

DIRECTOR'S REPORT



alpha
Insurance Company Limited

A subsidiary of State Life Insurance Corporation of Pakistan

FINANCIAL STATEMENTS

(Unaudited)

Quarter Ended March 31, 2016

For and on behalf of the Board:

Nasir Chishti
Chairperson



Alpha

Insurance Company Limited

A subsidiary of State Life Insurance Corporation of Pakistan

DIRECTOR'S REPORT

Directors of the Company are pleased to present the unaudited financial statements for the 1st quarter ended March 31, 2016.

During the period under review, the Company was able to underwrite a Gross Premium of Rs. 29.637 million as compared to Rs. 56.162 million of the corresponding period of last year, representing a decrease of Rs. 26.524 over the prior year.

The underwriting loss for the 1st quarter of the year 2016 was Rs. 18.23 million as compared to loss of Rs. 13.44 million for the same period of last year.

The Company posted Rs. 4.33 million Investment Income as against Rs. 6.48 million of the previous year. The reduction in investment income is due to reduction in interest rate in current year and provision made for impairment in available for sale investment.

Loss before tax for the 1st quarter ended March 31, 2016 was Rs. 19.55 million against loss of Rs. 11.99 million of corresponding period of last year.

Finally, the Company posted Rs. (0.37) EPS as compared to Rs. (0.23) in the same period last year.

We would like to place on record our thanks to our business partners and all stakeholders for their continued patronage as well as to the Company's employees for their dedicated efforts.

Your Management looks forward to the future with confidence and envisages that we may succeed to meet the challenges ahead in remaining period of the year with the hope of improved commercial activity amid economic uplift and relative political stability in the country.

For and on behalf of the Board

Karachi: May 13, 2016.


Nargis Ghaloo
Chairperson

Head Office:
Building No. 1-B, State Life Square,
off. I.I. Chundrigar Road, Karachi-74000
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Alpha

Insurance Company Limited

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ڈائریکٹرز کا جائزہ

کمپنی کے ڈائریکٹرز رواں سال کی پہلی سہ ماہی (یکم جنوری تا ۳۱ مارچ ۲۰۱۶) کی غیر آڈٹ شدہ رپورٹ پیش کرتے ہوئے نہایت مسرور ہیں۔ جس کے مطابق رواں سال کی پہلی سہ ماہی کا کل پریمیئم ۲۹.۶۲۳ ملین روپے رہا جبکہ گزشتہ سال اسی عرصے کے دوران پریمیئم ۵۶.۱۶۲ ملین روپے تھا۔ اس طرح گزشتہ سال کے مقابلے میں کمپنی کے پریمیئم میں ۲۶.۵۲۳ ملین روپوں کی کمی آئی۔

رواں سال کی پہلی سہ ماہی میں کمپنی کا نقصان ۱۸.۶۲۳ ملین روپے رہا جبکہ گزشتہ سال اسی عرصے کے دوران کل نقصان ۱۳.۶۴۲ ملین روپے تھا۔ علاوہ ازیں سرمایہ کاری کی مدد میں کمپنی کو ۲۶.۳۳۳ ملین روپے کا منافع حاصل ہوا جبکہ گزشتہ سال اسی عرصے کے دوران یہی منافع ۶.۶۴۸ ملین روپے تھا۔ سرمایہ کاری منافع میں مذکورہ زوال کا سبب رواں سال حکومت کی جانب سے شرح سود میں کمی کرنا بنی۔

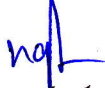
رواں سال ۳۱ مارچ ۲۰۱۶ کو ختم ہونے والی پہلی سہ ماہی میں ٹیکس کی ادائیگی سے قبل نقصان ۱۹.۵۵۵ ملین روپے رہا جبکہ گزشتہ سال اسی عرصے میں بھی نقصان ۱۱.۹۹۹ ملین روپے تھا۔

مجموعی طور پر کمپنی کی فی شیئر آمدنی منفی ۰.۶۳۷ روپے رہی جبکہ گزشتہ سال یہی شرح منفی ۰.۶۲۳ روپے تھی۔

ہم اپنے کاروباری شراکت داروں اور اسٹیک ہولڈرز بشمول کمپنی ہذا کے کارکنوں کے مسلسل تعاون اور کاوشوں پر دل کی گہرائیوں سے انہیں مبارکباد پیش کرتے ہیں اور یہ یقین دلاتے ہیں کہ کمپنی انتظامیہ رواں سال کے باقی ۹ ماہ درپیش چیلنجز سے کامیابی کیساتھ نمٹنے کیلئے نہ صرف مکمل طور پر عزم ہے بلکہ تجارتی سرگرمیوں و اقتصادی نمو کے فروغ اور ملک میں سیاسی استحکام کیلئے بھی پُر امید ہے۔

منجانب بورڈ آف ڈائریکٹرز

کراچی: ۱۳ مئی ۲۰۱۶ء


نرگس اھلو
چیئر پرسن

Head Office:


Building No. 1-B, State Life Square,
off. I.I. Chundrigar Road, Karachi-74000
Tel: 021-32416041-45, Fax: 021-32419968
info@alphainsurance.com.pk
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Alpha Insurance Company Limited
 Balance Sheet
 As At March 31, 2016

	2016 Rupees	2015 Rupees
SHARE CAPITAL AND RESERVES		
Authorized share capital	<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid-up capital	403,600,000	403,600,000
Retained earnings	206,654,092	221,534,492
Reserves	10,175,000	10,175,000
Shareholders' equity	620,429,092	635,309,492
LIABILITIES		
Underwriting provisions		
Provision for outstanding claims (including IBNR)	76,127,023	78,388,667
Provision for unearned premium	57,474,117	67,283,918
Premium Deficiency Reserve	7,990,698	1,176,868
Commission income unearned	6,745,863	8,489,852
Total underwriting provisions	148,337,701	155,339,305
Creditors and Accruals		
Amounts due to other insurers / reinsurers	98,684,019	97,231,396
Accrued expenses	31,213,324	33,550,439
Other creditors and accruals	48,757,763	50,034,119
	178,655,106	180,815,954
Unclaimed dividend	3,011,260	3,011,260
Total liabilities	330,004,067	339,166,519
TOTAL EQUITY AND LIABILITIES	<u>950,433,159</u>	<u>974,476,011</u>
CONTINGENCIES AND COMMITMENTS		


 Chief Executive


 Director


 Director


 Chairperson

Alpha Insurance Company Limited
Balance Sheet
As At March 31, 2016

	2016 Rupees	2015 Rupees
ASSETS		
Cash and bank deposits		
Cash and other equivalent	332,088	112,285
Current and other accounts	26,278,225	33,038,758
Deposits maturing within 12 months	-	-
	<u>26,610,313</u>	<u>33,151,043</u>
Investments	661,731,546	654,630,163
Deferred taxation	28,718,850	23,944,952
Other Assets		
Premiums due but unpaid	71,524,595	66,591,122
Amounts due from other insurers/ reinsures	27,325,254	43,941,200
Accrued investment income	11,004,269	22,667,053
Reinsurance recoveries against outstanding claims	33,017,764	33,663,772
Taxation - Payments less provision	34,852,234	32,220,522
Deferred commission expense	10,717,440	11,946,420
Prepayments	28,789,427	35,038,702
Sundry receivables	6,565,185	6,274,058
	<u>223,796,168</u>	<u>252,342,849</u>
Fixed assets - tangible and intangible		
Tangible		
Furniture And Fixtures	5,607,702	5,871,805
Office Equipment	1,127,686	1,276,719
Computer Equipment	557,580	624,053
Motor Vehicles	2,283,313	2,634,427
	<u>9,576,281</u>	<u>10,407,004</u>
TOTAL ASSETS	<u>950,433,159</u>	<u>974,476,011</u>

Mr. Kadi
Chief Executive

[Signature]
Director

[Signature]
Director

[Signature]
Chairperson

Alpha Insurance Company Limited
Profit and Loss Account

For the Quarter Ended March 31, 2016

	Fire and Property	Marine, Aviation and Transport	Motor	Accident and Health	Bond	Other	Total 2016	Total 2015
----- Rupees -----								
Revenue Account								
Net Premium Revenue	3,919,877	3,207,192	7,137,948	1,151,301	554,750	1,814,789	17,785,857	21,329,898
Net Claims	23,944	(1,356,129)	(2,361,507)	(1,514,308)	-	(885,059)	(6,093,059)	(13,569,588)
Premium Deficiency Expense	(3,583,256)	(972,665)	(1,822,632)	(410,658)	-	(24,619)	(6,813,830)	2,286,606
Management Expenses	(8,820,909)	(4,716,699)	(5,648,774)	(70,406)	(62,911)	(1,498,588)	(20,818,287)	(21,412,654)
Net Commission	(711,526)	(532,065)	(892,035)	(57,541)	(30,410)	(73,610)	(2,297,187)	(2,071,300)
Underwriting Results	(9,171,870)	(4,370,366)	(3,587,000)	(901,612)	461,429	(667,087)	(18,236,506)	(13,437,038)
Investment Income							4,328,885	6,477,618
Other Income							260,699	861,019
General and Administrative Expenses							(5,908,626)	(5,892,742)
Profit for the period before Taxation							(19,555,548)	(11,991,143)
Provision for Taxation							4,675,148	2,841,584
Profit / (Loss) after Tax							(14,880,400)	(9,149,559)

Earnings per share-basic and diluted

(0.37)

(0.23)

Mr. Shrivastava
Chief Executive

[Signature]
Director

[Signature]
Director

[Signature]
Chairperson

[Signature]

Alpha Insurance Company Limited
Statement of Changes in Equity
For the Quarter Ended March 31, 2016

	Issued, subscribed and paid-up capital	Capital Reserves Reserve for exceptional losses *	Revenue Reserves		Total Shareholders' equity
			General reserve	Retained earnings	
Balance as at January 01, 2015	403,600,000	3,355,000	6,820,000	189,529,024	603,304,024
Changes in equity for the year ended December 31, 2015.					
Profit after tax for the year	-	-	-	31,664,249	31,664,249
Dividend	-	-	-	-	-
Bonus share issued (25% of total shares)	-	-	-	-	-
Right Shares issued.	-	-	-	-	-
Re-measurement of post employment benefit obligation (restated)	-	-	-	341,219	341,219
Balance as at December 31, 2015	403,600,000	3,355,000	6,820,000	221,534,492	635,309,492
Balance as at January 01, 2016	403,600,000	3,355,000	6,820,000	221,534,492	635,309,492
Changes in equity for the period ended March 31, 2016					
Profit / (Loss) after tax for the period	-	-	-	(14,880,400)	(14,880,400)
Bonus share issued (25% of total shares)	-	-	-	-	-
Right Shares issued.	-	-	-	-	-
Re-measurement of post employment benefit obligation - net of tax	-	-	-	-	-
Balance as at March 31, 2016	403,600,000	3,355,000	6,820,000	206,654,092	620,429,092

* The reserve for exceptional losses represent amount set aside in prior years to avail the deduction thereof in computing taxable income, as allowed previously under the old Income Tax Act of 1922. After the introduction of Income Tax Ordinance, 1979, which does not permit the said deduction, the company discontinued the setting aside of amounts thereafter as reserve for exceptional losses set aside up to December 31, 1978.

#REF!

Mo. Javed
Chief Executive

[Signature]
Director

[Signature]
Director

[Signature]
Chairperson

[Signature]

Alpha Insurance Company Limited
Statement of Cash Flows
For the Quarter Ended March 31, 2016

	2016 (Rupees)	2015 (Rupees)
Operating Cash Flows		
a) Underwriting activities		
Premium received	24,703,584	60,577,984
Reinsurance premiums paid	(13,373,389)	(42,591,253)
Claims paid	(12,868,072)	(49,423,260)
Reinsurance and other recoveries received	5,159,377	35,327,484
Commissions paid	(6,712,915)	(13,307,550)
Amount (paid to) / received from other insurer	-	-
Commission received	20,074,452	11,869,233
Other underwriting payments	(19,794,901)	(19,060,977)
Net cash from / (used in) underwriting activities	(2,811,864)	(16,608,339)
b) Other operating activities		
Income tax paid	(2,730,461)	(3,048,561)
General management expenses paid	(9,315,247)	(8,969,871)
Other operating payments	(834,145)	(2,677,612)
Other operating receipts	260,699	946,985
Net cash (used in) other operating activities	(12,619,154)	(13,749,059)
Total cash (used in) all operating activities	(15,431,018)	(30,357,398)
Investment activities		
Profit / return received	26,517,086	27,872,542
Dividends received	527,324	563,607
Payments made for investments	(39,317,396)	(146,444,789)
Proceeds from disposal of Investment	21,163,271	127,868,693
Fixed capital expenditure	3	(10,498)
Proceeds from disposal of fixed assets	-	-
Total cash (used in) / from investing activities	8,890,288	9,849,555
Financing Activities		
Dividend paid	-	-
Issue of Right Shares	-	-
Net cash from / (used in) financing activities	-	-
Net (decrease) in cash and cash equivalents	(6,540,730)	(20,507,843)
Cash at the beginning of the year	33,151,043	64,319,139
Cash at the end of the period	26,610,313	43,811,296

Alpha Insurance Company Limited
Statement of Cash Flows
For the Quarter Ended March 31, 2016

	2016 (Rupees)	2015 (Rupees)
Reconciliation to Profit and Loss account		
Operating Cash flow	(15,431,018)	(30,357,398)
Depreciation expense	(830,719)	(1,052,624)
Amortization	-	-
Profit on disposal of fixed assets	-	-
Increase (decrease) in assets other than cash	(16,883,899)	(11,871,920)
(Increase) decrease in liabilities	9,162,454	23,152,466
Investment and other income	4,328,885	6,477,618
Deferred tax charge / (reversal)	4,773,897	4,502,299
Profit/(Loss) after taxation	(14,880,400)	(9,149,559)

Definition of cash:


Cash comprises of cash in hand, bank balances, and other deposits which are readily convertible to cash and which are used in the cash management function on a day to day basis. However, cash held with State Bank of Pakistan and margin held by banks have been excluded.

Cash for the purpose of the Statement of Cash Flows consists:

Cash and other equivalent	332,088	113,471
Current and other accounts	26,278,225	43,697,825
Deposits maturing within 12 months	-	-
Deposits with SBP	-	-
Margins held by banks	-	-
	26,610,313	43,811,296


Chief Executive


Director


Director


Chairperson

Alpha Insurance Company Limited
Statement of Premiums
For the Quarter Ended March 31, 2016
 Business Underwritten Inside Pakistan

Class	Premium Written	Unearned Premium Reserve		Premiums Earned	Re-insurance Ceded	Prepaid Re-insurance Premium		Re-insurance Expense	Net Premium Revenue	
		Opening	Closing			Opening	Closing		2016	2015
----- Rupees -----										
Direct and Facultative										
For the Quarter Ended March 31, 2016										
1. Fire and Property Damage	12,557,507	33,211,612	28,909,194	16,859,925	9,723,975	24,341,300	21,125,227	12,940,048	3,919,877	5,978,606
2. Marine, Aviation and Transport	6,714,726	3,894,575	2,899,713	7,699,588	2,602,176	3,007,005	1,116,785	4,492,396	3,207,192	3,389,699
3. Motor	8,041,634	16,814,340	16,104,854	8,751,120	1,147,000	1,479,990	1,013,818	1,613,172	7,137,948	9,265,824
4. Accidental and Health	100,230	2,920,267	1,869,196	1,151,301	-	-	-	-	1,151,301	873,122
5. Bond	89,561	2,943,502	1,940,682	1,092,381	330,535	1,210,996	1,003,900	537,631	554,750	270,339
6. Others	2,133,399	7,509,622	5,750,478	3,892,543	1,022,326	3,744,066	2,688,638	2,077,754	1,814,789	1,552,308
Total	29,637,057	67,283,918	57,474,117	39,446,858	14,826,012	33,783,357	26,948,368	21,661,001	17,785,857	21,329,898

hwa. zohda
 Chief Executive

[Signature]
 Director

[Signature]
 Director

[Signature]
 Chairperson

[Signature]

Alpha Insurance Company Limited
Statement of Claims
For the Quarter Ended March 31, 2016
 Business Underwritten Inside Pakistan

Class	Claims Paid		Outstanding Claims		Claims Expense	Recoveries Receipt Basis	Re-insurance / Other Recoveries		Recoveries Revenue	Net Claims Expense	
	Opening	Closing	Opening	Closing			Opening	Closing		2016	2015
Rupees											
Direct and Facultative											
For the Quarter Ended March 31, 2016											
1. Fire and Property Damage	6,307,488	40,222,593	35,214,612	1,299,507	4,246,579	24,153,896	21,230,768	1,323,451	(23,944)	10,311,487	
2. Marine, Aviation and Transport	219,306	8,827,006	11,470,059	2,862,359	294,408	5,641,075	6,852,897	1,506,230	1,356,129	(447,463)	
3. Motor	3,700,528	22,314,738	21,125,717	2,511,507	-	597,440	747,440	150,000	2,361,507	3,337,671	
4. Accidental and Health	1,909,363	831,217	436,162	1,514,308	-	-	-	-	1,514,308	730,825	
5. Bond	-	-	-	-	-	-	-	-	-	-	
6. Others	731,387	6,193,113	7,880,473	2,418,747	618,390	3,271,361	4,186,659	1,533,688	885,099	(362,932)	
Total	12,868,072	78,388,667	76,127,023	10,606,428	5,159,377	33,663,772	33,017,764	4,513,369	6,093,059	13,569,588	

W. Q. Khan
 Chief Executive

Director

Director

Chairperson

Alpha Insurance Company Limited
 Statement of Expenses
 For the Quarter Ended March 31, 2016
 Business Underwritten Inside Pakistan

Class	Commission Paid/Payable	Deferred Commission Expense		Commission Expense	Management Expenses	Underwriting Expenses	Commission Income	Net Underwriting Expenses	
		Opening	Closing					2016	2015

Rupees

Direct and Facultative

For the Quarter Ended March 31, 2016

1. Fire and Property Damage	3,244,171	7,529,969	6,863,565	3,910,575	8,820,909	12,731,484	3,199,049	9,532,435	12,214,698
2. Marine, Aviation and Transport	1,891,911	903,814	945,657	1,850,068	4,716,699	6,566,767	1,318,003	5,248,764	4,546,396
3. Motor	818,039	1,781,803	1,706,270	893,572	5,648,774	6,542,346	1,537	6,540,809	4,590,038
4. Accidental and Health	5,011	145,952	93,422	57,541	70,406	127,947	-	127,947	43,619
5. Bond	31,895	448,197	301,833	178,259	62,911	241,170	147,849	93,321	92,609
6. Others	279,675	1,136,685	806,693	609,667	1,498,588	2,108,255	536,057	1,572,198	1,996,594
Total	6,270,702	11,946,420	10,717,440	7,499,682	20,818,287	28,317,969	5,202,495	23,115,474	23,483,954


 Chief Executive


 Director


 Chairperson

Alpha Insurance Company Limited
Statement of Investment Income
For the Quarter Ended March 31, 2016

For the Quarter Ended March 31,	
2016	2015

Income from non-trading investment

Held to maturity

Return on government securities	13,347,223	14,349,195
Return on Term Deposit Receipts	-	-
Return on Term Finance Certificates	1,119,450	9,814
Amortisation of discount / (premium)	387,629	771,338
	<u>14,854,302</u>	<u>15,130,347</u>

Available for Sale

Dividend income	527,324	767,857
Gain on sales of available for sale investment	218,886	1,610,145
	<u>746,210</u>	<u>2,378,002</u>

Provision for impairment in value of investments

Appreciation/(diminution) in value of available for Sale of Investment.	(11,271,627)	(11,030,731)
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Total investment income

	<u>4,328,885</u>	<u>6,477,618</u>
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M. A. Kadh
Chief Executive


Director


Director


Chairperson

Alpha Insurance Company Limited
Notes to the Interim Condensed (UnAudited) Financial Statements
March 31, 2016

1 THE COMPANY AND ITS OPERATIONS

Alpha Insurance Company Limited is a public limited company incorporated in Pakistan in 1951. The registered office of the company is situated at 4th Floor, Building 1-B, State Life Square, off I. I. Chundrigar Road, Karachi. The parent enterprise of the company is State Life Insurance Corporation of Pakistan holding 94% shares of the company. The company is engaged in General Insurance business.

2 BASIS OF PREPARATIONS

These condensed interim financial statements are un-audited and should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2015

3 ACCOUNTING POLICIES

The accounting policies applied in preparation of these financial statements are the same as those applied in preparation of previous annual audited financial statements.

4 DATE OF ISSUE

The Board of Directors has authorised these financial statements for issue on May 13, 2016.

5 GENERAL

Figures have been rounded off to the nearest Rupees.


Chief Executive


Director


Director


Chairperson

