VIS
Credit Rating Company Limited

RATING REPORT

PAK-QATAR GENERAL TAKAFUL LIMITED

Analyst:

Arooba Ashfaq
Arooba.ashfaq@vis.com.pk

Musaddeq Ahmed Khan
musaddeq@vis.com.pk

RATING DETAILS		
RATINGS CATEGORY	Latest Rating	Previous Rating
	IFS	IFS
IFS RATING	A+ (IFS)	A+ (IFS)
RATING OUTLOOK/ WATCH	Stable	Stable
RATING ACTION	Reaffirmed	Upgrade
RATING DATE	August 31, 2026	July 22, 2025

Shareholding (5% or More)	Other Information
Pak-Qatar Investment (Private) Limited – 23.48%	Incorporated in 2006
H.E. Sheikh Ali bin Abdullah – 9.46%	Public Limited Company (Listed)
Qatar International Islamic Bank – 8.75%	**External auditors**: M/s. Yousuf Adil Chartered Accountants
Qatar Islamic Insurance Group – 7.03%	Chairman of the Board: H.E. Sheikh Ali Bin Abdullah Al Thani
	Chief Executive Officer: Mr. Saqib Zeeshan

Applicable Rating Methodology

Applicable Rating Criteria: Takaful Companies

https://docs.vis.com.pk/docs/TakafulCompanies-Oct-2023.pdf

Rating Scale

https://docs.vis.com.pk/docs/VISRatingScales.pdf

Rating Rationale

Pak-Qatar General Takaful Limited ('PQGTL' or the 'Company') has demonstrated a strengthening financial profile, supported by profitable operations, improving capitalization, and a robust Shariah governance framework. During the review period, the Company successfully completed its Initial Public Offering (IPO), resulting in an enhanced capital base, improved solvency position, and reduced financial leverage. In addition, the Board structure was realigned to comply with the Listed Companies (Code of Corporate Governance).

Operationally, PQGTL continued to expand its business while maintaining underwriting discipline. Growth during the review period was primarily driven by the motor and health segments, with management intending to continue focusing on these business lines, supported by expansion of distribution channels and strategic partnerships. Digitalization initiatives, including enhancements to customer service platforms, claims processing capabilities, and broader digital service channels, have supported operational efficiency, customer experience, and business generation. The Company also continues to advance its IFRS 17 implementation program in line with regulatory timelines.

The Company's profitability profile remains satisfactory, supported by continued underwriting profits on a full year basis, and stable investment returns generated from a conservative investment strategy focused on highly liquid Shariah-compliant instruments. Liquidity indicators have strengthened, while capitalization has improved due to sound retention ratio over the years and following new share issuance recently, providing additional capacity to support future business growth.

PQGTL's reinsurance strategy is well-structured, utilizing a mix of proportional and non-proportional treaties to manage risk exposure effectively. The Company's liquidity position is satisfactory, with manageable insurance debt levels and adequate liquid assets relative to technical reserves.

Sharia governance is a cornerstone of PQGTL's operations, with a dedicated Sharia Advisory Board ensuring compliance across all business activities. The Shariah Board's oversight extends to product certification, investment screening, and surplus distribution, reinforcing the Company's commitment to Islamic principles. This governance framework enhances stakeholder confidence and aligns with regulatory expectations.

Looking ahead, PQGTL faces opportunities for growth in Pakistan's underpenetrated insurance market, particularly in the takaful segment. The Company's focus on small to mid-sized clients and cautious underwriting practices positions it well to navigate macroeconomic challenges, including inflationary pressures and regulatory changes. While competition remains intense, PQGTL's strong shareholder support, experienced leadership, and adherence to Sharia principles provide a firm foundation for sustained performance.

Company Profile

Pak-Qatar General Takaful Limited ('PQGTL' or the 'Company') is one of the leading dedicated Takaful Operators in Pakistan. The Company commenced its operations in 2007. PQGTL offers comprehensive General Takaful (Non-Life insurance) products' portfolio for corporate customers as well as individual clients. The Company's market share of the total industry increased to 0.58% (CY24: 0.51%) in CY25. Within the Takaful segment, PQGTL's market share declined to 3.40% (CY24: 4.48%). With a recent Initial Public Offering, the company is now listed on the Pakistan Stock Exchange.

Sponsor Profile

Qatar Islamic Insurance Company: One of the leading Shariah-compliant insurance providers in the State of Qatar, established in 1995 and listed on the Qatar Stock Exchange. The Group offers a diversified suite of general and family takaful products to retail and corporate clients, supported by investment and real estate activities. As at end-CY25, the Group reported total assets of approximately QAR 1.40bn, reflecting its established market presence and sound capitalization within Qatar's takaful sector.

Qatar International Islamic Bank (QIIB): Leading Islamic commercial bank in Qatar, incorporated in 1991, providing a comprehensive range of Shariah-compliant retail, corporate and investment banking services. The bank has demonstrated consistent growth while maintaining strong capital, liquidity and asset quality metrics. As at end-CY25, QIIB reported a total asset base of approximately QAR 62.6bn, supported by financing assets of QAR 41.0bn and customer deposits of QAR 43.3bn.

Management and Governance

CHAIRMAN/CEO PROFILE

Chairman: A member of the Royal Family, Sheikh Ali is a prominent businessman in Qatar. By qualification, he is Bachelor of Science in Political Science from Portland State University, USA. Currently, he is the Chairman of Umm-Haish International, and Al-Jazeera Trading & Contracting. Earlier, he was the Chairman of Qatar International Islamic Bank.

CEO: Mr. Saqib Zeeshan is a seasoned professional with over 20 years of experience in Takaful, Insurance, and Health Services. He has a proven track record of driving growth and innovation across all lines of business.

Throughout his distinguished career, he has held senior positions at renowned organizations such as Pak-Qatar Family Takaful, Salaam Takaful, The Indus Health Network, American Life Insurance, Commercial Union Life Assurance Pakistan, and Allianz EFU Health Insurance Limited. In addition to his industry expertise, Mr. Zeeshan is a philanthropist and has been the Founding President of Team Karachi Welfare Society for over 15 years.

He has also made significant contributions to the industry, serving as a member of the Executive Committee at The Insurance Association of Pakistan (IAP), remained member of Islamic Finance (Takaful & Banking) committees at FPCCI (Federation of Pakistan Chamber of Commerce and Industries) for multiple tenures. His academic credentials include an MBA (Marketing), M.A. in Economics, LLB, and a Post-Graduate Diploma in Takaful & Islamic Banking from Darul Uloom, Karachi.

BOARD OF DIRECTORS OVERVIEW

During the review period, the Board's structure was revised to ensure compliance with the requirements of the Code of Corporate Governance for listed companies. As of Dec'24, PQGTL's Board comprised one independent director, two executive directors, and seven non-executive directors. Currently, the Board consists of three independent directors (ensuring one-third representation in accordance with the Code of Corporate Governance), one executive director, and four non-executive directors. In addition, the Chairman of the Board is a non-executive director, in line with best practices, and the roles of Chairman and Chief Executive Officer (CEO) are held by separate individuals to maintain an appropriate balance of power and authority.

During 2025, the Board of Directors held ten meetings. The attendance of each member was adequate and leave of absence was granted to Directors who could not attend a meeting due to valid reasons. The board comprises skilled and highly experienced professionals, contributing to good governance. Moreover, the Board also underwent a training/awareness session during the year on corporate governance and strategy, as required for directors. Going forward, a fresh election will next be due in 2028, or earlier if any casual vacancies arise.

Name	Position
H.E. Sheikh Ali Bin Abdullah Al Thani	Chairman / Non-executive Director
Mr. Abdul Basit Ahmed Al Shaibei	Non-executive Director
Mr. Ali Ibrahim Al Abdul Ghani	Non-executive Director
Mr. Said Gul	Non-executive Director
Mr. Zahid Hussain Awan	Non-executive Director
Mr. Muhammad Kamran Saleem	Executive Director
Mr. Zahid Haleem Shaikh	Independent Director
Mr. Asad Pervaiz	Independent Director
Ms. Ammara Shamim Gondal	Independent Director

SHARIA COMPLIANCE:

PQGTL operates as a dedicated takaful operator and maintains a Shariah governance framework in accordance with the Takaful Rules, 2012 and the applicable directives issued by the SECP. During the review period, an independent Shariah audit of the Company's operations was conducted, with the Shariah Advisor confirming that the Company's products, operational processes, investments, fund segregation arrangements, and documentation remained compliant with Shariah principles, while any minor observations identified during the review were rectified. The Company maintains an internal Shariah compliance function responsible for ongoing monitoring of day-to-day operations, while new products and investment proposals are reviewed by the Shariah Board prior to implementation. Regular meetings of the Shariah Board were also held during the year to review Shariah audit findings and oversee Shariah-related matters.

Shariah Advisory Board

SAB Members

Name	Designation
Mufti Muhammad Hassan Kaleem	Chairman
Mufti Ismatullah	Shariah Advisor & Member
Mufti Muhammad Shakir Siddiqui	Shariah Advisor and Member

Mufti Muhammad Hassaan Kaleem is a well-recognized Shariah expert affiliated with Jamia Darul-Uloom Karachi and the Center for Islamic Economics. He also serves as a certified trainer of AAOIFI Shariah standards in Bahrain. His global credentials include serving on the Shariah boards of several international institutions such as Hanover Re Takaful (Bahrain), Takaful Emarat (UAE), and Amana Bank (Sri Lanka). He is also a Shariah consultant for Deloitte's Global Islamic Finance Team and chairs the SAB of both Pak-Qatar Family and General Takaful.

Mufti Ismatullah holds a Ph.D. in Islamic Fiqh and has issued over 25,000 fatawas through Dar-ul-Ifta of Darul-Uloom Karachi. His scholarly contributions focus on Takaful and Islamic finance, and he is the author of a book on Islamic insurance. He also serves as the Shariah Advisor for IGI Window Takaful and chairs the Shariah Board of Bank Al-Habib.

Mufti Muhammad Shakir Siddiqui serves as the Shariah Advisor and a member of the Shariah Board at PQGTL and has been associated with the Company since 2009. He holds a Master's degree in Arabic from the University of Karachi and has completed Takahassus Fil Ifta from Darul Uloom Karachi, with authority to issue Fatwas. He oversees the Company's Shariah compliance, audit, and training functions and has played a key role in developing Shariah governance frameworks, policies, and guidelines. He is also a visiting faculty member at various educational institutions, including IBA-CEIF, and serves as a Shariah Consultant and member of the Standing Committee on Islamic Banking & Takaful at FPCCI.

Responsibilities of the SAB:

The Shari'a Advisory Board is responsible for:

- Reviewing and certifying Takaful products and operations for Shari'a compliance.
- Advising on Shari'a issues, including investments, surplus distribution, and operational policies.
- Ensuring the segregation of policyholders' and shareholders' funds.
- Issuing fatwas on Shari'a-related matters and ensuring their implementation across the organization.

SAB Annual Report:

During the year, the Shariah Advisory Board conducted online meetings to discuss various matters. All types of products, documents, MOUs, and business concerns of the Company were reviewed. Based on the provided information, the findings are as follows:

I. The Company's financial transactions, along with the relevant documentation and procedures for the year ended December 31, 2025, were in compliance with the guidelines issued by the Shariah Advisory Board and the requirements of the Takaful Rules 2012.

II. The prescribed Shariah Screening Criteria were duly met in all investment and financial transactions.

III. The identified amount of non-Shariah-compliant income was nil.

IV. The Shariah Compliance Department remains actively engaged in promoting awareness of Takaful and its processes among distribution staff, educational institutions, and corporate sectors. In 2025, multiple awareness sessions were conducted in collaboration with the Training Department as well as independently.

Management Statement of Compliance:

The financial arrangements, contracts, and transactions entered into by PQGTL for the year ended December 31, 2025 are in compliance with the Takaful Rules, 2012.

- The Company has developed and implemented all policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations with zero tolerance.
- The governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and the Board of Directors have been implemented.
- The Company has conducted trainings / orientations and ensured availability of all manuals / agreements approved by Shariah Advisor / Board of Directors to maintain the adequate level of awareness, capacity and sensitization of the staff, management.
- All the products and policies have been approved by Shariah Advisor and the financial arrangements including investments made, policies, contracts, and transactions are in accordance with the policies approved by Shariah Advisor.
- The assets and liabilities of Takaful Operations (Participants' Takaful Fund) are segregated from Company's other assets and liabilities, at all times in accordance with the provisions of Takaful Rules, 2012. This has been duly confirmed by the Shariah Advisor of the Company.

IT UPGRADES:

During the review period, PQGTL continued to strengthen its IT infrastructure to support operational efficiency and digital service delivery. The Company maintained its core takaful administration system supporting policy administration, contributions, claims, and accounting functions. Cybersecurity remained a key focus, with regular vulnerability assessments, penetration testing, and maintenance of security controls, including firewalls and anti-malware systems, while management reported no major cybersecurity incidents during the year. The Company also enhanced its digital customer service channels, including its web portal, call center, and WhatsApp platform, to facilitate customer inquiries, policy servicing, and claims intimation. Furthermore, business continuity arrangements remained in place through a dedicated Disaster Recovery (DR) site, with periodic DR drills conducted during the year to validate the recoverability of critical systems and ensure operational resilience.

IFRS 17 IMPLEMENTATION

During the review period, PQGTL continued to advance its IFRS 17 implementation program in line with the implementation timeline prescribed by the SECP. The Company progressed to the implementation and parallel run phase, conducting dry-run exercises to validate its reporting processes and systems ahead of the effective date. Multiple parallel runs, including audited dry-run results and Long Form Report coverage, were undertaken to align with regulatory requirements. In addition, the Company engaged external actuarial and audit consultants to support implementation and strengthen compliance. Management indicated that investments in systems, processes, and staff training remain ongoing to facilitate a smooth transition, with the objective of ensuring timely compliance and minimizing implementation-related disruptions once the standard becomes effective.

AUDITOR'S OPINION

The M/s. Yousuf Adil., Chartered Accountants, categorized as 'Category A' on the SBP's Panel of Auditors and with satisfactory QCR rating from ICAP, has provided an unqualified and unmodified opinion, affirming that the Company's financial statements comply with accounting standards and accurately portray the Company's financial position as of December 2025.

Business Risk

INDUSTRY UPDATE

The global takaful market is projected to grow from approximately USD 46.0bn in 2026 to USD 153.2bn by 2035, representing a projected CAGR of 14.3%. Growth is supported by increasing awareness of Shariah-compliant financial products and expanding Muslim populations across key markets. Family takaful constitutes approximately 57% of the global takaful market, while general takaful accounts for the remaining 43%, supported by health and motor business. The industry continues to witness greater adoption of digital platforms with AI-driven underwriting, digital claims processing, and mobile applications setting the trend. The Middle East and Southeast Asia collectively account for approximately 68% of the global takaful market, led by Saudi Arabia, Malaysia, and the UAE. Furthermore, operators continue to expand through cross-border partnerships and product diversification, while regulatory harmonization remains an ongoing area of development across Islamic finance markets.

Local takaful industry continues to gain traction, given the financial awareness and growing preference for Shariah-Compliant financial solutions as opposed to conventional ones. During CY25, local takaful industry premiums grew by 58.9%, reaching PKR 41.7bn (CY24: PKR 26.2bn), with growth primarily driven by the motor segment across all major players. As at March'26, takaful premiums continued their growth; the same grew by 49.4%, reaching PKR 11.6bn as opposed to PKR 7.8bn in the Same Period Last Year. Increased competition has resulted in lower margins for the players. On the regulatory front, Government of Sindh mandated the third-party vehicle insurance and there is a growing expectation that the same will be done by other provinces. This will open a new door for the industry players as companies will now compete to gain a higher share of this new market. Moreover, a formal implementation of IFRS 17 is still underway. Though, SECP has given a deadline of 2027, players are expecting a further extension. Lastly, companies are moving towards compliance of Minimum Capital Requirement (MCR) of PKR 2.0bn, which will enhance capacity and may force consolidation in the sector.

OPERATIONAL PERFORMANCE

During CY25, Gross Written Contribution grew by 20.5%, reaching PKR 1.4bn (CY24: PKR 1.2bn) against the takaful industry growth rate of 58.9%, resulting in a lower market share of 3.4% (CY24: 4.5%). Growth was driven by motor and health segments. Higher growth in motor sector is in sync with growth of automobile industry over the recent years. Health segment also saw growth due to impact of inflation on medical expenses. Moreover, during March'26, GWC grew to PKR 419.5mn (1QCY25: 349.8mn) in relation to Same Period Last Year, depicting growth of 19.9%, against industry growth rate of 49.4%, further reducing market share to 3.6% (1QCY25: 4.4%). During this period, motor and health segments dominated in terms of premiums and proportion. As such, PQGTL continued to strengthen its general takaful franchise by expanding its presence across both individual and corporate customer segments while maintaining a disciplined underwriting approach.

During 1QCY26, PQGTL continued to build on its operational priorities by strengthening its core takaful operations across major business lines while maintaining prudent underwriting and operational discipline. Going forward, the Company intends to pursue sustainable growth through expansion of distribution channels, strategic partnerships, fintech integration, and greater use of data analytics for customer insights and risk assessment. In addition, management aims to capitalize on the growing demand for takaful solutions by broadening its market reach while maintaining disciplined cost management, operational efficiency, and readiness for evolving regulatory requirements, including the implementation of IFRS 17 and revised capital standards.

Gross Written Contribution (Amount in PKR Millions)

GROSS PREMIUM	CY24	%	CY25	%	1QCY26	%	1QCY25	%
Fire and property damage	253.9	21.6%	257.8	18.2%	65.5	15.6%	60.8	17.4%
Marine, aviation and transport	139.2	11.9%	175.8	12.4%	75.6	18.0%	87.1	24.9%
Motor	571.7	48.7%	618.9	43.7%	150.3	35.8%	136.6	39.1%
Health	139.1	11.8%	286.0	20.2%	116.7	27.8%	55.6	15.9%
Miscellaneous	70.5	6.0%	76.6	5.4%	11.5	2.7%	9.6	2.8%

Total Gross Contribution	**1,174.5**	**100.0%**	**1,415.0**	**100.0%**	**419.5**	**100.0%**	**349.8**	**100.0%**

UNDERWRITING INDICATORS

Profitability Indicators

	CY24	CY25	1QCY26	1QCY25
Net Claims Ratio	46.4%	51.6%	52.4%	53.1%
Underwriting Expense Ratio	50.4%	44.0%	44.0%	46.5%
Combined Ratio	**96.8%**	**95.6%**	**96.4%**	**99.6%**

During CY25, PQGTL experienced an increase in the net claims ratio. However, the impact was partially offset by a decline in underwriting expense ratio due to growth in net written premium, which subsequently led to a range-bound combined ratio of 95.6% (CY24: 95.5%), leading to underwriting profit during CY25. PQGTL recorded an underwriting profit of PKR 44.4mn (CY24: PKR 27.8mn) due to lower underwriting losses from fire and health segment. Moreover, marine segment also witnessed an underwriting profit as opposed to a loss in the previous year. Moreover, in line with full retention on net account, health segment posted a loss in the review period. Higher net claims, coupled with lower investment income, weighted on profitability resulting in a combined Profit Before Tax (PBT) and Profit After Tax (PAT) including Surplus of PKR 167.6mn (CY24: PKR 163.9mn) and PKR 147.0mn (CY24: PKR 161.1mn) during CY25.

During March'26, profitability position weakened as indicated by a relatively weaker claim performance resulting in lower underwriting profits. Major health segment underwriting losses weighed on underwriting profitability. Despite this, the Company reported a PBT of PKR 37.9mn (1QCY25: PKR 31.9mn) and a PAT (Inc. Surplus) of PKR 31.5mn (1QCY25: PKT 24.7mn), supported by sustained investment performance. Investment performance will likely be under pressure in the current year due to depressed market conditions.

Underwriting Profit (Loss)	CY24	CY25	1QCY26	1QCY25
Fire and property damage	(20.6)	(13.0)	(5.7)	(6.7)
Marine, aviation and transport	(12.6)	5.2	7.9	1.2
Motor	79.9	74.8	23.0	18.8
Health	(29.0)	(26.0)	(15.5)	(10.1)
Misc	10.0	3.5	(0.2)	(2.3)
Total Underwriting Profit	**27.8**	**44.4**	**9.5**	**0.9**

Financial Risk

CLAIMS EXPERIENCE

PQGTL's gross claims ratio increased to 89.4% (CY24: 81.7%) in CY25, due to higher claims recorded under all segments. Total gross claims expense rose to PKR 727.9mn (CY24: PKR 548.2mn). An increase in claims was observed across all segments, with motor related claims dominating the gross expenses followed by marine and health segment.

Gross Claims Ratio	CY23	CY24	CY25
Fire and property damage	16.5%	38.5%	57.9%
Marine, aviation transport	33.3%	97.2%	96.4%
Motor	100.0%	100.1%	102.2%
Health	129.3%	103.1%	93.0%
Miscellaneous	25.0%	37.3%	90.0%
Gross Claims Ratio	**85.3%**	**81.7%**	**89.4%**

The net claims ratio rose to 51.6% (CY24: 46.4%) during CY25 in line with higher net claims expenses of PKR 521.0mn (CY24: PKR 401.2mn) with higher incidence of claims from motor and health segments. The higher net claims aligns with limited reinsurance coverage available for these segments. Moreover, in March'26, net claims increased to PKR 137.2mn (1QCY25: PKR 123.3mn) with higher claims from health segment. As the Company focused majorly on motor and health segment for growth, this also increased the associated claims in these segments. Majorly motor and health related claims have a smaller average ticket size but their quantum is usually high. However, inflation and its impact on medicinal and repair costs can also have an impact on the claims expenses under these segments.

Net Claims Expense	CY24	CY25	1QCY26	1QCY25

Fire and property damage	13.9	10.1	4.6	5.1
Marine, aviation and transport	38.6	45.1	3.3	14.9
Motor	224.9	266.1	67.5	60.1
Health	124.8	198.0	61.6	41.5
Misc	(1.0)	1.6	0.2	1.6
Total Net Claims Expense	**401.2**	**521.0**	**137.2**	**123.3**

REINSURANCE TREATIES

The Company's risk profile is underpinned by adequate reinsurance arrangements, supported by a diversified panel of international reinsurers. Kenya Re exited the reinsurance panel as at CY26 and its share was taken by Kuwait Re. The overall quality of the reinsurance panel remained stable during the review period, with three out of six reinsurers holding a credit rating in the 'B' band, two in the 'A' band, and one in the 'AA' band. The reinsurance arrangement of the Company comprises a mix of proportional and non-proportional treaties tailored to manage risk exposure across various classes of business. For Fire and Marine segments, the Company has secured both Quota Share and Surplus treaties, indicating a layered proportional reinsurance structure. Other classes, such as Engineering, Miscellaneous, Bond, and Terrorism, are reinsured primarily through Quota Share treaties, while the Motor class is covered under a non-proportional Excess of Loss (XOL) treaty. However, no reinsurance coverage is currently available for the health segment, owing to the limited presence of re-takaful operators catering to this segment in the local market, as per management.

Cession ratio declined marginally to 25.1% (CY24: 27.0%). Limited cession overall is due to certain business segments with traditionally low cession like motor and health indicating maximum retention under own account in these segments. However, adequate business is ceded for miscellaneous and fire segments to counter the higher quantum of single account risk associated with these segments.

CESSION RATIO	CY24	CY25	1QCY26	1QCY25
Fire and property damage	70.6%	72.2%	70.3%	74.4%
Marine, aviation transport	50.2%	46.9%	54.5%	34.9%
Motor	5.4%	5.0%	5.8%	5.6%
Health	0.0%	0.0%	0.0%	0.0%
Misc	52.6%	72.8%	101.4%	104.2%
Overall Cession Ratio	**27.0%**	**25.1%**	**25.6%**	**26.7%**

INVESTMENTS

PQGTL's investment portfolio increased to PKR 1.5bn (CY25: PKR 1.0bn; CY24: PKR 981.03mn) as at-March'26 and is dominated by Islamic mutual funds at 71.1% (CY25: 62.4%) and Debt Securities at 28.9% (CY25: 37.6%). The portfolio allocation shifted towards Shariah-compliant money market funds, with exposure increasing to PKR 907.1mn, representing 87.2% of total mutual fund investments (end-CY25: PKR 242.5mn; 38.0%). Conversely, exposure to asset allocation funds declined to PKR 105.6mn (end-CY25: PKR 250.7mn), while equity fund exposure reduced to PKR 27.9mn (end-CY25: PKR 145.4mn). As per management, the increased allocation towards money market funds reflects a more conservative investment strategy aimed at preserving liquidity and generating stable returns amid heightened market volatility arising from geopolitical uncertainties.

The investment portfolio also includes debt securities, primarily comprising Government of Pakistan Ijarah Sukuk and corporate Sukuk. However, the proportion of Sukuk investments in the overall portfolio has declined during the review period. As at end-March'26, approximately 53% of the Sukuk portfolio comprised sovereign Sukuk, while the remainder consisted of Sukuk issued by commercial banks and corporate entities.

Investment Portfolio (Amount in Millions)

	2024	%	2025	%	1QCY26	%
Islamic Mutual Funds	592.6	60.4%	638.6	62.4%	1,040.6	71.1%
Debt Securities	388.3	39.6%	384.3	37.6%	423.7	28.9%
Total	980.9	100.0%	1,022.9	1	1,463.4	1

LIQUIDITY

LIQUIDITY INDICATORS	CY24	CY25	1QCY26
Insurance Debt/ Gross Premium*	29.3%	21.6%	21.1%
Liquid Assets to Adjusted Technical Reserves	351.2%	379.3%	415.1%

PQGTL's liquidity position, as measured by liquid assets to net technical reserves, improved significantly over the rating review period. Despite negative cashflows from underwriting operations, investment activity shores up cash generated, which is invested in marketable securities, leading to healthy liquid reserves. Positive underwriting cashflows in Q1'26 also contributed to new liquidity being generated, causing the investment portfolio to grow. Moreover, insurance debt to gross premium ratio remained range-bound at 21.1% at end-1QCY26 (CY25: 21.6%) and compares favorably to the industry.

CAPITALIZATION

CAPITALIZATION	CY23	CY24	CY25	1QCY26
Total Equity	762.4	872.6	1,068.8	1,480.9
Operating Leverage (%) *	144.4%	99.2%	94.5%	70.7%
Adjusted Financial Leverage (%)	49.1%	41.4%	34.0%	31.2%
Excess in Net Admissible Assets over Minimum Requirement		434.8	770.4	

The Company's paid up capital base has expanded by a bonus issue of 10.1mn shares and a rights issue of 10mn shares in August 2025 at PKR 10.0 each, followed by an issuance of 30mn ordinary shares also at a floor price of Rs. 10 per share through an Initial Public Offering (IPO) by Feb'26. This resulted in an increase in the Company's paid-up capital to Rs. 1,011.1mn (CY25: PKR 711.1mn: CY24: PKR 509.2mn) and the Company being listed on the Pakistan Stock Exchange (PSX), thereby meeting the revised minimum capital requirement. From a solvency standpoint, the Company maintains a sound and improving position with adequate cushion of PKR 770.4mn in total admissible assets over the Minimum Requirement of PKR 150mn as at December 2025.

Despite growth in business, financial leverage decreased to 31.2% (CY25: 34.0%) largely due to external equity. Additionally, operating leverage also reduced to 70.7% (CY25: 95.4%) at end-March'26, indicating sufficient room for business growth. Paid up capital is required to be increased to PKR 2bn by 2030, which maybe achieved through profit retention and another capital injection over the next few years.

FINANCIAL SUMMARY (PKR Million)	Dec'23	Dec'24	Dec'25	Mar'26
Cash and Bank Balances	494.1	288.5	354.9	452.0
Investments	637.8	981.0	1,022.9	1,464.3
Insurance Debt	348.8	343.6	305.5	354.4
Liquid Assets	1,131.9	1,269.5	1,377.8	1,916.2
Total Assets	**2,463.6**	**2,388.3**	**2,426.0**	**3,030.7**
Ordinary Share Capital	509.2	509.0	711.1	1,011.1
Total Liabilities	**1,699.8**	**1,502.5**	**1,357.7**	**1,549.8**
Total Equity (Excl. revaluation reserve)	**762.4**	**872.6**	**1,068.8**	**1,480.3**
INCOME STATEMENT	**CY23**	**CY24**	**CY25**	**1QCY26**
Gross Premium Revenue	1,267.5	1,174.5	1,415.0	419.5
Net premium Revenue	1,100.8	865.4	1,009.7	261.8
Net Claims	666.2	401.2	521.0	137.2
Underwriting Profit	24.8	27.8	44.4	9.5
Investment Income	125.0	141.2	137.8	29.5
Other Income	33.6	24.0	18.2	3.5
Profit before Tax	**142.4**	**163.0**	**167.6**	**37.9**
Profit after Tax	**141.8**	**161.1**	**147.0**	**31.5**
RATIO ANALYSIS	**Dec'23**	**Dec'24**	**Dec'25**	**Mar'26**
Market Share (Overall)	0.69%	0.51%	0.58%	0.78%
Takaful	5.03%	4.48%	3.40%	3.62%
Cession Ratio (%)	21.7%	27.0%	25.1%	25.6%
Gross Claims Ratio (%)	85.3%	81.7%	89.4%	79.6%
Net Claims Ratio (%)	60.5%	46.4%	51.6%	52.4%
Underwriting Expense Ratio (%)	37.2%	50.4%	44.0%	44.0%
Combined Ratio (%)	97.8%	96.8%	95.6%	96.4%
Operating Leverage (%) *	144.4%	99.2%	94.5%	70.7%
Adjusted Financial Leverage (%)	49.1%	41.4%	34.0%	31.2%
Insurance Debt/ Gross Premium*	27.5%	29.3%	21.6%	21.1%
Liquid Assets to Adjusted Technical Reserves	302.1%	351.2%	379.3%	415.1%

**Annualized*

REGULATORY DISCLOSURES — Appendix II

Name of Rated Entity	Pak-Qatar General Takaful Limited
Sector	Insurance
Type of Relationship	Solicited
Purpose of Rating	Insurer Financial Strength

Rating History

Rating Date	Medium to Long Term	Outlook/ Rating Watch	Rating Action
RATING TYPE: INSURER FINANCIAL STRENGTH			
08/31/2026	A+ (IFS)	Stable	Reaffirmed
07/17/2025	A+ (IFS)	Stable	Upgrade
03/13/2024	A (IFS)	Stable	Reaffirmed
01/02/2023	A (IFS)	Stable	Reaffirmed
03/31/2022	A (IFS)	Stable	Harmonized
03/01/2022	A-	Stable	Reaffirmed
01/22/2021	A-	Stable	Reaffirmed
11/01/2019	A-	Stable	Reaffirmed

Instrument Structure	N/A
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.
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Due Diligence Meetings Conducted

Name	Designation	Date
Mr. Muhammad Saleem	Chief Financial Officer	10th July, 2026