

Shariah Review Report to the Board of Directors

for the year ended 31 December 2018

الحمد لله رب العلمين والصلاة والسلام على سيد الأنبياء والمرسلين
محمد النبي الأمي وعلى آله وصحابه أجمعين ، وبعد؛

We have reviewed the accompanying financial statements of **Pak-Qatar Family Takaful Limited** (hereafter referred to as "the Company") for the year ended 31 December 2018.

We acknowledge that as Shariah Advisory Board members of the Company, it is our responsibility to ensure that the financial arrangements, contracts and transactions entered into by the Company with its participants and stakeholders are in compliance with the requirements of Shariah rules and principles. It is the responsibility of the Company's management to ensure that the rules, principles and guidelines set by the Shariah Advisory Board are complied with, and that all policies and services being offered are duly approved by the Shariah Advisory Board.

The core scope of Shariah Review is to review the Company's compliance as per Shariah Guidelines, and includes the analysis of the appropriate evidence of transactions undertaken by the Company during the year 2018. It is the responsibility of the Shariah Advisory Board to express its viewpoint on the submitted financial statements.

We have reviewed all types of the business concerns of the Company with the assistance of qualified Muftis of Shariah Compliance Department in accordance with the principles of Shariah. In our opinion, and to the best of our understanding based on the provided information and explanations, below are our findings:

- (i) Financial transactions and relevant documentations & procedures, undertaken by the Company for the year ended 31 December 2018 were in accordance with guidelines issued by Shariah Advisory Board as well as the requirements of Takaful Rules 2012 and Shariah Governance Regulation (SGR) 2018.
- (ii) As per requirement of Rule 11 of Shariah Governance Regulation (SGR)2018, the given Shariah Screening Criteria has been fulfilled properly in all kind of investment & financial transactions.
- (iii) We have realized the amount 4,893,372 as non Shariah Compliant income which has been credited to the relevant charity account.
- (iv) The company performed its duties to its level best by following Shariah guidelines. Few cases which were required to be consulted in accordance with the Shariah rules and market practice have been discussed and duly resolved.
- (v) Consequently, we have found that the Company is in accordance with the Shariah principles in all transactional aspects. Moreover, we also agree with the Accounting principles adopted for incorporation of Participants' Takaful Fund (Waqf Fund) into the accompanying financial statements.

- (vi) A remarkable effort is that more than 183 courses were held successfully across Pakistan regarding the awareness of Takaful in the year 2018. These courses proved beneficial and helped a lot in spreading the concept of Takaful to the people of different sectors (Corporate sector, Ulema & Muftian e kaaram, educational institutions and public sector). Best efforts of the company for spreading awareness of Takaful in the industry are much appreciated in this regard.
- (vii) As per our last year recommendation the company has launched a new product in the industry for individual health scheme, which was highly appreciated.

Recommendation (s):

Based on the review of various transactions and operations of the Company, we recommend that:

- (i) As Waqf mechanism is a ray of hope for people belonging to low income level. Hence, the company should offer products at micro level which could be helpful for such people and beneficial for the Waqf pool as well as the company.

"And Allah Knows Best"

On Behalf Of the Chairman of Shariah Advisory Board



Dr. Mufti Ismatullah
Shariah Advisor &
Shariah Advisory Board Member



Mufti Muhammad Hassaan Kaleem
Shariah Advisory Board Member