



**alpha**

**Insurance Company Limited**

**A subsidiary of State Life Insurance Corporation of Pakistan**

**FINANCIAL STATEMENTS**

**(Unaudited)**

**For the Nine months period ended September 30, 2023**

# ALPHA INSURANCE COMPANY LTD

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# ALPHA INSURANCE COMPANY LTD

## *Company Information*

### **Board of Directors**

**Chairman** : Mr. Tariq Ikram

**Directors** : Mr. Tariq Ikram

Mr. Muhammad Amjad

Mr. Faisal Mumtaz

Syed Shahnawaz Nadir

Dr. Lubna Ayub

**Chief Executive Officer** : Dr. Syed Arif Hussain

**Chief Financial Officer &** : Muhammad Irfan

**Company Secretary**

**Registered Officer** : 4th Floor, State Life Building No. 1-B,  
State Life Square, I.I. Chundrigar Road,  
Karachi.

**Tel. :** 32416041 - 45

**Fax :** 32419968, 32422478

**E-mail :** [info@alphainsurance.com.pk](mailto:info@alphainsurance.com.pk)

**Website :** [www.alphainsurance.com.pk](http://www.alphainsurance.com.pk)

## Directors' Review

We are presenting the unaudited condensed interim financial statements of the Company for the nine months period ended September 30, 2023.

### Business Overview:

The summarized results for nine months are as follows:

	Quarter ended September 30,		Nine Months ended September 30,	
	2023	2022	2023	2022
	----- (Rupees) -----			
Premium Written	109,316,064	93,520,948	252,363,988	175,621,231
Net premium revenue	65,362,325	42,803,714	163,969,213	112,059,918
Net insurance claims	(49,503,544)	(24,818,788)	(90,868,511)	(75,348,983)
Management expenses	(29,849,040)	(31,610,242)	(88,854,534)	(74,841,526)
Underwriting results	(26,070,358)	(24,686,104)	(52,673,771)	(63,108,867)
Net investment income	29,999,543	12,917,878	60,287,339	31,440,260
Other income	4,733,935	2,151,484	15,258,881	8,477,702
Profit / (Loss) before tax from takful operations - Operator's Fund	816,351	-	919,752	-
Profit / (loss) before tax	8,135,136	(10,016,629)	20,573,374	(25,846,320)
Profit / (loss) after tax	7,268,852	(10,903,379)	13,822,749	(28,311,717)
Earning per share (EPS)	0.15	(0.22)	0.28	(0.57)

During the nine months ended September 30, 2023, there was a notable increase of 44% in gross premiums compared to the same period last year. Furthermore, the net premium also experienced a significant rise of 46%. The underwriting performance also improved by 17% during the period in comparison from the same period last year whereby the company was able to manage underwriting more prudently.

The growth in business activities during this period led to an increase in management expenses, primarily due to the recruitment of new marketing staff, in line with the renewed efforts being made to grow the business to its optimum level. Investment income witnessed a growth of 92% which is just a starting impact of an excellent boost in the equity market index. Further, the company achieved good investment income because the majority of the low-yielding instruments' maturity fell in the reporting period which renewed on a good and better rate of returns.

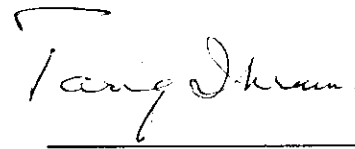
Additionally, it is worth noting that the company has started window for takaful operation during the year.

During the period company earned a good profit after tax for Rs. 13.8 million while in the same period last year, it made a loss of Rs. 28.3 million. Such good improvement in the results is the reflection of the company's growth strategy, prudent underwriting, and excellent claim management.

In conclusion, the Board of Directors would like to express their gratitude to company's esteemed customers, shareholders, the Securities and Exchange Commission of Pakistan, as well as the management and staff for their unwavering trust, support, and dedication. Their continued efforts and hard work have been instrumental in the company's progress.



Dr. Syed Arif Hussain  
Chief Executive Officer



Mr. Tariq Ikram  
Chairman

## ڈائریکٹرز کا جائزہ

30 ستمبر 2023ء کے ختم شدہ نو ماہ کیلئے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے آپ کے پیش نظر ہیں۔

### کمپنی کی کارکردگی

زیر جائزہ نو ماہ کیلئے مختصراً نتائج مندرجہ ذیل ہیں

30 ستمبر کے ختم شدہ نو ماہ		30 ستمبر کے ختم شدہ تین ماہ		
2022ء	2023ء	2022ء	2023ء	
روپے	روپے	روپے	روپے	
175,621,231	252,363,988	93,520,948	109,316,064	خام پریمیم
112,059,918	163,969,213	42,803,714	65,362,325	خالص پریمیم آمدنی
(75,348,983)	(90,868,511)	(24,818,788)	(49,503,544)	خالص انشورنس کلیم
(74,841,526)	(88,854,534)	(31,610,242)	(29,849,040)	انتظامی اخراجات
(63,108,867)	(52,673,771)	(24,686,104)	(26,070,358)	انڈر رائٹنگ نقصان
31,440,260	60,287,339	12,917,878	29,999,543	سرمایہ کاری کی آمدنی
8,477,702	15,258,881	2,151,484	4,733,935	دیگر آمدنی
				حکافل آپریشنز سے منافع / (نقصان) قبل از ٹیکس۔
-	919,752	-	816,351	آپریٹنگ منافع
(25,846,320)	20,573,374	(10,016,629)	8,135,136	منافع / (نقصان) قبل از ٹیکس
(28,311,717)	13,822,749	(10,903,379)	7,268,852	منافع / (نقصان) بعد از ٹیکس
(0.57)	0.28	(0.22)	0.15	بنیادی منافع فی شیئر (EPS)

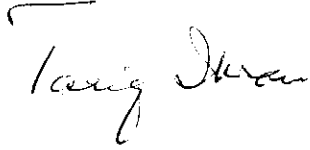
30 ستمبر 2023ء کو ختم ہونے والی نو ماہ کی مدت کے دوران، مجموعی پریمیم میں پچھلے سال کی اسی مدت کے مقابلے میں 44% کا قابل ذکر اضافہ ہوا ہے۔ مزید برآں، خالص پریمیم میں بھی 46% کا نمایاں اضافہ ہوا ہے۔ چونکہ کمپنی انڈر رائٹنگ کا انتظام زیادہ سمجھداری سے کرنے میں کامیاب رہی جس کی وجہ سے انڈر رائٹنگ کی کارکردگی میں بھی پچھلے سال کی اسی مدت کے مقابلے میں 17% کی بہتری آئی ہے۔

اس عرصے کے دوران کاروباری سرگرمیوں میں اضافہ انتظامی اخراجات میں اضافے کا باعث بنا، بنیادی طور پر نئے مارکیٹنگ عملے کی بھرتی کی وجہ سے، کاروبار کو اس کی بہترین سطح تک بڑھانے کیلئے کی جانے والی نئی کوششوں کے مطابق سرمایہ کاری کی آمدنی میں 92% اضافہ دیکھنے میں آیا جو ایکویٹی مارکیٹ انڈیکس میں شاندار فروغ کا محض ایک ابتدائی اثر ہے۔ مزید، کمپنی نے اچھی سرمایہ کاری کی آمدنی حاصل کی کیونکہ کم پیداوار والے آلات کی میچورٹی رپورٹنگ کی مدت میں گرگنی جس کی تجدید اچھی اور بہتر شرح منافع پر ہوئی۔

مزید برآں، یہ بات قابل غور ہے کہ کمپنی نے سال بھر میں حکافل آپریشن کے لیے ونڈو شروع کی ہے۔

اس مدت کے دوران کمپنی نے ٹیکس کے بعد 13.8 ملین کا اچھا منافع کمایا جبکہ پچھلے سال کی اسی مدت میں اس نے 28.3 ملین روپے کا نقصان کیا۔ نتائج میں اتنی اچھی بہتری کمپنی کی ترقی کی حکمت عملی، سمجھدار انڈر رائٹنگ، اور کلیم کے بہترین انتظام کی عکاسی کرتی ہے۔

آخر میں، بورڈ آف ڈائریکٹرز کمپنی کے معزز کسٹمرز، شیئرز ہولڈرز، سیکورٹیز اینڈ اینڈ آئی پی سی کمیشن آف پاکستان کے ساتھ ساتھ انتظامیہ اور عملے کا ان کے غیر متوازن اعتماد، تعاون اور لگن کے لیے اظہار تشکر کرنا چاہیں گے۔ ان کی مسلسل کوششیں اور محنت کمپنی کی ترقی میں اہم کردار ادا کر رہی ہے۔



جناب طارق اکرم  
چیئرمین



ڈاکٹر سید عارف حسین  
چیف ایگزیکٹو آفیسر



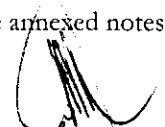
**ALPHA INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT SEPTEMBER 30, 2023**

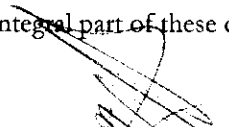
		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Notes	-----Rupees-----	
<b>Assets</b>			
Property and equipment	7	4,451,748	7,141,568
Intangible assets	8	361,394	496,897
<b>Investments</b>			
Equity securities	9	151,654,806	191,652,115
Debt securities	10	529,575,694	491,256,311
Loans and other receivables	11	27,681,851	8,290,145
Insurance / Reinsurance receivables	12	164,862,687	107,122,177
Reinsurance recoveries against outstanding claims	22	138,017,226	91,694,443
Salvage recoveries accrued		862,020	862,020
Deferred Commission Expense / Acquisition cost	23	19,488,789	15,115,328
Deferred taxation		10,157,887	10,157,887
Taxation - payment less provisions	13	83,557,677	77,932,083
Prepayments	14	35,081,160	27,517,611
Cash and bank	15	97,667,634	125,445,975
Total Assets of Window Takful Operations - Operator's Fund		57,695,246	-
<b>Total assets</b>		<u>1,321,115,819</u>	<u>1,154,684,560</u>
<b>Equity and Liabilities</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Authorised share capital: [51,000,000 (2022: 51,000,000) Ordinary shares of Rs. 10 each]		<u>510,000,000</u>	<u>510,000,000</u>
Issued, subscribed and paid-up share capital [50,000,000 (2022: 50,000,000) Ordinary shares of Rs. 10 each]		500,000,000	500,000,000
Reserves	16	43,212,670	81,798,987
Unappropriated profit		120,223,409	106,400,660
<b>Total equity</b>		<u>663,436,079</u>	<u>688,199,647</u>
<b>Liabilities</b>			
<b>Underwriting provisions</b>			
Outstanding claims including IBNR	22.1	278,272,459	210,329,362
Unearned premium reserves	21.1	124,485,366	85,324,267
Premium deficiency reserves	17	1,711,413	1,133,365
Unearned Reinsurance Commission	23.2	1,227,534	475,937
Retirement benefit obligations		456,083	29,850
Premium received in advance		6,528,150	7,875,788
Insurance / reinsurance payables	18	137,548,299	68,893,641
Other creditors and accruals	19	100,674,939	92,422,700
Total Liabilities of Window Takful Operations - Operator's Fund		6,775,494	-
<b>Total liabilities</b>		<u>657,679,737</u>	<u>466,484,910</u>
<b>Total equity and liabilities</b>		<u>1,321,115,819</u>	<u>1,154,684,560</u>

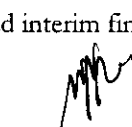
**Contingencies and commitments**

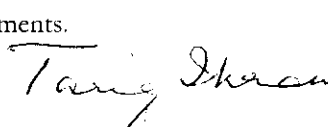
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The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.

  
**Chief Executive Officer**

  
**Director**

  
**Director**

  
**Chairman**

**ALPHA INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

	Notes	Nine Months Period Ended September 30,		Three Months Period Ended September 30,	
		2023 (Un-audited)	2022 (Un-audited)	2023 (Un-audited)	2022 (Un-audited)
		(Rupees)			
Net insurance premium	21.4	163,969,213	112,059,918	65,362,325 0.76	42,803,714
Net insurance claims	22.3	(90,868,511)	(75,348,983)	(49,503,544)	(24,818,788)
Premium deficiency	17.1	(578,048)	242,835	(67,553)	(467,370)
Net Commission and other acquisition cost	23.3	(39,212,866)	(27,074,306)	(13,280,096)	(10,761,413)
Insurance claims and acquisition expenses		(130,659,425)	(102,180,454)	(62,851,193)	(36,047,571)
Management Expenses	24	(85,983,559)	(72,988,331)	(28,581,490)	(31,442,247)
Underwriting results		(52,673,771)	(63,108,867)	(26,070,358)	(24,686,104)
Investment income	25	60,287,339	31,440,260	29,999,543	12,917,878
Other income	26	15,258,881	8,477,702	4,733,935	2,151,484
Other expenses	27	(2,870,975)	(1,853,195)	(1,267,550)	(167,995)
		72,675,245	38,064,767	33,465,927	14,901,367
<b>Results of operating activities</b>		<b>20,001,474</b>	<b>(25,044,100)</b>	<b>7,395,569</b>	<b>(9,784,737)</b>
Finance cost		(347,852)	(802,220)	(76,784)	(231,892)
<b>Profit/(Loss) before tax</b>		<b>19,653,622</b>	<b>(25,846,320)</b>	<b>7,318,785</b>	<b>(10,016,629)</b>
Profit from Window Takaful Operations -Operator's Fund	28	919,752	-	816,351	-
Profit / (Loss) before tax		20,573,374	(25,846,320)	8,135,136	(10,016,629)
Income tax expense	29	(6,750,625)	(2,465,397)	(866,284)	(886,750)
<b>Profit/(Loss) after tax</b>		<b>13,822,749</b>	<b>(28,311,717)</b>	<b>7,268,852</b>	<b>(10,903,379)</b>
<b>Earnings / (Loss) per share- Basic and Diluted</b>	30	<b>0.28</b>	<b>(0.57)</b>	<b>0.15</b>	<b>(0.22)</b>

The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.

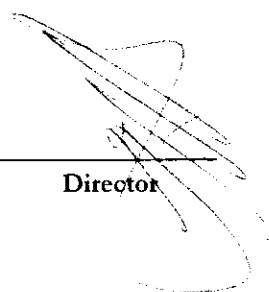


ALPHA INSURANCE COMPANY LIMITED  
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

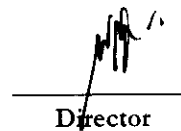
	Nine Months Period Ended September 30, 2023		Three Months Period Ended September 30, 2023	
	2023	2022	2023	2022
	(Un-audited)			
	----- (Rupees) -----			
Profit/(Loss) after taxation	13,822,749	(28,311,717)	7,268,852	(10,903,379)
<b>Other comprehensive loss for the period</b>				
Unrealised (loss)/gain on available for sale investments -Net of tax	(38,586,317)	(3,443,167)	733,907	(5,570,695)
Other comprehensive (loss)/income for the period	(38,586,317)	(3,443,167)	733,907	(5,570,695)
<b>Total comprehensive (loss)/income for the period</b>	<b>(24,763,568)</b>	<b>(31,754,884)</b>	<b>8,002,759</b>	<b>(16,474,074)</b>



Chief Executive Officer



Director



Director



Chairman

**ALPHA INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

	Share Capital	Capital reserve		Revenue reserves			Un appropriated profit	Total
		Reserve for exceptional losses	General reserve	Unrealised gain/(loss) on revaluation of available for sale - net of tax	Subtotal Reserves			
Balance as at January 01, 2022	500,000,000	3,355,000	6,820,000	82,436,460	92,611,460	120,429,660	713,041,120	
<i>Total comprehensive loss for the period ended September 30, 2022</i>								
Loss for the period ended September 30, 2022	-	-	-	-	-	(28,311,717)	(28,311,717)	
Other comprehensive loss	-	-	-	(24,223,295)	(24,223,295)	-	(24,223,295)	
Balance as at September 30, 2022	500,000,000	3,355,000	6,820,000	58,213,165	68,388,165	92,117,943	660,506,108	
Balance as at January 01, 2023	500,000,000	3,355,000	6,820,000	71,623,987	81,798,987	106,400,660	688,199,647	
<i>Total comprehensive loss for the period ended September 30, 2023</i>								
Profit for the period ended September 30, 2023	-	-	-	-	-	13,822,749	13,822,749	
Other comprehensive loss	-	-	-	(38,586,317)	(38,586,317)	-	(38,586,317)	
Balance as at September 30, 2023	500,000,000	3,355,000	6,820,000	33,037,670	43,212,670	120,223,409	663,436,079	

Balance as at January 01, 2022

*Total comprehensive loss for the period ended September 30, 2022*

Loss for the period ended September 30, 2022

Other comprehensive loss

Balance as at September 30, 2022

Balance as at January 01, 2023

*Total comprehensive loss for the period ended September 30, 2023*

Profit for the period ended September 30, 2023

Other comprehensive loss

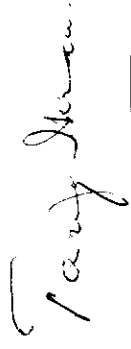
Balance as at September 30, 2023



Chief Executive Officer



Director




Chairman

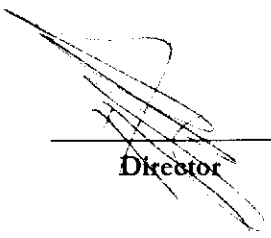
ALPHA INSURANCE COMPANY LIMITED  
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023


	September 30, 2023	September 30, 2022
	(Un-audited)	
Notes	----- (Rupees) -----	
<b>OPERATING CASH FLOWS</b>		
<b>Underwriting activities</b>		
Insurance premiums received	259,703,910	164,571,656
Reinsurance premium paid	(11,829,140)	(55,404,310)
Claims paid	(78,788,897)	(27,658,189)
Reinsurance and other recoveries received	9,540,700	2,944,111
Commission paid	(38,510,021)	(20,992,710)
Commission received	1,632,734	823,587
Management expenses paid	(86,976,667)	(64,390,243)
<b>Net cash flow from underwriting activities</b>	<b>54,772,619</b>	<b>(106,098)</b>
<b>Other operating activities</b>		
Income tax paid	(6,846,553)	(6,593,777)
Other operating payments	(34,944,518)	49,638,547
Operating receipts	-	54,497
Loans advanced	(7,449,858)	519,934
<b>Net cash flow from other operating activities</b>	<b>(49,240,929)</b>	<b>43,619,201</b>
<b>Total cash flow from all operating activities</b>	<b>5,531,690</b>	<b>43,513,103</b>
<b>INVESTMENT ACTIVITIES</b>		
Profit / return received	54,894,145	48,889,430
Dividend received	4,765,084	6,565,641
Payment for investments/investment matured	(38,319,382)	(244,785,682)
Proceeds from investments	-	212,264,768
Fixed capital expenditure	(1,079,703)	(627,870)
Proceeds from disposal of fixed assets	-	1,609,785
Payments for Window Takaful Operation	(50,000,000)	-
<b>Total cash flow from investing activities</b>	<b>(29,739,857)</b>	<b>23,916,072</b>
<b>FINANCING ACTIVITIES</b>		
Lease payments	(3,570,174)	(3,570,175)
<b>Total cash used in financing activities</b>	<b>(3,570,174)</b>	<b>(3,570,175)</b>
<b>Net cash flow from all activities</b>	<b>(27,778,341)</b>	<b>63,859,000</b>
Cash and cash equivalents at the beginning of the period	125,445,975	69,482,507
<b>Cash and cash equivalents at the end of the period</b>	<b>97,667,634</b>	<b>133,341,507</b>

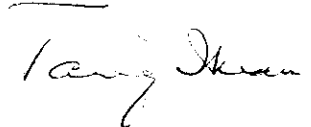
ALPHA INSURANCE COMPANY LIMITED  
 CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
 FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023	September 30, 2022
	(Un-audited)	
	----- (Rupees) -----	
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	5,531,690	43,513,103
Depreciation and amortization expense	(3,940,527)	(3,638,860)
Dividend Income	4,765,084	6,565,641
Other investment income	55,522,255	36,691,789
Gain/(loss) on sale of fixed assets	-	1,645,239
Increase/(decrease) in assets other than cash	158,141,074	(12,760,257)
(Increase)/decrease in liabilities other than borrowings	(221,455,708)	(107,160,835)
Other Income	15,258,881	6,832,463
<b>Profit/(Loss) after taxation</b>	<u>13,822,749</u>	<u>(28,311,717)</u>

  
 \_\_\_\_\_  
 Chief Executive Officer

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Chairman

**ALPHA INSURANCE COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

Alpha Insurance Company Limited ("the Company") was incorporated in Pakistan on December 24, 1951 under the Indian Companies Act VII of 1913 as a public limited company and registered as a non-life insurance company by the Securities and Exchange Commission of Pakistan (SECP) under the Insurance Ordinance, 2000. The Company is engaged in providing non-life insurance business comprising fire, marine, motor, health, credit and suretyship and miscellaneous. The Company commenced its commercial operations on January 23, 1952.

The registered office of the Company is situated at 4th Floor, Building # 1-B, State Life Square, I. I. Chundrigar Road, Karachi. The Company has 09 (December 31, 2022: 09) branches in Pakistan. The parent entity of the Company is State Life Insurance Corporation of Pakistan holding 95.15% (December 31, 2022: 95.15%) shares of the Company.

The Company was granted authorisation on November 21, 2022 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations (WTO) in respect of General Takaful products by the Securities and Exchange Commission of Pakistan (SECP) and the Company has not commenced Window Takaful Operations to date.

**2 STATEMENT OF COMPLIANCE**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012.. Where the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017 and Insurance Accounting Regulations, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 shall prevail.

**3 BASIS OF PREPARATION**

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2022.

The figures in the condensed interim profit and loss account and other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the relevant notes to the condensed interim financial statements for the nine-months period ended September 30, 2023 are not audited.

**3.1 BASIS OF MEASUREMENT**

These condensed interim financial statements has been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair value or amortised cost as applicable. In addition, obligation in respect of staff retirement benefits is carried

**ALPHA INSURANCE COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

These condensed interim financial statements has been prepared using the accrual basis of accounting.

**3.2 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS**

The Company was granted authorisation on November 21, 2022 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations (WTO) in respect of General Takaful products by the Securities and Exchange Commission of Pakistan (SECP). The Company launched the Window Takaful Operations on January 1, 2023.

**3.3 FUNCTIONAL AND PRESENTATION CURRENCY**

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim financial statements is presented in Pakistani rupees, which is the Company's functional and presentation currency.

**3.4 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS**

**3.4.1 Standards, amendments and interpretations to the published standards that are relevant to the company and adopted in the current period**

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current period.

**3.4.2 New or Revised Standard or Interpretation**

	<b>Effective Date (Annual periods beginning on or after)</b>
IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
IAS 12 - International tax reform- pillar 'Two model rules'	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
IAS 8 - 'Definition of Accounting Estimates	January 1, 2023

**3.4.3 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company**

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

<b>Standard or Interpretation</b>	<b>Effective Date (Annual periods beginning on or after)</b>
IAS 1 - Classification of Liabilities as Current or Non-current	January 1, 2024
IAS 1 - Non-current Liabilities with covenants	January 1, 2024

**ALPHA INSURANCE COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

IFRS 16- Lease liability in a sale and leaseback January 1, 2024

Amendments to IAS 7 and IFRS 7- Supplier finance January 1, 2024

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

**3.4.4 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)**

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

**Application of IFRS 9 and IFRS 17**

IFRS 9 'Financial Instruments' is effective for reporting year ended December, 31 2019. It replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, a new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts' – Applying IFRS 9 'Financial Instruments with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Company has determined that it is eligible for the temporary exemption option since the company has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the company doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the company can defer the application of IFRS 9 until the application IFRS 17.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms "principal" as being the fair value of the financial asset at initial recognition, and the "interest" as being compensation for (i) the time value of money, and (ii) the

**ALPHA INSURANCE COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

credit risk associated with the principal amount outstanding during a particular period of time.

Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) - In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, IASB issued amendments to IFRS 4 Insurance Contracts in 2017. The two optional solutions raised some considerations which required detailed analysis and management judgement. On the issue of IFRS 17 (Revised) Insurance Contracts in June 2020, the end date for applying the two options under the IFRS 4 amendments was extended to January 01, 2023 aligned with the effective date of IFRS 17.

1 SECP vide its letter no. ID/MDPRD/IFRS-17/2021/1716 dated June 15, 2021, has intimated a roadmap for the implementation of IFRS 17 – Insurance Contracts and has specified a four-phased approach for the implementation of IFRS 17.

The said four phase approach is as follows:

- a) Phase One: Gap Analysis.
- b) Phase Two: Financial Impact Assessment.
- c) Phase Three: System Design and Methodology.
- d) Phase Four: Parallel Run and Implementation.

Timeline for completion of “Phase One i.e. Gap Analysis” was set at 30 September 2021. The company has submitted Management report over Gap Analysis to SECP within the stipulated time.

SECP vide its letter no. ID/MDPRD/IFRS-17/2022/2392 has set 31 December 2022 as a deadline for the completion of “Phase Two” and also requires the insurers and takaful operators to submit interim submissions for 30 June 2022 and 30 September 2022 demonstrating the progress made in undertaking of Financial Impact Assessment. The company has submitted the first interim submission of FIA on 30 June 2022 however the impact of the application of the IFRS is still in assessment stage.

#### **4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and method of computation adopted for the preparation of this condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2022.

Certain amendments and interpretations to approved accounting standards became effective during the period were not relevant to the Company's operation and do not have any impact on accounting policies of the Company.

#### **5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates and that such estimates and judgments are continually evaluated based on historical experience and expectations of future events that are believed to be reasonable under the circumstances.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial



**ALPHA INSURANCE COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

statements as at and for the year ended December 31, 2022.

**6 INSURANCE AND FINANCIAL RISK MANAGEMENT**

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2022.

<b>7 PROPERTY AND EQUIPMENT</b>	<b>Note</b>	<b>September 30, 2023 (Un-audited)</b>	<b>December 31, 2022 (Audited)</b>
		<b>----- (Rupees) -----</b>	
Operating assets	7.1	3,728,753	3,793,606
Right-of-use assets	7.2	722,995	3,347,962
		<u>4,451,748</u>	<u>7,141,568</u>
<b>7.1 Operating assets</b>			
Opening book value		3,793,606	4,683,783
Add: Additions during the period/year	7.1.1	1,079,703	627,870
Less: Disposals during the period/year	7.1.2	-	-
		<u>4,873,309</u>	<u>5,311,653</u>
Less: Depreciation for the period/year		<u>(1,144,556)</u>	<u>(1,518,047)</u>
		<u>3,728,753</u>	<u>3,793,606</u>
<b>7.1.1 Addition during the period - Cost</b>			
Computer and accessories	??	248,700	627,870
Electrical Installations		831,003	
<b>7.1.2 Assets disposed during the period - WDV</b>			
Motor vehicles		-	-
		<u>1,079,703</u>	<u>627,870</u>
<b>7.2 Right-of-use assets</b>			
<b>Balance as at January 01, 2023</b>		3,347,962	6,859,402
Add: Additions during the period/year		-	-
Less: Disposals during the period/year -WDV		-	(163,404)
		<u>3,347,962</u>	<u>6,695,998</u>
Depreciation charge for the period/year		<u>(2,624,967)</u>	<u>(3,348,036)</u>
<b>Balance as at September 30, 2023</b>		<u>722,995</u>	<u>3,347,962</u>
<b>8 INTANGIBLE ASSETS</b>			
Opening book value		496,897	-
Add: Additions during the period		-	603,747
Less: Deletions during the period		-	-

ALPHA INSURANCE COMPANY LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	<u>496,897</u>	<u>603,747</u>
Less: Amortization for the period	<u>(135,503)</u>	<u>(106,850)</u>
	<u><u>361,394</u></u>	<u><u>496,897</u></u>

ALPHA INSURANCE COMPANY LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

9 INVESTMENTS IN EQUITY SECURITIES

Available for sale	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Cost	Impairment/ provision	Carrying value	Cost	Impairment/ provision	Carrying value
	----- (Rupees) -----			----- (Rupees) -----		
Listed equity securities						
Unrealized gain	129,655,103	(41,029,041)	88,626,061	129,655,103	(39,618,050)	90,037,053
	-	-	63,028,745	-	-	101,615,062
	<u>129,655,103</u>	<u>(41,029,041)</u>	<u>151,654,806</u>	<u>129,655,103</u>	<u>(39,618,050)</u>	<u>191,652,115</u>

10 INVESTMENTS IN DEBT SECURITIES

Held to maturity	Note	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
		Cost	Impairment/ provision	Carrying value	Cost	Impairment/ provision	Carrying value
		----- (Rupees) -----			----- (Rupees) -----		
<b>Government securities</b>							
- Pakistan investment bonds	10.1	221,790,180	-	233,016,884	221,790,180	-	230,535,193
- Treasury bills	10.2	296,558,810	-	296,558,810	238,452,780	-	260,721,118
		<u>518,348,990</u>	<u>-</u>	<u>529,575,694</u>	<u>460,242,960</u>	<u>-</u>	<u>491,256,311</u>

10.1 Pakistan investment bonds have face value of Rs. 221.79 million (market value of Rs. 232.82 million) [2022: face value of Rs. 221.79 million (market value of Rs. 230.54 million)]. These carry mark-up ranging from 9.5% to 10% (2022: 9.5% to 10%) per annum and will mature between 2024 and 2029.

10.1.1 Pakistan Investment Bonds with face value of Rs. 60 million (2022: Rs. 60 million) are placed with State Bank of Pakistan under Section 29 of the Insurance Ordinance, 2000.

10.2 Market treasury bills have face value of Rs. 296.56 million (market value of Rs. 296.59 million) [2022: face value of Rs. 238.45 million (market value of Rs. 260.72 million)]. These carry mark-up at 14.95% to 22.92% (2022: 12.46% to 14.95%) per annum and will mature in 2023.

11 LOANS AND OTHER RECEIVABLES

	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Accrued investment income	18,635,774	6,693,926
Security deposit	305,120	305,120
Advance to supplier	6,527,878	-
Agent commission receivable	22,855	72,854
Loans to employees	748,658	1,004,541
Other receivables	1,441,566	213,704
	<u>27,681,851</u>	<u>8,290,145</u>

ALPHA INSURANCE COMPANY LIMITED  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
 FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
		----- (Rupees) -----	
<b>12 INSURANCE / REINSURANCE RECEIVABLES</b>			
- Unsecured and considered good	Notes		
Due from insurance contract holders		48,071,922	93,812,062
Less: provision for impairment of receivables from insurance contract holders		(25,637,526)	(86,799,589)
		<u>22,434,396</u>	<u>7,012,473</u>
Due from other insurers / reinsurers		177,805,270	131,868,119
Less: provision for impairment of due from other insurers / reinsurers		(35,376,979)	(31,758,415)
		<u>142,428,291</u>	<u>100,109,704</u>
		<u>164,862,687</u>	<u>107,122,177</u>
		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
		----- (Rupees) -----	
<b>13 TAXATION - Payment less provision</b>			
Opening Balance		77,932,083	73,319,937
Tax paid including deducted at source		12,376,219	7,812,415
Provision for taxation		(6,750,625)	(3,200,269)
Closing Balance		<u>83,557,677</u>	<u>77,932,083</u>
<b>14 PREPAYMENTS</b>			
Prepaid reinsurance premium ceded	21.3	33,193,277	27,073,841
Prepaid rent		1,407,751	234,891
Prepaid miscellaneous expenses		480,132	208,879
		<u>35,081,160</u>	<u>27,517,611</u>
<b>15 CASH AND BANK</b>			
<b>Cash and Cash Equivalent</b>			
- Cash in hand		91,521	-
- Policy & Revenue stamps, Bond papers		130,095	207,080
<b>Cash at bank</b>			
- Current accounts		-	5,390,622
- Savings accounts	15.1	97,446,018	67,241,666
- Window takaful operations	15.2	-	52,606,607
		<u>97,667,634</u>	<u>125,445,975</u>
<b>15.1</b>	The rate of return on profit and loss savings account maintained at various bank range from 14.5% to 19.5% per annum (2022: 5.50% to 12.23% per annum)		
<b>15.2</b>	During the period, the Company has commenced Window Takaful Operations on dated January 1, 2023 and has transferred the amount to operator's fund		
		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
		----- (Rupees) -----	
<b>16 RESERVES</b>	Note		
<b>Capital reserve</b>			
Reserve for exceptional losses	16.1	3,355,000	3,355,000
<b>Revenue reserves</b>			
General reserve		6,820,000	6,820,000
Unrealised appreciation on 'available for sale' investments		33,037,670	71,623,987
		<u>43,212,670</u>	<u>81,798,987</u>

**ALPHA INSURANCE COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

16.1 The reserve for exceptional losses represents amounts set aside till December 31, 1978 to avail deduction thereof in computing taxable income, as allowed previously under the old Income Tax Act of 1922. After the introduction of the Repealed Income Tax Ordinance, 1979, which did not permit the said deduction, the Company discontinued the setting aside of amounts thereafter as reserve for exceptional losses.

		September 30, 2023	December 31, 2022
	Note	(Un-audited) ----- (Rupees) -----	(Audited)
<b>17 PREMIUM DEFICIENCY RESERVES</b>			
Opening balance		1,133,365	2,967,400
Provision/reversal for the period	17.1	578,048	(1,834,035)
Closing balance		<u>1,711,413</u>	<u>1,133,365</u>
<b>18 INSURANCE/REINSURANCE PAYABLES</b>			
Due to other insurers / reinsurers		103,418,347	47,503,741
Cash margins against performance bonds		34,129,952	21,389,900
		<u>137,548,299</u>	<u>68,893,641</u>
<b>19 OTHER CREDITORS AND ACCRUALS</b>			
Agents commission payable		65,230,266	54,899,361
Federal Excise Duty / Sales tax		17,003,825	17,642,107
Lease liability	19.1	1,163,492	4,385,814
Sindh Workers' Welfare Fund	19.2	2,197,746	2,197,746
Salaries and wages payable		80,004	1,245,548
Accrued expenses		2,922,871	2,936,943
Compensated absences		2,652,791	2,613,382
Income tax liabilities		169,457	245,432
Other tax payables		154,072	174,025
Unpaid and Unclaimed Dividend		3,001,450	3,001,450
Accounts payable for goods & services		3,452,272	466,523
Other creditors & accruals		2,646,694	2,614,369
		<u>100,674,939</u>	<u>92,422,700</u>
<b>19.1 Lease Liability</b>			
Current		1,163,492	3,482,487
Non - Current		-	903,327
		<u>1,163,492</u>	<u>4,385,814</u>

19.2 The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court.

The Honorable Supreme Court of Pakistan vide its judgment dated 10 November 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution.

The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated November 10, 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

In view of the above, on prudent basis the management has decided not to reverse charge for WWF recorded for the years up to 2015 amounting to Rs. 2.198 million.

**20 CONTINGENCIES AND COMMITMENTS**

**20.1 Contingencies**

There are no material changes in the status of contingencies as same reported in note 21.1 to the financial statements of the Company for the year ended December 31, 2022, excepts specified below:

20.1.1 Various claims amounting to Rs. 60.48 million (2022:Rs. 60.48 million) has been lodged by various parties against the Company. The Company has not acknowledged these claims as the management considers that the company is not liable to settle the amount.

**ALPHA INSURANCE COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

20.2 There were no commitments at the period end.

ALPHA INSURANCE COMPANY LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

Notes	Nine months period		Three months period	
	ended September 30,		ended September 30,	
	2023	2022	2023	2022
	(Un-audited)		(Un-audited)	
	(Rupees)		(Rupees)	
<b>21 NET INSURANCE PREMIUM</b>				
Written Gross Premium	252,363,988	175,621,231	109,316,064	93,520,948
Add: Unearned premium reserve opening	85,324,267	72,254,843	98,727,699	55,868,254
Less: Unearned premium reserve closing	(124,485,366)	(90,872,709)	(124,485,366)	(90,872,709)
Premium earned	213,202,889	157,003,365	83,558,397	58,516,493
Less: Reinsurance premium ceded	55,353,112	34,455,390	22,757,723	11,424,242
Add: Prepaid reinsurance premium opening	27,073,841	32,413,688	28,631,626	26,214,168
Less: Prepaid reinsurance premium closing	(33,193,277)	(21,925,631)	(33,193,277)	(21,925,631)
Reinsurance expense	49,233,676	44,943,447	18,196,072	15,712,779
	163,969,213	112,059,918	65,362,325	42,803,714
<b>22 NET INSURANCE CLAIMS EXPENSE</b>				
Claims paid	78,788,897	27,658,189	57,971,782	17,306,141
Add: Outstanding claims including IBNR closing	278,272,459	201,924,936	278,272,459	201,924,936
Less: Outstanding claims including IBNR opening	(210,329,362)	(138,206,245)	(243,911,104)	(201,634,836)
Claim expense	146,731,994	91,376,880	92,333,137	17,596,241
Less: Reinsurance and other recoveries received	9,540,700	2,944,111	9,116,080	2,900,947
Add: Reinsurance and other recoveries in respect of outstanding claims - closing	138,017,226	91,456,026	138,017,226	91,456,026
Less: Reinsurance and other recoveries in respect of outstanding claims - opening	(91,694,443)	(78,372,240)	(104,303,713)	(101,579,520)
Reinsurance and other recoveries revenue	55,863,483	16,027,897	42,829,593	(7,222,547)
	90,868,511	75,348,983	49,503,544	24,818,788
<b>23 NET COMMISSION / ACQUISITION COST</b>				
Commission paid or payable	44,467,464	31,030,316	18,012,699	16,815,673
Add: Deferred commission expense opening	15,115,328	12,578,983	15,170,486	9,698,951
Less: Deferred commission expense closing	(19,488,789)	(15,336,519)	(19,488,789)	(15,336,519)
Net Commission	40,094,003	28,272,780	13,694,396	11,178,108
Less: Commission received or recoverable	1,632,734	823,587	1,114,430	279,102
Add: Unearned Reinsurance commission opening	475,937	979,744	527,404	742,450
Less: Unearned Reinsurance commission closing	(1,227,534)	(604,857)	(1,227,534)	(604,857)
Commission from reinsurance	881,137	1,198,474	414,300	416,695
	39,212,866	27,074,306	13,280,096	10,761,413
<b>24 MANAGEMENT EXPENSES</b>				
Employees benefit cost	47,741,880	39,082,358	16,758,118	14,779,992
Traveling expense	718,035	664,898	236,761	292,541
Advertisement & sales promotion	471,010	196,850	15,850	182,600
Printing and stationery	1,847,983	869,038	466,027	200,410
Utilities	2,776,044	1,950,374	1,387,702	1,114,540
Depreciation	3,805,023	3,638,860	1,362,607	1,220,667
Amortization expense	135,504	-	45,281	-
Rent, rates and taxes	145,690	551,787	(188,561)	111,100
Legal and professional charges - business related	3,299,186	4,917,566	865,906	2,035,467
Entertainment	1,136,788	490,862	495,013	181,871
Vehicle running expenses	14,183,293	7,976,179	5,544,375	3,521,882
Office repair and maintenance	2,017,672	1,076,245	509,930	563,290
Bank charges	262,854	279,510	105,177	96,219
Postages, telegrams and telephone	1,253,514	1,037,890	432,612	419,519
Training & development	175,386	-	175,386	-
Annual supervision fee SECP	195,240	-	-	-
Bad and doubtful debts	2,577,426	7,619,465	(1,443,191)	5,908,677
Co-insurance service charges	3,102,657	1,041,880	2,149,022	557,689
Insurance charges	267,757	370,380	29,293	66,000
Miscellaneous	(129,383)	1,224,189	(365,818)	189,783

## 24.1 Employees benefit cost

Salaries, allowance and other benefits  
Charges for post employment benefit

	85,983,559	72,988,331	28,581,490	31,442,247
	46,294,424	38,078,884	16,141,242	14,345,884
	1,447,456	1,003,474	616,876	434,108
	47,741,880	39,082,358	16,758,118	14,779,992
	Nine months period ended September 30, 2023		Three months period ended September 30, 2023	
	(Un-audited)		(Un-audited)	
	(Rupees)		(Rupees)	

## 25 INVESTMENT INCOME

### Income from equity securities - available for sale

Dividend income

4,765,084 6,565,641 923,775 997,737

### Income from debt securities - held to maturity

Return on government securities

54,465,805 36,691,789 22,127,738 13,805,312

Amortization of discount on government securities

2,481,691 2,209,964 851,246 758,417

61,712,580 45,467,394 23,902,759 15,561,466

Total investment income

61,712,580 45,467,394 23,902,759 15,561,466

Less: Reversal / (Impairment) in value of available for sale securities- equity securities

(1,410,991) (14,027,134) 6,111,034 (2,643,588)

Investment related expenses

(14,250) (14,250)

Net investment income

60,287,339 31,440,260 29,999,543 12,917,878

## 26 OTHER INCOME

### Income from financial assets

Return on bank balances

11,313,738 6,521,296 4,733,935 2,151,484

### Income from non-financial assets

Gain on sale of fixed asset

- 1,609,786 - -

Gain on termination of Right of use assets

- 35,453 - -

Exchange Gain

- 54,497 - -

Miscellaneous income

- 256,670 - -

Reversal of bad and doubtful debts

3,945,143 - - -

15,258,881 8,477,702 4,733,935 2,151,484

## 27 OTHER EXPENSES

Auditors' remuneration

662,100 194,400 467,700 -

Directors' Fees

1,560,000 1,560,000 580,000 160,000

Fees & Subscription

648,875 98,795 219,850 7,995

2,870,975 1,853,195 1,267,550 167,995

## 28 PROFIT FROM WINDOW TAKAFUL OPERATIONS - OPERATOR'S FUND

Wakala fee

1,396,202 - 1,325,102 -

Mudarib Fee

40,060 40,060

Commission expense

(545,511) - (330,986) -

General administrative and management expense

(3,577,434) - (1,498,600) -

Investment income

2,424,010 - 1,332,400 -

Other income

2,566,155 - 649,443 -

Ceded Money Expense

(500,000) - -

Other expenses

(406,027) - (265,599) -

Taxation

(477,703) - (435,469) -

Profit before tax

919,752 - 816,351 -

## 29 INCOME TAX EXPENSE

### For the period

- Current

(6,750,625) (1,578,647) (866,284) (945,182)

- Deferred

- - - (1,323,569)

(6,750,625) (1,578,647) (866,284) (2,268,751)

## 30 EARNINGS PER SHARE



Profit / (Loss) after tax for the period	<u>13,822,749</u>	<u>(28,311,717)</u>	<u>7,268,852</u>	<u>(10,903,379)</u>
	----- (Number of Shares) -----			
Weighted average number of ordinary shares	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
Earnings / (Loss) per share	<u>0.28</u>	<u>(0.57)</u>	<u>0.15</u>	<u>(0.22)</u>

No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

**ALPHA INSURANCE COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

**31 SEGMENT INFORMATION**

The class wise revenues and results are as follows:

	Nine Months Period ended September 30, 2023 (Un-audited)						2023 Aggregate	
	September 30, 2023	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond		Other classes
<b>Premium receivable</b> (inclusive of federal excise duty, federal insurance fee and administrative surcharge)		126,445,286	43,959,799	48,392,399	33,449,984	1,868,049	19,873,093	273,988,610
Less : Federal excise duty / Sales Tax		7,304,939	3,845,285	5,325,121	-	211,140	1,801,785	18,488,270
Federal insurance fee		510,170	367,502	377,402	212,582	15,620	124,501	1,607,777
Others		9,490	1,483,445	18,040	250	4,300	13,050	1,528,575
<b>Gross written premium</b> (inclusive of administrative surcharge)		<b>118,620,687</b>	<b>38,263,567</b>	<b>42,671,836</b>	<b>33,237,152</b>	<b>1,636,989</b>	<b>17,933,757</b>	<b>252,363,988</b>
Gross direct premium		50,065,540	35,420,416	36,715,319	38,841,871	1,537,733	12,195,655	174,776,534
Facultative inward premium		67,732,570	1,937,511	5,075,789	(5,616,719)	75,175	5,491,311	74,695,637
Administrative surcharge		822,577	905,640	880,728	12,000	24,081	246,791	2,891,817
		<b>118,620,687</b>	<b>38,263,567</b>	<b>42,671,836</b>	<b>33,237,152</b>	<b>1,636,989</b>	<b>17,933,757</b>	<b>252,363,988</b>
Insurance premium earned		107,856,740	32,625,582	38,575,094	13,502,924	1,710,074	18,932,475	213,202,889
Reinsurance expense		(18,857,948)	(12,986,614)	(4,988,381)	-	(1,533,113)	(10,867,620)	(49,233,676)
<b>Net insurance premium</b>		<b>88,998,792</b>	<b>19,638,968</b>	<b>33,586,713</b>	<b>13,502,924</b>	<b>176,961</b>	<b>8,064,855</b>	<b>163,969,213</b>
Insurance claims		(97,081,348)	(9,235,874)	(13,255,863)	(17,199,353)	-	(9,959,556)	(146,731,994)
Insurance claims recovered from reinsurers		53,407,546	20,086	2,395,851	-	-	40,000	55,863,483
<b>Net claims</b>		<b>(43,673,802)</b>	<b>(9,215,788)</b>	<b>(10,860,012)</b>	<b>(17,199,353)</b>	<b>-</b>	<b>(9,919,556)</b>	<b>(90,868,511)</b>
Commission expense (Net of reinsurance commission)		(22,861,973)	(8,630,031)	(4,177,531)	(877,898)	(118,398)	(2,547,035)	(39,212,866)
Management expenses		(40,415,548)	(13,036,875)	(14,538,827)	(11,324,312)	(557,743)	(6,110,255)	(85,983,559)
Premium deficiency (expense)/reversal		(376,699)	(222,926)	-	-	21,577	-	(578,048)
<b>Net insurance claims and expenses</b>		<b>(107,328,022)</b>	<b>(31,105,620)</b>	<b>(29,576,370)</b>	<b>(29,401,563)</b>	<b>(654,564)</b>	<b>(18,576,846)</b>	<b>(216,642,984)</b>
<b>Underwriting result</b>		<b>(18,329,230)</b>	<b>(11,466,652)</b>	<b>4,010,343</b>	<b>(15,898,639)</b>	<b>(477,603)</b>	<b>(10,511,991)</b>	<b>(52,673,771)</b>
Investment income								60,287,339
Other income								15,258,881
Other expenses								(2,870,975)
Finance cost								(347,852)
								72,327,393
<b>Results of operating activities</b>								<b>19,653,622</b>

As at December 31, 2022 (Audited)

December 31, 2022 (Audited)	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	2023 Aggregate
Segment Assets	78,802,436	45,227,965	59,949,676	16,217,030	2,352,641	39,394,579	241,944,327
Unallocated Assets							912,740,233
Segment liabilities	78,802,436	45,227,965	59,949,676	16,217,030	2,352,641	39,394,579	1,154,684,560
Unallocated liabilities	229,749,963	29,840,334	52,127,848	22,393,273	6,094,402	32,643,993	372,849,813
	229,749,963	29,840,334	52,127,848	22,393,273	6,094,402	32,643,993	93,635,097
							466,484,910

Nine Months Period Ended September 30, 2022 (Un-audited)

September 30, 2022	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	2022 Aggregate
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**Premium receivable** (inclusive of federal excise duty, federal insurance fee and administrative surcharge)

Less: Federal excise duty / Sales Tax	84,497,569	38,970,038	38,046,173	12,601,343	1,053,872	17,274,529	192,443,524
Federal insurance fee	4,732,009	3,679,946	4,165,450	-	143,996	1,818,788	14,540,189
Others	338,200	308,487	297,327	2,315	9,001	123,895	1,079,225
	11,475	1,164,469	17,865	-	900	8,170	1,202,879
<b>Gross written premium</b> (inclusive of administrative surcharge)	<b>79,415,885</b>	<b>33,817,136</b>	<b>33,565,531</b>	<b>12,599,028</b>	<b>899,975</b>	<b>15,323,676</b>	<b>175,621,231</b>

Gross direct premium

Facultative inward premium	33,202,934	29,936,534	28,926,184	12,597,028	893,975	12,181,250	117,737,905
Administrative surcharge	45,633,010	2,980,626	3,857,025	-	-	2,936,708	55,407,369
	579,941	899,976	782,322	2,000	6,000	205,718	2,475,957
	79,415,885	33,817,136	33,565,531	12,599,028	899,975	15,323,676	175,621,231

Insurance premium earned

Reinsurance expense	69,130,345	29,306,456	30,468,529	8,873,776	105,580	19,118,679	157,003,365
<b>Net insurance premium</b>	<b>(20,464,406)</b>	<b>(7,169,453)</b>	<b>(4,379,697)</b>	<b>-</b>	<b>(574,191)</b>	<b>(12,355,700)</b>	<b>(44,943,447)</b>
Net commission income	48,665,939	22,137,003	26,088,832	8,873,776	(468,611)	6,762,979	112,059,918
	327,422	70,013	269,957	-	-	531,082	1,198,474
<b>Net Underwriting income</b>	<b>48,993,361</b>	<b>22,207,016</b>	<b>26,358,789</b>	<b>8,873,776</b>	<b>(468,611)</b>	<b>7,294,061</b>	<b>113,258,392</b>

Insurance claims

Insurance claims recovered from reinsurers	(57,640,376)	(9,466,030)	(11,938,376)	(8,145,109)	-	(4,186,995)	(91,376,880)
<b>Net claims</b>	<b>10,878,660</b>	<b>2,893,164</b>	<b>2,205,000</b>	<b>-</b>	<b>-</b>	<b>51,073</b>	<b>16,027,897</b>
<i>balance carried forward</i>	(46,761,710)	(6,572,866)	(9,733,376)	(8,145,109)	-	(4,135,922)	(75,348,983)
	2,231,651	15,634,150	16,625,413	728,667	(468,611)	3,158,139	37,909,409

Nine Months Period Ended September 30, 2022 (Un-audited)

September 30, 2022	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	2022 Aggregate
	----- (Rupees) -----						
<i>balance brought forward</i>	2,231,651	15,634,150	16,625,413	728,667	(468,611)	3,158,139	37,909,409
Commission expense	(13,564,769)	(7,170,717)	(3,501,517)	(443,589)	(12,959)	(3,579,229)	(28,272,780)
Management expenses	(33,005,308)	(14,054,430)	(13,949,863)	(5,236,167)	(374,030)	(6,368,533)	(72,988,331)
Premium deficiency expense	-	-	-	(372,525)	-	615,360	242,835
<b>Net insurance claims and expenses</b>	<b>(44,338,426)</b>	<b>(5,590,997)</b>	<b>(825,967)</b>	<b>(5,323,614)</b>	<b>(855,600)</b>	<b>(6,174,263)</b>	<b>(63,108,867)</b>
<b>Underwriting result</b>	<b>(42,106,775)</b>	<b>10,043,153</b>	<b>15,799,446</b>	<b>(4,594,947)</b>	<b>(1,324,211)</b>	<b>(3,016,124)</b>	<b>(25,199,459)</b>
Investment income							31,440,260
Other income							8,477,702
Other expenses							(1,853,195)
Finance cost							(802,220)
							37,262,547
							(25,846,320)

**Results of operating activities**

December 31, 2021	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	2022 Aggregate
	----- (Rupees) -----						
	66,520,193	32,662,558	44,339,368	11,931,142	455,343	35,367,346	191,275,950
Segment Assets							886,329,566
Unallocated Assets	66,520,193	32,662,558	44,339,368	11,931,142	455,343	35,367,346	1,077,605,516
	153,171,380	23,944,986	41,828,989	18,749,637	3,625,393	33,852,508	275,172,893
Segment liabilities							89,391,503
Unallocated liabilities	153,171,380	23,944,986	41,828,989	18,749,637	3,625,393	33,852,508	364,564,396

ALPHA INSURANCE COMPANY LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

32 GENERAL

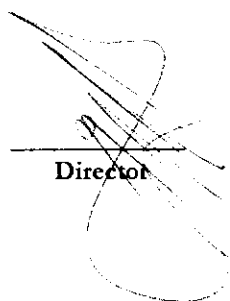
Figures in the condensed interim financial statements are rounded off to the nearest rupee.

33 DATE OF AUTHORIZATION

This condensed interim financial statements was authorized for issue on 20-12-23 by the Board of Directors of the Company.



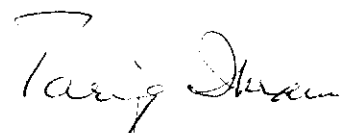
Chief Executive Officer



Director



Director



Chairman

**ALPHA INSURANCE COMPANY  
LIMITED - WINDOW TAKAFUL  
OPERATIONS**

**FINANCIAL STATEMENTS**

(Unaudited)

For the Nine months period ended September 30, 2023

**ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION OF OPERATOR'S FUND AND PARTICIPANTS'**  
**TAKAFUL FUND (UNAUDITED)**

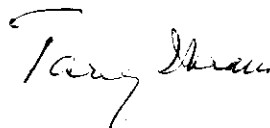
As at September 30, 2023


	Operator's Fund		Participant's Takaful Fund	
	September 30, 2023 (Unaudited)	December 31, 2022	September 30, 2023 (Unaudited)	December 31, 2022
	Note ----- (Rupees) -----			
<b>Assets</b>				
Property and equipment	-	-	-	-
Intangible assets	-	-	-	-
Investments	7 25,000,000	-	-	-
Retakaful recoveries against outstanding claims	-	-	-	-
Takaful / retakaful receivables	10 -	-	4,634,126	-
Deferred wakala expense	17 -	-	2,678,106	-
Deferred commission expense	18 1,006,226	-	-	-
Qard-e-hasna contributed to PTF	-	-	-	-
Salvage recoveries accrued	-	-	-	-
Receivable from PTF	9 4,848,915	-	-	-
Advance Taxation - provision less payments	238,484	-	20,030	-
Loans and other receivables	8 2,424,010	-	-	-
Prepayments	11 -	-	8,520,261	-
Cash and bank	12 24,177,611	-	5,550,983	-
<b>Total Assets</b>	<b>57,695,246</b>	<b>-</b>	<b>21,403,506</b>	<b>-</b>
<b>Funds and Liabilities</b>				
<b>Reserve attributable to:</b>				
<b>Operator's Fund (OPF)</b>				
Statutory fund	50,000,000	-	-	-
Revaluation reserves	-	-	-	-
Accumulated deficit / Surplus	919,752	-	-	-
<b>Balance of Operator's Fund</b>	<b>50,919,752</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Participant's Takaful Fund (PTF)</b>				
Ceded Money	-	-	500,000	-
Revaluation reserves	-	-	-	-
Accumulated deficit / Surplus	-	-	(387,730)	-
<b>Balance of Participant's Takaful Fund / Waqf</b>	<b>-</b>	<b>-</b>	<b>112,270</b>	<b>-</b>
<b>Qard-e-Hasna</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>				
<b>PTF Underwriting provisions</b>				
Unearned contribution reserve	14 -	-	7,745,157	-
Outstanding claims/benefits (including IBNR)	16 -	-	25,250	-
Contribution deficiency reserve	-	-	-	-
Reserve for Unearned retakaful rebate	15 -	-	168,380	-
	-	-	7,938,787	-
Unearned wakala fees	2,678,106	-	-	-
Takaful / retakaful payables	-	-	6,946,459	-
Payable to OPF	-	-	4,848,915	-
Advance Taxation - Payment less provision	1,167,036	-	-	-
Other creditors and accruals	13 2,930,352	-	1,557,075	-
	6,775,494	-	13,352,449	-
<b>Total Fund and Liabilities</b>	<b>57,695,246</b>	<b>-</b>	<b>21,403,506</b>	<b>-</b>

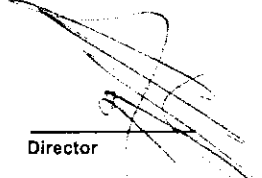
**Contingencies and commitments**

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

  
 Chief Executive Officer

  
 Chairman

  
 Director

  
 Director

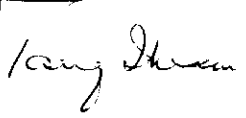
**ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UNAUDITED)**


For the Quarter and Nine months period ended September 30, 2023

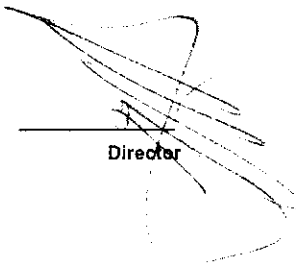
	Note	Nine Months ended September		Quarter ended September 30,	
		2023	2022	2023	2022
		------(Rupees)-----		------(Rupees)-----	
<b><u>Participant's Takaful Fund</u></b>					
Contribution earned - net of wakala fee	14	2,623,776	-	1,343,978	-
Less: Contribution ceded to retakaful	14	(2,997,685)	-	(463,389)	-
Net contribution revenue		(373,908)	-	880,590	-
Re-takaful rebate earned	15	9,826	-	8,626	-
Net underwriting income		(364,082)	-	889,216	-
Net claims - reported / settled - IBNR	16	(101,470)	-	(91,470)	-
Other direct expenses		(15,650)	-	(9,343)	-
(Deficit) / Surplus before investment income		(481,203)	-	788,402	-
Investment income		-	-	-	-
Other income	22	133,532	-	118,705	-
Less: Modarib's share of investment income		(40,060)	-	(35,612)	-
<b>(Deficit) / Surplus for the period</b>		<b>(387,730)</b>	<b>-</b>	<b>871,496</b>	<b>-</b>
<b><u>Operator's Fund</u></b>					
Wakala fee		1,396,202	-	1,325,102	-
Commission expense	18	(545,511)	-	(330,986)	-
General, administrative and management expenses	19	(3,577,434)	-	(2,553,034)	-
		(2,726,743)	-	(1,558,918)	-
Modarib's share of PTF investment income		40,060	-	35,612	-
Investment Income	20	2,424,010	-	1,332,400	-
Other Income	21	2,566,155	-	649,443	-
Cede Money Expense		(500,000)	-	-	-
Other expenses		(406,027)	-	(265,598)	-
<b>Profit Before taxation</b>		<b>1,397,455</b>	<b>-</b>	<b>192,939</b>	<b>-</b>
Taxation		(477,703)	-	(435,469)	-
<b>(Loss)/Profit After taxation</b>		<b>919,752</b>	<b>-</b>	<b>(242,530)</b>	<b>-</b>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

  
 Chief Executive Officer

  
 Chairman

  
 Director

  
 Director



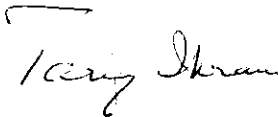
**ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**


For the Quarter and Nine months period ended September 30, 2023

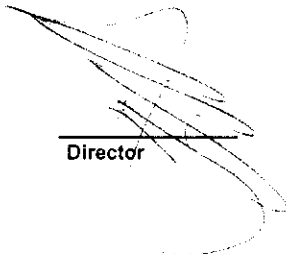
	Nine Months ended September		Quarter ended September 30,	
	2023	2022	2023	2022
	------(Rupees)-----		------(Rupees)-----	
<b>Participant's Takaful Fund</b>				
(Deficit) / Surplus for the period	(387,730)	-	871,496	-
<b>Other comprehensive income / (loss) for the period:</b>				
Unrealized loss on available for sale securities	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>(387,730)</b>	<b>-</b>	<b>871,496</b>	<b>-</b>
<b>Operator's Fund</b>				
(Loss) / Profit after tax for the period	919,752	-	(242,530)	-
<b>Other comprehensive income / (loss) for the period:</b>				
Unrealized income on available for sale securities	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>919,752</b>	<b>-</b>	<b>(242,530)</b>	<b>-</b>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

  
 \_\_\_\_\_  
 Chief Executive Officer

  
 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

**ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS (UNAUDITED)**

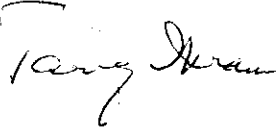
For the Nine months period ended September 30, 2023


	Operator's Fund			Total
	Statutory fund	Unrealized gain / (loss) on revaluation of available-for-sale	Accumulated deficit	
	------(Rupees)-----			
Balance as at January 01, 2022	-	-	-	-
Total comprehensive income/ (loss) for the period ended September 30, 2022				
Net Income/ loss for the period	-	-	-	-
Other comprehensive income for the period	-	-	-	-
<b>Balance as at September 30, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balance as at January 01, 2023	50,000,000	-	-	50,000,000
Total comprehensive income/ (loss) for the period ended September 30, 2023				
Net Income/ loss for the period	-	-	919,752	919,752
Other comprehensive income for the period	-	-	-	-
<b>Balance as at September 30, 2023</b>	<b>50,000,000</b>	<b>-</b>	<b>919,752</b>	<b>50,919,752</b>

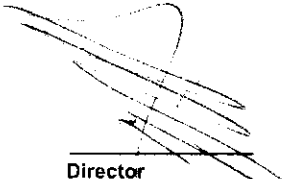
	Participant's Takaful Fund			Total
	Seed Money	Unrealized gain / (loss) on revaluation of available-for-sale	Accumulated Deficit	
Balance as at January 01, 2022	-	-	-	-
Total Surplus/ (Deficit) for the period ended September 30, 2022				
Surplus/Deficit for the period	-	-	-	-
Other comprehensive loss for the period	-	-	-	-
<b>Balance as at September 30, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balance as at January 01, 2023	500,000	-	-	500,000
Total Surplus/ (Deficit) for the period ended September 30, 2023				
Surplus/Deficit for the period	-	-	(387,730)	(387,730)
Other comprehensive loss for the period	-	-	-	-
<b>Balance as at September 30, 2023</b>	<b>500,000</b>	<b>-</b>	<b>(387,730)</b>	<b>112,270</b>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Chairman

  
Director

  
Director

# ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the Nine months period ended September 30, 2023

## 1. LEGAL STATUS AND NATURE OF BUSINESS

Alpha Insurance Company Limited (the Operator) has been authorized to undertake Window Takaful Operations (WTO) on November 21, 2022 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The registered office of the Company is situated at 4th Floor, Building # 1-B, State Life Square, I. I. Chundrigar Road, Karachi.

For the purpose of carrying on the Takaful business, the Operator has formed a Waqf (Participants' Takaful Fund (PTF) on January 11, 2023 under the Waqf Deed with a Seed money of Rs. 500,000. The Waqf Deed and PTF Policies (Waqf Rules) govern the relationship of Operator, Waqf and Participants for management of Takaful operations, investment of Waqf and Operator's Fund as approved by the Shariah Advisor of the Operator. The accounts of the Waqf are maintained by the Operator in a manner that the assets and liabilities of Waqf remain separately identifiable. The financial statements of the Operator are prepared in such a manner that the financial position and results from the operations of Waqf and the Operator are shown separately.

## 2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 1416(I)/2019 dated 20th November, 2019 has prescribed format of the presentation of published financial statements for general takaful operator for takaful business. These condensed interim financial statements have been prepared in accordance with the format as prescribed by the SECP.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting' as applicable in Pakistan, provision of and directives issued under the Companies Act 2017, insurance Ordinance 2000, Insurance Rules 2017, Takaful Rules 2012. In case requirements differ, the provisions or directives of the Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 and Takaful Rules 2012 have been followed.

These condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.

This condensed interim financial statements does not include all the information and disclosures required in the annual financial statements. The condensed interim financial statements is first time prepared and all the information and disclosures will be provided in the annual financial statements for the year ending December 31, 2023.

## 3. BASIS OF MEASUREMENT

These condensed interim financial statements has been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair value or amortised cost as applicable. These condensed interim financial statements has been prepared using the accrual basis of accounting.

## 4. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim financial statements is presented in Pakistani rupees, which is the Company's functional and presentation currency.

## 5. ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial statements are in conformity with approved accounting standards which requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting polices. The estimates / judgments and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## 6. FINANCIAL AND TAKAFUL RISK MANAGEMENT

The financial risk management objectives and policies are the first time adopted by the Company.

7. INVESTMENTS IN ISLAMIC SUKUK BONDS - Held to maturity

Note	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	(Rupees)			(Rupees)		
<b>Government securities</b>						
- Sukuk Bond	25,000,000	-	25,000,000	-	-	-
	-	-	-	-	-	-
	<b>25,000,000</b>	<b>-</b>	<b>25,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

Operator's Fund		Participant's Takaful Fund	
September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
(Unaudited)	(Audited)	(Unaudited)	(Audited)
(Rupees)			

8. LOANS AND OTHER RECEIVABLES - Considered good

Profit receivable	2,424,010	-	-	-
Federal excise duty	-	-	-	-
Others	-	-	-	-
	<b>2,424,010</b>	<b>-</b>	<b>-</b>	<b>-</b>

9. RECEIVABLE FROM OPF / PTF

Wakala fee receivable/payable	3,069,097	-	3,069,097	-
Inter fund receivable	1,779,818	-	1,779,818	-
	<b>4,848,915</b>	<b>-</b>	<b>4,848,915</b>	<b>-</b>

10. TAKAFUL / RETAKAFUL RECEIVABLES - Unsecured and considered good

Contribution due but unpaid	-	-	4,634,126	-
Less: Provision for doubtful receivables takaful participants' holders	-	-	-	-
	<b>-</b>	<b>-</b>	<b>4,634,126</b>	<b>-</b>

Amounts due from other takaful / retakaful operators	-	-	-	-
	<b>-</b>	<b>-</b>	<b>4,634,126</b>	<b>-</b>

11. PREPAYMENTS

Prepaid retakaful contribution ceded	-	-	8,520,261	-
Other prepaid expense	-	-	-	-
	<b>-</b>	<b>-</b>	<b>8,520,261</b>	<b>-</b>

12. CASH AND BANK

Cash and cash equivalent

Policy, revenue stamps and bond papers	-	-	-	-
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Cash at bank

Profit and loss sharing account	24,177,611	-	5,550,983	-
	<b>24,177,611</b>	<b>-</b>	<b>5,550,983</b>	<b>-</b>

The rate of return on profit and loss sharing accounts held with Islamic banks during the period range from 13.0% to 17.1% per annum.

13. OTHER CREDITORS AND ACCRUALS

Payable to Alpha Insurance Company Limited	1,582,434	-	21,810	-
Federal takaful fee	-	-	98,050	-
Sales tax on services	-	-	1,437,215	-
Commission payable	1,027,799	-	-	-
Auditor's fee	-	-	-	-
Others	320,119	-	-	-
	<b>2,930,352</b>	<b>-</b>	<b>1,557,075</b>	<b>-</b>

	(Unaudited)			
	Quarter ended	September	Nine Months ended	
	30,	2022	2023	September 30,
	2023	2022	2023	2022
<b>14. NET CONTRIBUTION</b>				
Written gross contribution	6,933,108	-	11,765,135	-
Add: Unearned contribution reserve opening	3,481,129	-	-	-
Less: Unearned contribution reserve closing	(7,745,157)	-	(7,745,157)	-
Contribution earned	<u>2,669,080</u>	-	<u>4,019,978</u>	-
Retakaful contribution ceded	4,494,730	-	11,517,946	-
Add: Prepaid retakaful contribution opening	4,488,920	-	-	-
Less: Prepaid retakaful contribution closing	(8,520,261)	-	(8,520,261)	-
Retakaful expense	<u>463,389</u>	-	<u>2,997,685</u>	-
<b>Net contribution</b>	<u><u>2,205,691</u></u>	-	<u><u>1,022,293</u></u>	-
<b>15. RE-TAKAFUL REBATE</b>				
Retakaful rebate received or recoverable	168,603	-	178,206	-
Add: Unearned retakaful rebate opening	8,403	-	-	-
Less: Unearned retakaful rebate closing	(168,380)	-	(168,380)	-
	<u>8,626</u>	-	<u>9,826</u>	-
<b>16. TAKAFUL BENEFITS / CLAIMS EXPENSE</b>				
Benefits / Claims paid or payable	76,220	-	76,220	-
Less: Outstanding Benefits / claims including IBNR opening	(10,000)	-	-	-
Add: Outstanding Benefits / claims including IBNR closing	25,250	-	25,250	-
Benefits / Claims expense	<u>91,470</u>	-	<u>101,470</u>	-
Less: Retakaful and other recoveries received	-	-	-	-
Less: Retakaful recoveries against outstanding claims - opening	-	-	-	-
Add: Retakaful recoveries against outstanding claims - closing	-	-	-	-
Retakaful and other recoveries revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Takaful Benefits / Claim Expense</b>	<u><u>91,470</u></u>	<u><u>-</u></u>	<u><u>101,470</u></u>	<u><u>-</u></u>
<b>17. WAKALA FEE - PTF/OPF</b>				
Gross wakala fee	2,529,852	-	4,074,308	-
Add: Deferred wakala opening	1,473,356	-	-	-
Less: Deferred wakala closing	(2,678,106)	-	(2,678,106)	-
Net wakala fee	<u>1,325,102</u>	-	<u>1,396,202</u>	-
<b>18. COMMISSION EXPENSE - OPF</b>				
Commission paid or payable	916,961	-	1,551,737	-
Add: Deferred commission opening	420,251	-	-	-
Less: Deferred commission closing	(1,006,226)	-	(1,006,226)	-
Commission expense	<u>330,986</u>	-	<u>545,511</u>	-
<b>19. GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES - OPF</b>				
Employee benefit cost	1,054,434		1,054,434	
Legal and professional charges	534,600		891,000	
Professional Charges - IT Related	964,000		1,632,000	
	<u>-</u>		<u>-</u>	
	<u>2,553,034</u>		<u>3,577,434</u>	
<b>20. INVESTMENT INCOME - OPF</b>				
Islamic securities	1,332,400	-	2,424,010	-
	<u>1,332,400</u>	<u>-</u>	<u>2,424,010</u>	<u>-</u>
<b>21. OTHER INCOME - OPF</b>				
Profit on bank deposits	649,443	-	2,566,155	-
	<u>649,443</u>	<u>-</u>	<u>2,566,155</u>	<u>-</u>
<b>22. OTHER INCOME - PTF</b>				
Profit on bank deposits	118,705	-	133,532	-
	<u>118,705</u>	<u>-</u>	<u>133,532</u>	<u>-</u>
<b>23. OTHER EXPENSE - OPF</b>				
Auditors' remuneration	122,100		262,500	
Shairah Audit Fee	112,500		112,500	
Printing & Stationery	15,800		15,800	
Bank Charges - OTF	28		57	
Other expenses	15,170		15,170	
	<u>265,598</u>		<u>406,027</u>	

24. SEGMENT INFORMATION

24.1. PTF

Nine Months ended September 30, 2023 (Unaudited)

	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	Aggregate
(Rupees)							
<b>Gross Contributions</b> (inclusive of administrative surcharge)	2,926,456	703,398	8,069,350	-	-	65,931	11,765,135
Wakala fee	(509,517)	(8,726)	(873,648)	-	-	(4,311)	(1,396,202)
Contribution Earned	1,468,958	26,828	2,511,699	-	-	12,493	4,019,978
Takaful Contribution ceded Expense	(1,067,493)	(687,183)	(479,656)	-	-	(763,353)	(2,997,685)
<b>Net Contribution after wakala fee</b>	(108,052)	(669,081)	1,158,396	-	-	(755,171)	(373,908)
Rebate from re-takaful	5,472	-	4,354	-	-	-	9,826
<b>Net Revenue</b>	(102,580)	(669,081)	1,162,750	-	-	(755,171)	(364,082)
Takaful claims	(250)	-	(101,220)	-	-	-	(101,470)
Takaful claims recovered from retakaful operator	-	-	-	-	-	-	-
<b>Net claims</b>	(250)	-	(101,220)	-	-	-	(101,470)
Direct Expense	(3,893)	(936)	(10,734)	-	-	(88)	(15,650)
<b>Net takaful claims &amp; expenses</b>	(4,143)	(936)	(111,954)	-	-	(88)	(117,120)
<b>Underwriting result</b>	(106,723)	(670,017)	1,050,796	-	-	(755,258)	(481,203)
Investment income							-
Other income							133,532
Less: Mudarib fee							(40,060)
Other Expense							-
							93,473
<b>Surplus/(deficit) for the period</b>							(387,730)

24.2. OPF

Nine Months ended September 30, 2023 (Unaudited)

	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	Aggregate
(Rupees)							
Wakala Fee	509,517	8,726	873,648	-	-	4,311	1,396,202
Commission Expense	(258,426)	(5,154)	(280,699)	-	-	(1,232)	(545,511)
Management	(889,850)	(213,883)	(2,453,654)	-	-	(20,048)	(3,577,434)
	(638,760)	(210,311)	(1,860,705)	-	-	(16,968)	(2,726,743)
Investment income							2,424,010
Mudarab Share							40,060
Other income							2,566,155
Ceded Money Expense							(500,000)
Other Expense							(406,027)
							4,124,198
Taxation							(477,703)
<b>Profit / (loss) after taxation</b>							919,752
Corporate Segment Assets	165,841	23,333	230,115	-	-	962	420,251
Corporate Unallocated Assets							57,274,995
	165,841	23,333	230,115	-	-	962	57,695,246
Corporate Segment liabilities	576,886	44,988	847,826	-	-	3,656	1,473,356
Corporate Unallocated liabilities							5,302,138
	576,886	44,988	847,826	-	-	3,656	6,775,494

25. **DATE OF AUTHORIZATION FOR ISSUE**

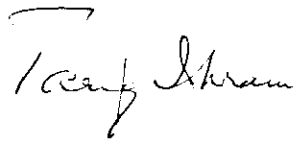
These condensed interim financial statements were authorized for issue on 20-12-23 by the Board of Directors of the Company.

26. **GENERAL**

Figures have been rounded off to the nearest rupee.



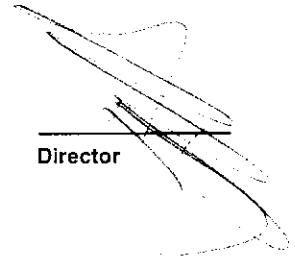
Chief Executive Officer



Chairman



Director



Director