

**FINANCAIL STATEMENTS FOR  
THE PERIOD ENDED  
MARCH 31<sup>ST</sup> 2026  
(CONVENTINAL BUSINESS)**



**ALPHA INSURANCE COMPANY LIMITED**



# alpha

Insurance Company Limited

(A subsidiary of State Life Insurance Corporation of Pakistan)

## Directors' Report to Shareholders

For the period ended March 31<sup>st</sup>, 2026

We present the Company's unaudited interim condensed financial statements for the three-month period ended March 31, 2026.

### Business Overview:

The summarized results for the three-months period are as follows:

|  | For the period ended March 31, |                    | Increase/<br>(Decrease) |
|--|--------------------------------|--------------------|-------------------------|
|  | 2026                           | 2025               |                         |
|  | ----- (Rupees)-----            |                    | %                       |
| Premium Written  | <u>69,726,944</u>              | <u>111,720,613</u> | -38%                    |
| Net premium revenue  | 51,199,261                     | 108,376,486        | -53%                    |
| Net insurance claims   | (25,360,324)                   | (47,428,221)       | -47%                    |
| Net Acquisition Cost   | (12,011,114)                   | (22,212,758)       | -46%                    |
| Management expenses  | (43,440,248)                   | (43,134,567)       | 1%                      |
| Underwriting profit / (loss)   | (29,576,904)                   | 4,657,488          | -735%                   |
| Net investment income  | 20,142,191                     | 27,290,119         | -26%                    |
| Profit / (Loss) before tax from Takaful operations - Operator's Fund | -                              | -                  | -                       |
|  | 3,250,640                      | 2,814,089          | 16%                     |
| Profit / (loss) after tax  | (6,384,134)                    | 29,803,820         | -121%                   |
| Earnings per share (EPS)   | (0.13)                         | 0.60               | -121%                   |

During the three-month period ended March 31, 2026, the Company reported a 38% decline in gross premium compared to the corresponding period of the previous year, while net premium decreased by 53%. The decline in both gross and net premium was primarily attributable to the prevailing uncertainty and geopolitical tensions in the Middle East region, and was further impacted by a reduction in health and accidental business in light of the elevated claims ratio within the health portfolio.

Underwriting results for the period under review reflected a loss of Rs. 29.6 million as compared to an underwriting gain of Rs. 4.6 million in the corresponding period last year. This was despite a 47% reduction in claims during the period. The abnormal increase in underwriting losses was mainly attributable to lower premium income.

#### 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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Management expenses remained largely stable during the period, registering only a marginal increase of 1% compared to the same period last year. Investment income, however, declined by 26%, primarily due to lower policy rates on fixed-income securities.

Furthermore, during the period under review, the profitability of the Window Operators' Fund increased by 16% to Rs. 3.25 million, as compared to Rs. 2.81 million in the corresponding period of the previous year.

The Board of Directors extends its sincere gratitude to the Company's valued customers, shareholders, the Securities and Exchange Commission of Pakistan, management, and employees for their continued trust, support, and commitment. Their dedication and hard work remain instrumental to the Company's growth.

For and on behalf of the Board

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

**Tariq Ikram (SI)**  
Chairman

Karachi: May 14<sup>th</sup>, 2026

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## ڈائریکٹرز رپورٹ برائے حصص یافتگان

۳۱ مارچ ۲۰۲۶ء کو اختتام پذیر سہ ماہی

ہم کمپنی کے 31 مارچ 2026 کو ختم ہونے والی تین ماہ کی مدت کیلئے غیر آڈٹ شدہ عبوری مختصر مالیاتی حسابات کو پیش کر رہے ہیں۔

کمپنی کی کارکردگی  
زیر جائزہ تین ماہ کیلئے مختصر نتائج مندرجہ ذیل ہیں

| (اضافہ/کمی) % | 31 مارچ کو ختم ہونے والی سہ ماہی |              |   |
|---------------|----------------------------------|--------------|---|
|               | 2025 ء                           | 2026 ء       |   |
|               | ----- روپے -----                 |              |   |
| -38%          | 111,720,613                      | 69,726,944   | مجموعی پربیم                                |
| -53%          | 108,376,486                      | 51,199,261   | نیٹ پربیم ریویو                             |
| -47%          | (47,428,221)                     | (25,360,324) | نیٹ انشورنس کلیمز                           |
| -46%          | (22,212,758)                     | (12,011,114) | مجموعی حصول لاگت                            |
| 1%            | (43,134,567)                     | (43,440,248) | انتظامی اخراجات                             |
| -735%         | 4,657,488                        | (29,576,904) | انڈر رائٹنگ منافع/(نقصان)                   |
| -26%          | 27,290,119                       | 20,142,191   | مجموعی سرمایہ آمدنی                         |
|               |                                  |              | بیکال آپریشنز سے ٹیکس سے پہلے منافع/(نقصان) |
| 16%           | 2,814,089                        | 3,250,640    | -آپریٹرز فنڈ                                |
| -121%         | 29,803,820                       | (6,384,134)  | منافع/(نقصان) بعد از ٹیکس                   |
| -121%         | 0.60                             | (0.13)       | بنیادی منافع فی شیئر (EPS)                  |

31 مارچ 2026 کو ختم ہونے والی تین ماہ کی مدت کے دوران، کمپنی نے گزشتہ سال کی اسی مدت کے مقابلے میں مجموعی پربیم میں 38% کمی ہوئی، جبکہ خالص پربیم آمدن میں 53% کمی ہوئی۔ مجموعی اور خالص دونوں پربیم میں یہ کمی بنیادی طور پر مشرق وسطیٰ کے خطے میں جاری غیر یقینی صورتحال اور جغرافیائی سیاسی کشیدگی کے باعث تھی، اور مزید یہ کہ صحت کے کاروبار میں بلند گیمز تناسب کے پیش نظر صحت اور حادثاتی کاروبار میں کمی نے بھی پربیم آمدن پر منفی اثر ڈالا۔

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زیر جائزہ مدت کیلئے انڈر رائٹنگ نتائج میں 29.6 بلین روپے کا نقصان ظاہر ہوا، جبکہ گزشتہ سال کی اسی مدت میں انڈر رائٹنگ منافع 4.6 بلین روپے تھا۔ یہ صورتحال اس کے باوجود رہی کہ اس مدت کے دوران کلیمز میں 47% کمی واقع ہوئی۔ انڈر رائٹنگ نقصانات میں غیر معمولی اضافے کی بنیادی وجہ پرییم آمدن میں کمی تھی۔

انتظامی اخراجات اس مدت کے دوران بڑی حد تک مستحکم رہے، اور گزشتہ سال کی اسی مدت کے مقابلے میں صرف 1% معمولی اضافہ ریکارڈ کیا گیا۔ تاہم، سرمایہ کاری سے حاصل ہونے والی آمدنی میں 26% کمی واقع ہوئی، جس کی بنیادی وجہ گلاسڈ آفم سکیورٹیز پر شرح سود میں کمی تھی۔

مزید برآں، زیر جائزہ مدت کے دوران، تکافل ونڈو آپریٹرز فنڈ کی منافع بخشی میں 16% اضافہ ہوا اور یہ آمدن 3.25 بلین روپے تک پہنچ گئی، جبکہ گزشتہ سال کی اسی مدت میں یہ 2.81 بلین روپے تھی۔

بورڈ آف ڈائریکٹرز کمپنی کے معزز صارفین، شہر ہولڈرز، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، انتظامیہ اور ملازمین کا ان کے مسلسل اعتماد، تعاون، اور وابستگی پر دلی تشکر ادا کرتا ہے۔ ان کی لگن اور محنت کمپنی کی ترقی میں بدستور کلیدی کردار ادا کر رہی ہے۔

Tariq Akram

طارق اکرام (SI)

چیرمین

برائے اور منجانب بورڈ

ڈاکٹر سید عارف حسین

چیف ایگزیکٹو آفیسر

کراچی، 14 مئی 2026ء

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**ALPHA INSURANCE COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2026**

|   |      | March 31,<br>2026<br>(Un-audited) | December 31,<br>2025<br>(Audited) |
|---|------|-----------------------------------|-----------------------------------|
|   | Note | ----- (Rupees) -----              |                                   |
| <b>Assets</b>   |      |                                   |                                   |
| Property and equipment  | 9    | 19,642,531                        | 21,001,306                        |
| Intangible assets   | 10   | 211,602                           | 237,233                           |
| Investments   |      |                                   |                                   |
| Equity securities   | 11   | 178,493,559                       | 215,942,651                       |
| Debt securities   | 12   | 556,547,124                       | 711,660,000                       |
| Mutuial Fund  |      | 5,173,969                         | 5,133,873                         |
| Loans and other receivables   | 13   | 41,951,189                        | 48,694,171                        |
| Insurance / Reinsurance receivables   | 14   | 228,069,753                       | 179,247,514                       |
| Reinsurance recoveries against outstanding claims                             |      | 224,961,188                       | 226,867,270                       |
| Deferred Commission Expense / Acquisition cost                                | 27   | 20,128,572                        | 22,652,069                        |
| Taxation - payment less provisions  | 16   | 94,078,627                        | 89,754,339                        |
| Prepayments   | 17   | 58,140,270                        | 66,165,100                        |
| Bank deposits held as Cash Margin   |      | 102,942,520                       | 86,772,216                        |
| Cash and bank   | 18   | 114,769,788                       | 36,724,835                        |
|   |      | 1,645,110,692                     | 1,710,852,577                     |
| <b>Total Assets of Window Takaful Operations - Operator's Fund</b>            |      | 136,264,578                       | 141,042,212                       |
| <b>Total Assets of Window Takaful Operations - Participants' Takaful Fund</b> |      | 200,940,356                       | 174,845,067                       |
| <b>Total Assets</b>   |      | 1,982,315,626                     | 2,026,739,856                     |

**Equity and Liabilities**

**Capital and reserves attributable to Company's equity holders**

|                        |    |             |             |
|------------------------|----|-------------|-------------|
| Ordinary share capital |    | 500,000,000 | 500,000,000 |
| Reserves               | 19 | 92,466,715  | 119,055,568 |
| Unappropriated profit  |    | 210,505,771 | 216,889,905 |
| <b>Total Equity</b>    |    | 802,972,485 | 835,945,473 |

**Liabilities**

**Underwriting provisions**

|  |    |               |               |
|--|----|---------------|---------------|
| Outstanding claims including IBNR  | 26 | 385,666,410   | 411,076,440   |
| Unearned premium reserves  | 25 | 110,267,497   | 127,600,069   |
| Premium deficiency reserves  | 20 | 64,232        | 99,753        |
| Unearned Reinsurance Commission  | 27 | 4,127,984     | 5,962,242     |
| Retirement benefit   | -  | 1,875,582     | 1,875,582     |
| Premium received in advance  |    | 8,812,858     | 14,540,215    |
| Lease Liabilities  | 22 | 9,821,907     | 10,313,915    |
| Insurance / Reinsurance Payables   | 21 | 259,937,898   | 229,411,822   |
| Other Creditors and Accruals   | 23 | 114,084,047   | 113,550,399   |
| Unclaimed dividend   |    | 3,001,450     | 3,001,450     |
| Deferred tax liability   | 15 | 11,199,773    | 21,888,694    |
|  |    | 908,859,638   | 939,320,581   |
| <b>Total Liabilities of Window Takaful Operations - Operator's Fund</b>            |    | 69,543,147    | 76,628,735    |
| <b>Total liabilities of Window Takaful Operations - Participants' Takaful Fund</b> |    | 200,940,356   | 174,845,067   |
| <b>Total Liabilities</b>   |    | 1,179,343,141 | 1,190,794,383 |
| <b>Total Equity and Liabilities</b>  |    | 1,982,315,626 | 2,026,739,856 |

**Contingencies and commitments**


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The annexed notes 1 to 35 form an integral part of these financial statements.

  
 Chief Executive Officer

  
 Director

  
 Director

  
 Chairman

**ALPHA INSURANCE COMPANY LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED MARCH 31, 2026**

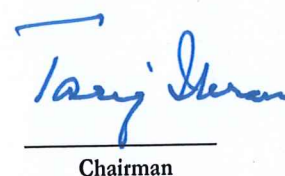
|   | Notes | Three Months Period<br>Ended March 31, |                   |
|---|-------|--|-------------------|
|   |       | 2026                                   | 2025              |
|   |       | (Un-audited)                           |                   |
| Net insurance premium   | 25    | 51,199,261                             | 108,376,486       |
| Net insurance claims  | 26    | (25,360,324)                           | (47,428,221)      |
| Premium deficiency  | 20    | 35,521                                 | 9,056,548         |
| Net commission and other acquisition costs                            | 27    | (12,011,114)                           | (22,212,758)      |
| Insurance claims and acquisition expense                              |       | (37,335,917)                           | (60,584,431)      |
| Management Expenses   | 28    | (43,440,248)                           | (43,134,567)      |
| Underwriting results  |       | (29,576,904)                           | 4,657,488         |
| Investment income   | 29    | 20,142,191                             | 27,290,119        |
| Other income  | 30    | 2,563,564                              | 9,048,474         |
| Other expenses  | 31    | (617,779)                              | (922,125)         |
|   |       | 22,087,976                             | 35,416,468        |
| Results of operating activities                                       |       | (7,488,928)                            | 40,073,956        |
| Finance costs   |       | (563,170)                              | (794,594)         |
| <b>Profit before tax</b>  |       | <b>(8,052,098)</b>                     | <b>39,279,362</b> |
| Profit / (Loss) before tax from<br>takaful operations-Operator's Fund |       | 3,250,640                              | 2,814,089         |
|   |       | (4,801,458)                            | 42,093,451        |
| Income tax expense  | 32    | (1,582,676)                            | (12,289,631)      |
| <b>Profit / (Loss) after tax</b>                                      |       | <b>(6,384,134)</b>                     | <b>29,803,820</b> |
| <b>Earnings / (Loss) after tax per share - Basic and Diluted</b>      | 33    | <b>(0.13)</b>                          | <b>0.60</b>       |

The annexed notes 1 to 35 form an integral part of these financial statements.

  
 Chief Executive Officer

  
 Director

  
 Director

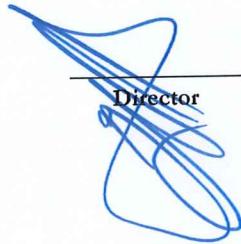
  
 Chairman

ALPHA INSURANCE COMPANY LIMITED  
 STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE PERIOD ENDED MARCH 31, 2026

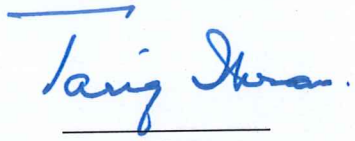
|   | Three Months Period Ended |                   |
|---|---------------------------|-------------------|
|   | March 31,                 |                   |
|   | 2026                      | 2025              |
|   | (Un-audited)              |                   |
| Note  | ----- (Rupees) -----      |                   |
| Profit / (Loss) after tax   | (6,384,134)               | 29,803,820        |
| Other comprehensive income / (loss)                                       |                           |                   |
| Unrealized gain/ (loss) on available-for-sale investments                 | (37,449,092)              | 4,854,931         |
| Related deferred tax  | 10,860,239                | (18,546)          |
| Other comprehensive incom / (loss) for the period                         | (26,588,853)              | 4,836,385         |
| Total comprehensive income / (loss) for the period<br><i>subsequently</i> | <u>(32,972,987)</u>       | <u>34,640,205</u> |

The annexed notes 1 to 35 form an integral part of these financial statements.

  
 Chief Executive Officer

  
 Director

  
 Director

  
 Chairman

ALPHA INSURANCE COMPANY LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED MARCH 31, 2026

|  | Attributable to equity holders of the Company |                                |                 |                                   |                                   |                   | Total        |                       |
|--|---|--------------------------------|-----------------|-----------------------------------|-----------------------------------|-------------------|--------------|-----------------------|
|  | Share Capital                                 | Capital reserve                |                 | Revenue reserves                  |                                   | Subtotal Reserves |              | Unappropriated profit |
|  |   | Reserve for exceptional losses | General reserve | Unrealized Gain on Revaluation of | Unrealized Gain on Revaluation of |                   |              |                       |
|  |   |                                |                 | (Rupees)                          |                                   |                   |              |                       |
| Balance as at January 01, 2025                   | 500,000,000                                   | 3,355,000                      | 6,820,000       | 122,346,921                       | 132,521,921                       | 194,333,914       | 826,855,835  |                       |
| <i>Total comprehensive loss for the year:</i>    |   |                                |                 |                                   |                                   |                   |              |                       |
| Profit / (Loss) for the year                     | -   | -                              | -               | -                                 | -                                 | 29,803,820        | 29,803,820   |                       |
| Other comprehensive (loss)                       | -   | -                              | -               | 45,408                            | 45,408                            | -                 | 45,408       |                       |
| Balance as at March 31, 2025                     | 500,000,000                                   | 3,355,000                      | 6,820,000       | 122,392,329                       | 132,567,329                       | 224,137,734       | 856,705,063  |                       |
| Balance as at January 01, 2026                   | 500,000,000                                   | 3,355,000                      | 6,820,000       | 108,880,568                       | 119,055,568                       | 216,889,905       | 835,945,473  |                       |
| <i>Total comprehensive income for the period</i> |   |                                |                 |                                   |                                   |                   |              |                       |
| Profit for the period                            | -   | -                              | -               | -                                 | -                                 | (6,384,134)       | (6,384,134)  |                       |
| Other comprehensive income / (Loss)              | -   | -                              | -               | (26,588,853)                      | (26,588,853)                      | (26,588,853)      | (26,588,853) |                       |
| Balance as at March 31, 2026                     | 500,000,000                                   | 3,355,000                      | 6,820,000       | 82,291,715                        | 92,466,715                        | 210,505,771       | 802,972,485  |                       |

The annexed notes 1 to 35 form an integral part of these financial statements.



Chief Executive Officer



Director



Chairman

ALPHA INSURANCE COMPANY LIMITED  
CASH FLOW STATEMENT  
FOR THE PERIOD ENDED MARCH 31, 2026


|  | March 31,<br>2026     | March 31,<br>2025    |
|--|-----------------------|----------------------|
|  | (Un-audited)          |                      |
| Note   | ----- (Rupees) -----  |                      |
| <b>Operating Cash flows</b>                                |                       |                      |
| a) Underwriting activities                                 |                       |                      |
| Insurance premiums received                                | 19,161,753            | 30,826,038           |
| Reinsurance premium paid                                   | 2,690,651             | (32,265,938)         |
| Claims paid  | (79,881,019)          | (56,825,924)         |
| Reinsurance and other recoveries received                  | 31,016,747            | 18,787,132           |
| Commission paid  | (6,480,116)           | (23,783,154)         |
| Commission received  | 1,462,971             | 3,109,263            |
| Management expenses paid                                   | (52,191,538)          | (43,016,574)         |
| Net cash flow used in underwriting activities              | (84,220,551)          | (103,169,157)        |
| b) Other operating activities                              |                       |                      |
| Income tax paid  | (5,735,648)           | (7,318,913)          |
| Other operating payments                                   | (617,779)             | (922,125)            |
| Other operating receipts                                   | -                     | -                    |
| Net receipt/(payment) to Window Takaful Operation          | 942,686               | 816,086              |
| Loans advanced   | 6,742,982             | (12,387,829)         |
| Net cash flow used in other operating activities           | 1,332,241             | (19,812,781)         |
| <b>Total cash flow used in all operating activities</b>    | <b>(82,888,310)</b>   | <b>(122,981,938)</b> |
| <b>Investment activities</b>                               |                       |                      |
| Profit / return received                                   | 20,961,425            | 23,966,691           |
| Dividend received  | 1,744,330             | 5,622,965            |
| Payment for investments                                    | 155,072,782           | (355,152,244)        |
| Proceeds from investments                                  | -                     | 437,064,411          |
| Deposits held under cash margine                           | (16,170,304)          | -                    |
| Fixed capital expenditure                                  | (111,800)             | (807,530)            |
| Proceeds from sale of property and equipment               | -                     | 707,178              |
| <b>Total cash flow generated from investing activities</b> | <b>161,496,433</b>    | <b>111,401,471</b>   |
| <b>Financing activities</b>                                |                       |                      |
| Lease payments   | (563,170)             | (794,594)            |
| <b>Total cash flow used in financing activities</b>        | <b>(563,170)</b>      | <b>(794,594)</b>     |
| <b>Net cashflow from all activities</b>                    | <b>78,044,953</b>     | <b>(12,375,061)</b>  |
| Cash and cash equivalents at the beginning of the year     | 18 36,724,835         | 145,019,709          |
| <b>Cash and cash equivalents at the end of the year</b>    | <b>18 114,769,788</b> | <b>132,644,648</b>   |

**ALPHA INSURANCE COMPANY LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED MARCH 31, 2026**

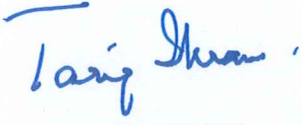
|   | March 31,<br>2026    | March 31,<br>2025 |
|---|----------------------|-------------------|
|   | (Un-audited)         |                   |
|   | ----- (Rupees) ----- |                   |
| <b>Reconciliation to Profit and Loss Account</b>          |                      |                   |
| Operating cash flows                                      | (82,888,310)         | (122,981,938)     |
| Depreciation expense                                      | (1,470,575)          | (807,289)         |
| Tax Charge deferred                                       |                      |                   |
| Reversal of Provision                                     | (171,317)            | 4,790,977         |
| Profit on disposal of property and equipment              | (25,631)             | -                 |
| Amortisation  | -                    | 357,450           |
| Finance costs   | (563,170)            | (794,594)         |
| Dividend income   | 1,744,330            | 5,622,965         |
| Other Investment Income                                   | 20,961,425           | 23,966,691        |
| Other income (Reversal of impairment in Value of Inv.))   | -                    | 1,600,510         |
| Increase / (decrease) in assets other than cash           | 29,171,503           | 47,464,824        |
| (Increase) / decrease in liabilities other than borrowing | 26,857,611           | 70,584,224        |
| <b>Profit / (Loss) after taxation</b>                     | <u>(6,384,134)</u>   | <u>29,803,820</u> |

The annexed notes 1 to 35 form an integral part of these financial statements.

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

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Chairman

ALPHA INSURANCE COMPANY LIMITED  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
 FOR THREE MONTHS PERIOD ENDED MARCH 31, 2026

**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 Company was granted authorization on November 21, 2022 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations (WTO) in respect of general takaful products by the Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on January 11, 2023.

**2 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, SECP Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019.
- In case requirements differ, the provisions of, directives and notifications issued under the Companies Act, 2017 and the Insurance Ordinance, 2000, Insurance Rules 2017, Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019 shall prevail.

The Securities and Exchange Commission of Pakistan (SECP) vide the Insurance Rules, 2017 dated February 9, 2017 has prescribed the format of presentation of annual financial statements for general insurance companies. These financial statements have been prepared in accordance with the format prescribed by the SECP.

A separate set of financial statements of the Window Takaful Operations has been annexed to these financial statements as per the requirements of the Takaful Rules, 2012.

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, 2025.

The figures in the condensed interim profit and loss account and other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the relevant notes to the condensed interim financial statements for the three -months period ended March 31, 2026 are not audited.

**3 BASIS OF MEASUREMENT**

These financial statements have been prepared under the historical cost convention except for investments classified as available for sale that have been carried at fair value, right-of-use assets and their related lease liability and defined benefits obligations which are measured at their present value.

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

**Functional and presentation currency**

The financial statements are presented in Pak Rupees (Rupees or 'Rs'), which is the Company's functional and presentation currency. Figures have been rounded off to the nearest rupees.

**4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS AS APPLICABLE IN PAKISTAN**

**4.1 New accounting standards, amendments and IFRS interpretations that are effective from January 01, 2026.**

The following standards, amendments and interpretations are effective for the year ended December 31, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements.

|   | <b>Effective date<br/>(annual periods<br/>beginning on or after)</b> |
|---|--|
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments  | January 01, 2026   |
| Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments   | January 01, 2026   |
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) | January 01, 2026   |

ALPHA INSURANCE COMPANY LIMITED  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
 FOR THREE MONTHS PERIOD ENDED MARCH 31, 2026

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) January 01, 2026

4.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

|   | Effective date<br>(annual periods<br>beginning on or after) |
|---|---|
| Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation | January 01, 2027  |
| IFRS 17 Insurance Contracts   | January 01, 2027  |
| IFRS 18 'Presentation and Disclosures in Financial Statements'  | January 01, 2027  |
| IFRS 19 'Subsidiaries without Public Accountability: Disclosures'   | January 01, 2027  |

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the revised timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit and loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. Fair value measurement of financial instruments as at December 31, 2025 is presented in note 43 of these financial statements.

4.3 Temporary exemption from IFRS 17

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1715 (I) / 2023 dated November 21, 2023, SRO 506/(1)/2024 dated March 29, 2024 and SRO 1336(1)/2025 dated 23rd July, 2025 the IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance / takaful and re-insurance / re-takaful business from financial years commencing on or after January 01, 2027.

IFRS 17, replaces IFRS 4 "Insurance Contracts". The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standard requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition / derecognition of IFRS 17. Companies subject to the requirement of SRO 1715 will also be required to adopt requirements of IFRS 9 from the date of transition. On initial application of IFRS 17, comparative information for insurance contracts is restated in accordance with IFRS 17, whereas comparative information for related financial assets might not be restated in accordance with IFRS 9 if the insurer is initially applying IFRS 9 at the same date as IFRS 17.

4.4 IFRS 9 - Financial Instruments

IFRS 9 'Financial Instruments' has become applicable, however as an insurance company, the management has opted for temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance.

5 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.

6 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The significant accounting policies and method of computation adopted for the preparation of this condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2025.

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

ALPHA INSURANCE COMPANY LIMITED  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
 FOR THREE MONTHS PERIOD ENDED MARCH 31, 2026

7 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, 2025

8 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, 2025

9 PROPERTY AND EQUIPMENT

|  | Note  | March 31<br>2026<br>(Un-audited) | December 31,<br>2025<br>(Audited) |
|--|-------|----------------------------------|-----------------------------------|
|  |       | ----- (Rupees) -----             |                                   |
| Operating assets                       | 9.1   | 11,616,024                       | 12,379,804                        |
| Right-of-use assets                    | 9.2   | 8,026,507                        | 8,621,502                         |
|  |       | <u>19,642,531</u>                | <u>21,001,306</u>                 |
| <b>9.1 Operating assets</b>            |       |                                  |                                   |
| Opening book value                     |       | 12,379,803                       | 14,142,313                        |
| Add: Additions during the period/year  | 9.1.1 | 111,800                          | 1,654,528                         |
| Less: Disposals during the period/year |       | -                                | -                                 |
|  |       | <u>12,491,603</u>                | <u>15,796,841</u>                 |
| Add: Depreciation on Disposal          |       | -                                | -                                 |
| Less: Depreciation for the period/year |       | (875,579)                        | (3,417,038)                       |
|  |       | <u>11,616,024</u>                | <u>12,379,803</u>                 |

ALPHA INSURANCE COMPANY LIMITED  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
 FOR THREE MONTHS PERIOD ENDED MARCH 31, 2026

|       |   |                  |                   |
|-------|---|------------------|-------------------|
| 9.1.1 | <b>Addition during the period - Cost</b>    |                  |                   |
|       | Motor Vehicles                              | -                | 791,688           |
|       | Computer and accessories                    | 49,000           | 32,350            |
|       | Furniture and fixtures                      | -                | -                 |
|       | Electrical Installations                    | 62,800           | 830,490           |
|       |   | <u>111,800</u>   | <u>1,654,528</u>  |
| 9.2   | <b>Right-of-use assets</b>                  |                  |                   |
|       | <b>Opening Balance</b>                      | 8,621,503        | 11,314,842        |
|       | Add: Additions during the period/year       | -                | -                 |
|       | Less: Disposals during the period/year -WDV | -                | -                 |
|       |   | <u>8,621,503</u> | <u>11,314,842</u> |
|       | Depreciation charge for the period/year     | (594,996)        | (2,693,340)       |
|       | <b>Balance as at March 31, 2026</b>         | <u>8,026,507</u> | <u>8,621,502</u>  |
| 10    | <b>INTANGIBLE ASSETS</b>                    |                  |                   |
|       | Opening book value                          | 237,233          | 474,405           |
|       | Add: Additions during the period            | -                | -                 |
|       | Less: Deletions during the period           | -                | -                 |
|       |   | <u>237,233</u>   | <u>474,405</u>    |
|       | Less: Amortization for the period           | (25,631)         | (237,172)         |
|       |   | <u>211,602</u>   | <u>237,233</u>    |

ALPHA INSURANCE COMPANY LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2026

11 INVESTMENTS IN EQUITY SECURITIES

| Available for sale       | March 31, 2026 (Un-audited) |                                      |                    | December 31, 2025 (Audited) |                                      |                    |
|--------------------------|-----------------------------|--------------------------------------|--------------------|-----------------------------|--------------------------------------|--------------------|
|                          | Cost                        | Impairment/<br>provision<br>(Rupees) | Carrying<br>value  | Cost                        | Impairment/<br>provision<br>(Rupees) | Carrying<br>value  |
| Listed equity securities | 62,589,730                  | -                                    | 62,589,730         | 62,589,730                  | -                                    | 62,589,730         |
| Unrealized gain          | -                           | -                                    | 115,903,829        | -                           | -                                    | 153,352,921        |
|                          | <u>62,589,730</u>           | <u>-</u>                             | <u>178,493,559</u> | <u>62,589,730</u>           | <u>-</u>                             | <u>215,942,651</u> |

12 INVESTMENTS IN DEBT SECURITIES

| Held to maturity            | Note | March 31, 2026 (Un-audited) |                                      |                    | December 31, 2025 (Audited) |                                      |                    |
|-----------------------------|------|-----------------------------|--------------------------------------|--------------------|-----------------------------|--------------------------------------|--------------------|
|                             |      | Cost                        | Impairment/<br>provision<br>(Rupees) | Carrying<br>value  | Cost                        | Impairment/<br>provision<br>(Rupees) | Carrying<br>value  |
| Government securities       |      |                             |                                      |                    |                             |                                      |                    |
| - Pakistan investment bonds | 12.1 | 328,699,440                 | -                                    | 329,522,158        | 423,270,740                 | -                                    | 426,632,229        |
| - Treasury bills            | 12.2 | 212,223,530                 | -                                    | 227,024,966        | 270,380,070                 | -                                    | 285,027,771        |
|                             |      | <u>540,922,970</u>          | <u>-</u>                             | <u>556,547,124</u> | <u>693,650,810</u>          | <u>-</u>                             | <u>711,660,000</u> |

- 12.1 Pakistan investment bonds have face value of Rs. 328.699 million (carrying value of Rs. 329.152 million [Dec. 2025: face value of Rs. 423.271 million (carrying value of Rs. 426.632 million)]. These carry mark-up ranging from 10% to 12% (2023: 10% to 12%) per annum and will mature between 2025 and 2035.
- 12.2 Market treasury bills have face value of Rs. 111.743 million (market value of Rs. 113.578 million) [2024: face value of Rs. 465.120 million (market value of Rs. 490.651 million)]. These carry mark-up at 10.45% to 11.86% (2025: 11.86% to 12.19%) per annum and will mature in 2026.

13 LOANS AND OTHER RECEIVABLES

|                                     | March 31'<br>2026<br>(Un-audited)<br>(Rupees) | December 31'<br>2025<br>(Audited) |
|-------------------------------------|---|-----------------------------------|
| Receivable from Window Takaful -OPF | 24,009,404                                    | 19,246,920                        |
| Loans to employees                  | 920,082                                       | 1,250,603                         |
| Accrued investment income           | 9,321,674                                     | 19,428,034                        |
| Security deposit                    | 305,120                                       | 305,120                           |
| Advance to supplier                 | 1,892,021                                     | 892,021                           |
| Advance against commission          | 1,616,579                                     | 71,578                            |
| Federal insurance fee               | 2,137,073                                     | 1,727,353                         |
| Federal Excise duty/Sales tax       | -   | 4,797,307                         |
| Other receivables                   | <u>1,749,236</u>                              | <u>975,235</u>                    |
|                                     | <u>41,951,189</u>                             | <u>48,694,171</u>                 |

ALPHA INSURANCE COMPANY LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2026

|             |  | March 31,<br>2026<br>(Un-audited) | December 31,<br>2025<br>(Audited) |
|-------------|--|-----------------------------------|-----------------------------------|
|             | Notes  | ----- (Rupees) -----              |                                   |
| <b>14</b>   | <b>INSURANCE / REINSURANCE RECEIVABLES</b>   |                                   |                                   |
|             | - Unsecured and considered good  |                                   |                                   |
|             | Due from insurance contract holders  | 50,941,501                        | 51,474,980                        |
|             | Less: provision for impairment of receivables from insurance contract holders  | (27,984,860)                      | (27,984,860)                      |
|             |  | <u>22,956,641</u>                 | <u>23,490,120</u>                 |
|             | Due from other insurers / reinsurers   | 250,636,534                       | 201,280,816                       |
|             | Less: provision for impairment of due from other insurers / reinsurers   | (45,523,422)                      | (45,523,422)                      |
|             |  | <u>205,113,112</u>                | <u>155,757,394</u>                |
|             |  | <u>228,069,753</u>                | <u>179,247,514</u>                |
| <b>15</b>   | <b>DEFERRED TAXATION</b>   |                                   |                                   |
|             | Deferred debits arising in respect of :  |                                   |                                   |
|             | Accelerated tax depreciation on fixed assets   | 574,269                           | 231,534                           |
|             | Lease liabilities  | 2,848,353                         | 2,991,035                         |
|             | Provision against premium due but unpaid   | 8,115,609                         | 8,115,609                         |
|             | Provision against amount due from other insurers/reinsurers  | 13,201,792                        | 13,201,793                        |
|             | Provision for employees benefits plan  | -                                 | 543,919                           |
|             | Deferred credits arising due to right-of-use ass   | (2,327,687)                       | (2,500,235)                       |
|             | Unrealized loss on revaluation of AFS  | (33,612,110)                      | (44,472,349)                      |
|             |  | <u>(11,199,773)</u>               | <u>(21,888,694)</u>               |
| <b>16</b>   | <b>TAXATION - Payment less provision</b>   |                                   |                                   |
|             | Opening Balance  | 89,754,339                        | 88,012,879                        |
|             | Tax paid including deducted at source  | 5,735,648                         | 19,734,397                        |
|             | Provision for taxation   | (1,411,360)                       | (17,992,937)                      |
|             | Closing Balance  | <u>94,078,627</u>                 | <u>89,754,339</u>                 |
| <b>17</b>   | <b>PREPAYMENTS</b>   |                                   |                                   |
|             | Prepaid reinsurance premium ceded  | 57,938,730                        | 65,963,560                        |
|             | Others   | 201,540                           | 201,540                           |
|             |  | <u>58,140,270</u>                 | <u>66,165,100</u>                 |
| <b>18</b>   | <b>CASH AND BANK</b>   |                                   |                                   |
|             | <b>Cash and Cash Equivalent</b>  |                                   |                                   |
|             | - Cash in hand   | 69,688                            | -                                 |
|             | - Policy & Revenue stamps, Bond papers   | 5,283,752                         | 4,820,455                         |
|             | <b>Cash at bank</b>  |                                   |                                   |
|             | - Current accounts   | 6,426,255                         | 8,313,006                         |
|             | - Savings accounts   | 102,990,093                       | 23,591,374                        |
|             |  | <u>114,769,788</u>                | <u>36,724,835</u>                 |
| <b>18.1</b> | The rate of return on profit and loss savings account maintained at various banks range from 8% to 10% per annum (2025: 12% to 14% per annum). |                                   |                                   |
| <b>19</b>   | <b>RESERVES</b>  |                                   |                                   |
|             | <b>Capital reserve</b>   |                                   |                                   |
|             | Reserve for exceptional losses   | 3,355,000                         | 3,355,000                         |
|             | <b>Revenue reserves</b>  |                                   |                                   |
|             | General reserve  | 6,820,000                         | 6,820,000                         |
|             | Unrealised appreciation on 'available for sale' investments  | 82,291,715                        | 108,880,568                       |
|             |  | <u>92,466,715</u>                 | <u>119,055,568</u>                |

ALPHA INSURANCE COMPANY LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2026

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

|   | Note | March 31,<br>2026<br>(Un-audited)<br>----- (Rupees) ----- | December 31,<br>2025<br>(Audited)<br>----- |
|---|------|---|--|
| <b>20 PREMIUM DEFICIENCY RESERVES</b>             |      |   |  |
| Opening balance                                   |      | 99,753  | 15,049,884                                 |
| Provision for the period (reduction)/appreciation |      | (35,521)  | (14,950,131)                               |
| Closing balance                                   |      | <u>64,232</u>   | <u>99,753</u>                              |
| <b>21 INSURANCE/REINSURANCE PAYABLES</b>          |      |   |  |
| Due to other insurers / reinsurers                |      | 159,192,238   | 145,046,944                                |
| Cash margins against performance bonds            |      | <u>100,745,660</u>  | <u>84,364,878</u>                          |
|   |      | <u>259,937,898</u>  | <u>229,411,822</u>                         |
| <b>22 Lease Liability</b>                         |      |   |  |
| Current   |      | 1,055,178   | 2,883,363                                  |
| Non - Current                                     |      | <u>8,766,729</u>  | <u>7,430,552</u>                           |
|   |      | <u>9,821,907</u>  | <u>10,313,915</u>                          |
| <b>23 OTHER CREDITORS AND ACCRUALS</b>            |      |   |  |
| Agents commission payable                         |      | 68,362,832  | 62,058,101                                 |
| Sindh Workers' Welfare Fund                       |      | 5,062,213   | 5,062,212                                  |
| Salaries and wages payable                        |      | 287,018   | -  |
| Accrued expenses                                  |      | 3,864,209   | 4,073,115                                  |
| Compensated absences                              |      | 5,979,815   | 5,979,815                                  |
| Other creditors & accruals                        |      | <u>30,527,960</u>   | <u>36,377,156</u>                          |
|   |      | <u>114,084,047</u>  | <u>113,550,399</u>                         |

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

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

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

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

**24 CONTINGENCIES AND COMMITMENTS**

**24.1 Contingencies**

There are no material changes in the status of contingencies as same reported in note 21.1 to the financial statements of the Company for the year ended December 31, 2024, excepts specified below:

24.1.1 Various claims amounting to Rs. 51.58 million (2024:Rs. 51.58 million) has been lodged by various parties against the Company. The Company has not acknowledged these claims as the management considers that the company is not liable to settle the amount.

**24.2 Commitments**

There are no commitments as at March 31, 2025 and December 31, 2024.

ALPHA INSURANCE COMPANY LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2026

|   | Notes | Three months period |                    |
|---|-------|---------------------|--------------------|
|   |       | Ended March 31,     |                    |
|   |       | 2026                | 2025               |
| (Un-audited)  |       |                     |                    |
| ----- (Rupees) -----  |       |                     |                    |
| <b>25 NET INSURANCE PREMIUM</b>   |       |                     |                    |
| Written Gross Premium   |       | 69,726,944          | 111,720,613        |
| Add: Unearned premium reserve opening   |       | 127,600,069         | 151,064,657        |
| Less: Unearned premium reserve closing  |       | (110,267,497)       | (120,197,262)      |
| Premium earned  |       | 87,059,516          | 142,588,008        |
| Less: Reinsurance premium ceded   |       | 27,835,425          | 33,361,361         |
| Add: Prepaid reinsurance premium opening  |       | 66,165,100          | 59,192,450         |
| Less: Prepaid reinsurance premium closing   | 15    | (58,140,270)        | (58,342,289)       |
| Reinsurance expense   |       | 35,860,255          | 34,211,522         |
|   |       | <u>51,199,261</u>   | <u>108,376,486</u> |
| <b>26 NET INSURANCE CLAIMS EXPENSE</b>  |       |                     |                    |
| Claims paid   |       | 79,881,019          | 56,825,924         |
| Add: Outstanding claims including IBNR closing                                    |       | 385,666,410         | 297,883,963        |
| Less: Outstanding claims including IBNR opening                                   |       | (411,076,440)       | (280,599,160)      |
| Claim expense   |       | 54,470,989          | 74,110,727         |
| Less: Reinsurance and other recoveries received                                   |       | 31,016,747          | 18,787,132         |
| Add: Reinsurance and other recoveries in respect of outstanding claims - closing  |       | 224,961,188         | 130,476,476        |
| Less: Reinsurance and other recoveries in respect of outstanding claims - opening |       | (226,867,270)       | (122,581,102)      |
| Reinsurance and other recoveries revenue  |       | 29,110,665          | 26,682,506         |
|   |       | <u>25,360,324</u>   | <u>47,428,221</u>  |
| <b>27 NET COMMISSION / ACQUISITION COST</b>                                       |       |                     |                    |
| Commission paid or payable  |       | 12,784,846          | 24,183,409         |
| Add: Deferred commission expense opening  |       | 22,652,069          | 26,541,209         |
| Less: Deferred commission expense closing   |       | (20,128,572)        | (26,151,488)       |
| Net Commission  |       | 15,308,343          | 24,573,130         |
| Less: Commission received or recoverable  |       | 1,462,971           | 3,109,263          |
| Add: Unearned Reinsurance commission opening                                      |       | 5,962,242           | 4,964,011          |
| Less: Unearned Reinsurance commission closing                                     |       | (4,127,984)         | (5,712,902)        |
| Commission from reinsurance   |       | 3,297,229           | 2,360,372          |
|   |       | <u>12,011,114</u>   | <u>22,212,758</u>  |
| ----- (Rupees) -----  |       |                     |                    |
| Three months period   |       |                     |                    |
| Ended March 31,   |       |                     |                    |
| Notes   |       |                     |                    |
| 2026  |       |                     |                    |
| 2025  |       |                     |                    |
| (Un-audited)  |       |                     |                    |
| ----- (Rupees) -----  |       |                     |                    |
| <b>28 MANAGEMENT EXPENSES</b>   |       |                     |                    |
| Employees benefit cost  | 28.1  | 27,768,451          | 26,548,340         |
| Traveling expense   |       | 553,444             | 220,959            |
| Advertisement & sales promotion   |       | 24,950              | 2,020,000          |
| Printing and stationery   |       | 404,025             | 414,193            |
| Depreciation  |       | 1,470,575           | 1,514,476          |
| Amortization expense  |       | 25,631              | 70,912             |
| Rent, rates and taxes   |       | 976,002             | 21,480             |
| Legal and professional charges - business related                                 |       | 2,713,747           | 3,199,274          |
| Electricity, gas and water  |       | 457,805             | 809,146            |
| Entertainment   |       | 765,883             | 691,791            |
| Vehicle running expenses  |       | 6,168,492           | 5,685,225          |
| Office repair and maintenance   |       | 437,601             | 389,047            |
| Bank charges  |       | 46,513              | 36,904             |
| Postages, telegrams and telephone   |       | 442,743             | 603,099            |
| Annual supervision fee SECP   |       | 201,540             | 374,943            |
| Co-insurance service charges  |       | 306,068             | 441,184            |
| Insurance charges   |       | 613,913             | 63,704             |
| Miscellaneous   |       | 62,865              | 29,890             |
|   |       | <u>43,440,248</u>   | <u>43,134,567</u>  |

ALPHA INSURANCE COMPANY LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2026

28.1 Employee benefit cost

|  |                   |                   |
|--|-------------------|-------------------|
| Salaries, allowance and other benefits | 26,952,888        | 25,697,949        |
| Charges for post employment benefit    | 815,563           | 850,391           |
|  | <u>27,768,451</u> | <u>26,548,340</u> |

29 INVESTMENT INCOME

|  |                   |                   |
|--|-------------------|-------------------|
| <b>Income from equity securities - available for sale</b>                                  |                   |                   |
| Dividend income  | 2,002,786         | 5,622,965         |
| <b>Income from debt securities - held to maturity</b>                                      |                   |                   |
| Return on government securities  | 17,911,157        | 19,709,194        |
| Return on mutual fund  | 40,096            | -                 |
| Amortization of discount on government securities  | 188,152           | 357,450           |
| Total investment income  | <u>20,142,191</u> | <u>25,689,609</u> |
| Less: Reversal / (Impairment) in value of available for sale securities- equity securities | -                 | 1,600,510         |
| <b>Net investment income</b>   | <u>20,142,191</u> | <u>27,290,119</u> |

|       |                      |      |
|-------|----------------------|------|
|       | Three months period  |      |
| Notes | Ended March 31,      |      |
|       | 2026                 | 2025 |
|       | (Un-audited)         |      |
|       | ----- (Rupees) ----- |      |

30 OTHER INCOME

|   |                  |                  |
|---|------------------|------------------|
| <b>Income from financial assets</b>     |                  |                  |
| Return on bank balances                 | 2,563,564        | 4,257,497        |
| <b>Income from non-financial assets</b> |                  |                  |
| Gain on sale of fixed asset             | -                | -                |
| Miscellaneous income                    | -                | 4,790,977        |
|   | <u>2,563,564</u> | <u>9,048,474</u> |

31 OTHER EXPENSES

|                        |                |                |
|------------------------|----------------|----------------|
| Auditors' remuneration | -              | 283,200        |
| Directors' Fees        | 540,000        | 620,000        |
| Fees & Subscription    | 77,779         | 18,925         |
|                        | <u>617,779</u> | <u>922,125</u> |

32 INCOME TAX EXPENSE

|                        |                  |                   |
|------------------------|------------------|-------------------|
| <b>For the period</b>  |                  |                   |
| - Current              | 1,582,676        | 10,508,483        |
| -Prior Year            | -                | -                 |
| - Deferred tax Expense | 171,318          | 1,781,148         |
|                        | <u>1,753,994</u> | <u>12,289,631</u> |

33 EARNINGS PER SHARE






|  |                                |                   |
|--|--------------------------------|-------------------|
| Profit after tax for the period            | <u>(6,384,134)</u>             | <u>29,803,820</u> |
|  | ----- (Number of Shares) ----- |                   |
| Weighted average number of ordinary shares | <u>50,000,000</u>              | <u>50,000,000</u> |
| Basic/Diluted earnings per share (Rupees)  | <u>(0.13)</u>                  | <u>0.60</u>       |

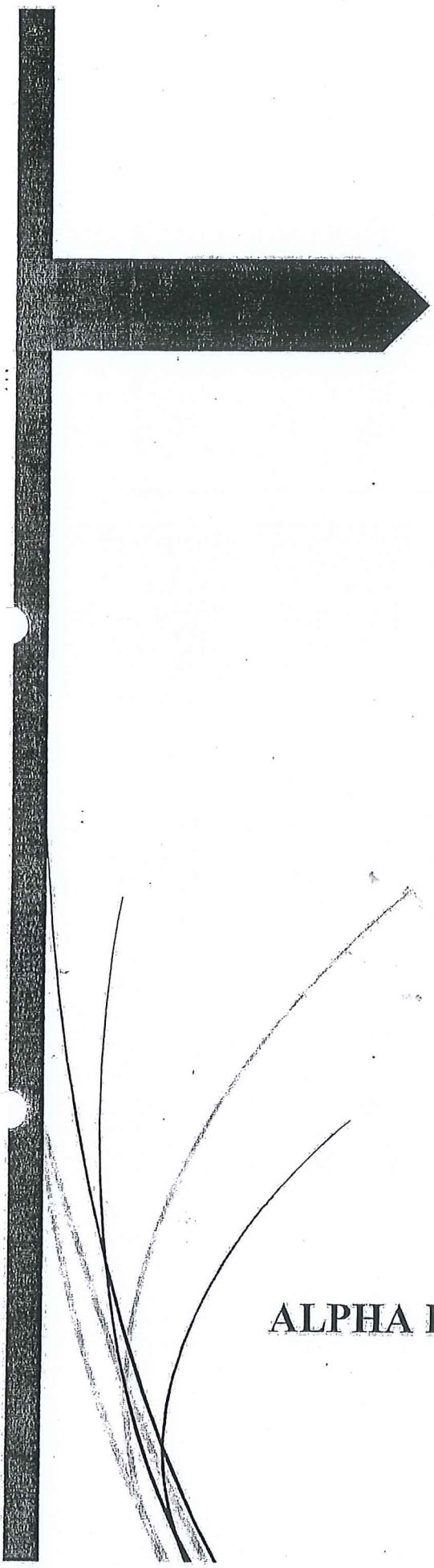
GENERAL

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

35 DATE OF AUTHORIZATION

This condensed interim financial statements was authorized for issue on 14th May 2026 by the Board of Directors of the Company.

|  |   |   |   |  |
|--|---|---|---|--|
|  |  |  |  |  |
| Chief Executive Officer  | Director  | Director  | Director  | Chairman   |



**FINANCAIL STATEMENTS FOR  
THE PERIOD ENDED  
MARCH 31<sup>ST</sup> 2026  
(Window Takaful Operations)**

**ALPHA INSURANCE COMPANY LIMITED**

ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2026

|  | Notes | Operator's Fund                  |                                   | Participant's Fund               |                                   |
|--|-------|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
|  |       | March 31,<br>2026<br>(Unaudited) | December 31,<br>2025<br>(Audited) | March 31,<br>2026<br>(Unaudited) | December 31,<br>2025<br>(Audited) |
| ------(Rupees)-----                            |       |                                  |                                   |                                  |                                   |
| <b>ASSETS</b>                                  |       |                                  |                                   |                                  |                                   |
| Qard-e-Hasna                                   |       | 46,209,633                       | 46,209,633                        | -                                | -                                 |
| Investments                                    |       |                                  |                                   |                                  |                                   |
| Mutual Funds                                   | 7     | 16,276,136                       | 15,805,678                        | 33,114,694                       | 23,261,702                        |
| Takaful / retakaful receivables                | 8     | -                                | -                                 | 59,511,469                       | 41,979,523                        |
| Reinsurance Recoverable                        |       | -                                | -                                 | 7,517,451                        | 3,915,971                         |
| Deferred Wakala expense                        |       | -                                | -                                 | 12,177,288                       | 10,820,036                        |
| Deferred commission expense                    | 18    | 4,975,731                        | 3,702,764                         | -                                | -                                 |
| Receivable from OPF/PTF                        | 9     | 64,549,056                       | 42,193,548                        | -                                | -                                 |
| Advance and other receivables                  |       | 3,666,052                        | 32,598,409                        | 33,746,553                       | 41,195,407                        |
| Taxation - payments less provision             |       | -                                | -                                 | 1,157,064                        | 1,095,398                         |
| Prepayments                                    | 11    | -                                | -                                 | 9,331,575                        | 11,408,772                        |
| Cash and bank                                  | 12    | 587,970                          | 532,180                           | 44,384,261                       | 41,168,258                        |
| <b>Total Assets</b>                            |       | <b>136,264,578</b>               | <b>141,042,212</b>                | <b>200,940,355</b>               | <b>174,845,067</b>                |
| <b>EQUITY AND LIABILITIES</b>                  |       |                                  |                                   |                                  |                                   |
| <b>Capital and reserve attributable to:</b>    |       |                                  |                                   |                                  |                                   |
| <b>Operator's Fund (OPF)</b>                   |       |                                  |                                   |                                  |                                   |
| Statutory fund                                 |       | 50,000,000                       | 50,000,000                        | -                                | -                                 |
| Retained earnings                              |       | 16,721,431                       | 14,413,477                        | -                                | -                                 |
| <b>Total Shareholders Equity</b>               |       | <b>66,721,431</b>                | <b>64,413,477</b>                 | <b>-</b>                         | <b>-</b>                          |
| <b>Participants' Takaful Fund (PTF)</b>        |       |                                  |                                   |                                  |                                   |
| Seed money                                     |       | -                                | -                                 | 500,000                          | 500,000                           |
| Accumulated deficit                            |       | -                                | -                                 | (39,462,634)                     | (36,358,670)                      |
| <b>Total Participants' Takaful Fund Equity</b> |       | <b>-</b>                         | <b>-</b>                          | <b>(38,962,634)</b>              | <b>(35,858,670)</b>               |
| <b>Qard-e- Hasna</b>                           |       | <b>46,209,633</b>                | <b>46,209,633</b>                 | <b>46,209,633</b>                | <b>46,209,633</b>                 |
| <b>Liabilities</b>                             |       |                                  |                                   |                                  |                                   |
| <b>PTF Underwriting Provisions</b>             |       |                                  |                                   |                                  |                                   |
| Outstanding claims including IBNR              | 17    | -                                | -                                 | 39,106,062                       | 22,842,065                        |
| Unearned contribution reserve                  | 15    | -                                | -                                 | 34,149,462                       | 34,788,017                        |
| Reserve for unearned retakaful rebate          | 16    | -                                | -                                 | 315,621                          | 367,811                           |
| Contribution Deficiency Reserves               |       | -                                | -                                 | 2,810,002                        | 5,422,786                         |
| Unearned wakala fee                            |       | 12,177,287                       | 10,820,036                        | -                                | -                                 |
| Contribution received in advance               |       | -                                | -                                 | 90,711                           | 2,821,678                         |
| Takaful / retakaful payables                   | 13    | -                                | -                                 | 27,378,434                       | 22,196,477                        |
| Other creditors and accruals                   | 14    | 54,655,037                       | 63,929,712                        | 25,294,009                       | 33,861,722                        |
| Taxation - payments less provision             |       | 2,710,823                        | 1,878,987                         | -                                | -                                 |
| Payable to OPF/PTF                             |       | -                                | -                                 | 64,549,056                       | 42,193,548                        |
| <b>Total liabilities</b>                       |       | <b>69,543,147</b>                | <b>76,628,735</b>                 | <b>193,693,357</b>               | <b>164,494,104</b>                |
| <b>Total equity and liabilities</b>            |       | <b>136,264,578</b>               | <b>141,042,212</b>                | <b>200,940,356</b>               | <b>174,845,067</b>                |

Contingencies and commitments

23

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

**ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2026**

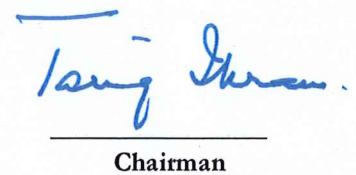
|   | Notes | Three months period ended        |                                  |
|---|-------|----------------------------------|----------------------------------|
|   |       | March 31,<br>2026<br>(Unaudited) | March 31,<br>2025<br>(Unaudited) |
|   |       | ------(Rupees)-----              |                                  |
| <b>Participant's Fund</b>                         |       |                                  |                                  |
| Contributions earned                              |       | 18,698,225                       | 19,241,880                       |
| Less: Contributions ceded to retakaful            |       | (7,505,332)                      | (5,879,986)                      |
| Net contributions revenue                         | 15    | <u>11,192,893</u>                | <u>13,361,894</u>                |
| Retakaful rebate earned                           | 16    | <u>175,177</u>                   | <u>177,697</u>                   |
| Net underwriting income                           |       | <u>11,368,070</u>                | <u>13,539,591</u>                |
| Net claims - reported / settled                   | 17    | (17,251,413)                     | (18,219,654)                     |
| Contribution deficiency                           |       | 2,612,784                        | -                                |
| Other direct expenses                             |       | (6,175)                          | (68,773)                         |
|   |       | <u>(14,644,804)</u>              | <u>(18,288,427)</u>              |
| Deficit before investment income                  |       | <u>(3,276,734)</u>               | <u>(4,748,836)</u>               |
| Other income                                      | 21    | 319,776                          | 608,729                          |
| Investment income                                 |       | (147,008)                        | -                                |
| Less: Mudarib's share of investment               |       | -                                | -                                |
| <b>Deficit transferred to accumulated deficit</b> |       | <u>(3,103,966)</u>               | <u>(4,140,107)</u>               |
| Taxation  |       | -                                | -                                |
| <b>Deficit for the period</b>                     |       | <u>(3,103,966)</u>               | <u>(4,140,107)</u>               |
| <b>Operator's Fund</b>                            |       |                                  |                                  |
| Wakala fee  |       | 7,112,022                        | 10,034,546                       |
| Commission expense                                | 18    | (2,402,628)                      | (2,502,327)                      |
| General administrative and management expenses    | 19    | (1,943,451)                      | (5,357,344)                      |
|   |       | <u>2,765,943</u>                 | <u>2,174,875</u>                 |
| Mudarib's share of PTF investment                 |       | -                                | -                                |
| Investment income                                 | 20    | 470,458                          | -                                |
| Other income                                      | 21    | 14,239                           | 789,214                          |
| Ceded money expense                               |       | -                                | -                                |
| Other expenses                                    | 22    | -                                | (150,000)                        |
| <b>Profit before taxation</b>                     |       | <u>3,250,640</u>                 | <u>2,814,089</u>                 |
| Taxation  |       | (942,686)                        | (816,086)                        |
| <b>Profit after taxation</b>                      |       | <u>2,307,954</u>                 | <u>1,998,003</u>                 |

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Director


  
Director

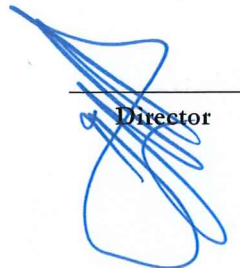
  
Chairman

ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
 CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS  
 FOR THE PERIOD ENDED MARCH 31, 2026


|                                    | Operator's Fund                         |   |                     |
|------------------------------------|---|---|---------------------|
|                                    | Statutory Fund                          | Retained Earnings / (Accumulated Deficit) | Total               |
|                                    | ----- (Rupees) -----                    |   |                     |
| Balance as at January 01, 2025     | 50,000,000                              | 7,670,246                                 | 57,670,246          |
| Contribution to the operator funds | -                                       | -   | -                   |
| Profit for the period              | -                                       | 1,998,003                                 | 1,998,003           |
| Other comprehensive income         | -                                       | -   | -                   |
| <b>Balance as at Mar 31, 2025</b>  | <b>50,000,000</b>                       | <b>9,668,249</b>                          | <b>59,668,249</b>   |
| Balance as at January 01, 2026     | 50,000,000                              | 14,413,477                                | 64,413,477          |
| Contribution to the operator funds | -                                       | -   | -                   |
| Profit for the period              | -                                       | 2,307,954                                 | 2,307,954           |
| Other comprehensive income         | -                                       | -   | -                   |
| <b>Balance as at Mar 31, 2026</b>  | <b>50,000,000</b>                       | <b>16,721,431</b>                         | <b>66,721,431</b>   |
|                                    | Attributable to participants of the PTF |   |                     |
|                                    | Seed money                              | Accumulated Deficit                       | Total               |
|                                    | ----- (Rupees) -----                    |   |                     |
| Balance as at January 01, 2025     | 500,000                                 | (18,613,794)                              | (18,113,794)        |
| Addition during the year           | -                                       | -   | -                   |
| Deficit for the period             | -                                       | (4,140,107)                               | (4,140,107)         |
| Other comprehensive income         | -                                       | -   | -                   |
| <b>Balance as at Mar 31, 2025</b>  | <b>500,000</b>                          | <b>(22,753,901)</b>                       | <b>(22,253,901)</b> |
| Balance as at January 01, 2026     | 500,000                                 | (36,358,670)                              | (35,858,670)        |
| Addition during the year           | -                                       | -   | -                   |
| Deficit for the period             | -                                       | (3,103,966)                               | (3,103,966)         |
| Other comprehensive income         | -                                       | -   | -                   |
| <b>Balance as at Mar 31, 2026</b>  | <b>500,000</b>                          | <b>(39,462,636)</b>                       | <b>(38,962,636)</b> |

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

  
 Chief Executive Officer

  
 Director

  
 Director

  
 Chairman

ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2026

|  | Operator's Fund     |                    | Participant's Fund |                    |
|--|---------------------|--------------------|--------------------|--------------------|
|  | March 31,           |                    | March 31,          |                    |
|  | 2026                | 2025               | 2026               | 2025               |
|  | ------(Rupees)----- |                    |                    |                    |
| <b>Operating Cash flows</b>  |                     |                    |                    |                    |
| <b>(a) Takaful activities</b>  |                     |                    |                    |                    |
| Contribution received  | -                   | -                  | (2,203,244)        | 17,166,568         |
| Retakaful contribution paid  | -                   | -                  | (246,178)          | (3,828,617)        |
| Claims paid  | -                   | -                  | (987,416)          | 20,325,432         |
| Retakaful claims recovered   | -                   | -                  | (3,601,480)        | (30,050,000)       |
| Re-takaful rebate received   | -                   | -                  | 122,987            | 357,993            |
| Net cash flow from takaful activities                                      | -                   | -                  | (6,915,331)        | 3,971,376          |
| <b>(b) Other operating activities</b>                                      |                     |                    |                    |                    |
| Income tax paid  | (110,850)           | 154,112            | (61,666)           | (91,310)           |
| Comission paid   | (2,124,889)         | (2,001,487)        | -                  | -                  |
| Ceded money expense  | -                   | -                  | -                  | -                  |
| Other operating Receipts/(Payments)  | 2,277,291           | (3,896,077)        | 19,873,222         | 1,108,491          |
| Net cash flow (used in) / generated from other operating activities        | 41,552              | (5,743,452)        | 19,811,556         | 1,017,181          |
| <b>Total cash flow (used in) / generated from all operating activities</b> | <b>41,552</b>       | <b>(5,743,452)</b> | <b>12,896,225</b>  | <b>4,988,557</b>   |
| <b>(c) Investment activities</b>   |                     |                    |                    |                    |
| Profit / return received   | 484,697             | 789,213            | 172,768            | 608,729            |
| Maturity of Investment   | -                   | -                  | -                  | -                  |
| Payments for investments   | (470,459)           | -                  | (9,852,992)        | -                  |
| <b>Total cash flow (used in) / generated from investing activities</b>     | <b>14,238</b>       | <b>789,213</b>     | <b>(9,680,224)</b> | <b>608,729</b>     |
| <b>(d) Financing activities</b>  |                     |                    |                    |                    |
| Contribution to the operator funds   | -                   | -                  | -                  | -                  |
| <b>Total cash flows generated from financing activities</b>                | <b>-</b>            | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Net cash flow from all activities</b>                                   | <b>55,790</b>       | <b>(4,954,239)</b> | <b>3,216,003</b>   | <b>5,597,287</b>   |
| Cash and cash equivalents at beginning of year                             | 532,180             | 40,804,664         | 41,168,258         | 48,778,456         |
| <b>Cash and cash equivalents at end of period</b>                          | <b>587,970</b>      | <b>35,850,425</b>  | <b>44,384,261</b>  | <b>54,375,743</b>  |
| <b>Reconciliation to profit and loss account</b>                           |                     |                    |                    |                    |
| Operating cash flows   | 41,552              | (5,743,452)        | 12,896,225         | 4,988,557          |
| Profit / return received   | 484,697             | 789,214            | 172,768            | 608,729            |
| Other Investment income  | -                   | -                  | -                  | -                  |
| Increase in assets other than cash   | (5,303,883)         | 11,126,811         | 13,026,294         | 38,326,037         |
| Increase in liabilities  | 7,085,588           | (4,174,570)        | (29,199,253)       | (48,063,430)       |
| <b>Profit / (deficit) before taxation</b>                                  | <b>2,307,954</b>    | <b>1,998,003</b>   | <b>(3,103,966)</b> | <b>(4,140,107)</b> |
| <b>Attributed to:</b>  |                     |                    |                    |                    |
| Operator's Fund  | 2,307,954           | 1,998,003          | -                  | -                  |
| Participants' Takaful Fund   | -                   | -                  | (3,103,966)        | (4,140,107)        |
|  | <b>2,307,954</b>    | <b>1,998,003</b>   | <b>(3,103,966)</b> | <b>(4,140,107)</b> |

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Director


Chairman

ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
 STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
 FOR THE PERIOD ENDED MARCH 31, 2026

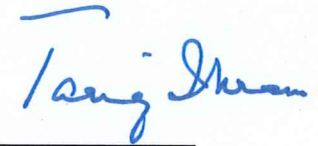
|  | March 31,<br>2026<br>(Unaudited) | March 31,<br>2025<br>(Unaudited) |
|--|----------------------------------|----------------------------------|
| ------(Rupees)-----                              |                                  |                                  |
| <b>Participant's Takaful Fund</b>                |                                  |                                  |
| Deficit for the period                           | (3,103,966)                      | (4,140,107)                      |
| Other comprehensive income                       | -                                | -                                |
| <b>Total comprehensive loss for the period</b>   | <u>(3,103,966)</u>               | <u>(4,140,107)</u>               |
| <b>Operator's Fund</b>                           |                                  |                                  |
| Profit after tax for the period                  | 2,307,954                        | 1,998,003                        |
| Other comprehensive income                       | -                                | -                                |
| <b>Total comprehensive income for the period</b> | <u>2,307,954</u>                 | <u>1,998,003</u>                 |

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

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


  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Chairman

**ALPHA INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR PERIOD ENDED MARCH 31, 2026**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

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

For the purpose of carrying on the Takaful business, the Operator has formed a Waqf (Participants' Takaful Fund (PTF)) on October 31, 2015 under the Waqf Deed with a Seed money of Rs. 500,000. The Waqf Deed and PTF Policies (Waqf Rules) govern the relationship of Operator, Waqf and Participants for management of Takaful operations, investment of Waqf and Operator's Fund as approved by the Shariah Advisor of the Operator. The accounts of the Waqf are maintained by the Operator in a manner that the assets and liabilities of Waqf remain separately identifiable. The financial statements of the Operator are prepared in such a manner that the financial position and results from the operations of Waqf and the Operator are shown separately.

**2 BASIS OF PREPARATION**

**2.1 Statement of Compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019.

In case requirements differ, the provisions of, directives and notifications issued under the Companies Act, 2017 and the Insurance Ordinance, 2000, Insurance Rules 2017, Takaful Rules, 2012, General Takaful Accounting Regulations, 2019 shall prevail.

The Securities and Exchange Commission of Pakistan (SECP) wide the Insurance Rules, 2017 dated February 9, 2017 has prescribed the format of presentation of annual financial statements for general insurance companies. These financial statements have been prepared in accordance with the format prescribed by the SECP..

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

## **2.2 Basis of measurement**

These financial statements have been prepared under historical cost convention basis unless otherwise stated.

## **2.3 Functional and Presentation Currency**

These financial statements are presented in Pakistani Rupees ('Rs' or 'Rupees') which is also the Operator's functional and presentation currency.

## **2.4 Temporary exemption from IFRS 17**

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1715 (I) / 2023 dated 21 November 2023, SRO 506/(1)/2024 dated March 29, 2024 and SRO 1336(1)/2025 dated 23rd July, 2025 the IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance / takaful and re-insurance / re-takaful business from financial years commencing on or after January 01, 2027.

IFRS 17, replaces IFRS 4 "Insurance Contracts". The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standard requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition / derecognition of IFRS 17. Companies subject to the requirement of SRO 1715 will also be required to adopt requirements of IFRS 9 from the date of transition. On initial application of IFRS 17, comparative information for insurance contracts is restated in accordance with IFRS 17, whereas comparative information for related financial assets might not be restated in accordance with IFRS 9 if the insurer is initially applying IFRS 9 at the same date as IFRS 17.

SECP vide letter no. ID/MDPRD/IFRS-17/2021/176 dated June 15, 2021 initiated a four-phase approach towards implementation of IFRS 17 "Insurance Contracts" has been completed.

## **2.5 IFRS 9 - Financial Instruments**

IFRS 9 'Financial Instruments' has become applicable, however as an insurance company, the management has opted for temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for being eligible to apply for the temporary exemption from the application of IFRS 9 are given below:

### 3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS AS APPLICABLE IN PAKISTAN

#### 3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year effective from January 01,2026

The following standards, amendments and interpretations are effective during the year effective from January 01, 2026. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

|   | <b>Effective date<br/>(annual periods<br/>beginning on or<br/>after)</b> |
|---|--|
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments  | January 01, 2026   |
| Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments   | January 01, 2026   |
| Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) | January 01, 2026   |
| Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)              | January 01, 2026   |

#### 3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Operator's operations or are not expected to have significant impact on the Operator's financial statements other than certain additional disclosures.

|   |                  |
|---|------------------|
| Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation | January 01, 2027 |
| IFRS 17 Insurance Contracts   | January 01, 2027 |
| IFRS 18 'Presentation and Disclosures in Financial Statements'  | January 01, 2027 |
| IFRS 19 'Subsidiaries without Public Accountability: Disclosures'   | January 01, 2027 |

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the revised timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

### **3.3 Temporary exemption from application of IFRS 9**

IFRS 9 'Financial Instruments' and amendment replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It has also carried forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit and loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. Fair value measurement of Financial Instruments as at December 31, 2025, is presented in note 32 of the financial statements.

## **4 MATERIAL ACCOUNTING POLICY INFORMATION**

The accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all periods presented in these financial statements.

### **4.1 Takaful contracts**

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

#### **4.2 Takaful Surplus**

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

#### **4.3 Management expense**

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

#### **4.4 Qard - e Hasna**

If there is deficit of admissible assets over liabilities in PTF, the Operator from the Operators Fund may provide Qard - e - Hasna to PTF so that PTF may become solvent as per Takaful Rules, 2012. Qard - e - Hasna from PTF can be recovered by the Operator over any period of time without charging any profit.

### **5 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS**

The preparation of financial statements in conformity with the requirements of accounting standards as applicable in Pakistan requires the Operator to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The judgments, estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates / judgments and associated assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

### **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, 2025.

ALPHA INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR PERIOD ENDED MARCH 31, 2026

|  | March 31, 2026         |                                   | December 31, 2025        |                                   |
|--|------------------------|-----------------------------------|--------------------------|-----------------------------------|
|  | Cost                   | Carrying value                    | Cost                     | Carrying value                    |
|  | ----- (Rupees)-----    |                                   | ----- (Rupees)-----      |                                   |
| <b>7 INVESTMENTS</b>                         |                        |                                   |                          |                                   |
| Fair value through profit or loss            |                        |                                   |                          |                                   |
| <b>OPERATOR FUND</b>                         |                        |                                   |                          |                                   |
| Mutual Fund                                  |                        |                                   |                          |                                   |
| - JS Islamic money market fund               | 15,000,000             | 16,276,136                        | 15,000,000               | 15,805,678                        |
| <b>PARTICIPANT'S FUND</b>                    |                        |                                   |                          |                                   |
| Mutual Fund                                  |                        |                                   |                          |                                   |
| - NBP-FUND (Growth Fund)                     | 20,000,000             | 21,715,914                        | 20,000,000               | 21,209,633                        |
| - NIT Islamic money market fund              | 2,000,000              | 2,068,477                         | 2,000,000                | 2,052,069                         |
| - NBP-FUND (Growth Fund)                     | 10,000,000             | 9,330,303                         | -                        | -                                 |
|  | <u>32,000,000</u>      | <u>33,114,694</u>                 | <u>22,000,000</u>        | <u>23,261,702</u>                 |
|  | <b>Operator's Fund</b> | <b>Participant's Takaful Fund</b> | <b>Operator's Fund</b>   | <b>Participant's Takaful Fund</b> |
|  | <b>March 31, 2026</b>  | <b>March 31, 2026</b>             | <b>December 31, 2025</b> | <b>December 31, 2025</b>          |
|  | (audited)              |                                   | (Unaudited)              |                                   |
|  | ----- (Rupees)-----    |                                   |                          |                                   |
| <b>8 TAKAFUL / RETAKAFUL RECEIVABLES</b>     |                        |                                   |                          |                                   |
| Unsecured and considered good                |                        |                                   |                          |                                   |
| Due from takaful participants holders        | -                      | 11,152,241                        | -                        | 2,772,902                         |
| Due from other takaful / retakaful operators | -                      | 48,359,228                        | -                        | 39,206,621                        |
|  | <u>-</u>               | <u>59,511,469</u>                 | <u>-</u>                 | <u>41,979,523</u>                 |
| <b>9 RECEIVABLE FROM PTF</b>                 |                        |                                   |                          |                                   |
| Wakala fee                                   | 45,123,662             | -                                 | 36,654,389               | -                                 |
| Mudarib                                      | 285,279                | -                                 | 285,279                  | -                                 |
| Inter fund receivable                        | 19,140,115             | -                                 | 5,253,880                | -                                 |
|  | <u>64,549,056</u>      | <u>-</u>                          | <u>42,193,548</u>        | <u>-</u>                          |
| <b>10 OTHER RECEIVABLE OPF/PTF</b>           |                        |                                   |                          |                                   |
| Receivable from Alpha                        | 3,666,052              | 33,746,553                        | 32,598,409               | 336,600                           |
| Others                                       | -                      | -                                 | -                        | 40,858,807                        |
|  | <u>3,666,052</u>       | <u>33,746,553</u>                 | <u>32,598,409</u>        | <u>41,195,407</u>                 |
| <b>11 PREPAYMENTS</b>                        |                        |                                   |                          |                                   |
| Prepaid retakaful contribution ceded         | -                      | 9,331,575                         | -                        | 11,408,772                        |
| <b>12 CASH AND BANK</b>                      |                        |                                   |                          |                                   |
| Cash and cash equivalent                     | -                      | -                                 | -                        | -                                 |
| Cash at bank                                 |                        |                                   |                          |                                   |
| Profit and loss account                      | 12.1                   | 587,970                           | 532,180                  | 41,168,258                        |
|  |                        | <u>587,970</u>                    | <u>532,180</u>           | <u>41,168,258</u>                 |

12.1 The rate of return on profit and loss sharing accounts held with Islamic banks during the period range from 8.00% to 10.00% per annum (2025: 10.00% to 12.00% per annum).

ALPHA INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR PERIOD ENDED MARCH 31, 2026

|  | Operator's<br>Takaful Fund | Participant's<br>Takaful Fund | Operator's<br>Takaful Fund | Participant's<br>Takaful Fund |
|--|----------------------------|-------------------------------|----------------------------|-------------------------------|
|  | March 31,<br>2026          | March 31,<br>2026             | December 31,<br>2025       | December 31,<br>2025          |
|  | (Unaudited)                | (Unaudited)                   | (Audited)                  | (Audited)                     |
|  | ------(Rupees)-----        |                               | ------(Rupees)-----        |                               |
| <b>13. TAKAFUL / RETAKAFUL PAYABLES</b>    |                            |                               |                            |                               |
| Due to takaful/retakaful payables          | -                          | 27,378,434                    | -                          | 22,196,477                    |
| <b>14. OTHER CREDITORS AND ACCRUALS</b>    |                            |                               |                            |                               |
| Commission payable                         | 6,761,431                  | -                             | 5,210,736                  | -                             |
| Payable to Alpha Insurance Company Limited | 36,878,696                 | 23,089,778                    | 12,065,385                 | 32,392,527                    |
| Payable to PTF                             | 5,870,764                  | -                             | 41,686,785                 | -                             |
| Federal takaful fee                        | -                          | 1,633,672                     | -                          | 1,425,195                     |
| Sales tax on services                      | -                          | -                             | -                          | -                             |
| Withholding tax payable                    | 2,440,803                  | -                             | 1,752,550                  | -                             |
| Accrued expenses                           | 2,050,853                  | -                             | 2,044,981                  | -                             |
| Auditor's fee                              | -                          | -                             | 559,600                    | -                             |
| Others                                     | 652,490                    | 570,559                       | 609,675                    | 44,000                        |
|  | <u>54,655,037</u>          | <u>25,294,009</u>             | <u>63,929,712</u>          | <u>33,861,722</u>             |

|  | Three Months<br>Ended March<br>31, 2026 | Three<br>Months<br>Ended<br>March 31 |
|--|---|--------------------------------------|
|  | (Unaudited)                             | (Unaudited)                          |
|  | ------(Rupees)-----                     |                                      |
| <b>15. NET CONTRIBUTION</b>                  |   |                                      |
| Written gross contribution                   | 25,171,692                              | 21,366,737                           |
| Less: Wakala fee                             | (7,112,022)                             | (10,034,546)                         |
| <b>Contribution Net of Wakala Fee</b>        | <u>18,059,670</u>                       | <u>11,332,191</u>                    |
| Add: Unearned contribution reserve opening   | 34,788,017                              | 26,817,572                           |
| Less: Unearned contribution reserve closing  | (34,149,462)                            | (18,907,883)                         |
| <b>Contribution earned</b>                   | <u>18,698,225</u>                       | <u>19,241,880</u>                    |
| Less: Retakaful contribution ceded           | 5,996,215                               | 7,415,773                            |
| Add: Prepaid retakaful contribution opening  | 13,762,947                              | 9,803,237                            |
| Less: Prepaid retakaful contribution closing | (12,253,830)                            | (11,339,024)                         |
| <b>Retakaful expense</b>                     | <u>7,505,332</u>                        | <u>5,879,986</u>                     |
| <b>Net contribution</b>                      | <u>11,192,893</u>                       | <u>13,361,894</u>                    |
| <b>16. RETAKAFUL REBATE EARNED</b>           |   |                                      |
| Retakaful rebate received or recoverable     | 122,987                                 | 163,849                              |
| Add: Unearned retakaful rebate opening       | 367,811                                 | 381,659                              |
| Less: Unearned retakaful rebate closing      | (315,621)                               | (367,811)                            |
|  | <u>175,177</u>                          | <u>177,697</u>                       |

ALPHA INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR PERIOD ENDED MARCH 31, 2026

|   | Three Months<br>Ended March<br>31, 2026<br>(Unaudited) | 1 nree<br>Months<br>Ended March<br>31, 2025<br>(Unaudited) |
|---|--|--|
|   | ------(Rupees)-----                                    |  |
| <b>17. TAKAFUL BENEFITS / CLAIMS EXPENSE</b>                    |  |  |
| Benefits / Claims paid or payable                               | 5,054,265  | 9,874,568  |
| Less: Outstanding claims including IBNR opening                 | (22,842,065)   | (8,437,126)  |
| Add: Outstanding claims including IBNR closing                  | 39,106,062   | 46,982,212   |
| Benefits / Claims expense                                       | 21,318,262   | 48,419,654   |
| <b>Less: Retakaful and other recoveries received</b>            | 465,369  | 150,000  |
| Add: Retakaful recoveries against outstanding claims - opening  | (3,915,971)  | (626,028)  |
| Less: Retakaful recoveries against outstanding claims - closing | 7,517,451  | 30,676,028   |
| Retakaful and other recoveries revenue                          | 4,066,849  | 30,200,000   |
| <b>Net Takaful Benefits / Claim Expense</b>                     | <b>17,251,413</b>                                      | <b>18,219,654</b>  |
| <b>18. COMMISSION EXPENSE - OPF</b>                             |  |  |
| Commission paid or payable                                      | 3,675,595  | 2,102,748  |
| Add: Deferred commission expense opening                        | 3,702,764  | 3,282,754  |
| Less: Deferred commission expense closing                       | (4,975,731)  | (2,883,175)  |
| Commission expense  | 2,402,628  | 2,502,327  |
| <b>WAKALA FEE</b>   |  |  |
| Gross Wakala Fee  | 8,469,274  | 8,284,814  |
| Add: Deferred wakala expense opening                            | 10,820,036   | 8,290,890  |
| Less: Deferred wakala expense closing                           | (12,177,288)   | (6,541,158)  |
| <b>Net wakala fee</b>   | <b>7,112,022</b>                                       | <b>10,034,546</b>  |
| <b>19. GENERAL ADMINISTRATIVE AND MANAGEMENT EXPENSE - OTF</b>  |  |  |
| Employee Benefit Cost   | 1,067,581  | 848,522  |
| Legal And Professional Cost                                     | -  | -  |
| Professional Charges - IT Related                               | 720,000  | 4,425,292  |
| Other Admin Expenses  | 155,870  | 83,530   |
|   | <b>1,943,451</b>                                       | <b>5,357,344</b>   |
| <b>20. INVESTMENT INCOME</b>                                    |  |  |
| <b>OTF</b>  |  |  |
| Profit on Sukuk certificates                                    |  | -  |
| Profit on Mutual Fund   | 470,458  | -  |
| <b>PTF</b>  |  |  |
| Profit on Sukuk certificates                                    |  | -  |
| Profit/ (Loss) on Mutual Fund                                   | (147,008)  | -  |
| <b>21. OTHER INCOME</b>   |  |  |
| <b>OTF</b>  | 14,239   | 789,214  |
| Profit on bank deposits   |  |  |
| <b>PTF</b>  | 319,776  | 608,729  |
| Profit on bank deposits   | 334,015  | 1,397,943  |
| <b>22. OTHER EXPENSES</b>                                       |  |  |
|   | 650  | -  |
| Bank Charges  | 3,525  | 68,773   |
| Servive Charges   | 2,000  |  |
| Pre-Inspection Fee  | -  | 150,000  |
| Shairah Audit Fee   | 6,175  | 218,773  |

ALPHA INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR PERIOD ENDED MARCH 31, 2026

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23. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at March 31, 2026

24. DATE OF AUTHORIZATION FOR ISSUE

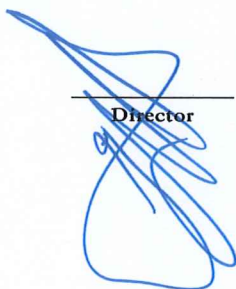
These condensed interim financial statements were authorized for issue on 14-05-2026 by the Board of Directors of the Operator.

25. GENERAL

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




Chief Executive Officer



Director



Director



Chairman

