

**Pak-Qatar Family Takaful
Limited**

**Unit Linked Product and Fund Rules, 2015
For the year ended December 31, 2016**

INDEPENDENT ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF THE COMPANY ON COMPANY'S ANNUAL STATEMENT OF COMPLIANCE WITH UNIT LINKED PRODUCTS AND FUND RULES, 2015

We have audited the accompanying Statement of Net Assets, Statement of Changes in Net Assets and Statement of Performance Measurement and other explanatory notes (the Statements) of **Pak Qatar Family Takaful Limited** (the Company) as at December 31, 2016. The Statements have been prepared by the management in accordance with SRO 343 'Unit Linked Product and Fund Rules, 2015' dated 22 April 2015 issued by SECP (the Rules)

Management's Responsibility for the Statement

Management is responsible for the preparation and presentation of this Statement in accordance with the Rules and for such internal control as management determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, made by management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Statements as of December 31, 2016, is prepared, in all material respects, in accordance with the Rules.

Basis of Preparation and Special Considerations

Without modifying our opinion, we draw attention to note 2 to the Statement which describes the basis of preparation. The Statement is prepared to assist the Company to meet the requirements of Securities and Exchange Commission of Pakistan (SECP). As a result, the Statement may not be suitable for another purpose.

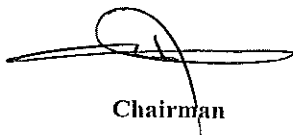

Chartered Accountants

Date: 10 9 APR 2017
Karachi

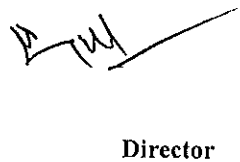
Pak-Qatar Family Takaful Limited
Statement of Net assets
As at December 31, 2016

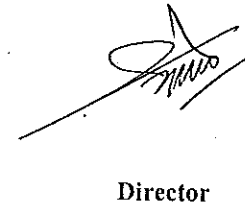
	Direct Sales Force (DSF)					Banca Takaful			2016 Aggregate
	Aggressive Fund	Balanced Fund	Conservative Fund	Secure Wealth Fund	Total	Banca Takaful Conservative	Banca Takaful Growth	Total	
<i>Cash and bank deposits</i>									
Saving accounts	255,298,200	500,663,032	36,192,842	23,799,935	815,954,009	282,944,819	492,719,110	775,663,929	1,591,617,938
Deposits maturing within 12 months	215,000,000	1,037,729,022	425,000,000	10,000,000	1,687,729,022	1,550,000,000	1,055,000,000	2,605,000,000	4,292,729,022
	470,298,200	1,538,392,054	461,192,842	33,799,935	2,503,683,031	1,832,944,819	1,547,719,110	3,380,663,929	5,884,346,960
<i>Investments</i>									
Government Securities - Sukuks	93,670,000	337,614,998	102,889,833	67,780,865	601,955,696	448,088,582	647,764,161	1,095,852,743	1,697,808,439
Other Income Securities - Sukuks	125,363,706	811,796,773	235,960,784	38,000,382	1,211,121,645	745,102,447	495,774,698	1,240,877,145	2,451,998,790
Listed equities	208,999,504	552,848,691	-	-	761,848,195	-	365,801,298	365,801,298	1,127,649,493
Open Ended Mutual Fund - Units	244,656,794	766,606,596	7,190,314	-	1,018,453,704	75,374,371	888,306,786	963,681,157	1,982,134,861
	672,690,004	2,468,867,058	346,040,931	105,781,247	3,593,379,240	1,268,565,400	2,397,646,943	3,666,212,343	7,259,591,583
<i>Current assets - Other</i>									
Investment income accrued	6,714,075	37,710,225	11,533,914	2,075,627	58,033,841	40,942,182	32,597,861	73,540,043	131,573,884
Taxation - Payments Less Provision	8,814,222	59,251,751	9,913,617	1,953,498	79,933,088	60,604,907	28,836,375	89,441,282	169,374,370
Advance from investment	-	249,500,000	-	-	249,500,000	303,000,000	15,000,000	318,000,000	567,500,000
Interfund Receivables / (Payables)	-	13,957,792	-	(8,139,723)	5,818,069	40,297,872	28,212,187	68,510,059	74,328,128
Other Receivables	-	-	-	-	-	-	10,001,278	10,001,278	10,001,278
	15,528,297	360,419,768	21,447,531	(4,110,598)	393,284,998	444,844,961	114,647,701	559,492,662	952,777,660
<i>Less:</i>									
Outstanding Claims	(3,519,775)	(3,143,046)	(5,832,752)	(3,800,177)	(16,295,750)	(40,297,872)	(42,221,483)	(82,519,355)	(98,815,105)
Other Liabilities	(16,000)	(3,175,883)	(45,763)	-	(3,237,646)	(659,537)	(449,337)	(1,108,874)	(4,346,520)
	(3,535,775)	(6,318,929)	(5,878,515)	(3,800,177)	(19,533,396)	(40,957,409)	(42,670,820)	(83,628,229)	(103,161,625)
	1,154,980,726	4,361,359,951	822,802,789	131,670,407	6,470,813,873	3,505,397,771	4,017,342,934	7,522,740,705	13,993,554,577

MA


Chairman


Chief Executive


Director


Director

Pak-Qatar Family Takaful Limited
Statement of Changes in Net assets
For the year ended December 31, 2016

	Direct Sales Force (DSF)					Banca Takaful Conservative			2016 Aggregate
	Aggressive Fund	Balanced Fund	Conservative Fund	Secure Wealth Fund	Total	Banca Takaful Conservative	Banca Takaful Growth	Total	
Participant Investment Fund PIF opening balance	689,360,366	3,210,718,625	642,826,815	139,145,613	4,682,051,419	2,700,101,902	2,761,801,936	5,461,903,838	10,143,955,256
Add: Cash value	499,393,481	1,315,785,354	249,908,840	29,851,029	2,094,938,704	1,220,908,238	1,469,093,303	2,690,001,541	4,784,940,245
Less: Participant Takaful Fund (PTF) portion	(43,670,831)	(139,063,555)	(28,904,249)	(175,835)	(211,814,470)	(92,479,980)	(79,546,183)	(172,026,163)	(383,840,633)
Less: Surrenders / partial withdrawals	(92,849,593)	(362,123,204)	(63,449,409)	(44,647,635)	(563,069,841)	(429,081,368)	(469,815,209)	(898,896,577)	(1,461,966,419)
Less: Investment management charges	(14,219,078)	(61,192,205)	(12,253,033)	(2,286,306)	(89,950,622)	(48,995,953)	(52,479,684)	(101,475,637)	(191,426,259)
Less: Admin fee	(14,483,014)	(50,830,673)	(12,099,962)	(255,493)	(77,669,142)	(41,396,234)	(43,501,574)	(84,897,808)	(162,566,950)
Less: Bank and other charges	(36,247)	(142,979)	(76,778)	(22,070)	(278,074)	(225,041)	(52,978)	(278,019)	(556,093)
Add: Investment Income	334,134,718	702,432,738	133,125,409	(17,536,311)	1,152,156,555	608,729,662	823,697,675	1,432,427,337	2,584,583,892
Return on government and other securities	12,090,692	68,059,020	19,575,522	4,960,366	104,685,599	62,726,258	57,587,928	120,314,186	224,999,785
Profit on bank balances & deposits	14,733,948	89,685,278	24,334,271	3,535,269	132,288,765	120,053,880	93,919,322	213,973,201	346,261,967
Gain on sale of Investments - net	36,787,997	120,580,460	327,346	(16,062)	157,679,741	769,194	89,397,227	90,166,421	247,846,162
Un realized gain / (loss) on revaluation of Miscellaneous other expenses	58,646,593	148,102,985	2,643,426	1,611,532	211,004,537	13,106,875	178,853,846	191,960,721	402,965,258
Dividend Income	(30,000)	(150,000)	(30,000)	(30,000)	(240,000)	(90,000)	(70,000)	(160,000)	(400,000)
	9,383,291	22,215,617	-	-	31,598,908	-	12,397,755	12,397,755	43,996,663
	131,612,521	448,493,360	46,850,565	10,061,104	637,017,550	196,566,207	432,086,078	628,652,285	1,265,669,835
Charity and donation	(126,879)	(284,772)	-	-	(411,651)	-	(242,755)	(242,755)	(654,406)
	131,485,642	448,208,588	46,850,565	10,061,104	636,605,899	196,566,207	431,843,323	628,409,530	1,265,015,429
	1,154,980,726	4,361,359,951	822,802,789	131,670,407	6,470,813,873	3,505,397,771	4,017,342,934	7,522,740,705	13,993,554,577

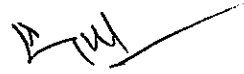
PA



Chairman



Chief Executive



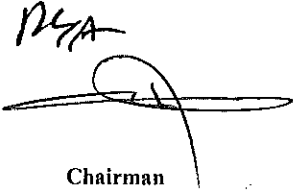
Director

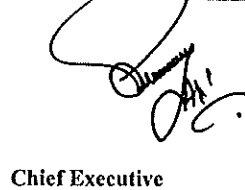


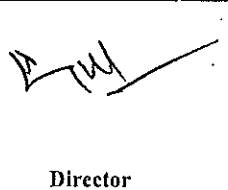
Director

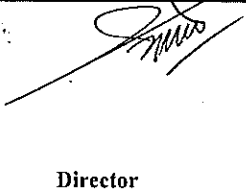
Pak Qatar Family Takaful Limited
 Statement of Investment Performance Measurement of the Unit Linked Fund
 December 31, 2016

Serial Number	Name of Unit Linked Fund	Type of Fund	A	B	(B/A*100)
			Bid Price as at 31-Dec-15	Bid Price as at 31-Dec-16	Investment Yield %
1	PIF Aggressive Fund	DSF	1124.57	1286.12	114%
2	PIF Balanced Fund	DSF	1106.98	1227.99	111%
3	PIF Conservative Fund	DSF	1089.52	1145.79	105%
4	Secure Wealth Fund	DSF	792.80	837.65	106%
5	Banca Takaful Growth Fund	Banca	757.42	843.34	111%
6	Banca Takaful Conservative Fund	Banca	693.31	727.90	105%


 Chairman


 Chief Executive


 Director


 Director

Pak Qatar Family Takaful Limited

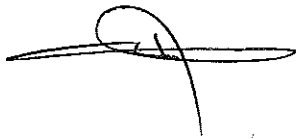
Statement of Investment Performance Measurement of the Unit Linked Fund

Five years ended December 31, 2016

Serial Number	Name of Unit Linked Fund	Type of Fund	A	B	(B/A*100)
			Bid Price as at 31-Dec-11	Bid Price as at 31-Dec-16	Investment Yield %
1	PIF Aggressive Fund	DSF	702.84	1,286.1167	183%
2	PIF Balanced Fund	DSF	735.84	1,227.9851	167%
3	PIF Conservative Fund	DSF	758.56	1,145.7887	151%
4	Secure Wealth Fund	DSF	547.33	837.6515	153%
*	Banca Takaful Growth Fund	Banca	-	843.3420	-
*	Banca Takaful Conservative Fund	Banca	-	727.9025	-

* Banca funds are not disclosed here as these were merged on May 8, 2016.

MA



Chairman



Chief Executive



Director



Director

Pak Qatar Family Takaful Limited
Statement of Investment Performance Measurement of the Unit Linked Fund
Ten years ended December 31, 2016

Serial Number	Name of Unit Linked Fund	Type of Fund	A	B	(B/A*100)
			At the date of inception (April 9, 2008)	Net Bid Price as at 31-Dec-16	Investment Yield %
1	PIF Aggressive Fund	DSF	500	1,286.1167	257%
2	PIF Balanced Fund	DSF	500	1,227.9851	246%
3	PIF Conservative Fund	DSF	500	1,145.7887	229%
*	Secure Wealth Fund	DSF	-	837.6515	-
*	Banca Takaful Growth Fund	Banca	-	843.3420	-
*	Banca Takaful Conservative Fund	Banca	-	727.9025	-

* At the date of inception (mentioned), secure wealth fund did not exist.

* Banca funds are not disclosed here as these were merged on May 8, 2016.

N/A



Chairman



Chief Executive



Director



Director

PAK-QATAR FAMILY TAKAFUL LIMITED

NOTES TO STATEMENT OF NET ASSETS / STATEMENT OF CHANGES IN NET ASSETS AND STATEMENT OF PERFORMANCE MEASURE RELATING TO UNIT LINKED PRODUCT AND FOR THE YEAR ENDED DECEMBER 31, 2016

1. STATUS AND NATURE OF BUSINESS

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. The Company received certificate of registration on August 16, 2007 under Section 6 of the Insurance Ordinance, 2000. The registered office of the Company is situated at Suite # 101-105, Business Arcade, Block 6, P.E.C.H.S, Karachi. The main activity of the Company is to undertake family takaful business. The Company operates with 45 (2015: 42) branches in Pakistan.

For the purpose of carrying on takaful business, the Company has formed a Waqf for Participants' Equity. The Waqf namely Pak-Qatar Family Takaful Limited Waqf [Thereafter referred to as the Participant Takaful Fund (PTF)] was formed on August 17, 2007 under a trust deed executed by the Company with a cede amount of Rs. 500,000. Waqf deed also govern the relationship of shareholders and policyholders for the management of the takaful operations, investment of policyholders' funds and investment of shareholders' funds approved by the Shariah Board established by the Company.

2. BASIS OF PREPARATION

2.1 The Summary of the following Statements Relating to Unit Linked Product and Fund have been prepared in accordance with the requirements of SRO No.343 dated April 22, 2015 issued by Securities and Exchange Commission of Pakistan;

- Statement of Net Assets
- Statement of Changes in Net Assets
- Statement of Performance Measurement

2.2 The Statement of performance measurement has been classified into the following periods:

- Previous twelve months.
- Previous five years.
- Previous ten years.

2.3 The basis of calculation of each performance measure is following for each required classification.

The basis of fund performance is measured by taking each class of fund value existing at prior reporting period and compared with the fund value at current reporting period with respect to the number of years as required above.

2.4 The basis of fund performance is measured by comparing fund value at end of reporting period with the value at beginning of reporting period (as stated above) and segregated for each fund type.

3. DATE OF AUTHORIZATION

The statement was authorized for issue by the Board of Directors of the Company on 09 APR 2017



Chairman



Chief Executive



Director



Director