



The Pakistan Credit Rating Agency Limited

# PAK QATAR FAMILY TAKAFUL LIMITED

## IFS RATING REPORT

	NEW [Nov-17]	PREVIOUS [JUN-17]
Insurer Financial Strength (IFS) Rating	A	A
Outlook	Positive	Positive

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NOVEMBER 2017





**Pak Qatar Family Takaful Limited**

<b>BALANCE SHEET</b>	<b>30-Jun-17</b>	<b>31-Dec-16</b>	<b>31-Dec-15</b>	<b>31-Dec-14</b>
<b>Investments</b>				
Liquid Investments	16,535	14,669	11,171	7,810
Insurance Related Assets	619	624	548	409
Other Assets	585	1,107	379	373
<b>TOTAL ASSETS (SHF + PTF)</b>	<b>17,739</b>	<b>16,400</b>	<b>12,099</b>	<b>8,593</b>
Equity	1,057	782	597	440
Balance of Takaful Statutory Funds	15,943	14,880	10,897	7,675
Insurance Related Liabilities	515	464	434	309
Other Liabilities	224	274	171	169
<b>TOTAL EQUITY &amp; LIABILITIES (SHF + PTF)</b>	<b>17,739</b>	<b>16,400</b>	<b>12,099</b>	<b>8,593</b>
<b>INCOME STATEMENT</b>	<b>30-Jun-17</b>	<b>31-Dec-16</b>	<b>31-Dec-15</b>	<b>31-Dec-14</b>
<b>REVENUE ACCOUNT</b>				
Gross Contribution Written (GC)	3,910	7,494	6,721	5,077
Participants Investment Fund (PIF)	(2,465)	(4,316)	(3,733)	(2,576)
Retakaful Expense	(163)	(392)	(366)	(292)
Wakala Fee	(594)	(1,470)	(1,704)	(1,503)
Net Claims	(537)	(896)	(580)	(412)
Operating Income/(Expenses)	(197)	(223)	(122)	(136)
Investment Income	10	23	24	21
Technical reserves incurred during the year	56	(101)	(57) #	(96)
<b>Surplus Before Distribution</b>	<b>19</b>	<b>118</b>	<b>181</b>	<b>83</b>
<b>PROFIT AND LOSS (INCLUDING SHAREHOLDERS FUND)</b>				
Profit/(Loss) before Tax	14	166	134	56
<b>RATIO ANALYSIS</b>	<b>30-Jun-17</b>	<b>31-Dec-16</b>	<b>31-Dec-15</b>	<b>31-Dec-14</b>
<b>Underwriting Results</b>				
Claims Ratio - PTF	78%	68%	63%	58%
Combined Ratio	99%	93%	83%	91%
<b>Performance</b>				
Operating Ratio	98%	92%	82%	90%
Investment Yield (SHF + PTF+PIF)	1%	10%	8%	10%
<b>Liquidity &amp; Solvency</b>				
Liquidity Ratio – times	1.0	1.0	1.1	1.1



**RATING SYMBOLS & DEFINITIONS:**

**INSURER FINANCIAL STRENGTH (IFS)  
RATING SCALE & DEFINITIONS**

Insurer Financial Strength (IFS) rating reflects forward-looking opinion on relative ability of the insurance company to meet policyholders and contractual obligations.

Rating Scale	Definition
<b>AAA</b>	<b>Exceptionally Strong.</b> Exceptionally strong capacity to meet policyholder and contract obligations. Risk factors are minimal and the impact of any adverse business and economic factors is expected to be extremely small.
<b>AA+</b> <b>AA</b> <b>AA-</b>	<b>Very Strong.</b> Very strong capacity to meet policyholder and contract obligations. Risk factors are modest, and the impact of any adverse business and economic factors is expected to be very small
<b>A+</b> <b>A</b> <b>A-</b>	<b>Strong.</b> Strong capacity to meet policyholder and contract obligations. Risk factors are moderate, and the impact of any adverse business and economic factors is expected to be small.
<b>BBB+</b> <b>BBB</b> <b>BBB-</b>	<b>Good.</b> Good capacity to meet policyholder and contract obligations. Although risk factors are somewhat high, and the impact of any adverse business and economic factors is expected to be manageable.
<b>BB+</b> <b>BB</b> <b>BB-</b>	<b>Moderately Weak.</b> Moderately weak with an uncertain capacity to meet policyholder and contract obligations. Though positive factors are present, overall risk factors are high, and the impact of any adverse business and economic factors is expected to be significant.
<b>B+</b> <b>B</b> <b>B-</b>	<b>Weak.</b> Weak capacity to meet policyholder and contract obligations. Risk factors are very high, and the impact of any adverse business and economic factors is expected to be very significant.
<b>CCC</b> <b>CC</b> <b>C</b>	<b>Very Weak.</b> Very weak with a very poor capacity to meet policyholder and contract obligations. 'CCC': Risk factors are extremely high, and the impact of any adverse business and economic factors is expected to be insurmountable. 'CC': Some form of insolvency or liquidity impairment appears probable. 'C': Insolvency or liquidity impairment appears imminent.
<b>D</b>	<b>Distressed.</b> Either failed to make payments on their obligations in a timely manner, are deemed to be insolvent, or have been subjected to some form of regulatory intervention. Limited liquid assets available to fund obligations.

<p><b>Outlook (Stable, Positive, Negative, Developing)</b> Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business/financial conditions. It is not necessarily a precursor to a rating change. 'Stable' outlook means a rating is not likely to change. 'Positive' means it may be raised. 'Negative' means it may be lowered. Where the trends have conflicting elements, the outlook may be described as 'Developing'.</p>	<p><b>Rating Watch</b> Alerts to the possibility of a rating change subsequent to, or in anticipation of, a) some material identifiable event and/or b) deviation from expected trend. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled. Rating Watch may accompany Outlook of the respective opinion.</p>	<p><b>Suspension</b> It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future but may stay in abeyance for long. However, if this does not happen 6 (six) months, the rating should be considered withdrawn.</p>	<p><b>Withdrawn</b> A rating is withdrawn on a) termination of rating mandate, b) cessation of underlying entity, or c) the rating remains suspended for six months.</p>
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**Name of Issuer**  
**Sector**  
**Type of Relationship**  
**Purpose of the Rating**

Pak Qatar Family Takaful Company  
 Life Insurance and Family Takaful  
 Solicited

Independent Risk Assessment

**Rating History**

Dissemination Date	IFS Rating	Outlook	Action
27-Nov-17	A	Positive	Maintain
23-Jun-17	A	Positive	Maintain
09-Aug-16	A	Stable	Maintain

**Related Criteria and Research**

Rating Methodology  
 Sector Research

Insurer Financial Strength Rating Methodology  
 Life Insurance and Family Takaful Viewpoint | April-17

**Rating Analysts**

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[Rating Team Statement](#)

**Rating Procedure**

Rating is an opinion on relative credit worthiness of an entity or debt instrument. It does not constitute recommendation to buy, hold or sell any security. The rating team for this assignment does not have any beneficial interest, direct or indirect in the rated entity/instrument.

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[Probability of Default \(PD\)](#)

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