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Insurance Company Limited

A subsidiary of State Life Insurance Corporation of Pakistan

FINANCIAL STATEMENTS

(Unaudited)

For the Nine months period ended September 30, 2022

ALPHA INSURANCE COMPANY LTD

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ALPHA INSURANCE COMPANY LTD

Company Information

Board of Directors

Chairman : Mr. Faisal Mumtaz

Directors : Mr. Manzoor Ali Shaikh
Mr. Muhammad Amjad
Mr. Mushtaq Ahmad
Dr. Ghazala Nafees

Chief Executive Officer : Syed Arif Hussain

Chief Financial Officer & Company Secretary : Mr. Faraz Ahmed

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

Tel. : 32416041 - 45

Fax : 32419968, 32422478

E-mail : info@alphainsurance.com.pk

Website : www.alphainsurance.com.pk

Directors' Review

We are presenting the unaudited interim condensed financial statements of the Company for the Nine months period ended September 30, 2022.

Business Overview:

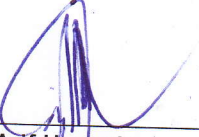
The summarized results for Nine Months are as follows:

	Quarter ended September 30, 2022	2021	Nine Months ended September 30, 2022	2021
	----- (Rupees) -----			
Premium Written	93,520,948	74,517,863	175,621,231	126,031,674
Net premium revenue	42,803,714	26,081,882	112,059,918	66,058,701
Net insurance claims	(24,818,788)	(5,315,907)	(75,348,983)	(3,611,595)
Management expenses	(31,442,247)	(25,999,792)	(72,988,331)	(61,133,912)
Underwriting profit / (loss)	(24,686,104)	(12,762,143)	(63,108,867)	(15,292,904)
Net investment income	12,917,878	7,536,420	31,440,260	42,118,985
Other income	2,151,484	861,757	8,477,702	2,571,252
Profit / (loss) before tax	(10,016,629)	(5,283,628)	(25,846,320)	26,257,850
Profit / (loss) after tax	(10,903,379)	(2,181,798)	(28,311,717)	20,755,750
Earning per share (EPS)	(0.22)	(0.04)	(0.57)	0.42

During the nine months period ended September 30, 2022, It may be seen that Gross premium increased by 39 percent in comparison with last year. In connection with the gross premium, the net premium also increased by 70 percent. During the period the underwriting loss has increased because of increase in insurance claims due to flood and major fire losses.

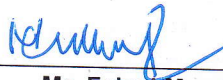
While the business increased by 39 percent management is able to contain increase in expenses at 19 percent only. Investment income also decreased during the period due to volatility in the Stock Market. Consequently, the company incurred net loss during the period.

In the end the Board of directors would like to thank our valued clients/customers, shareholders, the Securities and Exchange Commission of Pakistan, the Management and the staff for their continuous trust, support and hard work.



Syed Arif Hussain
Chief Executive Officer

Karachi : Wednesday, November 30, 2022



Mr. Faisal Mumtaz
Chairman

ڈائریکٹرز کا جائزہ

30 ستمبر 2022ء کے ختم شدہ نو ماہ کیلئے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے آپ کے پیش نظر ہیں۔

کمپنی کی کارکردگی

زیر جائزہ نو ماہ کیلئے مختصر نتائج مندرجہ ذیل ہیں

30 ستمبر کے ختم شدہ نو ماہ		30 ستمبر کے ختم شدہ تین ماہ		
2021ء	2022ء	2021ء	2022ء	
روپے	روپے	روپے	روپے	
126,031,674	175,621,231	74,517,863	93,520,948	خام پریمیم
66,058,701	112,059,918	26,081,882	42,803,714	خالص پریمیم آمدنی
(3,611,595)	(75,348,983)	(5,315,907)	(24,818,788)	خالص انشورنس کلیم
(61,133,912)	(72,988,331)	(25,999,792)	(31,442,247)	انتظامی اخراجات
(15,292,904)	(63,108,867)	(12,762,143)	(24,686,104)	انڈر رائٹنگ نقصان
42,118,985	31,440,260	7,536,420	12,917,878	سرمایہ کاری کی آمدنی
2,571,252	8,477,702	861,757	2,151,484	دیگر آمدنی
26,257,850	(25,846,320)	(5,283,628)	(10,016,629)	منافع/(نقصان) قبل از ٹیکس
20,755,750	(28,311,717)	(2,181,798)	(10,903,379)	منافع/(نقصان) بعد از ٹیکس
0.42	(0.57)	(0.04)	(0.22)	بنیادی منافع فی شیئر (EPS)

30 ستمبر 2022 کو ختم ہونے والی نو ماہ کی مدت کے دوران، یہ مشاہدہ کیا جاسکتا ہے کہ گزشتہ سال کے مقابلے مجموعی پریمیم میں 39 فیصد اضافہ ہوا ہے۔ مجموعی پریمیم کے سلسلے میں خالص پریمیم میں بھی 70 فیصد اضافہ ہوا۔ سیلاب اور آگ کے بڑے نقصانات کی وجہ سے انشورنس کلیمز میں اضافہ کے باعث اس مدت کے دوران انڈر رائٹنگ نقصان میں اضافہ ہوا۔

جبکہ کاروبار میں 39 فیصد اضافے کے باوجود صرف 19 فیصد انتظامی اخراجات میں اضافہ ہوا۔ اسٹاک مارکیٹ میں اتار چڑھاؤ کی وجہ سے اس عرصے کے دوران سرمایہ کاری کی آمدنی میں بھی کمی واقع ہوئی۔ نتیجتاً، کمپنی کو اس مدت کے دوران خالص نقصان اٹھانا پڑا۔

آخر میں بورڈ آف ڈائریکٹرز نے اپنے کلائنٹس، کسٹمرز، شیئر ہولڈرز، سیکوریٹیز اینڈ ایکسیچینج کمیشن آف پاکستان، انتظامیہ اور اسٹاف کا ان کے مسلسل بھروسہ، تعاون اور انتھک محنت کیلئے شکر گزار ہے۔



فیصل ممتاز

چیئر مین



سید عارف حسین

چیف ایگزیکٹو آفیسر


کراچی: بدھ ۳۰ نومبر ۲۰۲۲ء


Alpha Insurance Company Limited
Condensed Interim Statement of Financial Position (Unaudited)
As at September 30, 2022

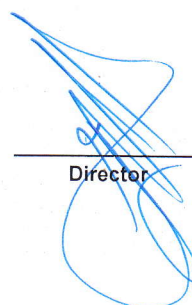
	Notes	(Unaudited) September 30, 2022	(Audited) December 31, 2021 (Rupees)
Assets			
Property and equipment	7	8,368,791	11,543,184
Investments			
Equity securities	8	178,257,591	216,508,019
Debt securities	9	482,479,645	447,748,768
Loans and other receivables	10	3,568,688	9,145,044
Insurance / Reinsurance receivables	11	103,144,151	65,351,884
Reinsurance recoveries against outstanding claims	21	91,456,026	78,372,240
Salvage recoveries accrued		2,862,385	12,385
Deferred Commission Expense / Acquisition cost	22	15,336,519	12,578,983
Staff retirement benefits		280,658	180,658
Deferred taxation	12	10,261,650	10,261,651
Taxation - payment less provisions	13	77,448,318	73,319,937
Prepayments	14	22,458,600	38,099,257
Cash and bank	15	133,341,507	119,483,506
Total assets		1,129,264,529	1,077,605,516
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised share capital: [51,000,000 (December 31, 2021: 51,000,000) Ordinary shares of Rs. 10 each]		510,000,000	510,000,000
Issued, subscribed and paid-up capital [50,000,000 (2021: 50,000,000) Ordinary shares of Rs. 10 each]		500,000,000	500,000,000
Reserves		68,388,165	92,611,460
Unappropriated profit		92,117,943	120,429,660
Total equity		660,506,108	713,041,120
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	21	201,924,936	138,206,245
Unearned premium reserves	20	90,872,709	72,254,843
Premium deficiency reserves	16	2,724,565	2,967,400
Unearned reinsurance commission	22	604,857	979,744
Premium received in advance		4,825,619	6,924,804
Reinsurance / Co-Insurance payables	17	74,186,231	53,839,857
Other creditors and accruals	18	93,619,504	89,391,503
Total liabilities		468,758,421	364,564,396
Total equity and liabilities		1,129,264,529	1,077,605,516
Contingencies and commitments			

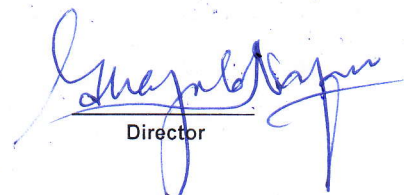
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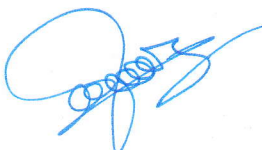
The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chairman


Director


Director

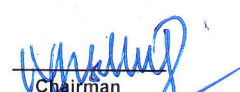


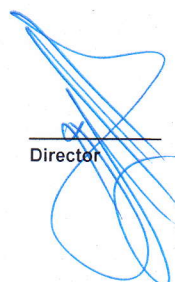
Alpha Insurance Company Limited
Condensed Interim Profit and Loss Account (Unaudited)
For the Quarter and Nine months period ended September 30, 2022

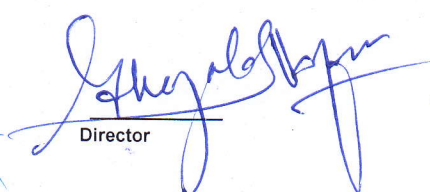
		Quarter ended September 30,		Nine Months ended September 30,	
	Notes	2022	2021	2022	2021
		(Rupees)			
Net insurance premium	20	42,803,714	26,081,882	112,059,918	66,058,701
Net insurance claims	21	(24,818,788)	(5,315,907)	(75,348,983)	(3,611,595)
Premium Deficiency	16	(467,370)	(1,914,335)	242,835	(1,097,530)
Net commission and other acquisition cost	22	(10,761,413)	(5,613,991)	(27,074,306)	(15,508,568)
Insurance claims and acquisition expenses		(36,047,571)	(12,844,233)	(102,180,454)	(20,217,693)
Management expenses	23	(31,442,247)	(25,999,792)	(72,988,331)	(61,133,912)
Underwriting results		(24,686,104)	(12,762,143)	(63,108,867)	(15,292,904)
Investment income	24	12,917,878	7,536,420	31,440,260	42,118,985
Other income	25	2,151,484	861,757	8,477,702	2,571,252
Other expenses	26	(167,995)	(540,290)	(1,853,195)	(1,902,290)
		14,901,367	7,857,887	38,064,767	42,787,947
Results of operating activities		(9,784,737)	(4,904,256)	(25,044,100)	27,495,043
Finance cost		(231,892)	(379,372)	(802,220)	(1,237,193)
Profit / (loss) before tax		(10,016,629)	(5,283,628)	(25,846,320)	26,257,850
Provision for taxation - current		(886,750)	138,612	(2,465,397)	(7,539,717)
- deferred		-	2,963,218	-	2,037,617
- for Prior year		-	-	-	-
		(886,750)	3,101,830	(2,465,397)	(5,502,100)
Profit / (loss) after tax		(10,903,379)	(2,181,798)	(28,311,717)	20,755,750
Earnings per share	27	(0.22)	(0.04)	(0.57)	0.42

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chairman


Director


Director



Alpha Insurance Company Limited

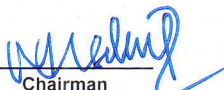
Condensed Interim Statement of Comprehensive Income (Unaudited)


For the Quarter and Nine months period ended September 30, 2022

	Quarter ended September 30, 2022	September 30, 2021	Nine Months ended September 30, 2022	September 30, 2021
	(Rupees)			
Profit / (loss) after taxation	(10,903,379)	(2,181,798)	(28,311,717)	20,755,750
Other comprehensive income for the period				
Unrealised (loss) / gain on revaluation of available-for-sale investments	(20,780,127)	(7,799,394)	(24,223,295)	(5,652,570)
Reclassification adjustment relating to available-for-sale investment gain/(loss) transferred to profit & loss on disposal	-	-	-	-
Total unrealized (loss) / gain on available-for-sale investment	(20,780,127)	(7,799,394)	(24,223,295)	(5,652,570)
Deferred tax on available-for-sale investment	-	2,261,824	-	1,639,244
	(20,780,127)	(5,537,570)	(24,223,295)	(4,013,326)
Total comprehensive income for the period	(31,683,506)	(7,719,368)	(52,535,012)	16,742,424

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chairman


Director


Director



Alpha Insurance Company Limited
Condensed Interim Cash Flow Statement (Unaudited)
For the Nine months period ended September 30, 2022

	September 30, 2022	September 30, 2021
	----- (Rupees) -----	
OPERATING ACTIVITIES		
Underwriting activities		
Premiums received	164,571,656	118,159,421
Reinsurance premiums paid	(55,404,310)	(68,953,166)
Claims paid	(27,658,189)	(81,547,414)
Reinsurance and other recoveries received	2,944,111	31,173,778
Commission paid	(20,992,710)	(16,142,302)
Commission received	823,587	709,703
Management Expenses paid	(64,390,243)	(55,930,450)
Net cash (used in) underwriting activities	(106,098)	(72,530,430)
Other operating activities		
Income tax paid	(6,593,777)	(8,191,271)
Operating payments	49,638,547	1,119,575
Operating receipts	54,497	10,918
Loans advanced	519,934	(224,586)
Net cash used in other operating activities	43,619,201	(7,285,364)
Net cash used in all operating activities	43,513,103	(79,815,794)
INVESTMENT ACTIVITIES		
Profit / return received	48,889,430	41,248,071
Dividends received	6,565,641	9,640,204
Payments made against purchase of investment	(244,785,682)	(246,936,496)
Proceeds from disposal of investments	212,264,768	310,881,051
Fixed capital expenditure	(627,870)	(838,308)
Proceeds from disposal of fixed assets	1,609,785	-
Net cash generated from investing activities	23,916,072	113,994,522
FINANCING ACTIVITIES		
Unclaimed dividend paid during the period	-	-
Operating lease payments	(3,570,175)	(3,811,041)
Net cash used in financing activities	(3,570,175)	(3,811,041)
Net cash flow from all activities	63,859,000	30,367,687
Cash and cash equivalents at the beginning of the period	69,482,507	46,387,469
Cash and cash equivalents at the end of the period	133,341,507	76,755,156

Alpha Insurance Company Limited
Condensed Interim Cash Flow Statement (Unaudited)
For the Nine months period ended September 30, 2022

	2022	2021
	(Rupees)	
Reconciliation to Profit and Loss account		
Operating cash flows	43,513,103	(79,815,794)
Depreciation expense	(3,638,860)	(4,137,774)
Increase / (decrease) in assets other than cash	(12,760,257)	16,479,599
(Increase) / decrease in liabilities	(107,160,835)	42,800,875
Other investment income	36,691,789	33,217,389
Other Income	6,832,463	2,571,252
Dividend Income	6,565,641	9,640,203
Profit / (loss) on disposal of fixed assets	1,645,239	-
Adjustment of unrealized gain / (loss) on sale of AFS investments	-	-
Deferred tax (expense) / asset recorded during the period		
Profit / (Loss) after taxation	(28,311,717)	20,755,750

Definition of cash:

Cash comprises of cash in hand, policy stamps, bond papers, cheques in hand, bank balances and other deposits which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.


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

Cash and other equivalents	169,592	133,902
Current and other accounts	133,171,915	76,621,254
Total	133,341,507	76,755,156

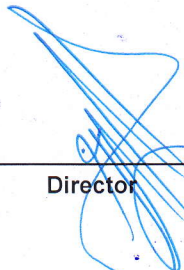
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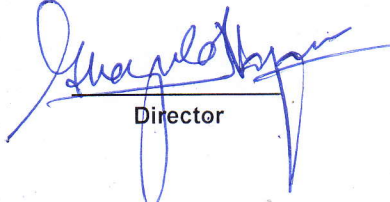
Chief Executive Officer




Chairman



Director



Director

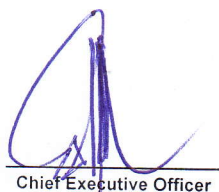


Alpha Insurance Company Limited
Condensed Interim Statement of Changes in Equity (Unaudited)
For the Nine months period ended September 30, 2022

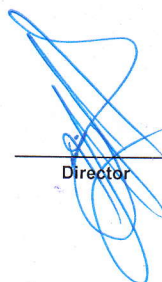
	Issued, subscribed and paid-up capital	Capital reserve Reserve for exceptional losses *	General reserve	Revenue reserves Revaluation Reserve	Unappropriated profit	Total Share holders' equity
	(Rupees)					
Balance as at January 01, 2021	500,000,000	3,355,000	6,820,000	87,361,846	102,581,200	700,118,046
<i>Total comprehensive income/ (loss) for the period ended September 30, 2021</i>						
Income for the period ended September 30, 2021	-	-	-	-	20,755,750	20,755,750
Other comprehensive income	-	-	-	(4,013,326)	-	(4,013,326)
	-	-	-	(4,013,326)	20,755,750	16,742,424
Balance as at September 30, 2021	<u>500,000,000</u>	<u>3,355,000</u>	<u>6,820,000</u>	<u>83,348,520</u>	<u>123,336,950</u>	<u>716,860,470</u>
Balance as at January 01, 2022	500,000,000	3,355,000	6,820,000	82,436,460	120,429,660	713,041,120
<i>Total comprehensive income/ (loss) for the period ended September 30, 2022</i>						
Loss for the period ended September 30, 2022	-	-	-	-	(28,311,717)	(28,311,717)
Other comprehensive income	-	-	-	(24,223,295)	-	(24,223,295)
	-	-	-	(24,223,295)	(28,311,717)	(52,535,012)
Balance as at September 30, 2022	<u>500,000,000</u>	<u>3,355,000</u>	<u>6,820,000</u>	<u>58,213,165</u>	<u>92,117,943</u>	<u>660,506,108</u>

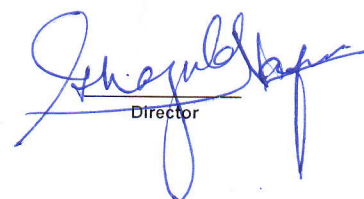
* The reserve for exceptional losses represents amounts set aside till December 31, 1978 to avail deduction thereof in computing taxable income, as allowed previously under the old Income Tax Act of 1922. After the introduction of the Repealed Income Tax Ordinance, 1979, which did not permit the said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

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chairman


Director


Director



Alpha Insurance Company Limited

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine months period ended September 30, 2022

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 13 (December 31, 2018: 13) branches in Pakistan. The parent entity of the Company is State Life Insurance Corporation of Pakistan holding 95.15% (December 31, 2018: 95.15%) shares of the Company.

2 BASIS OF PREPARATION AND 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, and Insurance Accounting Regulations, 2017. 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 and Insurance Accounting Regulations, 2017 have been followed.

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, 2021.

3 BASIS OF MEASUREMENT

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

4 FUNCTIONAL AND PRESENTATION CURRENCY

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

5 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, 2021.



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, 2021.

7	PROPERTY AND EQUIPMENT		(Un-audited) September 30, 2022	(Audited) December 31, 2021
			(Rupees)	
	Operating assets	7.1	4,183,820	4,683,782
	Right-of-use assets	7.2	4,184,971	6,859,402
			<u>8,368,791</u>	<u>11,543,184</u>
7.1	Operating assets			
	Opening book value		4,683,783	5,621,244
	Add: Additions during the period		627,870	1,010,768
	Less: Deletions during the period		<u>(1,574,000)</u>	<u>-</u>
			3,737,653	6,632,012
	Less: Depreciation for the period		<u>(1,127,833)</u>	<u>(1,948,230)</u>
			<u>2,609,820</u>	<u>4,683,782</u>
7.2	Right-of-use assets			
	Opening Balance		6,859,402	10,441,677
	Add: Addition during the period		-	-
	Less: Disposals during the period - WDV		<u>(163,404)</u>	<u>-</u>
			(2,511,027)	(3,582,275)
	Depreciation charge for the period		<u>4,184,971</u>	<u>6,859,402</u>
	Ending Balance			

8 INVESTMENTS IN EQUITY SECURITIES - Available for sale

	September 30, 2022 (Unaudited)			December 31, 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	(Rupees)			(Rupees)		
Listed equity securities	129,655,103	(39,601,753)	90,053,350	129,655,103	(25,574,619)	104,080,484
Surplus on revaluation	-	-	88,204,241	-	-	112,427,535
	<u>129,655,103</u>	<u>(39,601,753)</u>	<u>178,257,591</u>	<u>129,655,103</u>	<u>(25,574,619)</u>	<u>216,508,019</u>

9 INVESTMENTS IN DEBT SECURITIES - Held to maturity

	Note	September 30, 2022 (Unaudited)			December 31, 2021 (Audited)		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		(Rupees)			(Rupees)		
Government securities							
- Pakistan investment bor	9.1	221,790,180	-	229,726,244	221,790,180	-	227,516,280
- Treasury bills	9.2	238,452,780	-	252,753,401	231,170,240	-	220,232,488
		<u>460,242,960</u>	<u>-</u>	<u>482,479,645</u>	<u>452,960,420</u>	<u>-</u>	<u>447,748,768</u>

9.1 Pakistan Investment Bonds carry profit at rates ranging from 9.5% to 10%.

9.2 Treasury Bills carry profit at rates ranging from 12.46% to 14.95%

	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	(Rupees)	
10 LOANS AND OTHER RECEIVABLES - Considered good		
Accrued Investment Income	772,379	6,448,724
Security Deposit	305,120	266,120
Advance against commission to agents	78,854	72,854
Loans To Employees	1,384,342	1,904,276
Federal Insurance Fee	155,733	62,530
Other Receivables	872,260	390,540
Alpha Window Takaful Operator	-	-
	<u>3,568,688</u>	<u>9,145,044</u>
11 INSURANCE / REINSURANCE RECEIVABLES - Unsecured and considered good		
Due from insurance contract holders	103,737,647	94,787,257
Less: provision for impairment of receivables from insurance contract holders	(91,645,901)	(88,178,283)
	12,091,746	6,608,974
Due from other insurers / reinsurers	124,214,157	87,752,815
Less: provision for impairment of due from other insurers / reinsurers	(33,161,752)	(29,009,905)
	91,052,405	58,742,910
	<u>103,144,151</u>	<u>65,351,884</u>
12 DEFERRED TAXATION		
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
Minimum tax	-	-
Deferred Credits arising in respect of :		
Right-of-use assets	(1,989,227)	(1,989,227)
Provision for employees' benefits plan	(276,921)	(276,921)
Unrealized gain/(loss) on revaluation of AFS	(32,603,984)	(32,603,984)
	<u>10,261,650</u>	<u>10,261,651</u>
12.1 The deferred tax asset has been restricted on prudence basis considering the future taxable profitability.		
13 TAXATION - Payment less provision		
Opening Balance	73,319,938	75,847,643
Tax paid including deducted at source	6,593,777	10,350,388
Provision for taxation	(2,465,397)	(7,854,129)
Less : Provision for the year (perior year)	-	-
Less: Advance tax written off	-	(5,023,965)
Closing Balance	<u>77,448,318</u>	<u>73,319,937</u>
14 PREPAYMENTS		
Prepaid reinsurance premium ceded	21,925,631	32,413,688
Prepaid rent	-	298,462
Prepaid miscellaneous expenses	532,969	387,107
	<u>22,458,600</u>	<u>33,099,257</u>
15 CASH AND BANK DEPOSITS		
Cash and other equivalents		
- cash in hand	128,585	-
- stamps in hand	41,007	1,195,841
Current and other accounts		
- current accounts	1,062,964	19,920,700
- saving accounts	80,963,834	48,365,965
- Window takaful operations	51,145,117	50,001,000
	<u>133,341,507</u>	<u>119,483,506</u>

- 16.1 This represents amount deposited in a separate bank account (saving) titled as window takaful operations, for which the Company has applied for license to commence business.

	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	----- (Rupees) -----	
Opening balance	2,967,400	1,262,740
Provision for the period appreciation/(reduction)	(242,835)	1,704,660
Closing balance	<u>2,724,565</u>	<u>2,967,400</u>

	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	----- (Rupees) -----	
Due to other insurers / reinsurers	59,034,863	43,522,442
Cash margins against performance bonds	15,151,368	10,317,415
	<u>74,186,231</u>	<u>53,839,857</u>

18 OTHER CREDITORS AND ACCRUALS

Agents Commission Payable	55,642,072	45,604,466
Federal Excise Duty	18,454,966	18,450,737
Federal Insurance Fee	-	-
Workers' Welfare Fund	2,197,746	2,197,746
Salaries & Wages Payable	1,098,752	1,016,174
Accrued Expenses	1,931,857	3,511,718
Compensated absences	2,465,725	2,465,725
Income Tax Liabilities	235,015	382,484
Other Tax Payables	74,102	60,820
Unpaid and Unclaimed Dividend	3,001,450	3,001,450
Accounts payable for goods & services	367,776	1,150,805
Guarantee payable to the Court against claims	-	-
Lease Liabilities	5,381,346	8,348,157
Other creditors & accruals	2,768,697	3,201,221
	<u>93,619,504</u>	<u>89,391,503</u>

18.1 Lease Liabilities

Lease liabilities included in the statement of financial position	5,381,346	8,348,157
Current	<u>4,221,187</u>	<u>3,482,487</u>
Non current	<u>1,160,159</u>	<u>4,865,670</u>

19 CONTINGENCIES AND COMMITMENTS

The status of contingencies and commitments remain unchanged as disclosed in the financial statement as of December 31, 2021.

20 NET INSURANCE PREMIUM

Written Gross Premium
Add: Unearned premium reserve opening
Less: Unearned premium reserve closing
Premium earned

Less: Reinsurance premium ceded
Add: Prepaid reinsurance premium opening
Less: Prepaid reinsurance premium closing
Reinsurance expense

	Quarterly ended September 30,		Nine Months ended September 30,	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Rupees)		(Rupees)	
Written Gross Premium	93,520,948	74,517,863	175,621,231	126,031,674
Add: Unearned premium reserve opening	55,868,254	34,797,144	72,254,843	41,115,050
Less: Unearned premium reserve closing	(90,872,709)	(73,834,707)	(90,872,709)	(73,834,707)
Premium earned	58,516,493	35,480,300	157,003,365	93,312,017
Less: Reinsurance premium ceded	11,424,242	10,518,465	34,455,390	28,662,415
Add: Prepaid reinsurance premium opening	26,214,168	16,530,621	32,413,688	16,241,569
Less: Prepaid reinsurance premium closing	(21,925,631)	(17,650,668)	(21,925,631)	(17,650,668)
Reinsurance expense	15,712,779	9,398,418	44,943,447	27,253,316
	42,803,714	26,081,882	112,059,918	66,058,701

21 NET INSURANCE CLAIMS EXPENSE

Claims paid
Add: Outstanding claims including IBNR closing
Less: Outstanding claims including IBNR opening
Claim expense

Less: Reinsurance and other recoveries received
Add: Reinsurance and other recoveries in respect of outstanding claims - closing
Less: Reinsurance and other recoveries in respect of outstanding claims - opening
Reinsurance and other recoveries revenue

Claims paid	17,306,141	6,340,884	27,658,189	81,547,414
Add: Outstanding claims including IBNR closing	201,924,936	124,715,311	201,924,936	124,715,311
Less: Outstanding claims including IBNR opening	(201,634,836)	(125,004,900)	(138,206,245)	(216,107,225)
Claim expense	17,596,241	6,051,295	91,376,880	(9,844,500)
Less: Reinsurance and other recoveries received	2,900,947	932,473	2,944,111	31,173,778
Add: Reinsurance and other recoveries in respect of outstanding claims - closing	91,456,026	75,727,240	91,456,026	75,727,240
Less: Reinsurance and other recoveries in respect of outstanding claims - opening	(101,579,520)	(75,924,325)	(78,372,240)	(120,357,112)
Reinsurance and other recoveries revenue	(7,222,547)	735,388	16,027,897	(13,456,095)
	24,818,788	5,315,907	75,348,983	3,611,595

22 NET COMMISSION / ACQUISITION COST

Commission paid or payable
Add: Deferred commission expense opening
Less: Deferred commission expense closing
Net Commission

Less: Commission received or recoverable
Add: Unearned reinsurance commission opening
Less: Unearned reinsurance commission closing
Commission from reinsurance

Commission paid or payable	16,815,673	11,884,053	31,030,316	21,145,844
Add: Deferred commission expense opening	9,698,954	6,549,752	12,578,983	7,434,266
Less: Deferred commission expense closing	(15,336,519)	(12,662,485)	(15,336,519)	(12,662,485)
Net Commission	11,178,108	5,771,320	28,272,780	15,917,625
Less: Commission received or recoverable	279,102	395,509	823,587	709,703
Add: Unearned reinsurance commission opening	742,450	296,628	979,744	234,162
Less: Unearned reinsurance commission closing	(604,857)	(534,808)	(604,857)	(534,808)
Commission from reinsurance	416,695	157,329	1,198,474	409,057
	10,761,413	5,613,991	27,074,306	15,508,568

23 MANAGEMENT EXPENSES

Employees benefit cost
Travel expense
Advertisement & sales promotion
Printing and stationery
Depreciation expense
Rent, rates and taxes
Legal and professional charges - business related
Electricity, gas and water
Entertainment
Vehicle running expenses
Office repair and maintenance
Bank charges
Postages, telegrams and telephone
Annual supervision fee SECP
Reinsurance Balance Written-off (Net)
Bad and doubtful debts
Co-insurance service charges
Insurance charges
Advance Tax Written Off
Miscellaneous

23.1	14,779,992	13,015,214	39,082,358	36,342,970
	292,541	179,823	664,898	352,195
	182,600	15,130	196,850	97,201
	200,410	136,019	869,038	738,041
	1,220,667	1,396,377	3,638,860	4,137,774
	111,100	1,280,796	551,787	1,408,913
	2,035,467	1,106,100	4,917,566	3,888,981
	1,114,540	1,397,885	1,950,374	1,903,743
	181,871	346,825	490,862	965,812
	3,521,882	2,012,283	7,976,179	5,219,858
	563,290	135,386	1,076,245	422,690
	96,219	74,897	279,510	251,792
	419,519	394,152	1,037,890	1,267,115
	-	-	-	-
	-	-	-	-
	5,908,677	4,011,256	7,619,465	2,821,008
	557,689	232,383	1,041,880	672,305
	66,000	74,250	370,380	389,256
	-	-	-	-
	189,783	191,016	1,224,189	254,258
	31,442,247	25,999,792	72,988,331	61,133,912

23.1 Employee benefit cost

Salaries, allowance and other benefits
Charges for post employment benefit

Quarterly ended September 30,		Nine Months ended September 30,	
2022	2021	2022	2021
(Unaudited)		(Unaudited)	
(Rupees)		(Rupees)	
14,345,884	12,726,664	38,078,884	35,489,477
434,108	288,550	1,003,474	853,493
<u>14,779,992</u>	<u>13,015,214</u>	<u>39,082,358</u>	<u>36,342,970</u>

24 INVESTMENT INCOME

Income from equity securities - available for sale

Dividend income

Gain on sales of investment

997,737 1,490,572 6,565,641 9,640,203

- - - -

Income from debt securities - held to maturity

Return on government securities

Return on term finance certificates

Amortization of (discount) / premium on government securities / term finance certificates

13,805,312 11,609,502 36,691,789 33,217,389

- - - -

758,417 675,218 2,209,964 1,967,545

15,561,466 13,775,292 45,467,394 44,825,137

Income from term deposits

Return on term deposits

- - - -

Realised gains on investments

- Equity securities

Total investment income

- - - -

15,561,466 13,775,292 45,467,394 44,825,137

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

(2,643,588) (6,238,872) (14,027,134) (2,706,152)

Net investment income

12,917,878 7,536,420 31,440,260 42,118,985

25 OTHER INCOME

Income from financial assets

Return on bank balances

2,151,484 830,639 6,521,296 2,109,134

Income from non-financial assets

Gain on sale of fixed asset

Gain on termination of Right of use assets

Exchange gain

Miscellaneous income / (loss)

Liabilities written back

Reversal of bad and doubtful debts

- - 1,609,786 -

- - 35,453 -

- 10,918 54,497 10,918

- 20,200 256,670 451,200

- - - -

- - - -

2,151,484 861,757 8,477,702 2,571,252

26 OTHER EXPENSES

Auditors' remuneration

Directors' Fees

Directors Training and Development

Fees & Subscription

- - 194,400 194,400

160,000 400,000 1,560,000 1,480,000

- - - -

7,995 140,290 98,795 227,890

167,995 540,290 1,853,195 1,902,290

27 EARNINGS PER SHARE

Profit after tax for the period

(10,903,379) (2,181,798) (28,311,717) 20,755,750

----- (Number of Shares) ----- (Number of Shares) -----

Weighted average number of ordinary shares

50,000,000 50,000,000 50,000,000 50,000,000

Basic earnings per share (Rupees)

(0.22) (0.04) (0.57) 0.42

28 SEGMENT INFORMATION

The class wise revenues and results are as follows:

Nine Months ended September 30, 2022 (Unaudited)							
September 30, 2022	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	2022 Aggregate
(Rupees)							
Premium receivable (inclusive of federal excise duty, federal insurance fee and administrative surcharge)	84,497,569	38,970,038	38,046,173	12,601,343	1,053,872	17,274,529	192,443,524
Less : Federal excise duty / Sales Tax	4,732,009	3,679,946	4,165,450	-	143,996	1,818,788	14,540,189
Federal insurance fee	338,200	308,487	297,327	2,315	9,001	123,895	1,079,225
Others	11,475	1,164,469	17,865	-	900	8,170	1,202,879
Gross written premium (inclusive of administrative surcharge)	79,415,885	33,817,136	33,565,531	12,599,028	899,975	15,323,676	175,621,231
Gross direct premium	33,202,934	29,936,534	28,926,184	12,597,028	893,975	12,181,250	117,737,905
Facultative inward premium	45,633,010	2,980,626	3,857,025	-	-	2,936,708	55,407,369
Administrative surcharge	579,941	899,976	782,322	2,000	6,000	205,718	2,475,957
	79,415,885	33,817,136	33,565,531	12,599,028	899,975	15,323,676	175,621,231
Insurance premium earned	69,130,345	29,306,456	30,468,529	8,873,776	105,580	19,118,679	157,003,365
Reinsurance expense	(20,464,406)	(7,169,453)	(4,379,697)	-	(574,191)	(12,355,700)	(44,943,447)
Net insurance premium	48,665,939	22,137,003	26,088,832	8,873,776	(468,611)	6,762,979	112,059,918
Net commission	327,422	70,013	269,957	-	-	531,082	1,198,474
Net Underwriting income	48,993,361	22,207,016	26,358,789	8,873,776	(468,611)	7,294,061	113,258,392
Insurance claims	(57,640,370)	(9,466,030)	(11,938,376)	(8,145,109)	-	(4,186,995)	(91,376,880)
Insurance claims recovered from reinsurers	10,878,660	2,893,164	2,205,000	-	-	51,073	16,027,897
Net claims	(46,761,710)	(6,572,866)	(9,733,376)	(8,145,109)	-	(4,135,922)	(75,348,983)
Commission expense	(13,564,769)	(7,170,717)	(3,501,517)	(443,589)	(12,959)	(3,579,229)	(28,272,780)
Management expenses	(33,005,308)	(14,054,430)	(13,949,863)	(5,236,167)	(374,030)	(6,368,533)	(72,988,331)
Premium deficiency expense	-	-	-	(372,525)	-	615,360	242,835
Net insurance claims and expenses	(93,331,787)	(27,798,013)	(27,184,756)	(14,197,390)	(386,989)	(13,468,324)	(176,367,259)
Underwriting result	(44,338,426)	(5,590,997)	(825,967)	(5,323,614)	(855,600)	(6,174,263)	(63,108,867)
Investment income							31,440,260
Other income							8,477,702
Other expenses							(1,853,195)
Finance Cost							(802,220)
							37,262,547
Results of operating activities							(25,846,320)
Segment Assets	75,823,706	43,926,717	58,731,330	16,191,869	1,466,816	38,584,276	234,724,714
Unallocated Assets							894,539,815
	75,823,706	43,926,717	58,731,330	16,191,869	1,466,816	38,584,276	1,129,264,529
Segment liabilities	223,033,186	32,737,930	52,791,395	26,302,968	5,508,467	34,764,970	375,138,916
Unallocated liabilities							93,619,505
	223,033,186	32,737,930	52,791,395	26,302,968	5,508,467	34,764,970	468,758,421

Nine Months ended September 30, 2021 (Unaudited)

September 30, 2021	Fire & property	Marine, aviation & transport	Motor	Accident and Health	Bond	Other classes	2021 Aggregate
(Rupees)							
Premium receivable (inclusive of federal excise duty, federal insurance fee and administrative surcharge)	59,685,288	21,921,501	28,724,638	12,006,600	-	15,834,483	138,172,510
Less : Federal excise duty / Sales Tax	3,733,132	2,150,215	2,872,568	-	-	1,625,253	10,381,168
Federal insurance fee	268,854	184,046	211,170	2,315	-	105,487	771,872
Others	12,270	947,491	19,605	-	-	8,430	987,796
Gross written premium (inclusive of administrative surcharge)	55,671,032	18,639,749	25,621,295	12,004,285	-	14,095,313	126,031,674
Gross direct premium	26,470,986	17,721,333	20,501,562	12,002,285	-	10,379,909	87,076,075
Facultative inward premium	28,843,596	240,730	4,525,934	-	-	3,575,336	37,185,596
Administrative surcharge	419,450	677,686	593,799	2,000	-	140,068	1,833,003
	55,734,032	18,639,749	25,621,295	12,004,285	-	14,095,313	126,094,674
Insurance premium earned	35,578,555	17,276,517	22,688,357	8,934,512	(1)	8,834,077	93,312,017
Reinsurance expense	(14,973,068)	(6,565,227)	(3,361,783)	-	(31,908)	(2,321,330)	(27,253,316)
Net insurance premium	20,605,487	10,711,290	19,326,574	8,934,512	(31,909)	6,512,747	66,058,701
Net commission	209,432	3,335	161,147	-	5,309	29,834	409,057
Net Underwriting income	20,814,919	10,714,625	19,487,721	8,934,512	(26,600)	6,542,581	66,467,758
Insurance claims	26,774,983	(16,853)	(7,317,197)	(5,801,706)	-	(3,794,728)	9,844,499
Insurance claims recovered from reinsurers	(14,494,021)	-	1,037,927	-	-	-	(13,456,094)
Net claims	12,280,962	(16,853)	(6,279,270)	(5,801,706)	-	(3,794,728)	(3,611,595)
Commission expense	(7,651,762)	(3,687,700)	(2,726,406)	(446,625)	-	(1,405,132)	(15,917,625)
Management expenses	(27,004,227)	(9,041,543)	(12,428,066)	(5,822,893)	-	(6,837,183)	(61,133,912)
Premium deficiency expense	(711,497)	-	-	(386,033)	-	-	(1,097,530)
Net insurance claims and expenses	(23,086,524)	(12,746,096)	(21,433,742)	(12,457,257)	-	(12,037,043)	(81,760,662)
Underwriting result	(2,271,605)	(2,031,471)	(1,946,021)	(3,522,745)	(26,600)	(5,494,462)	(15,292,904)
Investment income							42,118,985
Other income							2,571,252
other expenses							(1,902,290)
Finance Cost							(1,237,193)
Results of operating activities							41,550,754
							26,257,850

December 31, 2021 (Audited)

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

29 CORRESPONDING FIGURES

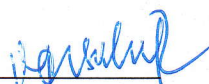
Corresponding figures have been rearranged or reclassified, wherever necessary, to align them with the presentation requirements of the Insurance Accounting Regulations, 2017 and Insurance Rules, 2017.

30 DATE OF AUTHORIZATION

This condensed interim financial statements was authorized for issue on 30-Nov-22 by the Board of Directors of the Company.



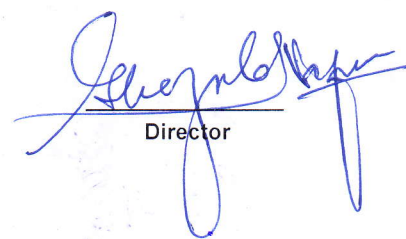
Chief Executive Officer



Chairman



Director



Director

