



ALPHA INSURANCE COMPANY LIMITED  
Financial Statements  
*For the period ended June 30, 2023*



Grant Thornton Anjum Rahman  
*Chartered Accountants*



## Directors' Review

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

### Business Overview:

The summarized results for Six months are as follows:

	Quarter ended June 30,		Six Months ended June 30,	
	2023	2022	2023	2022
	(Rupees)			
Premium Written	92,392,195	47,066,679	143,047,924	82,100,283
Net premium revenue	56,499,666	42,589,404	98,606,888	69,256,204
Net insurance claims	(27,003,111)	(25,015,837)	(41,364,967)	(50,530,195)
Management expenses	(33,079,317)	(23,828,152)	(57,402,069)	(41,546,084)
Underwriting profit / (loss)	(20,102,805)	(15,864,339)	(26,603,413)	(38,422,763)
Net investment income	21,904,254	11,310,058	30,287,796	18,522,382
Other income	4,089,182	2,173,518	6,579,803	6,326,219
Profit / (Loss) before tax from takful operations - Operator's Fund	180,129	-	145,635	-
Profit / (loss) before tax	4,749,930	(3,511,602)	8,535,328	(15,829,690)
Profit / (loss) after tax	1,982,285	(5,780,353)	2,650,987	(17,408,337)
Earning per share (EPS)	0.04	(0.12)	0.05	(0.35)

During the six months period ended June 30, 2023, there was a notable increase of 74 percent in gross premiums compared to the previous year. Furthermore, the net premium also experienced a significant rise of 42 percent. In addition, the underwriting loss decreased by 31 percent during the period.

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 64 percent. As a result, the company achieved a profit before and after tax during this period, which is a positive shift from the previous year when the company experienced losses. These positive developments indicate that the company is experiencing growth, and the management remains optimistic about its future prospects.

Additionally, it is worth noting that the company initiated a window for takful operation during the year.

In conclusion, the Board of Directors would like to express their gratitude to our 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

Karachi : Monday, August 28, 2023

**Mr. Tariq Ikram**  
Chairman

### Head Office:

Building No. 1-B, State Life Square,  
off. I.I. Chundrigar Road, Karachi-74000.  
Tel: 021-32416041-45, Fax: 021-32419968



# Alpha

Insurance Company Limited

جیولڈیٹڈ پبلک کمپنی (پبلک لیمیٹڈ کمپنی) (Public Company Limited by Shares) (Incorporated in Pakistan)  
۳۰ جون ۲۰۲۳ء کے ختم شدہ چھ ماہ کیلئے کمپنی کے غیر آزاد شدہ بورڈ کی مالیاتی گوشوارے آپ کے پیش نظر ہیں۔

## کمپنی کی کارکردگی

زیرجائزہ چھ ماہی کیلئے مختصر آئٹما کے مندرجہ ذیل ہیں

۳۰ جون کے ختم شدہ چھ ماہ		۳۰ جون کے ختم شدہ تین ماہ		
2022	2023	2022	2023	
روپے	روپے	روپے	روپے	
82,100,283	143,047,924	47,066,679	92,392,195	خام پریمیم
69,256,204	98,606,888	42,589,404	56,499,666	خالص پریمیم آمدنی
(50,530,195)	(41,364,967)	(25,015,837)	(27,003,111)	خالص انشورنس کلیم
(41,546,084)	(57,402,069)	(23,828,152)	(33,079,317)	انتظامی اخراجات
(38,422,763)	(26,603,413)	(15,864,339)	(20,102,805)	انڈر رائٹنگ منافع/( نقصان)
18,522,382	30,287,796	11,310,058	21,904,254	سرمایہ کاری کی آمدنی
6,326,219	6,579,803	2,173,518	4,089,182	دیگر آمدنی
-	145,635	-	180,129	تکامل آپریشنز - آپریٹنگ
(15,829,690)	8,535,328	(3,511,602)	4,749,930	منافع/( نقصان) قبل از ٹیکس
(17,408,337)	2,650,987	(5,780,353)	1,982,285	منافع/( نقصان) بعد از ٹیکس
(0.35)	0.05	(0.12)	0.04	بنیادی منافع فی شیئر (EPS)

30 جون 2023 کو ختم ہونے والی چھ ماہ کی مدت کے دوران، مجموعی پریمیم میں پچھلے سال کے مقابلے میں 74 فیصد کا قابل ذکر اضافہ ہوا ہے۔ مزید برآں، خالص پریمیم میں بھی 42 فیصد کا نمایاں اضافہ ہوا ہے۔ پچھلے سال کے مقابلے میں اس مدت میں انڈر رائٹنگ نقصان میں 31 فیصد کی کمی واقع ہوئی۔

اس عرصے کے دوران کاروباری سرگرمیوں میں اضافے کی وجہ سے انتظامی اخراجات میں اضافہ ہوا، جس کی بنیادی وجہ نئے مارکیٹنگ عملے کی شمولیت جو کہ کاروبار کو اس کی مطلوبہ بہترین سطح تک بڑھانے کیلئے کی جانے والی کوششوں میں سے ہے۔ مزید یہ کہ اس مدت میں سرمایہ کاری کی آمدنی میں 64 فیصد اضافہ دیکھا گیا۔ نتیجے کے طور پر، کمپنی نے اس عرصے کے دوران ٹیکس سے پہلے اور بعد میں منافع حاصل کیا، جبکہ پچھلے سال اس عرصے میں کمپنی کو نقصان ہوا تھا اب کمپنی ایک مثبت تبدیلی کی طرف جاری ہے۔ یہ مثبت پیشرفت اس بات کی نشاندہی کرتی ہے کہ کمپنی فی الحال ترقی کا سامنا کر رہی ہے، اور انتظامیہ مستقبل کے امکانات کے بارے میں پرامید ہے۔

مزید برآں، یہ بات قابل توجہ ہے کہ کمپنی نے سال کے دوران تھکن آپریشنز کے لیے ایک وفد شروع کی ہے۔

آخر میں، بورڈ آف ڈائریکٹرز اپنے معزز سٹورز، شیئرز، ہولڈرز، سٹیک ہولڈرز، ایگزیکٹو کمیٹی آف پاکستان کے ساتھ ساتھ انتظامیہ اور عملے کا ان کے غیر متزلزل اعتماد، تعاون اور لگن کے لیے شکریہ ادا کرنا چاہیں گے۔ ان کی مسلسل کوششیں اور محنت کمپنی کی ترقی میں اہم کردار ادا کر رہی ہے۔

Tarun Sharma

طارق آرام  
چیرمین

Signature

ڈاکٹر سید عارف حسین  
چیف ایگزیکٹو آفیسر

کراچی: ۲۸ اگست ۲۰۲۳ء

Head Office:  
Building No. 1-B, State Life Square,  
off. I.I. Chundrigar Road, Karachi-74000.  
Tel: 021-32416041-45, Fax: 021-32419968

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Alpha Insurance Company Limited

Report on review of Condensed Interim Financial Statements

**Grant Thornton Anjum  
Rahman**

1st & 3rd Floor,  
Modern Motors House,  
Beaumont Road,  
Karachi, Pakistan.

T +92 21 35672951-56

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Alpha Insurance Company Limited** as at **June 30, 2023** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity, and notes to the condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for condensed interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**Other Matters**

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three-months period ended June 30, 2023 and June 30, 2022 have not been reviewed and we do not express a conclusion on them.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Khalid Aziz**.

  
Chartered Accountants

Karachi

UDIN: RR202310154fII4JGNSQZ

Date: August 29, 2023

**ALPHA ISNURANCE COMPANY LIMITED**  
**Financial Statements**  
**For the period ended June 30, 2023**

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

		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Notes	Rupees	
<b>Assets</b>			
Property and equipment	7	4,843,849	7,141,565
Intangible assets	8	406,673	496,897
Investments			
Equity securities	9	144,809,866	191,652,115
Debt securities	10	471,965,530	491,256,311
Loans and other receivables	11	57,302,599	8,290,145
Insurance / Reinsurance receivables	12	144,757,726	107,122,177
Reinsurance recoveries against outstanding claims	23	104,303,713	91,694,443
Salvage recoveries accrued		862,020	862,020
Deferred Commission Expense / Acquisition cost	24	15,170,486	15,115,328
Deferred taxation	13	10,157,887	10,157,887
Taxation - payment less provisions	14	80,862,950	77,932,083
Prepayments	15	28,631,626	27,517,611
Cash and bank	16	93,335,166	125,445,975
Total Assets of Window Takful Operations - Operator's Fund		54,430,766	-
<b>Total assets</b>		<b>1,211,840,857</b>	<b>1,154,684,557</b>
<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]		510,000,000	510,000,000
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	17	42,478,763	81,798,987
Unappropriated profit		109,051,647	106,400,660
<b>Total equity</b>		<b>651,530,410</b>	<b>688,199,647</b>
<b>Liabilities</b>			
<b>Underwriting provisions</b>			
Outstanding claims including IBNR	23	243,911,104	210,329,362
Unearned premium reserves	22	98,727,699	85,324,267
Premium deficiency reserves	18	1,643,860	1,133,365
Unearned Reinsurance Commission	24	527,404	475,937
Retirement benefit obligations		29,850	29,850
Premium received in advance		8,231,194	7,875,788
Insurance / reinsurance payables	19	102,339,183	68,893,641
Other creditors and accruals	20	100,572,787	92,422,700
Total Liabilities of Window Takful Operations - Operator's Fund		4,327,366	-
<b>Total liabilities</b>		<b>560,310,447</b>	<b>466,484,910</b>
<b>Total equity and liabilities</b>		<b>1,211,840,857</b>	<b>1,154,684,557</b>
<b>Contingencies and commitments</b>	21		

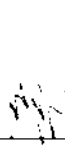
The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.



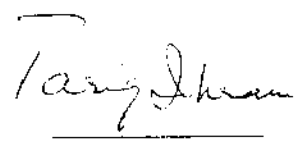
Chief Executive Officer



Director



Director



Chairman

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

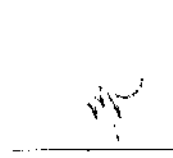
		Six Months Period Ended June 30,		Three Months Period Ended June 30,	
		2023	2022	2023	2022
		(Un-audited)		(Un-audited)	
Notes		(Rupees)			
Net insurance premium	22	98,606,888	69,256,204	56,499,666	42,589,404
Net insurance claims	23	(41,364,967)	(50,530,195)	(27,003,111)	(25,015,837)
Premium deficiency	18	(510,495)	710,205	(417,011)	380,402
Net Commission and other acquisition cost	24	(25,932,770)	(16,312,893)	(16,103,032)	(9,990,156)
Insurance claims and acquisition expenses		(67,808,232)	(66,132,883)	(43,523,154)	(34,625,591)
Management Expenses	25	(57,402,069)	(41,546,084)	(33,079,317)	(23,828,152)
Underwriting results		(26,603,413)	(38,422,763)	(20,102,805)	(15,864,339)
Investment income	26	30,287,796	18,522,382	21,904,254	11,310,058
Other income	27	6,579,803	6,326,219	4,089,182	2,173,518
Other expenses	28	(1,603,425)	(1,685,200)	(1,025,337)	(870,363)
		35,264,174	23,163,401	24,968,099	12,613,213
Results of operating activities		8,660,761	(15,259,362)	4,865,294	(3,251,126)
Finance cost		(271,068)	(570,328)	(115,364)	(260,476)
Profit/(Loss) before tax		8,389,693	(15,829,690)	4,749,930	(3,511,602)
Profit from Window Takaful Operations					
-Operator's Fund	29	145,635	-	180,129	-
Profit / (Loss) before tax		8,535,328	(15,829,690)	4,930,059	(3,511,602)
Income tax expense	30	(5,884,341)	(1,578,647)	(2,947,774)	(2,268,751)
Profit/(Loss) after tax		2,650,987	(17,408,337)	1,982,285	(5,780,353)
Earnings / (Loss) per share-					
Basic and Diluted	31	0.05	(0.35)	0.04	(0.12)

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

*C. S. M.*

  
**Chief Executive Officer**

  
**Director**

  
**Director**

  
**Chairman**



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

	Six Months Period Ended June 30,		Three Months Period Ended June 30,	
	2023	2022	2023	2022
	(Un-audited)		(Un-audited)	
	----- (Rupees) -----			
Profit/(Loss) after taxation	2,650,987	(17,408,337)	1,982,285	(5,780,353)
Other comprehensive loss for the period				
Unrealised loss on available for sale investments				
-Net of tax	(39,320,224)	(3,443,167)	(1,275,640)	(5,570,695)
Other comprehensive loss for the period	(39,320,224)	(3,443,167)	(1,275,640)	(5,570,695)
Total comprehensive loss for the period	(36,669,237)	(20,851,504)	706,645	(11,351,048)

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

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Chief Executive Officer

Director

Director

Chairman

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

	Share Capital	Capital reserve Reserve for exceptional losses	Revenue reserves General reserve	Unrealised gain/(loss) on revaluation of available for sale - net of	Subtotal Reserves	Unappropriated profit	Total
				(Rupees)			
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 June 30, 2022</i>							
Income for the period ended June 30, 2022	-	-	-	-	-	(17,408,337)	(17,408,337)
Other comprehensive loss	-	-	-	(3,443,167)	(3,443,167)	-	(3,443,167)
	-	-	-	(3,443,167)	(3,443,167)	(17,408,337)	(20,851,504)
Balance as at June 30, 2022	500,000,000	3,355,000	6,820,000	78,993,293	89,168,293	103,021,323	692,189,616
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 June 30, 2023</i>							
Profit for the period ended June 30, 2023	-	-	-	-	-	2,650,987	2,650,987
Other comprehensive loss	-	-	-	(39,320,224)	(39,320,224)	-	(39,320,224)
	-	-	-	(39,320,224)	(39,320,224)	2,650,987	(36,669,237)
Balance as at June 30, 2023	500,000,000	3,355,000	6,820,000	32,303,763	42,478,763	109,051,647	651,530,410

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Director

Chairman

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

		June 30, 2023	June 30, 2022
		(Un-audited)	
Notes		(Rupees)	
<b>OPERATING CASH FLOWS</b>			
<b>Underwriting activities</b>			
		<b>133,503,700</b>	78,759,714
		<b>(39,543,509)</b>	(23,572,359)
	23	<b>(20,817,115)</b>	(10,352,048)
		<b>424,620</b>	43,164
		<b>(16,106,973)</b>	(13,368,197)
	24	<b>518,304</b>	544,485
		<b>(51,945,015)</b>	(40,525,556)
		<b>6,034,012</b>	(8,470,797)
<b>Net cash flow from underwriting activities</b>			
<b>Other operating activities</b>			
		<b>(8,772,974)</b>	(4,284,526)
		<b>(38,126,359)</b>	(8,477,953)
		<b>(2,510,218)</b>	446,301
		<b>(49,409,551)</b>	(12,316,178)
		<b>(43,375,539)</b>	(20,786,975)
<b>Net cash flow from other operating activities</b>			
<b>Total cash flow from all operating activities</b>			
<b>INVESTMENT ACTIVITIES</b>			
		<b>39,027,011</b>	27,120,228
	26	<b>3,841,309</b>	5,567,904
	33	<b>(607,693,870)</b>	(244,785,682)
		<b>628,615,096</b>	220,232,487
	7.1.1	<b>(144,700)</b>	(321,370)
		<b>-</b>	1,609,785
		<b>(50,000,000)</b>	-
		<b>13,644,846</b>	9,423,352
<b>Total cash flow from investing activities</b>			
<b>FINANCING ACTIVITIES</b>			
		<b>(2,380,116)</b>	(2,380,116)
		<b>(2,380,116)</b>	(2,380,116)
		<b>(32,110,809)</b>	(13,743,739)
<b>Net cash flow from all activities</b>			
	16	<b>125,445,975</b>	119,483,506
<b>Cash and cash equivalents at the beginning of the period</b>			
	16	<b>93,335,166</b>	105,739,767
<b>Cash and cash equivalents at the end of the period</b>			


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


	June 30, 2023	June 30, 2022
	(Un-audited)	
	----- (Rupees) -----	
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	(43,375,539)	(20,786,975)
Depreciation expense	(2,532,640)	(2,418,193)
Gain on termination of right of use assets	-	35,453
Dividend Income	3,841,309	5,567,904
Other investment income	32,338,067	22,886,477
Increase/(decrease) in assets other than cash	96,598,254	9,378,530
(Increase)/decrease in liabilities other than borrowings	(90,798,267)	(38,362,299)
Other Income	6,579,803	6,290,766
<b>Profit/(Loss) after taxation</b>	<b>2,650,987</b>	<b>(17,408,337)</b>

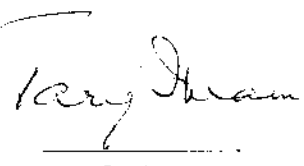
The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

*CPA*

  
 Chief Executive Officer

  
 Director

  
 Director

  
 Chairman

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

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**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 commenced Window Takaful Operations on dated January 01, 2023.

**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 six-months period ended June 30, 2023 are not audited. Further, the figures for the three-months period ended June 30, 2022 and 2021 in the condensed interim statement of profit and loss and other comprehensive income have also not been reviewed by auditors.

**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 at present value.

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 commenced the Window Takaful Operations on January 01, 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 may be relevant but not yet effective and not early adopted by the Company.

In addition to certain new standards, amendments and interpretations to approved accounting standards are not yet effective. The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financials statements of the Company.

#### 3.4.2 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.

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

The table below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis.
- b) all other financial assets.

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

	30 June 2023				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the year	Carrying value	Cost less Impairment	Change in unrealized gain / (loss) during the year
<b>Financial assets</b>	(Rupees)				
Cash and bank	22,067,789	-	71,267,377	-	-
Investments in equity securities - available for sale	144,809,866	(39,320,224)	-	-	-
Investments in debt securities - held to maturity	-	-	471,965,530	471,965,530	-
Loans and other receivables	57,302,599	-	-	-	-
Total Assets of Window Takaful Operations - Operator's Fund	2,636,066	-	51,129,177	-	-
<b>Total</b>	<b>224,180,254</b>	<b>(39,320,224)</b>	<b>543,232,907</b>	<b>471,965,530</b>	<b>-</b>

	30 June 2023				
	Gross carrying amounts of debt instruments that pass the SPPI test				
	AAA	AA+	AA-	A	Unrated
(Rupees)					
Investments in debt securities - held to maturity	-	-	-	-	471,965,530
Cash and bank	71,267,377	-	-	-	-
Total Assets of Window Takaful Operations - Operator's Fund	51,129,177	-	-	-	-
<b>Total</b>	<b>122,396,554</b>	<b>122,396,554</b>	<b>-</b>	<b>-</b>	<b>471,965,530</b>

The implementation of IFRS 9 and IFRS 17 is same as disclosed in the Company's annual financial statements for the year ended December 31, 2022.

#### 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.

#### 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 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.

**ALPHA INSURANCE COMPANY LIMITED**  
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**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

		June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		----- (Rupees) -----	
7	PROPERTY AND EQUIPMENT	Note	
	Operating assets	7.1	3,169,905
	Right-of-use assets	7.2	1,673,944
			4,843,849
7.1	Operating assets		
	Opening book value		3,793,603
	Add: Additions during the period/year	7.1.1	144,700
	Less: Disposals during the period/year	7.1.2	-
			3,938,303
	Less: Depreciation for the period/year		(768,398)
			3,169,905
7.1.1	Addition during the period - Cost		
	Computer and accessories		144,700
7.1.2	Assets disposed during the period - WDV		
	Motor vehicles		-
7.2	Right-of-use assets		
	Balance as at January 01, 2023		3,347,962
	Less: Disposals during the period/year -WDV		-
			3,347,962
	Depreciation charge for the period/year		(1,674,018)
	Balance as at June 30, 2023		1,673,944
8	INTANGIBLE ASSETS		
	Opening book value		496,897
	Add: Additions during the period		-
			496,897
	Less: Amortization for the period		(90,224)
			406,673



**ALPHA INSURANCE COMPANY LIMITED**  
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**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

**9 INVESTMENTS IN EQUITY SECURITIES**

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Cost	Impairment/ provision	Carrying value	Cost	Impairment/ provision	Carrying value
Available for sale		(Rupees)			(Rupees)	
Listed equity securities	129,655,103	(47,140,075)	82,515,028	129,655,103	(39,618,050)	90,037,053
Unrealized gain	-	-	62,294,838	-	-	101,615,062
	<u>129,655,103</u>	<u>(47,140,075)</u>	<u>144,809,866</u>	<u>129,655,103</u>	<u>(39,618,050)</u>	<u>191,652,115</u>

**10 INVESTMENTS IN DEBT SECURITIES**

	Notes	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
		Cost	Impairment/ provision	Carrying value	Cost	Impairment/ provision	Carrying value
Held to maturity			(Rupees)			(Rupees)	
Government securities							
- Pakistan investment bonds	10.1	221,790,180	-	232,165,638	221,790,180	-	230,535,193
- Treasury bills	10.2	238,226,640	-	239,799,892	238,452,780	-	260,721,118
		<u>460,016,820</u>	<u>-</u>	<u>471,965,530</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. 232.17 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. 238.23 million (market value of Rs. 239.80 million) [2022: face value of Rs. 238.45 million (market value of Rs. 260.72 million)]. These carry mark-up at 14.95% to 21.97% (2022: 12.46% to 14.95%) per annum and will mature in 2023.

**11 LOANS AND OTHER RECEIVABLES**

	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	(Rupees)	
Accrued investment income	6,584,784	6,693,926
Security deposit	305,120	305,120
Advance to supplier	2,426,874	-
Agent commission receivable	72,854	72,854
Loans to employees	1,087,885	1,004,541
Receivable from maturity of investment	45,000,000	-
Receivable from Alpha Window Takaful Operator	1,582,434	-
Other receivables	242,648	213,704
	<u>57,302,599</u>	<u>8,290,145</u>

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

		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
		----- (Rupees) -----	
<b>12 INSURANCE / REINSURANCE RECEIVABLES</b>			
- Unsecured and considered good			
Due from insurance contract holders		103,711,692	93,812,062
Less: provision for impairment of receivables from insurance contract holders		(87,142,144)	(86,799,589)
		16,569,548	7,012,473
Due from other insurers / reinsurers		163,624,655	131,868,119
Less: provision for impairment of due from other insurers / reinsurers		(35,436,477)	(31,758,415)
		128,188,178	100,109,704
		144,757,726	107,122,177
<b>13 DEFERRED TAXATION</b>			
Deferred debits arising in respect of:			
Accelerated tax depreciation on fixed assets		1,309,603	1,309,603
Lease liabilities		2,420,965	2,420,966
Provision against premium due but unpaid		25,571,702	25,571,702
Provision for diminution in value of investment		7,416,640	7,416,640
Provision against amount due from other insurers/reinsurers		8,412,872	8,412,872
Deferred credits arising due to:			
Right-of-use assets		(1,989,227)	(1,989,227)
Provision for employees' benefits plan		(380,684)	(380,684)
Unrealized loss on revaluation of AFS		(32,603,984)	(32,603,985)
		10,157,887	10,157,887
<b>13.1</b>	The amount of deferred tax asset has been restricted to Rs. 10.16 million on prudent basis considering the future taxable profitability.		
		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
		----- (Rupees) -----	
<b>14 TAXATION - Payment less provisions</b>	Notes		
Opening Balance		77,932,083	73,319,937
Tax paid including deducted at source		8,772,974	7,812,415
Provision for taxation		(5,842,107)	(3,200,269)
Closing Balance		80,862,950	77,932,083
<b>15 PREPAYMENTS</b>			
Prepaid reinsurance premium ceded	22	28,631,626	27,073,841
Prepaid rent		-	234,891
Prepaid miscellaneous expenses		-	208,879
		28,631,626	27,517,611
<b>16 CASH AND BANK</b>			
Cash and Cash Equivalent			
- Cash in hand		77,377	-
- Policy & Revenue stamps, Bond papers		53,227	207,080
Cash at bank			
- Current accounts		21,937,185	5,390,622
- Savings accounts	16.1	71,267,377	67,241,666
- Window takaful operations	16.2	-	52,606,607
		93,335,166	125,445,975

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

**16.1** 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)

**16.2** During the period, the Company has commenced Window Takaful Operations on dated January 1, 2023 and has transferred the amount to operator's fund

		June 30, 2023	December 31, 2022
	Note	(Un-audited)	(Audited)
<b>17 RESERVES</b>			
<b>Capital reserve</b>			
Reserve for exceptional losses	17.1	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		32,303,763	71,623,987
		<u>42,478,763</u>	<u>81,798,987</u>

**17.1** 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.

		June 30, 2023	December 31, 2022
	Notes	(Un-audited)	(Audited)
<b>18 PREMIUM DEFICIENCY RESERVES</b>			
Opening balance		1,133,365	2,967,400
Provision for the period appreciation/(reduction)		510,495	(1,834,035)
Closing balance		<u>1,643,860</u>	<u>1,133,365</u>
<b>19 INSURANCE/REINSURANCE PAYABLES</b>			
Due to other insurers / reinsurers		72,312,156	47,503,741
Cash margins against performance bonds		30,027,027	21,389,900
		<u>102,339,183</u>	<u>68,893,641</u>

<b>20 OTHER CREDITORS AND ACCRUALS</b>			
Agents commission payable		65,247,153	54,899,361
Federal Excise Duty / Sales tax		18,864,562	17,642,107
Lease liability	20.1	2,276,766	4,385,814
Sindh Workers' Welfare Fund	20.2	2,197,746	2,197,746
Salaries and wages payable		10,684	1,245,548
Accrued expenses		2,428,377	2,936,943
Compensated absences		2,613,382	2,613,382
Income tax liabilities		72,955	245,432
Other tax payables		194,731	174,025
Unpaid and Unclaimed Dividend		3,001,450	3,001,450
Accounts payable for goods & services		347,805	466,523
Other creditors & accruals		3,317,176	2,614,369
		<u>100,572,787</u>	<u>92,422,700</u>

<b>20.1 Lease Liability</b>			
Current		2,276,766	3,482,487
Non - Current		-	903,327
		<u>2,276,766</u>	<u>4,385,814</u>

**20.2** 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.

**ALPHA INSURANCE COMPANY LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**

**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

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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.

**21 CONTINGENCIES AND COMMITMENTS**

**21.1 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.

**21.2** There were no commitments as at June 30, 2023 (December 31, 2022: Nil).

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

	Notes	Six months period ended June 30,		Three months period ended June 30,	
		2023	2022	2023	2022
		(Un-audited)		(Un-audited)	
		(Rupees)		(Rupees)	
<b>22 NET INSURANCE PREMIUM</b>					
Written Gross Premium		143,047,924	82,100,283	92,392,195	47,066,679
Add: Unearned premium reserve opening		85,324,267	72,254,843	78,026,365	66,306,478
Less: Unearned premium reserve closing		(98,727,699)	(55,868,254)	(98,727,699)	(55,868,254)
Premium earned		129,644,492	98,486,872	71,690,861	57,504,903
Less: Reinsurance premium ceded		32,595,389	23,031,148	16,965,577	11,936,204
Add: Prepaid reinsurance premium opening		27,073,841	32,413,688	26,857,244	29,193,463
Less: Prepaid reinsurance premium closing		(28,631,626)	(26,214,168)	(28,631,626)	(26,214,168)
Reinsurance expense	15	31,037,604	29,230,668	15,191,195	14,915,499
		98,606,888	69,256,204	56,499,666	42,589,404
<b>23 NET INSURANCE CLAIMS EXPENSE</b>					
Claims paid		20,817,115	10,352,048	12,349,414	4,591,013
Add: Outstanding claims including IBNR closing		243,911,104	201,634,836	243,911,104	201,634,836
Less: Outstanding claims including IBNR opening		(210,329,362)	(138,206,245)	(228,215,365)	(167,349,064)
Claim expense		54,398,857	73,780,639	28,045,153	38,876,785
Less: Reinsurance and other recoveries received		424,620	43,164	342,042	43,164
Add: Reinsurance and other recoveries in respect of outstanding claims - closing		104,303,713	101,579,520	104,303,713	101,579,520
Less: Reinsurance and other recoveries in respect of outstanding claims - opening		(91,694,443)	(78,372,240)	(103,603,713)	(87,761,736)
Reinsurance and other recoveries revenue		13,033,890	23,250,444	1,042,042	13,860,948
		41,364,967	50,530,195	27,003,111	25,015,837
<b>24 NET COMMISSION / ACQUISITION COST</b>					
Commission paid or payable		26,454,765	14,214,643	17,675,069	8,827,386
Add: Deferred commission expense opening		15,115,328	12,578,983	13,835,125	11,268,319
Less: Deferred commission expense closing		(15,170,486)	(9,698,954)	(15,170,486)	(9,698,954)
Net Commission		26,399,607	17,094,672	16,339,708	10,396,751
Less: Commission received or recoverable		518,304	544,485	342,749	331,598
Add: Unearned Reinsurance commission opening		475,937	979,744	421,331	817,447
Less: Unearned Reinsurance commission closing		(527,404)	(742,450)	(527,404)	(742,450)
Commission from reinsurance		466,837	781,779	236,676	406,595
		25,932,770	16,312,893	16,103,032	9,990,156
<b>25 MANAGEMENT EXPENSES</b>					
Employees benefit cost	25.1	30,983,762	24,302,366	18,140,683	13,247,576
Traveling expense		481,274	372,357	233,018	283,120
Advertisement & sales promotion		455,160	14,250	96,200	14,250
Printing and stationery		1,381,956	668,628	590,445	460,103
Depreciation		2,442,416	2,418,193	1,219,140	1,185,043
Amortization expense		90,223	-	44,942	-
Rent, rates and taxes		334,251	440,687	87,060	423,962
Legal and professional charges - business related		2,433,280	2,882,099	580,620	801,197
Electricity, gas and water		1,388,342	835,834	899,791	553,421
Entertainment		641,775	308,991	311,175	229,758
Vehicle running expenses		8,638,918	4,454,297	4,398,384	2,650,349
Office repair and maintenance		1,507,742	512,955	501,472	321,661
Bank charges		157,677	183,291	86,397	94,409
Postages, telegrams and telephone		820,902	618,371	398,446	297,099
Annual supervision fee SECP		195,240	-	-	-
Bad and doubtful debts		4,020,617	1,710,788	3,790,556	1,710,788
Co-insurance service charges		953,635	484,191	624,072	237,688
Insurance charges		238,464	304,380	238,464	304,380
Miscellaneous		236,435	1,034,406	838,452	1,013,348
		57,402,069	41,546,084	33,079,317	23,828,152
<b>25.1 Employees benefit cost</b>					
Salaries, allowance and other benefits		30,153,182	23,733,000	17,677,576	12,944,844
Charges for post employment benefit		830,580	569,366	463,107	302,732
		30,983,762	24,302,366	18,140,683	13,247,576

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

	Six months period ended June 30, 2023		Three months period ended June 30, 2023	
	(Un-audited)		(Un-audited)	
	(Rupees)		(Rupees)	
<b>26 INVESTMENT INCOME</b>				
Income from equity securities - available for sale				
Dividend income	3,841,309	5,567,904	3,594,349	3,675,665
Income from debt securities - held to maturity				
Return on government securities	32,338,067	22,886,477	18,739,686	12,348,762
Amortization of discount on government securities	1,630,445	1,451,547	834,214	742,676
	37,809,821	29,905,928	23,168,249	16,767,103
Total investment income	37,809,821	29,905,928	23,168,249	16,767,103
Less: Reversal / (Impairment) in value of available for sale securities- equity securities	(7,522,025)	(11,383,546)	(1,263,995)	(5,457,045)
Net investment income	30,287,796	18,522,382	21,904,254	11,310,058
<b>27 OTHER INCOME</b>				
Income from financial assets				
Return on bank balances	6,579,803	4,369,813	4,089,182	3,410,580
Income from non-financial assets				
Gain on sale of fixed asset	-	1,645,239	-	35,453
Gain on termination of Right of use assets	-	-	-	-
Exchange Gain	-	54,497	-	54,497
Miscellaneous income	-	256,670	-	2,000
Reversal of bad and doubtful debts	-	-	-	(1,329,012)
	6,579,803	6,326,219	4,089,182	2,173,518
<b>28 OTHER EXPENSES</b>				
Auditors' remuneration	194,400	194,400	194,400	94,692
Directors' Fees	980,000	1,400,000	800,000	720,000
Fees & Subscription	429,025	90,800	30,937	55,671
	1,603,425	1,685,200	1,025,337	870,363
<b>29 PROFIT FROM WINDOW TAKAFUL OPERATIONS - OPERATOR'S FUND</b>				
Wakala fee	71,100	-	71,100	-
Commission expense	(214,525)	-	(214,525)	-
General administrative and management expense	(2,078,834)	-	(1,568,078)	-
Investment income	1,091,610	-	1,091,610	-
Other income	1,916,712	-	940,450	-
Ceded Money Expense	(500,000)	-	-	-
Other expenses	(140,428)	-	(140,428)	-
Profit before tax	145,635	-	180,129	-
<b>30 INCOME TAX EXPENSE</b>				
For the period				
- Current	(5,884,341)	(1,578,647)	(2,947,774)	(945,182)
- Deferred	-	-	-	(1,323,569)
	(5,884,341)	(1,578,647)	(2,947,774)	(2,268,751)
<b>31 EARNINGS PER SHARE</b>				
Profit / (Loss) after tax for the period	2,650,987	(17,408,337)	1,982,285	(5,780,352)
	(Number of Shares)			
Weighted average number of ordinary shares	50,000,000	50,000,000	50,000,000	50,000,000
Earnings / (Loss) per share	0.05	(0.35)	0.04	(0.12)

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 SIX MONTHS PERIOD ENDED JUNE 30, 2023**

**32 RELATED PARTY TRANSACTIONS**

Related parties comprise State Life Insurance Corporation of Pakistan being the parent company, associated entities having directors in common, other subsidiaries of parent company, key management personnel, gratuity fund and provident fund. The transactions with related parties other than those disclosed elsewhere in the condensed interim financial statements are as follows:

	Six Months Period ended June 30,	
	2023	2022
	(Un-audited)	
	----- (Rupees) -----	
<b>Transactions and balances with related parties</b>		
<b>Parent company - State Life Insurance Corporation of Pakistan</b>		
Rent paid	1,934,604	1,877,016
Pakistan Reinsurance Company Limited - Associate of parent (Common directorship)		
Reinsurance - Net	(2,088,660)	7,603,088
<b>Employees' funds</b>		
Contribution to provident fund	830,580	564,943
<b>Others</b>		
Remuneration to key management personnel	10,476,866	7,947,259
Directors' remuneration	980,000	1,400,000
	June 30, 2023	December 31, 2022
	(Un-audited)	(Audited)
	----- (Rupees) -----	
<b>Balances as at reporting date</b>		
<b>Associate of Parent Company</b>		
(Payable) / Receivable from Pakistan Reinsurance Company Limited	(12,068,131)	(14,535,336)
<b>Parent Company - State Life Insurance Corporation of Pakistan</b>		
Group Insurance	-	202,605
<b>Others</b>		
Receivable from gratuity fund	(29,850)	(29,850)
Payable to M/s Akhtar & Hassan (Private) Limited.	-	350,000

**33 MOVEMENT IN INVESTMENTS**

	Held to maturity	Available for sale	Total
	----- (Rupees) -----		
<b>At beginning of previous year</b>	447,748,768	216,508,019	664,256,787
Additions	260,721,118	-	260,721,118
Disposals	(220,232,488)	-	(220,232,488)
Fair value net gains	-	(10,812,473)	(10,812,473)
Amortization of premium	3,018,913	-	3,018,913
Impairment losses	-	(14,043,431)	(14,043,431)
<b>At end of previous year</b>	491,256,311	191,652,115	682,908,426
<b>At beginning of current period</b>	491,256,311	191,652,115	682,908,426
Additions	607,693,870	-	607,693,870
Disposals	(628,615,096)	-	(628,615,096)
Fair value gain/(loss)	-	(39,320,224)	(39,320,224)
Amortization of premium	1,630,445	-	1,630,445
Impairment losses	-	(7,522,025)	(7,522,025)
<b>At end of current period</b>	471,965,530	144,809,866	616,775,396

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

**34 FAIR VALUES OF FINANCIAL INSTRUMENTS**

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

**35 FINANCIAL INSTRUMENTS**

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

	June 30, 2023 (Un-audited)				
	Held for trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities
	(Rupees)				
<b>Financial assets measured at fair value</b>					
Investments					
- Investment in equity securities	-	144,809,866	-	-	-
<b>Financial assets not measured at fair value</b>					
Cash and bank*	-	-		93,335,166	-
Investments					
- Debts securities	-	-	471,965,530	-	-
Insurance / reinsurance receivables*	-	-	-	267,336,347	-
Reinsurance recoveries against outstanding claims*	-	-	-	104,303,713	-
Salvage recoveries accrued	-	-		862,020	-
Loans and other receivables*	-	-		56,214,714	-
Total Assets of Window Takful Operations - Operator's Fund	-	-		59,815,908	-
<b>Financial liabilities not measured at fair value</b>					
Outstanding claims including IBNR*	-		-	-	(243,911,104)
Reinsurance / Co-Insurance payables†	-	-	-	-	(102,339,183)
Other creditors and accruals*	-	-	-	-	(76,443,182)
Total Liabilities of Window Takful Operations - Operator's Fund	-	-	-	-	(12,134,421)
	-	144,809,866	471,965,530	581,867,868	(434,827,890)



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

	December 31, 2022 (Audited)					
	Held-for- trading	Available-for- sale	Held-to- maturity	Loans and receivables	Other financial liabilities	Total
	(Rupees)					
<b>Financial assets measured at fair value</b>						
Investments						
- Investment in equity securities	-	191,652,115		-	-	191,652,115
<b>Financial assets not measured at fair value</b>						
Cash and bank*	-	-		125,445,975	-	125,445,975
Investments						
- Debts securities			491,256,311	-	-	491,256,311
Insurance / reinsurance receivables*	-	-		225,680,181	-	225,680,181
Reinsurance recoveries against outstanding claims*	-	-		91,694,443	-	91,694,443
Salvage recoveries accrued	-	-		862,020		862,020
Loans and other receivables*				7,285,604	-	7,285,604
<b>Financial liabilities not measured at fair value</b>						
Outstanding claims including IBNR*	-	-		-	(210,329,362)	(210,329,362)
Reinsurance / Co-Insurance payables*	-	-			(68,893,641)	(68,893,641)
Other creditors and accruals*				-	(69,550,008)	(69,550,008)
	-	191,652,115	491,256,311	450,968,223	(348,773,011)	785,103,638

\* The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

35.1 The table below analyses assets measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	As at June 30, 2023	Level 1	Level 2	Level 3	As at December 31, 2022	Level 1	Level 2	Level 3
	Rupees in '000				Rupees in '000			
<b>Financial assets measured at fair value</b>								
Available-for-sale - Listed equity :	144,809,866	144,809,866	-	-	191,652,115	191,652,115	-	-
<b>Financial assets not measured at fair value</b>								
Held-to-maturity - Government securities	471,965,530	-	471,965,530	-	491,256,311	-	491,256,311	-
	616,775,396	144,809,866	471,965,530	-	682,908,426	191,652,115	491,256,311	-

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

**36 SEGMENT INFORMATION**

The class wise revenues and results are as follows:

June 30, 2023 (Un-audited)	Six Months Period Ended June 30, 2023 (Un-audited)						
	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	2023 Aggregate
	----- (Rupees) -----						
<b>Premium receivable</b> (inclusive of federal excise duty, federal insurance fee and administrative surcharge)	68,714,454	30,606,164	25,257,476	15,960,093	1,123,063	13,726,685	<b>155,387,935</b>
Less : Federal excise duty / Sales Tax	3,586,803	2,691,251	2,830,417	-	126,299	1,146,392	<b>10,381,162</b>
Federal insurance fee	251,559	261,499	202,465	212,262	9,092	79,429	<b>1,016,306</b>
Others	6,525	911,433	12,425	250	3,300	8,610	<b>942,543</b>
<b>Gross written premium</b> (inclusive of administrative	<b>64,869,567</b>	<b>26,741,981</b>	<b>22,212,169</b>	<b>15,747,581</b>	<b>984,372</b>	<b>12,492,254</b>	<b>143,047,924</b>
Gross direct premium	24,703,543	25,192,316	19,523,667	21,354,300	889,457	7,788,376	<b>99,451,659</b>
Facultative inward premium	39,713,489	1,013,494	2,108,598	(5,616,719)	75,175	4,555,147	<b>41,849,184</b>
Administrative surcharge	452,535	536,171	579,904	10,000	19,740	148,731	<b>1,747,081</b>
	<b>64,869,567</b>	<b>26,741,981</b>	<b>22,212,169</b>	<b>15,747,581</b>	<b>984,372</b>	<b>12,492,254</b>	<b>143,047,924</b>
Insurance premium earned	72,538,314	15,581,971	24,441,830	3,779,490	675,455	12,627,432	<b>129,644,492</b>
Reinsurance expense	(11,452,597)	(8,090,469)	(3,144,855)	-	(1,098,331)	(7,251,352)	<b>(31,037,604)</b>
<b>Net insurance premium</b>	<b>61,085,717</b>	<b>7,491,502</b>	<b>21,296,975</b>	<b>3,779,490</b>	<b>(422,876)</b>	<b>5,376,080</b>	<b>98,606,888</b>
Net commission income	200,382	-	159,509	-	31,694	75,252	<b>466,837</b>
<b>Net Underwriting income</b>	<b>61,286,099</b>	<b>7,491,502</b>	<b>21,456,484</b>	<b>3,779,490</b>	<b>(391,182)</b>	<b>5,451,332</b>	<b>99,073,725</b>
Insurance claims	(32,276,802)	(4,523,722)	(5,886,939)	(6,347,584)	-	(5,363,810)	<b>(54,398,857)</b>
Insurance claims recovered from reinsurers	12,015,548	261,473	716,869	-	-	40,000	<b>13,033,890</b>
<b>Net claims</b>	<b>(20,261,254)</b>	<b>(4,262,249)</b>	<b>(5,170,070)</b>	<b>(6,347,584)</b>	<b>-</b>	<b>(5,323,810)</b>	<b>(41,364,967)</b>
Commission expense	(15,335,146)	(6,460,195)	(2,829,590)	(134,795)	(60,017)	(1,579,864)	<b>(26,399,607)</b>
Management expenses	(25,657,355)	(10,577,048)	(8,785,406)	(6,228,518)	(389,341)	(5,764,401)	<b>(57,402,069)</b>
Premium deficiency expense	(8,045)	(443,807)	-	-	(376,849)	318,206	<b>(510,495)</b>
<b>Net insurance claims and expenses</b>	<b>(61,261,800)</b>	<b>(21,743,299)</b>	<b>(16,785,066)</b>	<b>(12,710,897)</b>	<b>(826,207)</b>	<b>(12,349,869)</b>	<b>(125,677,138)</b>
<b>Underwriting result</b>	<b>24,299</b>	<b>(14,251,797)</b>	<b>4,671,418</b>	<b>(8,931,407)</b>	<b>(1,217,389)</b>	<b>(6,898,537)</b>	<b>(26,603,413)</b>

## ALPHA INSURANCE COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

## FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

## Six Months Period Ended June 30, 2023 (Un-audited)

June 30, 2023 (Un-audited)	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	2023 Aggregate
<hr style="border-top: 1px dashed black;"/> (Rupees) <hr style="border-top: 1px dashed black;"/>							
<i>balance brought forward</i>	24,299	(14,251,797)	4,671,418	(8,931,407)	(1,217,389)	(6,898,537)	(26,603,413)
Investment income							30,287,796
Other income							6,579,803
Other expenses							(1,603,425)
Finance cost							(271,068)
							34,993,106
<b>Results of operating activities</b>							<b>8,389,693</b>

## Six Months Period Ended June 30, 2023 (Un-audited)

June 30, 2023 (Unaudited)	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	2023 Aggregate
<hr style="border-top: 1px dashed black;"/> (Rupees) <hr style="border-top: 1px dashed black;"/>							
Segment Assets	132,902,707	53,709,108	46,242,191	27,432,572	2,721,497	30,717,496	293,725,571
Unallocated Assets							918,115,286
	<b>132,902,707</b>	<b>53,709,108</b>	<b>46,242,191</b>	<b>27,432,572</b>	<b>2,721,497</b>	<b>30,717,496</b>	<b>1,211,840,857</b>
Segment liabilities	283,084,197	51,706,952	52,544,277	31,451,087	2,998,336	33,595,594	455,380,443
Unallocated liabilities							104,930,004
	<b>283,084,197</b>	<b>51,706,952</b>	<b>52,544,277</b>	<b>31,451,087</b>	<b>2,998,336</b>	<b>33,595,594</b>	<b>560,310,447</b>

## ALPHA INSURANCE COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

## FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

## Six Months Period Ended June 30, 2022 (Un-audited)

June 30, 2022 (Unaudited)	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	2022 Aggregate
<b>(Rupees)</b>							
<b>Premium receivable</b> (inclusive of federal excise duty, federal insurance fee and administrative surcharge)	33,904,572	25,587,371	21,090,319	20,240	-	10,941,916	<b>91,544,418</b>
Less : Federal excise duty / Sales Tax	2,154,386	2,465,733	2,338,447	-	-	1,099,471	<b>8,058,037</b>
Federal insurance fee	154,156	199,921	167,464	-	-	76,061	<b>597,602</b>
Others	7,885	762,551	12,560	-	-	5,500	<b>788,496</b>
<b>Gross written premium</b> (inclusive of administrative	<b>31,588,145</b>	<b>22,159,166</b>	<b>18,571,848</b>	<b>20,240</b>	<b>-</b>	<b>9,760,884</b>	<b>82,100,283</b>
Gross direct premium	15,136,294	19,384,245	16,214,038	20,240	-	7,498,711	<b>58,253,528</b>
Facultative inward premium	16,170,901	2,175,499	1,848,258	-	-	2,154,683	<b>22,349,341</b>
Administrative surcharge	280,950	599,422	509,552	-	-	107,490	<b>1,497,414</b>
	<b>31,588,145</b>	<b>22,159,166</b>	<b>18,571,848</b>	<b>20,240</b>	<b>-</b>	<b>9,760,884</b>	<b>82,100,283</b>
Insurance premium earned	44,036,293	18,610,596	19,501,296	5,701,735	-	10,636,953	<b>98,486,873</b>
Reinsurance expense	(13,675,498)	(4,708,204)	(2,885,267)	-	(262,484)	(7,699,216)	<b>(29,230,669)</b>
<b>Net insurance premium</b>	<b>30,360,795</b>	<b>13,902,392</b>	<b>16,616,029</b>	<b>5,701,735</b>	<b>(262,484)</b>	<b>2,937,737</b>	<b>69,256,204</b>
Net commission income	212,175	37,537	174,052	-	-	358,015	<b>781,779</b>
<b>Net Underwriting income</b>	<b>30,572,970</b>	<b>13,939,929</b>	<b>16,790,081</b>	<b>5,701,735</b>	<b>(262,484)</b>	<b>3,295,752</b>	<b>70,037,983</b>
Insurance claims	(55,361,633)	(4,896,404)	(5,648,023)	(4,893,077)	-	(2,981,502)	<b>(73,780,639)</b>
Insurance claims recovered from reinsurers	23,207,280	43,164	-	-	-	-	<b>23,250,444</b>
<b>Net claims</b>	<b>(32,154,353)</b>	<b>(4,853,240)</b>	<b>(5,648,023)</b>	<b>(4,893,077)</b>	<b>-</b>	<b>(2,981,502)</b>	<b>(50,530,195)</b>
Commission expense	(7,793,473)	(5,054,180)	(2,160,765)	(285,087)	-	(1,801,167)	<b>(17,094,672)</b>
Management expenses	(15,984,887)	(11,213,440)	(9,398,111)	(10,242)	-	(4,939,404)	<b>(41,546,084)</b>
Premium deficiency expense	-	-	-	568,150	-	142,055	<b>710,205</b>
<b>Net insurance claims and expenses</b>	<b>(55,932,713)</b>	<b>(21,120,860)</b>	<b>(17,206,899)</b>	<b>(4,620,256)</b>	<b>-</b>	<b>(9,580,018)</b>	<b>(108,460,746)</b>
<b>Underwriting result</b>	<b>(25,359,743)</b>	<b>(7,180,931)</b>	<b>(416,818)</b>	<b>1,081,479</b>	<b>(262,484)</b>	<b>(6,284,266)</b>	<b>(38,422,763)</b>

## ALPHA INSURANCE COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

## Six Months Period Ended June 30, 2022 (Un-audited)

June 30, 2022 (Unaudited)	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	2022 Aggregate
<b>(Rupees)</b>							
<i>balance brought forward</i>	<b>(25,359,743)</b>	<b>(7,180,931)</b>	<b>(416,818)</b>	<b>1,081,479</b>	<b>(262,484)</b>	<b>(6,284,266)</b>	<b>(38,422,763)</b>
Investment income							<b>18,522,382</b>
Other income							<b>6,326,219</b>
Other expenses							<b>(1,685,200)</b>
Finance cost							<b>(570,328)</b>
							<b>22,593,073</b>
<b>Results of operating activities</b>							<b>(15,829,690)</b>

## December 31, 2022 (Audited)

December 31, 2022 (Audited)	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	2022 Aggregate
<b>(Rupees)</b>							
Segment Assets	<b>78,780,155</b>	<b>45,212,301</b>	<b>59,928,959</b>	<b>16,210,939</b>	<b>2,352,402</b>	<b>39,383,054</b>	<b>241,867,810</b>
Unallocated Assets							<b>912,816,747</b>
	<b>78,780,155</b>	<b>45,212,301</b>	<b>59,928,959</b>	<b>16,210,939</b>	<b>2,352,402</b>	<b>39,383,054</b>	<b>1,154,684,557</b>
Segment liabilities	<b>232,693,573</b>	<b>29,634,631</b>	<b>52,507,059</b>	<b>21,376,638</b>	<b>6,125,402</b>	<b>31,695,057</b>	<b>374,032,360</b>
Unallocated liabilities							<b>92,452,550</b>
	<b>232,693,573</b>	<b>29,634,631</b>	<b>52,507,059</b>	<b>21,376,638</b>	<b>6,125,402</b>	<b>31,695,057</b>	<b>466,484,910</b>

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

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37 GENERAL

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

38 DATE OF AUTHORIZATION

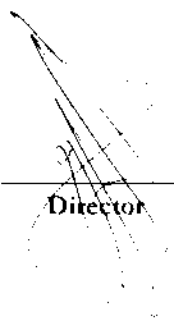
28 AUG 2023

This condensed interim financial statements was authorized for issue on \_\_\_\_\_ by the Board of Directors of the Company.

QTA



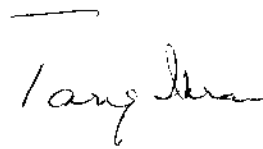
Chief Executive Officer



Director



Director



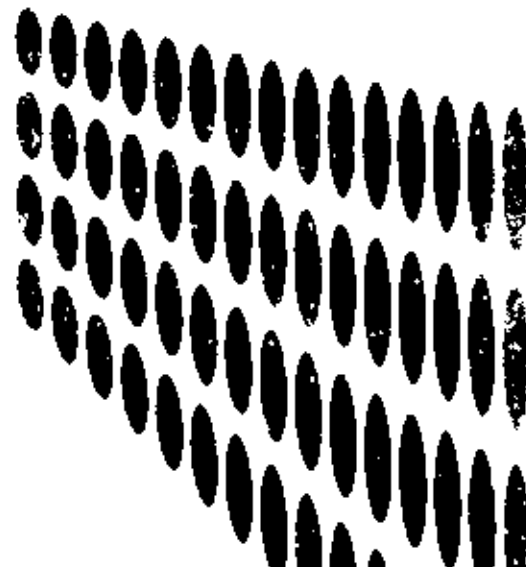
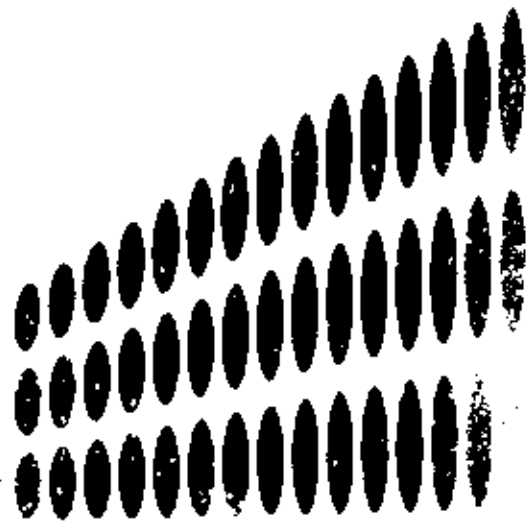
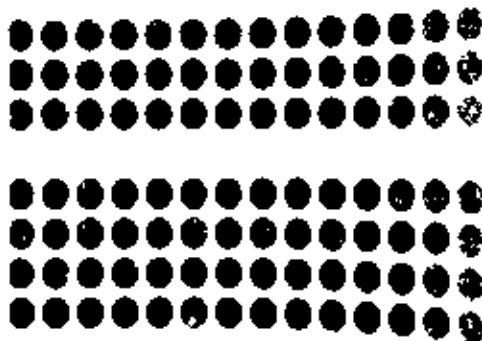
Chairman



**ALPHA INSURANCE COMPANY LIMITED –  
WINDOW TAKAFUL OPERATIONS**  
Financial Statements  
*For the period ended June 30, 2023*



**Grant Thornton Anjum Rahman**  
*Chartered Accountants*



## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Alpha Insurance Company Limited  
– Window Takaful Operations

Report on review of Condensed Interim Financial Statements

**Grant Thornton Anjum  
Rahman**

1st & 3rd Floor,  
Modern Motors House,  
Bedoument Road,  
Karachi, Pakistan.

T +92 21 35577951-56

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Alpha Insurance Company Limited- Window Takaful Operations** as at **June 30, 2023** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in Funds, and notes to the condensed interim financial statements for the six-months period then ended (here-in-after referred to as the “interim financial statements”). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for condensed interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

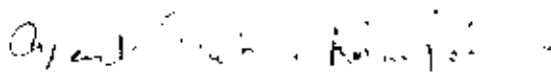
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



**Other Matters**

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three-months period ended June 30, 2023 have not been reviewed and we do not express a conclusion on them.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Khalid Aziz**.

  
Chartered Accountants

Karachi  
UDIN: RR202310154mduk6y3jA  
Date: August 29, 2023

**ALPHA ISNURANCE COMPANY LIMITED – WINDOW TAKAFUL  
OPERATIONS**

**Financial Statements**


**For the period ended June 30, 2023**

**ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT JUNE 30, 2023**

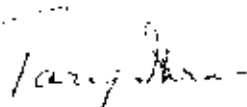
		Operator's Fund	Participant's Fund
		June 30,	June 30,
		2023	2023
		(Unaudited)	(Unaudited)
Notes		(Rupees)	
<b>ASSETS</b>			
<b>Investments</b>			
	6	25,000,000	-
	-	-	1,811,238
	-	-	1,473,356
	16	420,251	-
	8	1,544,456	-
	-	1,091,610	-
	-	245,272	2,224
	9	-	4,488,920
	10	26,129,177	4,239,427
<b>Total Assets</b>		<b>54,430,766</b>	<b>12,015,165</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserve attributable to:</b>			
<b>Operator's Fund (OPF)</b>			
		50,000,000	-
		103,400	-
<b>Total Shareholders Equity</b>		<b>50,103,400</b>	<b>-</b>
<b>Participants' Takaful Fund (PTF)</b>			
		-	500,000
		-	(1,254,778)
<b>Total Participants' Takaful Fund Equity</b>		<b>-</b>	<b>(754,778)</b>
<b>Liabilities</b>			
<b>PTF Underwriting Provisions</b>			
	15	-	10,000
	13	-	3,481,129
	14	-	8,403
		-	3,499,532
		1,473,356	-
	11	-	7,013,613
	12	2,854,010	712,342
		-	1,544,456
<b>Total liabilities</b>		<b>4,327,366</b>	<b>9,270,411</b>
<b>Total equity and liabilities</b>		<b>54,430,766</b>	<b>12,015,165</b>
<b>Contingencies and commitments</b>			
	22		

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Director

  
Director

  
Chairman


**ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**


		Six months period ended June 30, 2023 (Unaudited)	Three months period ended June 30, 2023 (Unaudited)
	Notes	------(Rupees)-----	
<b>Participant's Fund</b>			
Contributions earned		1,279,798	1,279,798
Less: Contributions ceded to retakaful		(2,534,296)	(1,804,266)
Net contributions revenue	13	(1,254,498)	(524,468)
Retakaful rebate earned	14	1,200	1,200
Net underwriting expense		(1,253,298)	(523,268)
Net claims - reported / settled	15	(10,000)	(10,000)
Other direct expenses		(6,307)	(6,307)
		(16,307)	(16,307)
Deficit before investment income		(1,269,605)	(539,575)
Other income	19	14,827	14,827
<b>Deficit transferred to accumulated deficit</b>		(1,254,778)	(524,748)
Taxation		-	-
<b>Deficit for the period</b>		(1,254,778)	(524,748)
<b>Operator's Fund</b>			
Wakala fee		71,100	71,100
Commission expense	16	(214,525)	(214,525)
General administrative and management expenses	17	(2,078,834)	(1,568,078)
		(2,222,259)	(1,711,503)
Investment income	18	1,091,610	1,091,610
Other income	19	1,916,712	940,450
Seed money expense		(500,000)	-
Other expenses	20	(140,429)	(140,429)
<b>Profit before taxation</b>		145,634	180,128
Taxation	21	(42,234)	-
<b>Profit after taxation</b>		103,400	180,128

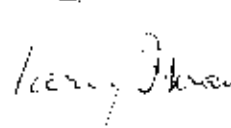
The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

2023

  
 Chief Executive Officer

  
 Director

  
 Director

  
 Chairman


**ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

	Six Months ended June 30, 2023	Three Months ended June 30, 2023
	(Unaudited)	(Unaudited)
	------(Rupees)-----	
<b><u>Participant's Takaful Fund</u></b>		
Deficit for the period	(1,254,778)	(524,748)
Other comprehensive income	-	-
<b>Total comprehensive loss for the period</b>	<b><u>(1,254,778)</u></b>	<b><u>(524,748)</u></b>
<b><u>Operator's Fund</u></b>		
Profit after tax for the period	103,400	180,128
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b><u>103,400</u></b>	<b><u>180,128</u></b>

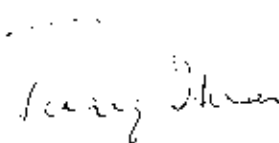
The annexed notes 1 to 31 form an integral part of these condensed interim financial statements

Page 1

  
 Chief Executive Officer

  
 Director

  
 Director

  
 Chairman

ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
 CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS  
 FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

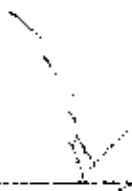
	Operator's Fund		
	Statutory Fund	Retained Earnings	Total
	----- (Rupees) -----		
Balance as at January 01, 2023	-	-	-
Contribution to the operator funds	50,000,000	-	50,000,000
Profit for the period	-	103,400	103,400
Other comprehensive income	-	-	-
Balance as at June 30, 2023	<u>50,000,000</u>	<u>103,400</u>	<u>50,103,400</u>
	Attributable to participants of the PTF		
	Seed money	Accumulated Deficit	Total
	----- (Rupees) -----		
Balance as at January 01, 2023	-	-	-
Addition during the year	500,000	-	500,000
Deficit for the period	-	(1,254,778)	(1,254,778)
Other comprehensive income	-	-	-
Balance as at June 30, 2023	<u>500,000</u>	<u>(1,254,778)</u>	<u>(754,778)</u>

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements

P. S. P. K.



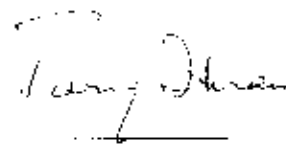
Chief Executive Officer



Director



Director



Chairman

**ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

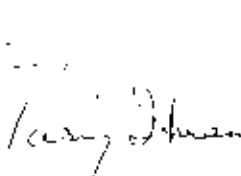
	Operator's Fund June 30, 2023	Participant's Fund June 30, 2023
	----- (Rupees) -----	
<b>Operating Cash flows</b>		
<b>(a) Takaful activities</b>		
Contribution received	-	3,020,789
Retakaful contribution paid	-	(9,603)
Re-takaful rebate received	-	9,603
Net cash flow from takaful activities	-	3,020,789
<b>(b) Other operating activities</b>		
Income tax paid	(287,506)	(2,224)
Seed money expense	(500,000)	-
Other operating payments	(29)	706,035
Net cash flow (used in) / generated from other operating activities	(787,535)	703,811
<b>Total cash flow (used in) / generated from all operating activities</b>	<b>(787,535)</b>	<b>3,724,600</b>
<b>(c) Investment activities</b>		
Profit / return received	1,916,712	14,827
Payments for investments	(25,000,000)	-
<b>Total cash flow (used in) / generated from investing activities</b>	<b>(23,083,288)</b>	<b>14,827</b>
<b>(d) Financing activities</b>		
Contribution to the operator funds	50,000,000	-
Ceded money received	-	500,000
<b>Total cash flows generated from financing activities</b>	<b>50,000,000</b>	<b>500,000</b>
<b>Net cash flow from all activities</b>	<b>26,129,177</b>	<b>4,239,427</b>
Cash and cash equivalents at beginning of year	-	-
<b>Cash and cash equivalents at end of period</b>	<b>26,129,177</b>	<b>4,239,427</b>
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	(787,535)	3,724,600
Profit / return received	1,916,712	14,827
Investment income	1,091,610	-
Increase in assets other than cash	2,209,979	7,775,738
Increase in liabilities	(4,327,366)	(12,769,943)
<b>Profit / (deficit) before taxation</b>	<b>103,400</b>	<b>(1,254,778)</b>
<b>Attributed to:</b>		
Operator's Fund	103,400	-
Participants' Takaful Fund	-	(1,254,778)
	<b>103,400</b>	<b>(1,254,778)</b>

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

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

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chairman

**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 Operator 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 November 20, 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 and General Takaful Accounting Regulations 2019. In case requirements differ, the provisions or directives of the Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 and Takaful Rules 2012 and General Takaful Accounting Regulations 2019 shall prevail.

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.

These financial statements have been prepared in line with the format issued by Securities and Exchange Commission of Pakistan (SECP) through General Takaful Accounting Regulations 2019.

This condensed interim financial statements does not include all the information and disclosures required in the annual financial statements. These financial statements is being prepared for the first time, hence do not contains comparative information. Further, all the information and disclosures will be provided in the annual financial statements for the year ended December 31, 2023.

**2.1 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 amortised cost as applicable. These condensed interim financial statements has been prepared using the accrual basis of accounting.

**2.2 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 Operator operates. These condensed interim financial statements is presented in Pakistani rupees, which is the Operator's functional and presentation currency.

**3 STANDARD, AMENDMENT OR INTERPRETATION TO PUBLISHED APPROVED ACCOUNTING STANDARDS**

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

Certain new standards, amendments and interpretations to approved accounting standards are not yet effective. The Operator is in the process of assessing the impact of these standards, amendments and interpretations to the published standards on the condensed interim financial statements of the Operator.



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

There are various amendments to existing accounting and reporting standards that are not yet effective. These are not likely to have a material impact on the Operator's financial statements except for the following:

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 Operator has determined that it is eligible for the temporary exemption option since the Operator 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 Operator doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Operator 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 credit risk associated with the principal amount outstanding during a particular period of time.

The table below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis.
- b) all other financial assets.

ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	30 June 2023				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the year	Carrying value	Cost less Impairment	Change in unrealized gain / (loss) during the year
Financial assets	(Rupees)				
Cash and bank	-	-	30,368,604	-	-
Investments in debt securities - held to maturity	-	-	25,000,000	-	-
Receivable from OPF/PTF	1,544,456	-	-	-	-
Accrued investment income	1,091,610	-	-	-	-
<b>Total</b>	<b>1,544,456</b>	<b>-</b>	<b>55,368,604</b>	<b>-</b>	<b>-</b>

	30 June 2023				
	Gross carrying amounts of financial instruments that pass the SPPI test				
	AAA	AA+	AA	A	Unrated
	(Rupees)				
Cash and bank	30,368,604	-	-	-	-
Investments in debt securities - held to maturity	25,000,000	-	-	-	-
<b>Total</b>	<b>55,368,604</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 4. ACCOUNTING POLICIES

##### 4.1 Takaful contracts

The takaful contracts are based on the principles of Wakala. The takaful contracts so agreed usually inspire concept of tabarru (to donate for benefit of others) and mutual sharing of losses with the overall objective of eliminating the element of uncertainty.

A separate Participants Takaful Fund (PTF) has been created in which all contribution received under general takaful contribution net off any government levies and administrative surcharge are credited. The role of takaful operator is of the management of the PTF. At the initial stage of the setup of the PTF, the takaful operator makes an initial donation to the PTF. The terms of the takaful contracts are in accordance with the generally accepted principles and norms of insurance business suitably modified with guidance by the Shariah Advisor of the Takaful operator.

These contracts are entered with group companies, corporate clients, and individuals residing or located in Pakistan.

Once a contract has been classified as an takful contract, it remains a takaful contract for the remainder of its period, even if the takaful risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

Takaful contracts are classified into following main categories:

##### 4.1.1 Fire and property

The perils covered under fire insurance include damages caused by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation, impact and other coverage.

##### 4.1.2 Marine and transport

Marine and transport takaful provides coverage against cargo risk, war risk and damages occurring in inland transit.

##### 4.1.3 Motor

Motor takaful provides comprehensive car coverage and indemnity against third party loss.



ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

4.1.4 Other classes

Other classes includes mainly bond, liability, engineering, etc.

4.2 Deferred Commission expense

Commission incurred in obtaining and recording takaful are deferred and recognised as an asset. These costs are charged to the profit and loss account based on the pattern of recognition of contribution revenue.

4.3 Reserve for unearned contribution

The unearned portion of contribution written net of Wakala is set aside as a reserve. Such reserve is calculated according to the ratio of the unexpired period of the policy and the total period, both measured to the nearest day.

4.4 Contribution deficiency reserve

Disclose the details of the method used to determine contribution deficiency reserve and whether this is determined for each class of business separately along with the accounting treatment thereof.

4.5 Retakaful contracts held

The Operator cedes retakaful in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Assets, liabilities and income and expense arising from ceded retakaful contracts are presented separately from the assets, liabilities, income and expense from the related takaful contracts because the retakaful arrangements do not relieve the PTF from its direct obligation to its policyholders.

4.6 Amount due to / from retakaful operators

Amounts due to / from retakaful operators are carried at cost less provision for impairment, if any. Cost represents the fair value of the consideration to be received / paid in the future for services rendered.

4.7 Segment reporting

The Operator's operating businesses are recognised and managed separately according to the nature of services provided with each segment representing a strategic business unit that serves different markets.

4.8 Cash and cash equivalents

Cash and cash equivalents are carried in the financial statement at cost. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand, stamps in hand and current and saving accounts with banks.

4.9 Provision for unearned wakala fee

The Operator manages the general takaful operations for the participants and charges wakala fee to PTF on gross contributions recognised for each class of business to meet the general and administrative expenses of the Operator including commissions to agents at following rates:

Class	Fire and property damage	Marine	Motor	Health	Miscellaneous	Engineering
Percentage	35%	35%	35%	30%	35%	35%

Wakala fee is recognised as income in the Operator's Fund on the same basis on which the related contribution revenue is recognised. Unearned portion of wakala fee is recognised as a liability of the Operator's Fund.

4.10 Revenue recognition

- Contribution income under a policy is recognised over the period of takaful net of Wakala fee.
- Wakala fee charged from PTF is recognised upfront.
- Rebate from retakaful operators is recognised at the same time of insurance of the underlying takaful policy by the Operator.
- Dividend income is recognised when the right to receive the dividend is established.
- Profit on Islamic investment products is recognised on an accrual basis.
- Gain / loss on sale of available for sale investments are included in profit and loss account.

**4.11 Investments**

All purchase and sale of investments that require delivery within the required time frame established by regulations or market convention are accounted for at the trade date. Trade date is the date when the Operator commits to purchase or sell the investments. The investments are classified upon recognition as criteria mentioned in IAS 39.

**4.12 Offsetting of financial assets and liabilities**

A financial asset and financial liability other than those relating to takaful contract is offset and the net amount is reported in the balance sheet when the Operator has a legally enforceable right to set-off the recognised amounts and it intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

**4.13 Provision for outstanding claims / benefits**

PIF maintains provision in respect of all known claims against losses incurred up to the balance sheet date which is measured at the undiscounted value of expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim / benefits except as otherwise expressly indicated in a takaful contract.

**4.14 Taxation**

**Current**

Provision for current taxation is based on taxable income at the current rate of taxation after taking in to account tax credits and rebates available, if any.

**Deferred**

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

**4.15 Takaful surplus**

Takaful surplus attributable to the participants is calculated after charging all direct cost and setting aside various reserves. Allocation to participants, if applicable, is made after deducting the claims / benefits paid to them during the year.

**4.16 Impairment of assets**

The carrying values of the fixed assets are reviewed for impairment annually when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed recoverable amount, the assets are written down to their recoverable amount.

**4.17 Management expenses**

Expenses allocated to the takaful business represent directly attributable expenses. Expenses not directly allocable to takaful business are charged to OPF and allocated on the basis of gross contribution written during the year.

**5. CRITICAL ACCOUNTING 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 Operator's accounting policies. 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.

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		June 30, 2023 (Unaudited)		
		Cost	Impairment / provision	Carrying value
		(Rupees)		
<b>6</b>	<b>INVESTMENTS</b>	<b>NOTE</b>		
	<b>INVESTMENT IN DEBT SECURITIES - HELD TO MATURITY</b>			
	<b>OPF</b>			
	- Sukuk certificates	6.1	25,000,000	25,000,000
			<u>25,000,000</u>	<u>25,000,000</u>
<b>6.1</b>	Sukuk certificates have face value of Rs. 25 million. These carry profit of 21.25% per annum and will mature in April, 2024			
			<b>Operator's Fund</b>	<b>Participant's Takaful Fund</b>
			<b>June 30, 2023</b>	<b>June 30, 2023</b>
			<b>(Unaudited)</b>	
		<b>Note</b>	<b>----- (Rupees) -----</b>	
<b>7</b>	<b>TAKAFUL / RETAKAFUL RECEIVABLES</b>			
	<b>Unsecured and considered good</b>			
	Due from takaful participants holders		-	6,997
	Due from other takaful / retakaful operators		-	<u>1,804,241</u>
			-	<u>1,811,238</u>
<b>8</b>	<b>RECEIVABLE FROM OPF</b>			
	Wakala fee		<u>1,544,456</u>	-
<b>9</b>	<b>PREPAYMENTS</b>			
	Prepaid retakaful contribution ceded		-	<u>4,488,920</u>
<b>10</b>	<b>CASH AND BANK</b>			
	<b>Cash and cash equivalent</b>			
	<b>Cash at bank</b>			
	Profit and loss account	10.1	<u>26,129,177</u>	<u>4,239,427</u>
<b>10.1</b>	The rate of return on profit and loss sharing accounts held with Islamic banks during the period range from 7.51% to 10.00% per annum.			

**ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
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	Operator's Fund	Participant's Takaful Fund
	June 30, 2023 (Unaudited)	June 30, 2023 (Unaudited)
	------(Rupees)-----	
<b>11. TAKAFUL / RETAKAFUL PAYABLES</b>		
Due to takaful / retakaful payables	-	7,013,613
<b>12. OTHER CREDITORS AND ACCRUALS</b>		
Commission payable	634,776	-
Payable to Alpha Insurance Company Limited	1,582,434	21,810
Federal takaful fee	-	48,972
Sales tax on services	-	641,560
Auditor's fee	140,400	-
Others	496,400	-
	<u>2,854,010</u>	<u>712,342</u>
	Participant's Takaful Fund	
	Six months ended June 30, 2023 (Unaudited)	Three months ended June 30, 2023 (Unaudited)
	------(Rupees)-----	
<b>13. NET CONTRIBUTION</b>		
Written gross contribution	4,832,027	4,832,027
Less: Wakala fee	(71,100)	(71,100)
<b>Contribution Net of Wakala Fee</b>	<u>4,760,927</u>	<u>4,760,927</u>
Add: Unearned contribution reserve opening	-	-
Less: Unearned contribution reserve closing	(3,481,129)	(3,481,129)
<b>Contribution earned</b>	<u>1,279,798</u>	<u>1,279,798</u>
Less: Retakaful contribution ceded	7,023,216	3,539,046
Add: Prepaid retakaful contribution opening	-	2,754,140
Less: Prepaid retakaful contribution closing	(4,488,920)	(4,488,920)
<b>Retakaful expense</b>	<u>2,534,296</u>	<u>1,804,266</u>
<b>Net contribution</b>	<u>(1,254,498)</u>	<u>(524,468)</u>
<b>14. RETAKAFUL REBATE EARNED</b>		
Retakaful rebate received or recoverable	9,603	9,603
Add: Unearned retakaful rebate opening	-	-
Less: Unearned retakaful rebate closing	(8,403)	(8,403)
	<u>1,200</u>	<u>1,200</u>

ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
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		Participant's Takaful Fund	
		Six months ended June 30, 2023	Three months ended June 30, 2023
		(Unaudited)	(Unaudited)
Note		(Rupees)	
<b>15. TAKAFUL BENEFITS / CLAIMS EXPENSE</b>			
Benefits / Claims paid or payable		-	-
Less: Outstanding Benefits / claims including IBNR opening		-	-
Add: Outstanding Benefits / claims including IBNR closing		10,000	10,000
Benefits / Claims expense		10,000	10,000
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		-	-
Net Takaful Benefits / Claim Expense		10,000	10,000
<b>16. COMMISSION EXPENSE - OPF</b>			
Commission paid or payable		634,776	634,776
Add: Deferred commission expense opening		-	-
Less: Deferred commission expense closing		(420,251)	(420,251)
Commission expense		214,525	214,525
		Operator's Fund	
		Six months ended June 30, 2023	Three months ended June 30, 2023
		(Unaudited)	(Unaudited)
		(Rupees)	
<b>17. GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES</b>			
Employee benefit cost	17.1.	1,054,434	543,678
Legal and professional charges - business related		356,400	356,400
Professional Charges - IT Related		668,000	668,000
		2,078,834	1,568,078
<b>17.1. Employee benefit cost</b>			
Salaries, allowance and other benefits		1,054,434	543,678
<b>18. INVESTMENT INCOME</b>			
Income from debt securities			
Sukuk certificates		1,091,610	1,091,610
<b>19. OTHER INCOME</b>			
<b>OPF</b>			
Profit on bank deposits		1,916,712	940,450
<b>PTF</b>			
Profit on bank deposits		14,827	14,827
		1,931,539	955,277

**ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023**

		Operator's Fund	
		Six months ended June 30, 2023 (Unaudited)	Three months ended June 30, 2023 (Unaudited)
		----- (Rupees) -----	
<b>20. OTHER EXPENSE - OPF</b>			
Bank charges - OPF		29	29
Auditors' remuneration		140,400	140,400
		<u>140,429</u>	<u>140,429</u>
<b>21. TAXATION</b>			
current		<u>42,234</u>	<u>-</u>
<b>22. CONTINGENCIES AND COMMITMENTS</b>			
There are no contingencies and commitments as at June 30, 2023.			
<b>23. RELATED PARTY TRANSACTIONS</b>			
Related parties comprise State Life Insurance Corporation of Pakistan being the parent company, associated entities having directors in common, other subsidiaries of parent company and key management personnel. The transactions with related parties other than those disclosed elsewhere in the condensed interim financial statements are as follows.			
		Six Months Period ended June 30, 2023 (Un-audited)	Three Months Period ended June 30, 2023 (Un-audited)
		----- (Rupees) -----	
Transactions and balances with related parties			
Pakistan Reinsurance Company Limited - Associate of parent			
Reinsurance - Net		<u>4,738,472</u>	<u>2,369,236</u>
Other related parties			
Amount received from Alpha Insurance Company Limited		<u>1,582,434</u>	<u>1,582,434</u>
			June 30, 2023 (Un-audited)
Balances as at reporting date			----- (Rupees) -----
Associate of Parent Company			
Reinsurance Ceded from Pakistan Reinsurance Company Limited			<u>4,738,472</u>
Receivable from Pakistan Reinsurance Company Limited			<u>4,738,472</u>
Other related parties			
Payable to Alpha Insurance Company Limited			<u>1,582,434</u>
			<b>Operator's Fund</b>
			June 30, 2023 (Unaudited)
			---- (Rupees) ----
<b>24. MOVEMENT IN INVESTMENTS</b>			
At beginning of current period			-
Additions			25,000,000
At end of current period			<u>25,000,000</u>



**ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
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**25 FAIR VALUE OF FINANCIAL INSTRUMENTS**

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized

	Held-to-maturity	Other financial assets	Other financial liabilities	Total
<b>Financial assets not measured at fair value</b>				
Cash and bank	-	30,368,604	-	30,368,604
Investments				
- Debt securities	25,000,000	-	-	25,000,000
Takaful / retakaful receivables	-	1,811,238	-	1,811,238
Receivable from OPE / PTF	-	1,544,456	-	1,544,456
Accrued investment income	-	1,091,610	-	1,091,610
<b>Financial liabilities not measured at fair value</b>				
Outstanding claims including IBNR	-	-	(10,000)	(10,000)
Takaful / retakaful payables	-	-	(7,013,613)	(7,013,613)
Payable to OPE / PTF	-	-	(1,544,456)	(1,544,456)
Other creditors and accruals	-	-	(3,566,352)	(3,566,352)
	<b>25,000,000</b>	<b>34,815,908</b>	<b>(12,134,421)</b>	<b>47,681,487</b>

**26 Fair value**

**26.1** IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements and technique using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

**26.2** The table below analyses assets measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	As at June 30, 2023	Level 1	Level 2	Level 3
	-----Rupees in '000-----			
<b>Financial assets not measured at fair value</b>				
Held-to-maturity - debt securities	25,000,000	-	25,000,000	-
	<b>25,000,000</b>	<b>-</b>	<b>25,000,000</b>	<b>-</b>

**27 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK**

The Operator issues contracts that transfer insurance risk or financial risk or both. This section summarises these risks and the way the Operator manages them.

**27.1 Insurance Risk**

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of compensation to the insured. Generally most takaful contracts carry the insurance risk for a period of one year.

The Operator accepts takaful through issuance of general takaful contracts. For these general takaful contracts the most significant risks arise from fire, atmospheric disturbance, earthquakes, transit, theft, third party liabilities and other catastrophes.

The Operator's risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage and monitor risk. This framework includes implementation of underwriting strategies which aim to ensure that the underwritten risks are well diversified in terms of type and amount of the risk. Adequate reinsurance is arranged to mitigate the effect of the potential loss to the Operator from individual to large or catastrophic insured events. Further, the Operator adopts strict claim review policies including active management and prompt pursuing of the claims and regular detailed review of claim handling procedures.

**a) Frequency and severity of claims**

Risk associated with general takaful contracts includes the reasonable possibility of significant loss as well as the frequent occurrence of the insured events. This has been managed by having in place underwriting strategy, retakaful arrangements and proactive claim handling procedures.

The reinsurance arrangements against major risk exposure include excess of loss and facultative reinsurance. The objective of having such arrangements is to mitigate adverse impacts of severe losses on the Operator's net retentions. As the major reinsurance arrangements are on excess of loss basis, therefore the reinsurance coverage against Operator's risk exposures is not quantifiable.

**b) Sources of uncertainty in the estimation of future claim payments**

Claims on general insurance contracts are payable on a claim occurrence basis. The Operator is liable for all insured events as per terms and condition of the takaful contract.

An estimated amount of the claim is recorded immediately on the intimation to the Operator. The estimation of the amount is based on management judgement or preliminary assessment by the independence surveyor appointed for the purpose. The initial estimates include expected settlement cost of the claims. Provision for IBNR is recorded based on the advice of the actuary.

There are several variable factors which affect the amount and timing of recognised claim liabilities. The Operator takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. Hence, actual amount of incurred but not reported claims may differ from the amounts estimated.

**c) Process used to decide on assumptions**

The principal assumption underlying the liability estimation of IBNR and Contribution Deficiency Reserves is that the Operator's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgement to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgement includes external factors e.g. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc.

**d) Changes in assumptions**

The Operator did not change its assumptions for the takaful contracts as disclosed in above (b) and (c).

**Financial risk management**

The Board of Directors of the Operator has overall responsibility for the establishment and oversight of the Operator's risk management framework. The Operator has exposure to the following risks from its use of financial instruments:

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- Financial risk
- Credit risk
- Liquidity risk

**28 Financial risk**

Maturity profile of financial assets and liabilities

	30 June 2023					
	Interest / mark-up bearing			Non interest / mark-up bearing		
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total
	(Rupees)					
<b>Financial assets</b>						
Cash and bank	30,368,604	-	30,368,604	-	-	-
Investments						
- FX/hrs securities	25,000,000	-	25,000,000	-	-	-
Takaful - retakaful receivable	-	-	-	1,811,238	-	1,811,238
Receivable from CPE / PFI	-	-	-	1,544,456	-	1,544,456
Agreed investment income	-	-	-	1,091,610	-	1,091,610
	<u>55,368,604</u>	<u>-</u>	<u>55,368,604</u>	<u>4,447,304</u>	<u>-</u>	<u>4,447,304</u>
<b>Financial liabilities</b>						
Underwriting Provision for outstanding claims including IBNR	-	-	-	(10,000)	-	(10,000)
Takaful - retakaful payable	-	-	-	(7,013,613)	-	(7,013,613)
Payable to CPE / PFI	-	-	-	(1,544,456)	-	(1,544,456)
Other creditors and accounts	-	-	-	(3,566,352)	-	(3,566,352)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,134,421)</u>	<u>-</u>	<u>(12,134,421)</u>
<b>Interest rate risk sensitivity gap</b>	<u>55,368,604</u>	<u>-</u>	<u>55,368,604</u>			
<b>Cumulative interest rate risk sensitivity</b>	<u>55,368,604</u>	<u>55,368,604</u>				

**a) Sensitivity analysis - interest rate risk**

**a.1) Fair value sensitivity analysis for fixed rate instruments**

The Operator does not account for any fixed rate financial assets at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account and equity of the Operator.

**a.2) Cash flow sensitivity analysis for variable rate instruments**

The Operator is exposed to cash flow interest rate risk in respect of its balances with saving account with banks. A change of 100 basis points in interest rates at the year end would not have material impact on profit for the year and equity of the Operator.

**28.1 Credit risk**

Credit risk is the risk that arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Operator attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in various industries and by continually assessing the credit worthiness of counterparties.

**28.1.1 Exposure to credit risk**

Credit risk of the Operator arises principally from the balances with banks, investments (except for investment in debt securities), premium due but unpaid, amount due from other insurers / reinsurers, reinsurance and other recoveries against outstanding claims and sundry receivable. To reduce the credit risk the management continuously reviews and monitors the credit exposure towards the policyholders and other insurers / reinsurers and makes provision against those balances considered doubtful of recovery.

In summary, compared to the amount included in statement of assets and liabilities, the maximum exposure to credit risk as follows

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	Note	30 June 2023	
		Balance as per the financial	Maximum exposure
		----- (Rupees) -----	
Investments - Debt securities	6	25,000,000	25,000,000
Takaful / retakaful receivables	7	1,811,238	1,811,238
Receivable from OPE/PTE	8	1,544,456	1,544,456
Accrued investment income		1,091,610	1,091,610
Cash and bank	10	30,368,604	30,368,604
		<u>59,815,908</u>	<u>59,815,908</u>

The credit quality of Operator's bank balances can be assessed with reference to external credit ratings as follows:

	Rating		Rating Agency	2023
	Short term	Long term		- (Rupees) -
Meezan Bank Limited	AU+	AAA	NIS	<u>30,368,604</u>
				<u>30,368,604</u>

**Concentration of credit risk**

Concentration of credit risk arises when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in similar manner. The Operator manages concentration of credit risk through diversification of activities among individuals, groups and industry segments.

**28.1.2 Liquidity risk**

Liquidity risk is defined as the risk that the Operator will encounter difficulty in meeting its financial obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Operator might be unable to meet its payment obligations when they fall due under normal circumstances. To guard against the risk, the Operator has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure adequate liquidity is maintained.

The following are the contractual maturities of financial liabilities:

	2023		
	Carrying Amount	Upto one year	Greater than one year
	----- (Rupees) -----		
<b>Non-Derivative Financial Liabilities</b>			
Outstanding claims including IBNR	(10,000)	(10,000)	-
Takaful / retakaful payables	(7,013,613)	(7,013,613)	-
Payable to OPE/PTE	(1,544,456)	(1,544,456)	-
Other creditors and accruals	(3,566,352)	(3,566,352)	-
	<u>(12,134,421)</u>	<u>(12,134,421)</u>	<u>-</u>

## 29 SEGMENT INFORMATION

## Six Months ended June 30, 2023 (Unaudited)

[illegible]

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June 30, 2023 (Unaudited)	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	Aggregate
Corporate segment assets	1,228,802	105,639	1,942,206			7,946	3,284,594
Corporate unallocated assets							8,730,571
	1,228,802	105,639	1,942,206	-	-	7,946	12,015,165
Corporate segment liabilities	3,537,526	389,100	6,564,410			22,109	10,513,145
Corporate unallocated liabilities							2,256,798
	3,537,526	389,100	6,564,410	-	-	22,109	12,769,943

29.2 OPI Six Months ended June 30, 2023 (Unaudited)

June 30, 2023 (Unaudited)	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	Aggregate
	(Rupees)						
Wakala fee	25,082	8,997	36,862			159	71,100
Commission expense	(146,203)	(2,418)	(74,958)	-	-	(946)	(214,525)
Management expenses	(748,231)	(69,612)	(1,256,066)			(4,925)	(2,078,834)
	(859,352)	(63,033)	(1,294,162)	-	-	(5,712)	(2,222,259)
Investment income							1,091,610
Other income							1,916,712
Ceded money expense							(500,000)
Other expense							(140,429)
							2,367,893
<b>Profit before taxation</b>							<b>145,634</b>
Corporate segment assets	165,841	23,333	230,115			962	420,251
Corporate unallocated assets							54,010,515
<b>Total Assets</b>	<b>165,841</b>	<b>23,333</b>	<b>230,115</b>	<b>-</b>	<b>-</b>	<b>962</b>	<b>54,430,766</b>
Corporate segment liabilities	576,886	44,988	847,826	-	-	3,656	1,473,356
Corporate unallocated liabilities							2,854,010
<b>Total Liabilities</b>	<b>576,886</b>	<b>44,988</b>	<b>847,826</b>	<b>-</b>	<b>-</b>	<b>3,656</b>	<b>4,327,366</b>

ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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30 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 28 AUG 2023 by the Board of Directors of the Operator.

31 GENERAL

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

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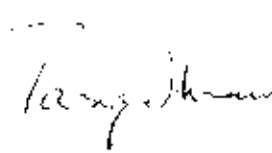
Chief Executive Officer



Director



Director



Chairman