



KPMG Taseer Hadi & Co.
Chartered Accountants

Alpha Insurance Company Limited

Condensed Interim Financial Information (Unaudited) For the half year ended 30 June 2016



Alpha

Insurance Company Limited

A subsidiary of State Life Insurance Corporation of Pakistan

DIRECTOR'S REPORT

Directors of the Company are pleased to present Half Yearly Accounts for the period ended June 30, 2016 duly reviewed by the Auditors.

During the period under review, the Company underwrote Gross Premium of Rs. 69.617 million as compared to Rs. 97.895 million of the corresponding period of last year, representing decrease of Rs. 28.278 million (29%).

The underwriting loss for the half year of 2016 is Rs. 48.55. million as against Rs. 12.934 million for the same period of last year. Thus, the E.P.S for the half year is (0.51) compared to 0.24 over the corresponding period of last year.

The Company earned Rs. 29.875 million Investment Income as against Rs. 35.661 million of the previous year reflecting a decrease of Rs. 5.786 million. Reasons for decline are lower interest income on fixed income investment and significantly less capital gains on Equity investment. Decrease in return on fixed income is due to cut in discount rate from 7% p.a. last year to 6% p.a. in current year. The decline in discount rate is continuing and as of August, 2016 it has gone down to 5.75%. This will adversely affect our investment income in next quarter as well.

Loss after tax for the half year ended June 30th, 2016 was Rs. 20.484 million against profit of Rs. 9.557 million of corresponding period of last year due to provisioning of Rs. 60 million on account of two major losses which occurred during the current period.

We would like to place our thanks to our business partners and stakeholders for their continued patronage and Company employees for their dedicated efforts.

Your Management looks forward to the future with confidence and envisages that we may succeed to meet the challenges ahead in the remaining period of the year hoping improved law and order situation and economic stability in the country.

For and on behalf of the Board


Nargis Ghaloo
Chairperson

Karachi: August 12, 2016.

Head Office:

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

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ڈائریکٹر رپورٹ

کمپنی آڈیٹرز کی نظر ثانی شدہ اکاؤنٹس رپورٹ برائے ششماہی یکم جنوری تا ۳۰ جون ۲۰۱۶ء آپ کی خدمت میں پیش کرتی ہے۔
زیر نظر رپورٹ کے مطابق مذکورہ عرصے کے دوران کمپنی کا کل پریمیم ۶۹۶۱۷ ملین روپے رہا جبکہ گزشتہ سال
اسی عرصے کے دوران ۸۹۵۷۹۷۷ ملین روپے تھا۔ اس طرح پریمیم میں ۲۹ فیصد کمی رہی۔

گزشتہ سال اسی عرصے کے دوران کل انڈر رائٹنگ خسارہ ۱۲۹۳۴ ملین روپے تھا جو رواں سال کی پہلی ششماہی کے
دوران ۲۸۵۵۵ ملین ہے۔ اس طرح گزشتہ سال ۲۴۰۷۷ کے مقابلے میں فی حصص منافع (نقصان) (۵۱۰) روپے رہا۔
کمپنی کا سرمایہ کاری منافع گزشتہ سال ۶۲۱۱۳۵ ملین روپے کے مقابلے میں ۸۶۷۵۷۷۷ ملین روپے کم یعنی
۲۹۸۷۵ ملین روپے رہا۔ متذکرہ خسارے کی وجوہات میں مقررہ سرمایہ کاری پر شرح سود میں گراؤ اور آمدن میں کمی
سمیت دیگر عوامل شامل ہیں۔ اسکے علاوہ حکومت کی جانب سے اسٹیٹ بینک کے شرح سود میں مسلسل کمی (موجودہ
شرح ۵۷۷۵ فیصد) بھی حالیہ خسارے کی بڑی وجہ ہے۔

رواں سال کی پہلی ششماہی میں ٹیکس ادائیگی کے بعد خسارہ ۲۰۶۴۸۴ ملین جبکہ پچھلے سال اسی ششماہی میں
۹۵۵۷۷ ملین روپے منافع تھا۔ اس کی بڑی وجہ حالیہ ششماہی کے ۲ بڑے نقصانات جن کی مجموعی مالیت کا اندازہ ۶۰ ملین
روپے ہے۔

کمپنی انتظامیہ بھرپور تعاون پر اپنے کاروباری شراکت داروں اور اسٹیک ہولڈرز جبکہ کڑی محنت پر کارکنوں کی نہایت
مشکور ہے، جن کی بدولت کمپنی نے یہ مقام حاصل کیا۔ ہمیں امید واثق ہے کہ اگلے چھ ماہ میں کاروباری بہتری سے کمپنی کے
منافع میں بھی تیزی ہوگی۔

کمپنی حکام مستقبل کیلئے پُر عزم اور رواں سال کے باقی عرصے میں امن و امان کی صورتحال میں بہتری اور ملکی
اقتصادی استحکام کیلئے پُر امید ہے۔

برائے منجانب بورڈ

نرگس گھلو
چیئر پرسن

کراچی ۱۲ اگست ۲۰۱۶ء

Head Office:

Building No. 1-B, State Life Square,
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Independent Auditors' Review Report to the Members of Alpha Insurance Company Limited

Introduction

We have reviewed the accompanying:

- i. condensed interim balance sheet;
- ii. condensed interim profit and loss account;
- iii. condensed interim statement of changes in equity;
- iv. condensed interim statement of cash flows;
- v. condensed interim statement of premiums;
- vi. condensed interim statement of claims;
- vii. condensed interim statement of expenses; and
- viii. condensed interim statement of investment income

of Alpha Insurance Company Limited ("the Company") as at 30 June 2016 together with notes forming part thereof for the six-month period then ended (here-in-after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial information 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 condensed interim financial information 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 condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.



KPMG Taseer Hadi & Co.

Other matters

The figures for the quarter ended 30 June 2016 in the accompanying condensed interim financial information have not been reviewed and we do not express a conclusion on them.

The financial statements of the Company for the year ended 31 December 2015 and six months period ended 30 June 2015 were audited / reviewed by another firm of chartered accountants who have expressed unmodified opinion / conclusion thereon dated 05 April 2016 and 12 August 2015 respectively.

Date: 12 August 2016

Karachi

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq

Alpha Insurance Company Limited
Condensed Interim Balance Sheet
As at June 30, 2016

	June 30, 2016	December 31, 2015
Note	(Un-audited)	(Audited)
SHARE CAPITAL AND RESERVES		
Authorised share capital		
[50,000,000 (December 31, 2015: 50,000,000) Ordinary shares of Rs. 10 each]	<u>500,000,000</u>	<u>500,000,000</u>
 Issued, subscribed and paid-up share capital		
[40,360,000 (December 31, 2015: 40,360,000) Ordinary shares of Rs. 10 each]	403,600,000	403,600,000
Retained earnings	201,050,838	221,534,492
Reserves	10,175,000	10,175,000
TOTAL EQUITY	614,825,838	635,309,492
LIABILITIES		
Underwriting provisions		
Provision for outstanding claims (including IBNR)	143,633,692	78,388,667
Provision for premium deficiency	11,291,328	1,176,868
Provision for unearned premium	63,354,063	67,283,918
Commission income unearned	5,732,646	8,489,852
	<u>224,011,729</u>	<u>155,339,305</u>
 Creditors and accruals		
Amounts due to other insurers / reinsurers	101,668,418	97,231,396
Accrued expenses	30,343,158	33,550,439
Other creditors and accruals	47,929,111	50,034,119
	<u>179,940,687</u>	<u>180,815,954</u>
 Unclaimed dividend	<u>3,011,260</u>	<u>3,011,260</u>
TOTAL LIABILITIES	406,963,676	339,166,519
 TOTAL EQUITY AND LIABILITIES	<u>1,021,789,514</u>	<u>974,476,011</u>
CONTINGENCIES AND COMMITMENTS		

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

KMM

Mr. K. M. M.
Chief Executive

Chairperson

Director

Director

Alpha Insurance Company Limited

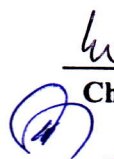
Condensed Interim Balance Sheet

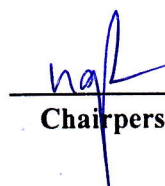
As at June 30, 2016

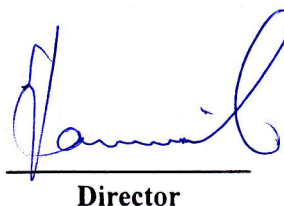
		June 30, 2016	December 31, 2015
	Note	(Un-audited)	(Audited)
ASSETS			
Cash and bank deposits	10		
Cash and cash equivalents		185,880	112,285
Current and other accounts		39,524,302	33,038,758
		<u>39,710,182</u>	<u>33,151,043</u>
Investments	11	663,668,022	654,630,163
Other Assets			
Premiums due but unpaid		69,499,106	66,591,122
Amounts due from other insurers / reinsurers		25,951,997	43,941,200
Accrued investment income		22,354,649	22,667,053
Reinsurance recoveries against outstanding claims		78,045,105	33,663,772
Taxation - payments less provision		35,345,759	32,220,522
Deferred commission expense		10,917,394	11,946,420
Prepayments		24,680,673	35,038,702
Sundry receivables	12	7,520,676	6,274,058
		<u>274,315,359</u>	<u>252,342,849</u>
Deferred taxation		35,198,060	23,944,952
Fixed assets	13		
Tangible			
Furniture and fixtures		5,406,728	5,871,805
Office equipment		104,745	233,920
Computer and related accessories		497,356	624,053
Motor vehicles		1,934,353	2,634,427
Electrical installations		954,709	1,042,799
		<u>8,897,891</u>	<u>10,407,004</u>
TOTAL ASSETS		<u><u>1,021,789,514</u></u>	<u><u>974,476,011</u></u>

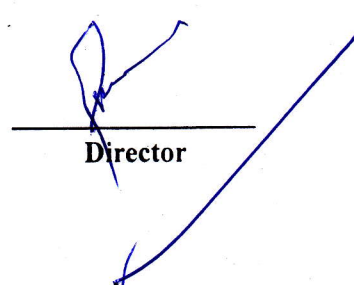
The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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Chief Executive


Chairperson


Director


Director

Alpha Insurance Company Limited
Condensed Interim Profit and Loss Account (Un-audited)
For the quarter and half year ended June 30, 2016

Note

Quarter ended June 30, 2016							
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Credit and suretyship	Miscellaneous	Aggregate	
						2016	2015

(Rupees)

Revenue account								
Net premium revenue	4,595,342	2,507,321	7,916,118	1,774,774	733,210	1,962,844	19,489,609	21,440,221
Net claims	(2,180,182)	(2,643,553)	(4,775,303)	(1,996,766)	-	(18,438,102)	(30,033,906)	(213,532)
Premium deficiency expense	992,908	763,654	1,822,632	(3,360,557)	-	(3,519,267)	(3,300,630)	(224,762)
Management expenses	(4,758,119)	13,202	(3,146,872)	(3,728,064)	(1,616,492)	(533,628)	(13,769,973)	(18,412,255)
Net commission	(674,203)	(836,981)	(931,747)	(88,709)	(17,938)	(152,176)	(2,701,754)	(2,086,487)
Underwriting results	(2,024,254)	(196,357)	884,828	(7,399,322)	(901,220)	(20,680,329)	(30,316,654)	503,185
Net investment income							25,546,107	29,184,283
Other income							502,982	690,799
General and administrative expenses							(7,452,218)	(6,376,532)
(Loss) / profit for the quarter before taxation							(11,719,783)	24,001,735

Taxation

- Current
- Deferred

(231,546)	(6,347,993)
6,348,075	1,052,729
6,116,529	(5,295,264)
(5,603,254)	18,706,471

(Loss) / profit for the quarter after taxation

Earnings per share-basic and diluted

14

(0.14) 0.46

Half year ended June 30, 2016							
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Credit and suretyship	Miscellaneous	Aggregate	
						2016	2015

(Rupees)

Revenue account								
Net premium revenue	8,515,219	5,714,513	15,054,066	2,926,075	1,287,960	3,777,633	37,275,466	42,770,119
Net claims	(2,156,238)	(3,999,682)	(7,136,810)	(3,511,074)	-	(19,323,161)	(36,126,965)	(13,783,120)
Premium deficiency expense	(2,590,348)	(209,011)	-	(3,771,215)	-	(3,543,886)	(10,114,460)	2,061,844
Management expenses	(13,579,028)	(4,703,497)	(8,795,646)	(3,798,470)	(1,679,403)	(2,032,216)	(34,588,260)	(39,824,909)
Net commission	(1,385,729)	(1,369,046)	(1,823,782)	(146,250)	(48,348)	(225,786)	(4,998,941)	(4,157,787)
Underwriting results	(11,196,124)	(4,566,723)	(2,702,172)	(8,300,934)	(439,791)	(21,347,416)	(48,553,160)	(12,933,853)
Net investment income							29,874,992	35,661,901
Other income							763,681	1,551,818
General and administrative expenses							(13,360,844)	(12,269,274)
(Loss) / profit for the half year before taxation							(31,275,331)	12,010,592

Taxation

- Current
- Deferred

(461,430)	(8,008,708)
11,253,107	5,555,028
10,791,677	(2,453,680)
(20,483,654)	9,556,912

(Loss) / profit for the half year after taxation

Earnings per share-basic and diluted

14

(0.51) 0.24

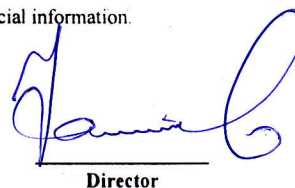
The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

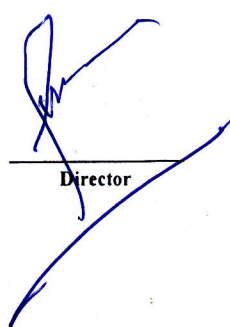
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Ms. Kishu
Chief Executive


Chairperson


Director


Director

Alpha Insurance Company Limited

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter and half year ended June 30, 2016

	Quarter ended June 30,		Half year ended June 30,	
	2016	2015	2016	2015
	(Rupees)			
(Loss) / profit after taxation	(5,603,254)	18,706,471	(20,483,654)	9,556,912
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>(5,603,254)</u>	<u>18,706,471</u>	<u>(20,483,654)</u>	<u>9,556,912</u>

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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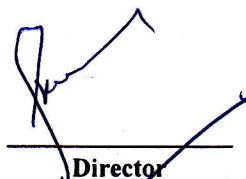

Mr. K. K. K.

Chief Executive


Chairperson



Director



Director


Alpha Insurance Company Limited
Condensed Interim Statement of Changes in Equity (Un-audited)
For the half year ended June 30, 2016


	Issued, subscribed and paid-up capital	Capital reserve Reserve for exceptional losses *	Revenue Reserve		Total Share holders' equity
			General reserve	Retained earnings	
	(Rupees)				
Balance as at January 1, 2015	403,600,000	3,355,000	6,820,000	189,529,024	603,304,024
<i>Total comprehensive income for the half year:</i>					
Profit for the half year ended June 30, 2015	-	-	-	9,556,912	9,556,912
Other comprehensive income	-	-	-	-	-
	-	-	-	9,556,912	9,556,912
Balance as at June 30, 2015	403,600,000	3,355,000	6,820,000	199,085,936	612,860,936
<i>Total comprehensive income for the half year:</i>					
Profit for the half year ended December 31, 2015	-	-	-	22,107,337	22,107,337
Other comprehensive income	-	-	-	341,219	341,219
	-	-	-	22,448,556	22,448,556
Balance as at December 31, 2015	403,600,000	3,355,000	6,820,000	221,534,492	635,309,492
<i>Total comprehensive income for the half year</i>					
Loss for the half year ended June 30, 2016	-	-	-	(20,483,654)	(20,483,654)
Other comprehensive income	-	-	-	-	-
	-	-	-	(20,483,654)	(20,483,654)
Balance as at June 30, 2016	<u>403,600,000</u>	<u>3,355,000</u>	<u>6,820,000</u>	<u>201,050,838</u>	<u>614,825,838</u>

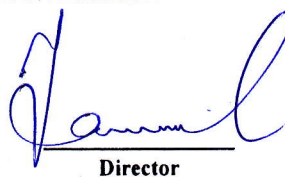
* The reserve for exceptional losses represents amounts set aside till December 31, 1978 to avail deduction thereof in computing taxable income, as allowed previously under the old Income Tax Act of 1922. After the introduction of the Repealed Income Tax Ordinance, 1979, which did not permit the said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

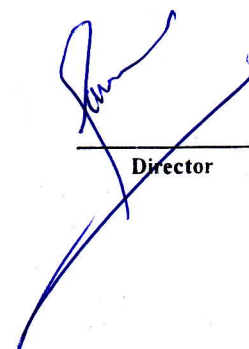
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14/06/16


Chief Executive


Chairperson


Director


Director

Alpha Insurance Company Limited
Condensed Interim Statement of Cash Flows (Un-audited)
For the half year ended June 30, 2016

	June 30, 2016	June 30, 2015
	----- (Rupees) -----	
OPERATING ACTIVITIES		
Underwriting activities		
Premiums received	66,709,675	93,904,261
Reinsurance premiums paid	(22,732,341)	(52,371,517)
Claims paid	(24,562,262)	(70,934,364)
Reinsurance and other recoveries received	9,298,989	46,650,638
Commission paid	(13,169,755)	(24,656,396)
Commission received	24,099,500	32,637,087
Other underwriting payments	(33,658,023)	(35,949,033)
Net cash from / (used in) underwriting activities	5,985,783	(10,719,324)
Other operating activities		
Income tax paid	(3,586,667)	(3,848,427)
General management expenses paid	(15,839,070)	(16,917,192)
Operating payments	(1,992,569)	(2,940,159)
Operating receipts	983,578	1,977,855
Net cash used in other operating activities	(20,434,728)	(21,727,923)
Net cash used in all operating activities	(14,448,945)	(32,447,247)
INVESTMENT ACTIVITIES		
Profit / return received	30,261,162	30,302,931
Dividends received	4,831,359	5,359,274
Payments made against purchase of investment	(112,974,148)	(211,693,609)
Proceeds from disposal of investments	99,031,163	180,326,090
Fixed capital expenditure	(141,452)	(10,496)
Net cash generated from investing activities	21,008,084	4,284,190
FINANCING ACTIVITIES		
Unclaimed dividend paid during the period	-	-
Net cash used in financing activities	-	-
Net cash from / (used in) all activities	6,559,139	(28,163,057)
Cash and cash equivalents at the beginning of the period	33,151,043	64,319,139
Cash and cash equivalents at the end of the period	39,710,182	36,156,082

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

Chief Executive

Chairperson

Director

Director

Alpha Insurance Company Limited
Condensed Interim Statement of Cash Flows (Un-audited)
For the half year ended June 30, 2016

June 30, 2016	June 30, 2015
(Rupees)	
June 30, 2016	June 30, 2015
(Rupees)	

Reconciliation to Profit and Loss account

Operating cash flows	(14,448,945)	(32,447,247)
Depreciation expense	(1,650,565)	(2,029,176)
Increase / (decrease) in assets other than cash	22,284,912	(32,943,437)
(Increase) / decrease in liabilities	(67,797,155)	35,759,843
Investment and other income	29,874,992	35,661,901
Deferred tax asset recorded during the period	11,253,107	5,555,028
Profit after taxation	(20,483,654)	9,556,912

Definition of cash:


Cash comprises of cash in hand, stamps in hand and bank balances.

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


Cash and other equivalent	185,880	454,162
Current and other accounts	39,524,302	35,701,920
Total	39,710,182	36,156,082


The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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Chief Executive


Chairperson


Director


Director

Alpha Insurance Company Limited
Condensed Interim Statement of Premiums (Un-audited)
For the quarter and half year ended June 30, 2016

Business underwritten inside Pakistan

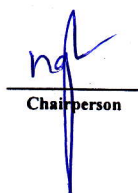
Class	Quarter ended June 30, 2016									
	Premium Written	Unearned premium reserve		Premium earned	Re-insurance ceded	Prepaid re-insurance premium ceded		Re-insurance expense	Net Premium Revenue	
		Opening	Closing			Opening	Closing		2016	2015
(Rupees)										
Direct and facultative										
Fire and property damage	14,773,735	28,909,194	28,660,433	15,022,496	8,989,411	21,125,227	19,687,484	10,427,154	4,595,342	6,153,440
Marine, aviation and transport	2,752,257	2,899,713	1,385,450	4,266,520	1,294,934	1,116,785	652,520	1,759,199	2,507,321	3,462,806
Motor	9,661,838	16,104,854	17,442,593	8,324,099	1,147,000	1,013,818	1,752,837	407,981	7,916,118	9,027,601
Accident and health	7,545,156	1,869,196	7,639,578	1,774,774	-	-	-	-	1,774,774	1,125,023
Credit and suretyship	3,290,664	1,940,682	3,929,197	1,302,149	1,467,533	1,003,900	1,902,494	568,939	733,210	257,653
Miscellaneous	1,956,951	5,750,478	4,296,812	3,410,617	(555,527)	2,688,638	685,338	1,447,773	1,962,844	1,413,698
Total	39,980,601	57,474,117	63,354,063	34,100,655	12,343,351	26,948,368	24,680,673	14,611,046	19,489,609	21,440,221

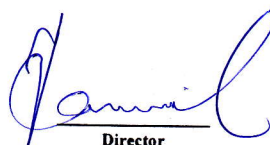
Class	Half year ended June 30, 2016									
	Premium Written	Unearned premium reserve		Premium earned	Re-insurance ceded	Prepaid re-insurance premium ceded		Re-insurance expense	Net Premium Revenue	
		Opening	Closing			Opening	Closing		2016	2015
(Rupees)										
Direct and facultative										
Fire and property damage	27,331,242	33,211,612	28,660,433	31,882,421	18,713,386	24,341,300	19,687,484	23,367,202	8,515,219	12,132,046
Marine, aviation and transport	9,466,983	3,884,575	1,385,450	11,966,108	3,897,110	3,007,005	652,520	6,251,595	5,714,513	6,852,505
Motor	17,703,472	16,814,340	17,442,593	17,075,219	2,294,000	1,479,990	1,752,837	2,021,153	15,054,066	18,293,425
Accident and health	7,645,386	2,920,267	7,639,578	2,926,075	-	-	-	-	2,926,075	1,998,145
Credit and suretyship	3,380,225	2,943,502	3,929,197	2,394,530	1,798,068	1,210,996	1,902,494	1,106,570	1,287,960	527,992
Miscellaneous	4,090,350	7,509,622	4,296,812	7,303,160	466,799	3,744,066	685,338	3,525,527	3,777,633	2,966,006
Total	69,617,658	67,283,918	63,354,063	73,547,513	27,169,363	33,783,357	24,680,673	36,272,047	37,275,466	42,770,119

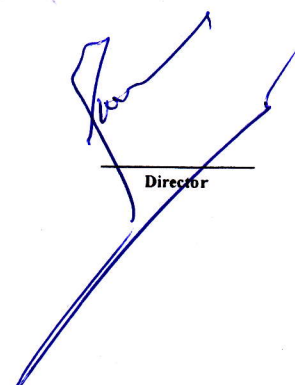
The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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Chief Executive


Chairperson


Director


Director

Alpha Insurance Company Limited
Condensed Interim Statement of Claims (Un-audited)
For the quarter and half year ended June 30, 2016

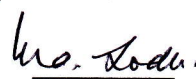
Business underwritten inside Pakistan

Class	Quarter ended June 30, 2016									
	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Re-insurance & other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		2016	2015
(Rupees)										
Direct and facultative										
Fire and property damage	3,694,518	35,214,612	37,438,584	5,918,490	2,220,127	21,230,768	22,748,949	3,738,308	2,180,182	(2,898,061)
Marine, aviation and transport	785,141	11,470,059	16,772,497	6,087,579	609,794	6,852,897	9,687,129	3,444,026	2,643,553	(1,452,075)
Motor	3,212,815	21,125,717	22,733,347	4,820,445	(124,858)	747,440	917,440	45,142	4,775,303	3,272,441
Accident and health	2,106,698	436,162	326,230	1,996,766	-	-	-	-	1,996,766	1,314,741
Credit and suretyship	-	-	-	-	-	-	-	-	-	-
Miscellaneous	1,895,018	7,880,473	66,363,034	60,377,579	1,434,549	4,186,659	44,691,587	41,939,477	18,438,102	(23,514)
Total	11,694,190	76,127,023	143,633,692	79,200,859	4,139,612	33,017,764	78,045,105	49,166,953	30,033,906	213,532


Class	Half year ended June 30, 2016									
	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Re-insurance & other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		2016	2015
(Rupees)										
Direct and facultative										
Fire and property damage	10,002,006	40,222,593	37,438,584	7,217,997	6,466,706	24,153,896	22,748,949	5,061,759	2,156,238	7,413,426
Marine, aviation and transport	1,004,447	8,827,006	16,772,497	8,949,938	904,202	5,641,075	9,687,129	4,950,256	3,999,682	(1,899,538)
Motor	6,913,343	22,314,738	22,733,347	7,331,952	(124,858)	597,440	917,440	195,142	7,136,810	6,610,112
Accident and health	4,016,061	831,217	326,230	3,511,074	-	-	-	-	3,511,074	2,045,566
Credit and suretyship	-	-	-	-	-	-	-	-	-	-
Miscellaneous	2,626,405	6,193,113	66,363,034	62,796,326	2,052,939	3,271,361	44,691,587	43,473,165	19,323,161	(386,446)
Total	24,562,262	78,388,667	143,633,692	89,807,287	9,298,989	33,663,772	78,045,105	53,680,322	36,126,965	13,783,120

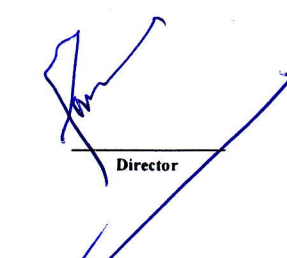
The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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Chief Executive


Chairperson


Director


Director

Alpha Insurance Company Limited
Condensed Interim Statement of Expenses (Un-audited)
For the quarter and half year ended June 30, 2016

Business underwritten inside Pakistan

Class	Quarter ended June 30, 2016								
	Commission paid / payable	Deferred commission expense		Commission expense	Management expenses	Underwriting expenses	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					2016	2015
(Rupees)									

(Rupees)

Direct and facultative

Fire and property damage	3,451,035	6,863,565	6,909,626	3,404,974	4,758,119	8,163,093	2,730,771	5,432,322	7,998,916
Marine, aviation and transport	620,319	945,657	306,012	1,259,964	(13,202)	1,246,762	422,983	823,779	4,902,121
Motor	1,417,839	1,706,270	2,192,362	931,747	3,146,872	4,078,619	-	4,078,619	5,629,744
Accident and health	377,158	93,422	381,871	88,709	3,728,064	3,816,773	-	3,816,773	38,923
Credit and suretyship	399,168	301,833	526,604	174,397	1,616,492	1,790,889	156,459	1,634,430	564,572
Miscellaneous	301,197	806,693	600,919	506,971	533,628	1,040,599	354,795	685,804	1,364,466
Total	6,566,716	10,717,440	10,917,394	6,366,762	13,769,973	20,136,735	3,665,008	16,471,727	20,498,742

Class	Half year ended June 30, 2016								
	Commission paid / payable	Deferred commission expense		Commission expense	Management expenses	Underwriting expenses	Commission from reinsurers	Net underwriting expenses	
		Opening	Closing					2016	2015
(Rupees)									


(Rupees)

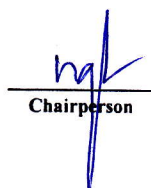
Direct and facultative

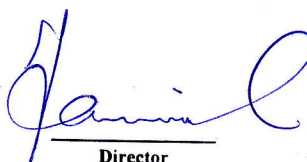
Fire and property damage	6,695,206	7,529,969	6,909,626	7,315,549	13,579,028	20,894,577	5,929,820	14,964,757	20,213,614
Marine, aviation and transport	2,512,230	903,814	306,012	3,110,032	4,703,497	7,813,529	1,740,986	6,072,543	9,448,517
Motor	2,235,878	1,781,803	2,192,362	1,825,319	8,795,646	10,620,965	1,537	10,619,428	10,219,782
Accident and health	382,169	145,952	381,871	146,250	3,798,470	3,944,720	-	3,944,720	82,542
Credit and suretyship	431,063	448,197	526,604	352,656	1,679,403	2,032,059	304,308	1,727,751	657,181
Miscellaneous	580,872	1,136,685	600,919	1,116,638	2,032,216	3,148,854	890,852	2,258,002	3,361,060
Total	12,837,418	11,946,420	10,917,394	13,866,444	34,588,260	48,454,704	8,867,503	39,587,201	43,982,696

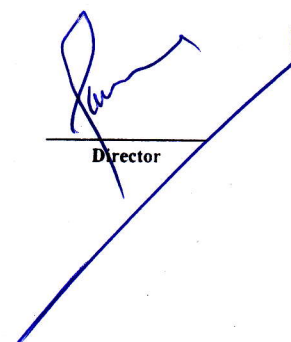
The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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Chief Executive


Chairperson


Director


Director

Alpha Insurance Company Limited


Condensed Interim Statement of Investment Income (Un-audited)

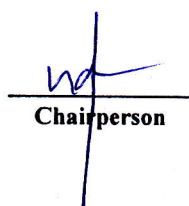
For the quarter and half year ended June 30, 2016

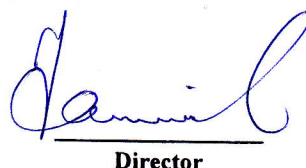
	Quarter ended		Half year ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	(Rupees)			
Income from non-trading investment				
Held-to-maturity				
Return on government securities	13,594,496	14,357,909	26,941,719	28,707,104
Return on term finance certificates	1,106,710	-	2,226,160	9,814
Amortisation of discount and premium on Pakistan Investment Bonds and term finance certificates	393,250	766,813	780,879	1,538,151
	<u>15,094,456</u>	<u>15,124,722</u>	<u>29,948,758</u>	<u>30,255,069</u>
Available-for-sale				
Dividend income	4,304,035	4,575,666	4,831,359	5,343,523
Gain on sale of available-for-sale investments	1,214,712	1,348,387	1,433,598	2,958,532
	<u>5,518,747</u>	<u>5,924,053</u>	<u>6,264,957</u>	<u>8,302,055</u>
Provision for impairment in value of investments				
Appreciation / (diminution) in value of available-for-sale investments	4,932,904	8,135,508	(6,338,723)	(2,895,223)
Total investment income	<u>25,546,107</u>	<u>29,184,283</u>	<u>29,874,992</u>	<u>35,661,901</u>

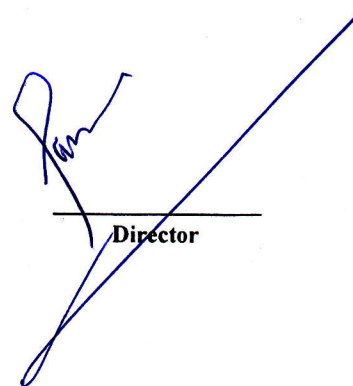
The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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Chief Executive


Chairperson


Director


Director

Alpha Insurance Company Limited

Notes to and forming part of the Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2016

1 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 State Life Building, I. I. Chundrigar Road, Karachi. The Company has 17 (December 31, 2015: 17) branches in Pakistan. The parent entity of the Company is State Life Insurance Corporation of Pakistan Limited holding 93.99% (December 31, 2015: 93.99%) shares of the Company.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case the requirements differ, the provisions or directives of Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 shall prevail. The condensed financial information is in the format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003.

This condensed interim financial information does not include all of the information and disclosures as 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, 2015.

The Securities and Exchange Commission of Pakistan (SECP) has allowed insurance companies to defer the application of International Accounting Standards (IAS) - 39 "Financial Instruments: Recognition and Measurement" in respect of valuation of "available for sale investments". Accordingly, the requirements of IAS-39, to the extent allowed by SECP as aforesaid, have not been considered in the preparation of the condensed interim financial information.

3 BASIS OF MEASUREMENT

This condensed interim financial information 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.

This condensed interim financial information has been prepared using the accrual basis of accounting.

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4 FUNCTIONAL AND PRESENTATION CURRENCY

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

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and method of computation adopted for the preparation of this condensed interim financial information are consistent with those applied in the preparation of the published annual financial statements of the Company for the year ended December 31, 2015.

5.1 New and amended standards and interpretations that are effective in the current period

There are certain other new and amended standards and interpretations that have been published and are mandatory for accounting periods beginning on or after January 1, 2016 but are considered not to be relevant or did not have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and the methods used for critical accounting estimates and judgments adopted in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2015.

7. 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, 2015.

8 OTHER CREDITORS AND ACCRUALS

	Un-audited June 30, 2016	Audited December 31, 2015
	----- (Rupees) -----	
Contribution payable to employees' provident fund	110,384	118,285
Commission payable to agents	16,825,157	17,157,494
Cash margins against performance bonds	4,546,972	4,546,972
Federal excise duty	21,194,617	23,127,751
Income tax deducted at source	48,974	100,505
Workers' Welfare Fund	2,197,746	2,197,746
Others	3,005,261	2,785,366
	<u>47,929,111</u>	<u>50,034,119</u>

9 CONTINGENCIES AND COMMITMENTS

- 9.1 Various insurance claims amounting to Rs. 93.976 million (December 31, 2015: Rs. 96.154 million) have been lodged by various parties against the Company. The Company has not acknowledged these claims as the management considers that the Company is not liable to settle these amounts.

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- 9.2 The income tax assessments of the Company have been finalised upto tax year 2014. Matters of disagreement exist between the Company and the tax authorities for the tax years 2008 and 2009. For tax year 2008, the tax authorities have made disallowances / additions to the taxable income in respect of incurred but not reported provision (IBNR) amounting to Rs. 2.453 million. For tax year 2009, the tax authorities did not allow credit of taxes paid of Rs 7.214 million for that year for need of verification of these payments and created additional demand of Rs 4.627 million by charging dividend income at corporate tax rate of 35% instead of reduced rates provided under the First Schedule of Income Tax Ordinance 2001. The management is contesting these matters with tax authorities and has filed appeals with Appellate Tribunal, Inland Revenue (Tribunal) for tax year 2008 and with Commissioner Inland Revenue (Appeals) for tax year 2009. Management is confident that these matters will be decided in favour of the Company and consequently has not made any provision in respect of these amounts.

	Note	(Un-audited) June 30, 2016	(Audited) December 31, 2015
10 CASH AND BANK DEPOSITS		----- (Rupees) -----	
Cash and other equivalents			
- cash in hand		-	-
- stamps in hand		185,880	112,285
		<u>185,880</u>	<u>112,285</u>
Current and other accounts			
- current accounts		9,644,001	8,690,943
- saving accounts	10.1	29,880,301	24,347,815
		<u>39,524,302</u>	<u>33,038,758</u>
		<u>39,710,182</u>	<u>33,151,043</u>
10.1 These accounts carry interest at rates ranging between 3.75% to 4.25% (2015: 4.00% to 6.00%) per annum.			
11 INVESTMENTS			
Available-for-sale			
Listed equity securities		125,754,697	123,621,050
Less: Diminution in value of investments		(18,926,579)	(12,587,856)
	11.1	<u>106,828,118</u>	<u>111,033,194</u>
Held-to-maturity			
Government securities		524,524,992	510,502,514
Term finance certificates	11.2	32,314,912	33,094,455
		<u>556,839,904</u>	<u>543,596,969</u>
		<u>663,668,022</u>	<u>654,630,163</u>
11.1 The fair value of available for sale investments is Rs. 202,759,942 (December 31, 2015: Rs. 187,052,981). Available for sale investments are stated at lower of cost or market value (market value being taken as lower if the reduction is other than temporary) as required by the Securities and Exchange Commission Rules, 2002. However, the International Accounting Standard (IAS) 39 Financial Instruments: Recognition and Measurement requires that these instruments should be measured at fair value.			
Had these investments been measured at fair value, their carrying values as at June 30, 2016 would have been higher by Rs. 95,931,824 (December 31, 2015: Rs. 76,019,787) and shareholder's equity would have increased by the same amount.			
11.2 This includes Pakistan Investment Bonds, Treasury Bills and term finance certificates which carry profit at rates ranging from 8.75% to 11.25%, 5.99% to 6.95% and 15% respectively.			

		(Un-audited) June 30, 2016	(Audited) December 31, 2015
12 SUNDRY RECEIVABLES	<i>Note</i>	(Rupees)	
Advances - secured			
To staff		1,508,138	133,971
Unsecured			
Long term security deposit		1,929,461	1,893,461
Federal insurance fee receivable		171,969	239,015
Receivable from employee gratuity fund		2,189,209	2,189,209
Miscellaneous receivables	12.1	1,721,899	1,818,402
		<u>7,520,676</u>	<u>6,274,058</u>

12.1 This includes Rs 1,558,728 (December 31, 2015: Rs 1,558,728) receivable from State Life Insurance Corporation of Pakistan, the parent company.

		(Un-audited) June 30, 2016	(Audited) December 31, 2015
13 FIXED ASSETS		(Rupees)	
Opening book value		10,407,004	13,844,854
Add: Additions during the period / year		141,452	276,532
Less: Deletions during the period / year		-	-
		<u>10,548,456</u>	<u>14,121,386</u>
Less: Net book value of assets disposed off / transferred during the period / year		-	-
Less: Depreciation for the period / year		<u>(1,650,565)</u>	<u>(3,714,382)</u>
		<u>8,897,891</u>	<u>10,407,004</u>

	Quarter ended June 30,		Half year ended June 30,	
	2016	2015	2016	2015
14 EARNINGS PER SHARE	(Rupees)			
Profit after tax for the period	<u>(5,603,254)</u>	<u>18,706,471</u>	<u>(20,483,654)</u>	<u>9,556,912</u>
	(Number of Shares)		(Number of Shares)	
Weighted average number of ordinary shares	<u>40,360,000</u>	<u>40,360,000</u>	<u>40,360,000</u>	<u>40,360,000</u>
Basic and diluted earnings per share	<u>(0.14)</u>	<u>0.46</u>	<u>(0.51)</u>	<u>0.24</u>

15 TRANSACTIONS WITH RELATED PARTIES

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 information are as follows:

	(Un-audited) June 30, 2016	(Un-audited) June 30, 2015
Transactions	(Rupees)	
Rent paid (parent company)	2,083,948	2,083,908
Contribution to provident fund	343,931	377,920
Cash dividend received from associate companies	419,634	592,424
Remuneration to key management personnel	2,504,470	2,719,890
Directors' remuneration	400,000	430,000
	<u>(Un-audited)</u>	<u>(Audited)</u>
	<u>June 30,</u>	<u>December 31,</u>
	<u>2016</u>	<u>2015</u>
Balances	(Rupees)	
Investment in Fauji Fertilizer Company Limited	5,892,283	5,892,283
79,627 no. of shares (December 31, 2015: 79,627 no. of shares)		
Investment in Orix Leasing Pakistan Limited:	9,567,777	-
200,500 no. of shares (December 31, 2015: 200,500 no. of shares)		
Receivable from State Life Insurance Corporation of Pakistan	1,558,728	1,558,728
Receivable from gratuity fund	2,189,209	2,189,209
Due to employees' provident fund	110,384	118,285

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16 FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analysis 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 categorised:

On balance sheet financial instruments

On balance sheet financial instruments	June 30, 2016 (Un-audited)										
	Fair value										
	HFT	Available for sale	HTM	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)										
Financial assets not measured at fair value											
- Cash and bank deposits	-	-	-	39,710,182	-	-	39,710,182	-	-	-	-
- Investments	-	106,828,118	556,839,904	-	-	-	663,668,022	-	-	-	-
- Premium due but unpaid	-	-	-	69,499,106	-	-	69,499,106	-	-	-	-
- Amounts due from other insurers / reinsurers	-	-	-	25,951,997	-	-	25,951,997	-	-	-	-
- Accrued investment income	-	-	-	22,354,649	-	-	22,354,649	-	-	-	-
- Reinsurance recoveries against outstanding claims	-	-	-	78,045,105	-	-	78,045,105	-	-	-	-
- Taxation-payments less provision	-	-	-	35,345,759	-	-	35,345,759	-	-	-	-
- Sundry receivables	-	-	-	7,520,676	-	-	7,520,676	-	-	-	-
	-	106,828,118	556,839,904	278,427,474	-	-	942,095,496	-	-	-	-
Financial liabilities not measured at fair value											
- Provision for outstanding claims (including IBNR)	-	-	-	-	-	143,633,692	143,633,692	-	-	-	-
- Amounts due to other insurers / reinsurers	-	-	-	-	-	101,668,418	101,668,418	-	-	-	-
- Accrued expenses	-	-	-	-	-	29,513,829	29,513,829	-	-	-	-
- Other creditors and accruals	-	-	-	-	-	47,929,111	47,929,111	-	-	-	-
- Unclaimed dividend	-	-	-	-	-	3,011,260	3,011,260	-	-	-	-
	-	-	-	-	-	325,756,310	325,756,310	-	-	-	-

On balance sheet financial instruments

On balance sheet financial instruments	December 31, 2015 (Audited)										
	HFT	Available for sale	HTM	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)										
Financial assets not measured at fair value											
- Cash and bank deposits	-	-	-	33,151,043	-	-	33,151,043	-	-	-	-
- Investments	-	111,033,194	543,596,969	-	-	-	654,630,163	-	-	-	-
- Premium due but unpaid	-	-	-	66,591,122	-	-	66,591,122	-	-	-	-
- Amounts due from other insurers / reinsurers	-	-	-	43,941,200	-	-	43,941,200	-	-	-	-
- Accrued investment income	-	-	-	22,667,053	-	-	22,667,053	-	-	-	-
- Reinsurance recoveries against outstanding claims	-	-	-	33,663,772	-	-	33,663,772	-	-	-	-
- Taxation-payments less provision	-	-	-	32,220,522	-	-	32,220,522	-	-	-	-
- Sundry receivables	-	-	-	6,274,058	-	-	6,274,058	-	-	-	-
	-	111,033,194	543,596,969	238,508,770	-	-	893,138,933	-	-	-	-
Financial liabilities not measured at fair value											
- Provision for outstanding claims (including IBNR)	-	-	-	-	-	78,388,667	78,388,667	-	-	-	-
- Amounts due to other insurers / reinsurers	-	-	-	-	-	97,231,396	97,231,396	-	-	-	-
- Accrued expenses	-	-	-	-	-	31,419,345	31,419,345	-	-	-	-
- Other creditors and accruals	-	-	-	-	-	50,034,119	50,034,119	-	-	-	-
- Unclaimed dividend	-	-	-	-	-	3,011,260	3,011,260	-	-	-	-
	-	-	-	-	-	260,084,787	260,084,787	-	-	-	-

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 assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

16.1 The Company has not disclosed the fair values for financial assets and liabilities not measured at fair value, as these are for short term or repriced over short term and therefore their carrying amounts are reasonable approximation of fair value.

16.1

17 SEGMENT REPORTING

The Company has six primary business segments for reporting purposes namely fire and property damage, marine, aviation and transport, motor, accident and health, credit and suretyship and miscellaneous.

Assets and liabilities, wherever possible, have been assigned to the following segments based on specific identification or allocated on the basis of the gross premium written by the segments.

	June 30, 2016			December 31, 2015		
	(Unaudited)			(Audited)		
	Segment	Unallocated	Total	Segment	Unallocated	Total
	assets	assets	assets	assets	assets	assets
	(Rupees)			(Rupees)		
Fire and property	73,741,970	-	73,741,970	80,896,510	-	80,896,510
Marine, aviation and transport	25,903,547	-	25,903,547	29,707,680	-	29,707,680
Motor	20,823,256	-	20,823,256	18,419,873	-	18,419,873
Accident and health	6,856,721	-	6,856,721	1,661,365	-	1,661,365
Credit and Suretyship	6,490,226	-	6,490,226	4,283,099	-	4,283,099
Miscellaneous	49,326,558	-	49,326,558	11,016,145	-	11,016,145
Unallocated	-	838,647,236	838,647,236	-	828,491,339	828,491,339
Total	183,142,278	838,647,236	1,021,789,514	145,984,672	828,491,339	974,476,011

	June 30, 2016			December 31, 2015		
	(Unaudited)			(Audited)		
	Segment	Unallocated	Total	Segment	Unallocated	Total
	liabilities	liabilities	liabilities	liabilities	liabilities	liabilities
	(Rupees)			(Rupees)		
Fire and property	73,603,827	-	73,603,827	79,751,075	-	79,751,075
Marine, aviation and transport	18,490,376	-	18,490,376	13,628,602	-	13,628,602
Motor	40,175,940	-	40,175,940	39,130,615	-	39,130,615
Accident and health	12,913,891	-	12,913,891	3,751,484	-	3,751,484
Credit and Suretyship	4,452,382	-	4,452,382	3,276,526	-	3,276,526
Miscellaneous	74,375,313	-	74,375,313	14,624,135	-	14,624,135
Unallocated	-	182,951,947	182,951,947	-	185,004,082	185,004,082
Total	224,011,729	182,951,947	406,963,676	154,162,437	185,004,082	339,166,519


17.1 Segment wise financial performance for the quarter and half year ended June 30, 2016 have been detailed in the condensed interim profit and loss account for the quarter and half year ended June 30, 2016.

18 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison.

19 DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue on 12-08-16 by the Board of Directors of the Company.

 Mr. Koda
Chief Executive

 Chairperson

 Director

 Director