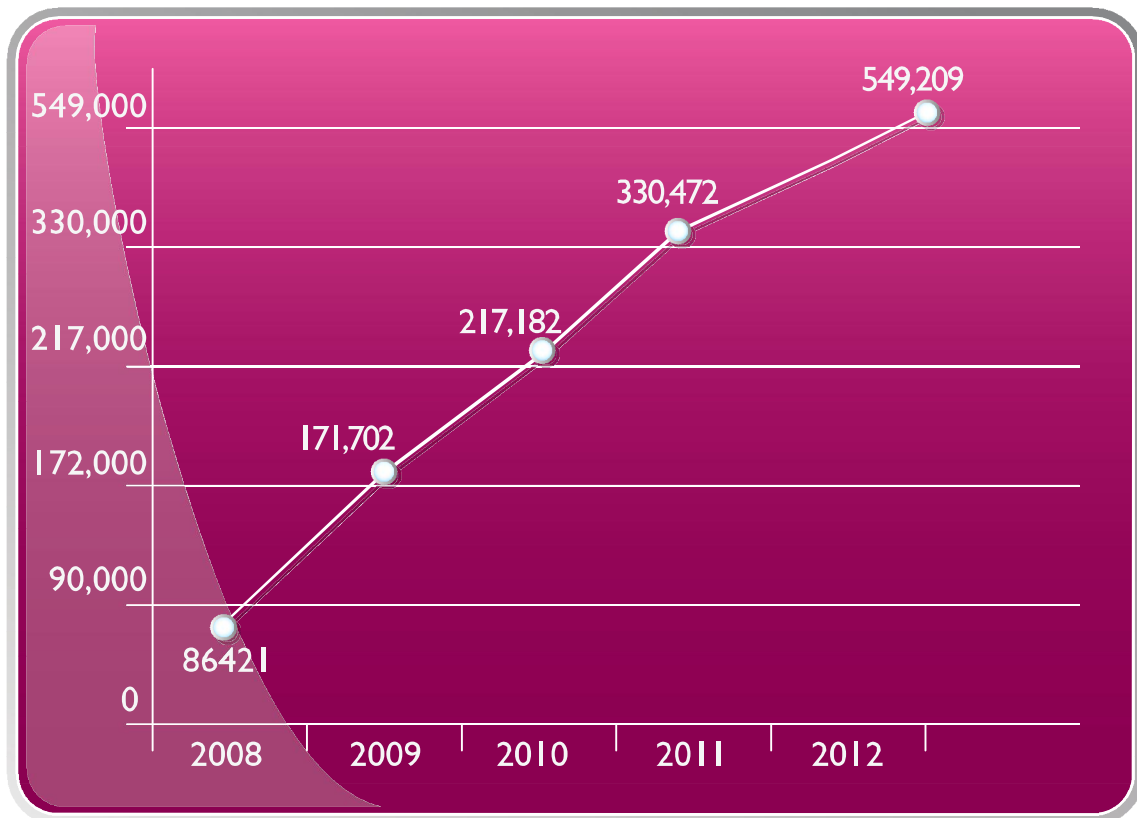
The event began with the recitation of the Holy Quran followed by the speeches of senior management highlighting company's progress during the last year. Successful participants of three different categories namely Corporate, Individual and General received awards including Trophies, Shields, Plaques and certificates for their outstanding performances.



Growth Analysis

Business Growth Analysis

During the fifth year of operation, PQGTL was able to achieve a gross contribution of Rs.549 million. It is an increase of 66% over the preceding year's figure of Rs. 330 million. A reasonable growth is witnessed in all segments, keeping in view the challenges of a new company and the competitive environment of the industry.



The motor segment continued to be a major contributor to the overall business volume. The miscellaneous segment showed a marginal increase in its weightage from FY 2011. During the year 2012, PQGTL has also started underwriting Takaful Policies in health segment. In 2012, the company has underwritten a meager contribution of Rs. 55.5 million in the health segment.



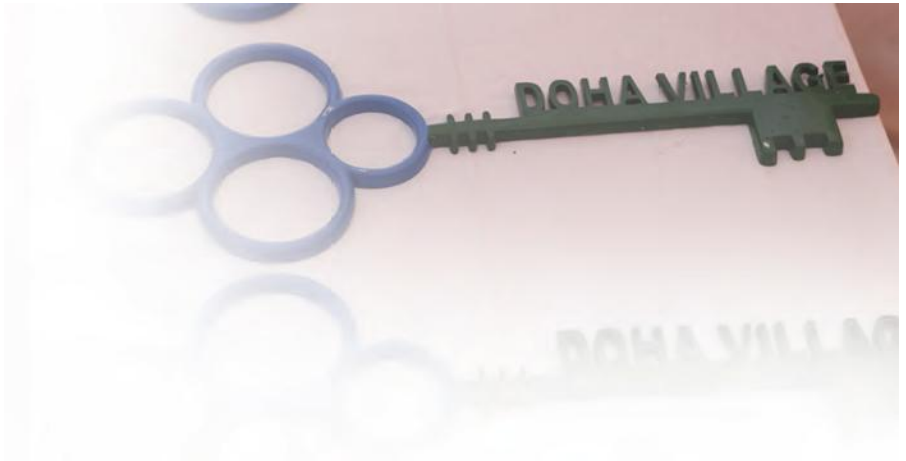
Chairman Pak-Qatar Takafal Group, Sheikh Ali Bin Abdullah Inaugurates Doha Village for Flood Victims

Sheikh Ali Bin Abdullah Thani J. Al-Thani, Chairman Pak-Qatar Takaful Group has successfully completed the construction for 200 families who had lost their homes due to the floods that swept through Pakistan in 2010. The project includes 200 residential homes, a mosque, a primary school, a health unit, shops and clean drinking water and sanitation facilities. Sheikh Ali Bin Abdullah Thani J. Al-Thani, Chairman Pak-Qatar Family and General Takaful inaugurated the project on February 27, 2013.



The Sheikh Thani Bin Abdullah for Humanitarian Services (RAF) is one of many foundations established in Qatar concerned primarily with humanitarian work for relief and social development, both locally and internationally.

The foundation is amongst a handful of charities that were focused on the repopulation process of the affected areas in Pakistan. The Foundation allocated a significant sum for the repopulation and establishment of the "Doha Village Project" in Sanjarpur village, Tehsil Sadiqabad in the district of Rahim Yar Khan. Total area of the village is 11 Acres and total number of beneficiaries is around 1600-2000. The Project started in Oct, 2011 and ended in July 2012.



Sheikh Thani, Chairman Pak-Qatar Takaful Group said: "As soon as the features of the disaster started to appear and began to unfold its destructive effects to the world that the Qatari civil society institutions rushed to rescue the victims and distressed people. So, a campaign was organized for collecting donations, and an amount of QR 40 million was collected in one day. While RAF was leading the campaigners for collecting donations, its urgent help was successively reaching the affected regions in Swat, Khyber Pakhtunkhwa, and Sindh, as field teams began distributing food, essential supplies and drinking water. This means that the breadwinners will go back to supporting their families, and this will lead to improving their economic and living conditions, and enabling children and students to pursue their studies amid special attention to their health."





Pak-Qatar General Takaful conducts Orientation Session at Multan Chamber of Commerce and Industries (MCCI)

Pak-Qatar General Takaful Group held an orientation session for the first time at Multan Chamber of Commerce and Industries (MCCI) during May in collaboration with State Bank of Pakistan. The session was conducted by representatives from the Head Office of Pak-Qatar General Takaful.

Qazi Mehboob Rizwan Aslam, Business Unit Head-Multan, stated “track record of the group is a testament to the fact that we are on track to reaching new milestones in the near future, and we are constantly on the lookout for any avenues for improvement in our business processes that will allow us repay the faith and trust of the customers who have made us into an icon in the national industry.”

Syed Ijaz Hussain Shah, a senior member of MCCI said that Islamic Banking and Islamic Insurance are the need of the hour because we want to get rid of usury system which collapsed our economy.

Azmatullah Khan Deputy Chief of SBP said that 804 million families and 307 million general people are investing in Takaful as well-rounded individuals lead fulfilling lives, which translates into alignment with our corporate ideology.





New Appointments

Mr. Adnan Arif has recently joined Pak-Qatar Family Takaful as Manager Operations, Bancatakaful. Mr. Adnan brings with himself over 16 years of rich experience in Bancaassurance, Product Management, and Group Life and Health Insurance Administration.

Muhammad Menhas joined PQFTL as Head of Country Sales & Deputy Chief Executive Officer with effect from January 17, 2013. Mr. Menhas has over more than 17 years of work experience primarily in the Life Insurance Industry. His last assignment was at Jubilee Life Insurance where he was Area Sales Director (South).

M. Shoaib Khanzada has been appointed as Deputy General Manager (Chief Operating Officer) in PQFTL Team with effect from June 11, 2013. He will be looking after Individual Life Operations (NMAD, PBS, Bancatakaful, Trainings) and Actuarial Services. Mr. Shoaib brings with him over 22 years of rich, versatile and rigorous experience in the life insurance industry of Pakistan at senior level positions. His specialty lies in all the spectrums of Life Insurance/Takaful operations.





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