

annual report  
2006

**NJI**  
Life

New Jubilee Life Insurance Company Ltd.

# Secure

# term

Secure term plans are ideal for any situation that requires protection on a tight budget.





# VISION

To be Pakistan's leading and most highly reputed life insurance company, enjoying the confidence and trust of its Shareholders, Policyholders, Business Partners and the Communities in which it operates.



# MISSION

ONE

Shareholders are the backbone of our business. They provide the initial capital which enables the Company to commence the business and to grow the business through retention of profits and by investing additional capital when required. We will strive to achieve above average earnings on their invested capital.

TWO

Our Policyholders are our most valuable assets. We will strive to provide them with a full range of life insurance and other products, security of their investment, a satisfactory return on their investments and efficient personal service.

THREE

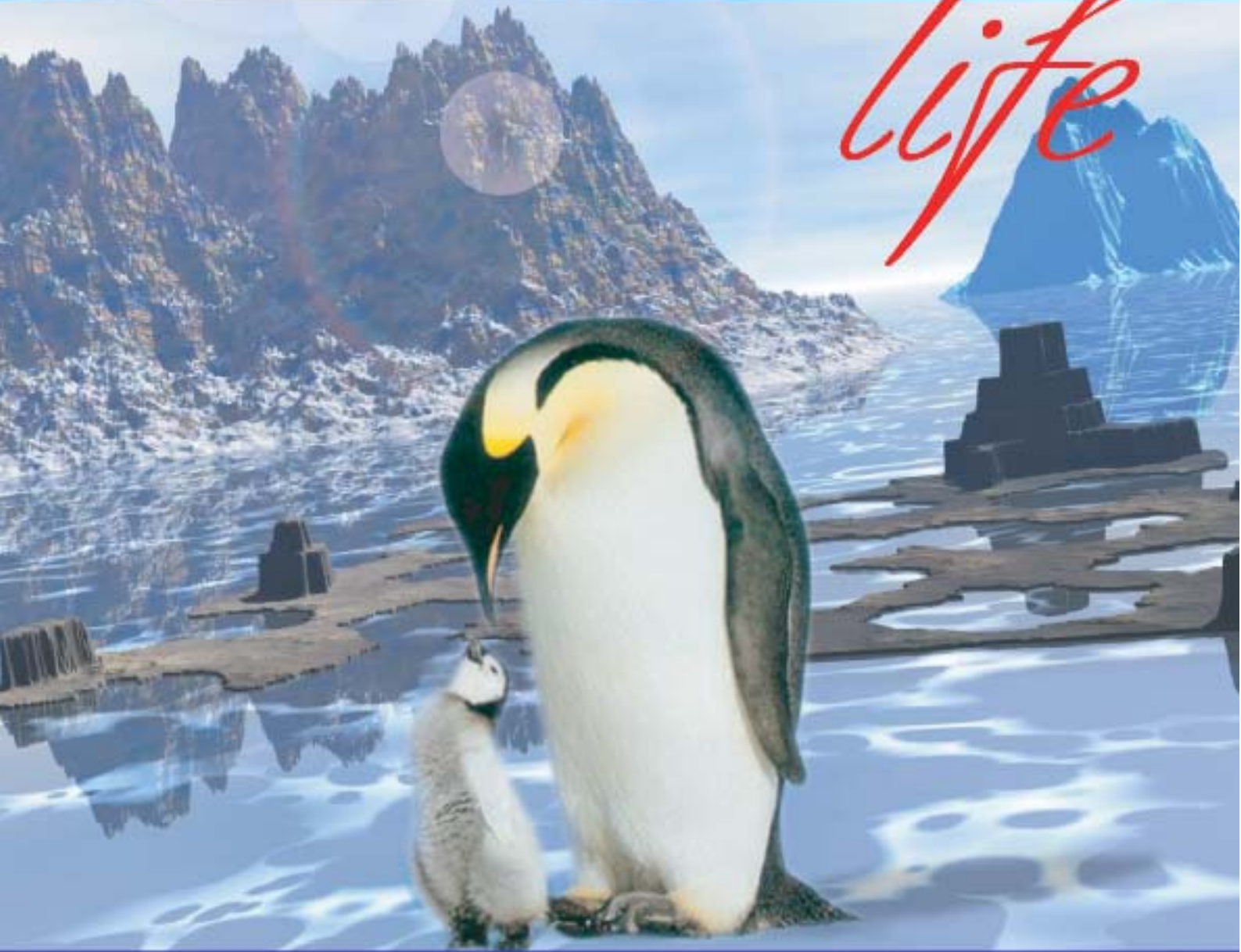
Employees are our Partners enabling us to fulfill our vision and mission. We will endeavor to provide them a fair reward based on their performance and achievements, a good working environment, adequate training and opportunities for self development to empower them to grow and prosper with the company.

FOUR

The Community in which we exist along with our Shareholders, Policyholders, Employees, etc also deserves our consideration. We will participate and contribute to the uplift and welfare of the community, and the improvement of the environment.

**SECURE**

*Life*



It's easy for you to see what kind of insurance your family needs now.  
You may think this is only needed for the next.

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# CORPORATE *information*

## BOARD OF DIRECTORS

Masood Noorani	Chairman
Javed Ahmed	Managing Director / CEO
Towfiq H. Chinoy	Director
Sultan Allana	Director
Shahid Mahmood Loan	Director
Xavier Gwenael Lucas	Director
John Joseph Metcalf	Director (effective 19.02.2007)

## COMPANY SECRETARY

Manzoor Ahmed

## BOARD COMMITTEES

### 1. AUDIT

Towfiq H.Chinoy	Chairman
John Joseph Metcalf	Member
Xavier Gwenael Lucas	Member

### 2. FINANCE

Masood Noorani	Chairman
Javed Ahmed	Member
John Joseph Metcalf	Member
Manzoor Ahmed	Member/Secretary

### 3. HUMAN RESOURCE

Towfiq H. Chinoy	Chairman
Masood Noorani	Member
John Joseph Metcalf	Member

### 4. TECHNICAL

John Joseph Metcalf	Chairman
Javed Ahmed	Member
Xavier Gwenael Lucas	Member

## MANAGEMENT COMMITTEES

### i. CLAIMS

Javed Ahmed	Chairman
Manzoor Ahmed	Member
Zahid Barki	Member/Secretary

### ii. REINSURANCE

Javed Ahmed	Chairman
Zahid Barki	Member
Jabran Noor	Member/Secretary

### iii. UNDERWRITING

Javed Ahmed	Chairman
Syed Ali Ameer Rizvi	Member
Zahid Barki	Member/Secretary

#### HEAD OFFICE

74/1-A, Lalazar, M. T. Khan Road, Karachi -74000  
Ph:(0096)(21) 5611071-75, 5611802-08  
Fax:(0096)(21) 5610959  
Web: www.njilife.com  
E-mail: info@njilife.com

#### REGISTERED OFFICE

16/2, KSB Pumps Building,  
Sir Aga Khan Road, Lahore  
Ph:(0096)(42)6308956-65  
Fax:(0096)(42)6308963

#### APPOINTED ACTUARY

Nauman A. Cheema  
Nauman Associates, 7-B, Block F, Gulberg III, Lahore  
Ph:(0096)(42)5760204, 5754036  
Fax:(0096)(42)5757867  
E-mail: info@naumanassociates.com

#### AUDITORS

KPMG Taseer Hadi & Co.  
Chartered Accountants  
1st Floor, Shaikh Sultan Trust Building No. 2  
Beaumont Road,  
Karachi – 75530  
Ph: (0096)(21) 5685847  
Fax:(0096)(21) 5685095

#### LEGAL ADVISORS

Kabraji & Talibuddin  
Advocate & Legal Counsellors  
Ph:(0096)(21)5838874, 5838876  
Fax:(0096)(21)5838871  
E-mail:kandt@kandtlaw.com

#### REGISTRAR & SHARE TRANSFER OFFICE

THK Associates (Pvt) Ltd.  
Ground floor, State Life Building No. 3  
Dr. Ziauddin Ahmed Road,  
Karachi- 75530  
Ph:(0096)(021)111000322  
Fax:(0096)(21)5655595

#### BANKERS

Habib Bank Limited  
Standard Chartered Bank

## Directors' Report to the Shareholders

The Directors are pleased to present the Annual Report and the Audited Financial Statements of the Company for the year ended December 31, 2006 together with Auditor's Report thereon.

### Business Review

The Company has made good progress during the year 2006. An overview of the results as compared with the performance of 2005 is given below:

	<u>2006</u>	<u>2005</u>	<u>± %</u>
	(Rs. In million)		
Gross premium income	2,291.2	1,379.4	+ 66%
Net premium income	2,077.6	1,202.4	+ 73%
Investment & other income	342.0	357.0	- 4%
Net claims	627.8	344.3	+ 82%
Movement in Policyholder liability	1,197.8	744.8	+ 61%
Management expenses	477.7	412.4	+ 16%
Profit before tax	94.8	56.8	+ 67%
Profit after tax	82.7	42.1	+ 96%

### Sector-wise Performance

#### Individual Life

Individual life new business increased substantially by 135% in comparison with 2005. The net written premium amounted to Rs. 984.4 million in 2006 (Rs. 415.5 million in 2005).

Renewal business showed a growth of 35% in comparison with 2005. The net renewal premium amounted to Rs. 579.8 million in 2006 (Rs. 430.6 million in 2005).

#### Group Life

Group Life business recorded a substantial growth of 39% as compared to 2005 by registering a net premium income of Rs. 342.9 million in 2006 (Rs. 227.4 million in 2005).

#### Group Pension

Group Pension business premium of Rs. 41.8 million in 2006 was 45% higher than the previous year (Rs. 28.8 million in 2005).

#### Accident & Health

The performance of Accident and Health business in 2006 was very satisfying, with a growth of 29% as compared to 2005. Net written premium amounted to Rs. 128.7 million in 2006 (Rs. 100.2 million in 2005).



## Investments

The investment income of the company inclusive of unrealized appreciation or depreciation on the valuation of the investment portfolio was Rs.343.2 million in 2006 (Rs. 345.1 million in 2005). Due to the sharp decline in the stock market during the last two months of the calendar year 2006, the element of unrealized gains at the end of 2006 was only Rs. 8.8 million as against Rs. 127.3 million in 2005.

However, you will be pleased to know that in terms of growth all the statutory policyholders' funds of the Company outperformed the KSE 100 Index, the competition as well as most of the open-ended funds available in the market.

## Dividend

On 16 December 2006, the Directors declared an interim cash dividend of 5%(Rs. 0.50 per share) for the Company's shareholders. This was the first ever dividend in the Company's ten years history.

We would like to remind the shareholders that the ownership of the controlling shares of the Company changed hands from AVIVA plc International to the Aga Khan Fund for Economic Development Fund (AKFED) on 31 December 2002, and the Company's name was changed from Commercial Union Life Assurance Company (Pakistan) Limited to New Jubilee Life Insurance Company Limited effective 1 January, 2004.

At the time of the change of the principal shareholder, the shareholders' equity in the Company was as follows:

Paid up Capital:	= Rs. 402.0 million
Accumulated losses since 1996:	= Rs. 369.9 million
Net shareholders' equity	= Rs. 32.1 million

In order to put the Company's finances and business back on a sound base and pursue vigorous growth, a Rights issue of Rs.225.120 million was made in August/September, 2003. In the offering document of the Rights share issue, it was stated that:

"The attention of shareholders is drawn to the fact that Life Assurance business is a long term investment. The projected accounts for the year 2003-05 inclusive show continuing losses with a small profit emerging for the year 2006"

At that time, it was a matter of great satisfaction that virtually all the Rights shares issued were taken up by the shareholders and only 547,660 shares worth Rs. 5.5 million (6.6%) were taken up by the underwriters (AKFED and NJI) in addition to their own entitlement of right shares.

The Directors are pleased that the progress made by the Company in the short span of four years, has enabled them to pay the first ever dividend in the Company's history, one year ahead of the anticipated date.

Keeping in view the various factors, the Directors do not recommend the payment of any further dividend for the year 2006, and the interim cash dividend of Rs. 0.50 per share (5%) already declared and paid may be approved as the final dividend for the year 2006.

## Profit & Loss Appropriation Account

The profit after tax of Rs. 82.6 million for the year 2006 is being appropriated as follows:

Profit after tax:	Rs. 82.6 million
Amount brought forward from previous years:	Rs. Nil
Total available for appropriation:	Rs. 82.6 million
Interim cash dividend (2005: Nil):	Rs. 31.4 million
Final cash dividend (2005: Nil):	Rs. Nil
Balance amount adjusted against accumulated deficit:	Rs. 51.2 million

## Board of Directors

Five meetings of the Board of Directors were held in 2006. Attendance of each director in these meetings is as follows:

Name of Directors	No. of meetings attended
Masood Noorani	5
Javed Ahmed	5
Towfiq H. Chinoy	5
Sultan Allana	1
Shahid Mahmood Loan (Appointed on 22 March, 2006)	4
Xavier Gwenaël Lucas (Appointed on 22 March, 2006)	3
Zulfikar Kassamali Mohamed	1

Mr. Zulfikar Kassamali Mohamed resigned on 25th January, 2007 and Mr. John Joseph Metcalf, nominee of AKFED has been co-opted by the Board of Directors with effect from 19<sup>th</sup> February, 2007.

The Board of Directors wishes to record its appreciation for the valuable services rendered by Mr. Zulfikar Kassamali Mohamed during the tenure as Director.

## Audit Committee

The Board has appointed an Audit Committee in accordance with the Code of Corporate Governance and the following Directors served on the Committee during the year 2006:

Towfiq H. Chinoy	Chairman
Masood Noorani	Member
Xavier Gwenaël Lucas	Member

All of them are non-executive directors.

Four meetings of the Audit Committee were held during the financial year. The Committee's terms of reference have been determined by the Board in accordance with the guidelines provided in the Code of Corporate Governance. The Audit Committee reviewed the quarterly, half yearly and yearly Financial Statements besides reviewing the internal control system, the internal audit plan, material audit findings and recommendations of the Chief Internal Auditor. The Board appreciates the contribution made by the Audit Committee.

## Compliance with Listing Regulations

The Statement of Compliance with the best practices of Corporate Governance is annexed on page 12 of this report.

The Directors are pleased to confirm the following:

- The Financial Statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the company have been maintained.
- Accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, Insurance Ordinance and Rules have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

- The system of internal control is in place and is being continuously reviewed by internal audit. The process of review will continue and weakness in controls, if any, will be removed.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations of the stock exchange of Pakistan.
- Information regarding outstanding taxes is given in the notes to the audited financial statements.
- No trade in the shares of the Company were carried out by the Directors, CEO, CFO, Company Secretary, Appointed Actuary, Executives and their spouses and minor children.

### **Key Operating and Financial Highlights**

Key operating and financial Highlights for the last six years have been summarized and shown on page 11 of this report.

### **Pattern of Shareholding**

There were 2,308 shareholders as of 31 December, 2006. 57.88% shares of the Company are held by Aga Khan Fund for Economic Development S.A. Switzerland. The detailed pattern and categories of shareholdings of the Company as of 31 December, 2006 are annexed to this annual report on page 54.

### **Statement of Ethics and Business Practices**

The Board has adopted a statement of Ethics and Business Practices, which has been signed by all the directors and the employees of the Company.

### **Investment in Retirement Benefits**

The value of investment made by the staff retirement funds operated by the Company as per their respective financial statements per 31.12.2006 are as follows:

Provident Fund	Rs. 28.665 million
Gratuity Fund	Rs. 14.853 million

### **Material Changes**

There have been no material changes since December 31, 2006 to the date of this report and the Company has not entered into any commitment during this period, which would have an adverse affect on the financial position of the Company.

### **External Auditors**

The present external auditors, KPMG Taseer Hadi & Co. retire and being eligible, offer themselves for reappointment.

The external auditors have been given satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP). The external auditors have confirmed that their firm is in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP. The external auditors have not been appointed to provide other services except in accordance with the listing regulations and they have confirmed that they have observed IFAC guidelines in this respect.

The Audit Committee has recommended their reappointment at a remuneration to be decided by the Board of Directors for the year ending December 31, 2007 and the Board endorses this recommendation.

## Holding Company

The Company is a subsidiary of Aga Khan Fund for Economic Development S.A. Switzerland.

## Service to Policyholders

The Company has taken initiative for on line connectivity of its Head Office with the branches by way of extending to its Lahore and Islamabad centers the access to the information relating to the policies. Furthermore, the company added five more branches to its branch network during the year as a result total branch network has reached to the level of 47 branches.

## Future Outlook

The Company has adopted Best Practice International Standards with regard to Reserving. Whilst this impacts the short term profitability of the company, it ensures that the company remains strong, financially sound and in a position to deliver future profits.

The Company has developed strategic plan with the objective of benefiting from the opportunities available. The plan focuses on the expansion of the Company's branch network, product innovation & development and improvement in productivity of the sales force. Significant strides have been made in reducing expenses and further efforts will continue in this direction.

## Acknowledgements

We thank our valued policyholders for their confidence and patronage and reiterate our commitment to serve them in the best possible manner.

We also thank all Executives, Officers, Field and Office Staff of the Company for their dedicated efforts which have contributed to the continued growth of the Company.

On behalf of the Board of Directors

  
MASOOD NOORANI  
Chairman

  
JAVED AHMED  
Managing Director

Karachi: March 21, 2007

## Key Operating and Financial Highlights

Six Years Summary	2006	2005	2004	2003	2002	2001
<b>Gross Premium</b>	2,291,224	1,379,371	1,091,297	780,091	547,577	454,771
<b>Revenue and P&amp;L Account</b>						
Premium - net of reinsurance	2,077,593	1,202,432	962,199	680,826	442,972	363,332
Net Investment income	282,182	336,401	93,721	76,145	109,996	30,212
Total inflow	2,359,775	1,538,833	1,055,920	756,971	552,968	393,544
Total outgo	2,298,310	1,497,794	1,072,260	769,466	559,689	455,973
Profit before tax per P&L Account	94,798	56,828	36,668	44,131	(1,927)	3,098
Income Tax (expense) / credit	(12,143)	(14,755)	12,480	(3,428)	-	-
Profit after tax per P&L Account	82,655	42,073	49,148	40,703	(1,927)	3,098
<b>Balance Sheet</b>						
Investments including deposits	3,552,733	2,410,559	1,511,055	980,018	628,425	441,037
Other assets	415,207	235,395	256,194	279,047	100,565	101,733
Fixed assets	73,780	81,170	82,090	28,296	22,226	31,748
Total assets	4,041,720	2,727,124	1,849,339	1,287,361	751,216	574,518
Issued, subscribed and Paid up capital	627,120	627,120	627,120	627,120	402,000	402,000
Accumulated surplus /(deficit)	(270,348)	(326,407)	(373,480)	(412,628)	(369,925)	(331,340)
Statutory funds	3,318,280	2,103,778	1,362,920	920,145	553,260	329,498
Other liabilities	366,668	322,633	232,779	152,724	165,881	174,360
Total equity & liabilities	4,041,720	2,727,124	1,849,339	1,287,361	751,216	574,518
<b>Investors Information</b>						
Earning per share (Rs)	1.32	0.67	0.78	0.88	(0.22)	0.08
Break-up value per share (Rs)	5.69	4.80	4.04	3.42	0.80	1.76
Market value per share (Rs)	18.50	27.30	24.80	20.05	9.00	4.50
Cash dividend per share	0.50	0	0	0	0	0

## Statement of Compliance with the Code of Corporate Governance


For The Year Ended December 31, 2006

In compliance with the Code of Corporate Governance as incorporated in the Listing Regulations of the stock exchanges of Pakistan and Code of Corporate Governance applicable to listed insurance companies as issued by the SECP, this statement is being presented to confirm that the Company has applied the principles of the Code as under:

1. The Company encourages representation of independent non-executive directors and directors representing minority interest on its Board of Directors. At present the Board includes six non-executive directors and one executive director.
2. All the directors have given declaration that they were aware of their duties and powers under the relevant laws and the Company's Memorandum and Articles of Association and the listing regulations of the stock exchanges of Pakistan.
3. None of the directors of the Company is serving as a director in ten or more other listed companies.
4. All the resident directors of the Company are registered taxpayers and none of them has defaulted in payment of any dues to a banking company, a DFI or an NBFIL.
5. None of the directors or their spouses are engaged in business of stock brokerage.
6. The casual vacancies, due to resignation of two of the directors during the year, were duly filled in within 30 days.
7. The Company has adopted a "Statement of Ethics and Business Practices" which has been signed by all the directors and employees of the Company.
8. The Board of Directors has issued a Vision and Mission Statement. Corporate strategy and significant policies of the Company have been developed. The process of formal approval by the Board of various policies in the post acquisition scenario is however in progress.
9. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO/Executive Director, the Chief Financial Officer and Company Secretary and the Chief Internal Auditor have been taken by the Board and / or its authorized committee.
10. The roles and responsibilities of the Chairman and the Chief Executive Officer are clearly defined.
11. The meetings of the Board were presided-over by the Chairman and, in his absence, by a director elected by the Board for this purpose.
12. The Board meets at least once in every quarter.
13. Written notices and agenda of Board Meetings are circulated not less than seven days before the meetings.
14. The Minutes of the Board Meetings are appropriately recorded, signed by the Chairman and circulated within 14 days from the date of meetings.
15. Directors are well conversant with the listing regulations, legal requirements and operational imperatives of the Company and as such are fully aware of their duties and responsibilities. Regular update on corporate requirements is taken care of.
16. All material information as required under the relevant rules have been provided to the stock exchange and to the Securities and Exchange Commission of Pakistan within the prescribed time limit.

17. All quarterly, half yearly and annual financial statements presented to the Board for approval were duly signed by the CEO and CFO.
18. The directors, CEO, CFO and Executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
19. The directors' report for this year has been prepared in compliance with the requirements of the Code and Section 236 of the Companies Ordinance, 1984.
20. The Company has complied with all corporate and financial reporting requirements of Code as mentioned in this Statement of Compliance with the best practices of Corporate Governance.
21. The Board has formed an audit committee. It comprising of three members, all of whom are non-executive directors.
22. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
23. The Company has an internal audit function in place. The Internal Auditor is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company. The Company has a joint Chief Internal Auditor both for New Jubilee Life Insurance Company Limited and New Jubilee Insurance Company Limited.
24. The external auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
25. The external auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
26. The Company has established Underwriting Committee, Claims Settlement Committee and Reinsurance Committee in line with the Code of Corporate Governance for Insurance Companies.
27. The actuary appointed by the Company has confirmed that neither he nor his spouse and minor children hold shares of the Company.
28. The Board ensures that the appointed actuary complied with the requirements set out for him in the code.
29. We confirm that all other material principles contained in the code have been complied with.

**On behalf of the Board of Directors**

  
**Masood Noorani**  
Chairman

  
**Javed Ahmed**  
Managing Director &  
Chief Executive Officer

Karachi: March 21, 2007

## Review Report to the Members

On Statement Of Compliance With Best Practices Of Code Of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **New Jubilee Life Insurance Company Limited** ("the Company") to comply with the listing regulation No.37 of the Karachi Stock Exchange and the Code of Corporate Governance applicable to listed insurance companies, issued by the Securities and Exchange Commission of Pakistan (collectively referred to as Code hereinafter).

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code.

Date: March 21, 2007

Karachi

**KPMG Taseer Hadi & Co.**  
Chartered Accountants



## Auditors' Report To The Members

We have audited the annexed financial statements comprising of:

- (i) balance sheet;
- (ii) profit and loss account;
- (iii) statement of changes in equity;
- (iv) cash flow statement;
- (v) revenue account;
- (vi) statement of premiums;
- (vii) statement of claims;
- (viii) statement of expenses; and
- (ix) statement of investment income

of **New Jubilee Life Insurance Company Limited** as at 31 December 2006 together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Company's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the Approved Accounting Standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the Auditing Standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) proper books of accounts have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied;
- c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at 31 December 2006 and of the profit, its cash flows and changes in equity for the year then ended in accordance with Approved Accounting Standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and
- d) the apportionment of assets, liabilities, revenue and expenses between two or more funds has been performed in accordance with the advice of the appointed actuary;
- e) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

**Date: March 21, 2007**  
**Karachi**

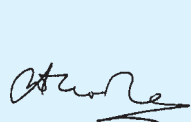
**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**

## Balance Sheet

as at 31 December 2006

Note	Share holders' Fund	Statutory Funds				Aggregate			
		Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2006	2005		
(Rupees in '000)									
<b>Share capital and reserves</b>									
Authorised share capital									
	100,000,000 ordinary shares of Rs. 10 each	<b>1,000,000</b>	-	-	-	-	<b>1,000,000</b>	1,000,000	
	Issued, subscribed and paid-up share capital	6	627,120	-	-	-	627,120	627,120	
	Accumulated deficit	7	(270,348)	-	-	-	(270,348)	(326,407)	
	<b>Net shareholders' equity</b>		<b>356,772</b>	-	-	-	<b>356,772</b>	300,713	
<b>Balance of statutory funds [including policyholders' liabilities Rs. 3,256.2 million (2005: Rs. 2,058.4 million)]</b>									
		-	2,913,920	178,449	144,401	81,510	<b>3,318,280</b>	2,103,778	
<b>Creditors and accruals</b>									
	Outstanding claims	-	25,969	116,856	-	19,299	<b>162,124</b>	115,571	
	Premiums received in advance	-	56,648	19,493	-	11,556	<b>87,697</b>	44,298	
	Amounts due to other insurers / reinsurers	-	-	2,851	-	-	<b>2,851</b>	95,626	
	Amounts due to agents	-	24,205	73	-	-	<b>24,278</b>	29,518	
	Accrued expenses	446	25,668	8,157	1,216	3,169	<b>38,656</b>	32,346	
	Taxation - provision less payments	3,007	-	-	-	-	<b>3,007</b>	-	
	Other creditors and accruals	8	601	3,390	712	241	<b>5,360</b>	5,274	
	Inter-fund payable		4,656	-	354	1,356	<b>11,339</b>	-	
			<b>8,710</b>	<b>135,880</b>	<b>148,496</b>	<b>2,813</b>	<b>39,413</b>	<b>335,312</b>	322,633
<b>Other liabilities</b>									
	Dividend payable		31,356	-	-	-	<b>31,356</b>	-	
	<b>Total liabilities</b>		<b>40,066</b>	<b>3,049,800</b>	<b>326,945</b>	<b>147,214</b>	<b>120,923</b>	<b>3,684,948</b>	2,426,411
	<b>Total equity and liabilities</b>		<b>396,838</b>	<b>3,049,800</b>	<b>326,945</b>	<b>147,214</b>	<b>120,923</b>	<b>4,041,720</b>	2,727,124
<b>Commitments</b>									
		9							

The annexed notes 1 to 32 are an integral part of these financial statements.



Masood Noorani  
Chairman



Towfiq H. Chinoy  
Director



Shahid M. Loan  
Director



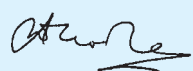
Javed Ahmed  
Managing Director &  
Chief Executive Officer

# Balance Sheet

as at 31 December 2006

	Note	Share holders' Fund	Statutory Funds				Aggregate	
			Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2006	2005
(Rupees in '000)								
<b>Cash and bank deposits</b>								
Cash and others		109	592	85	-	-	786	1,309
Current and other accounts		84,609	132,104	22,668	18,486	13,303	271,170	125,756
Deposits maturing within 12 months	10	30,000	1,036,000	84,000	45,000	40,000	1,235,000	953,177
		<b>114,718</b>	<b>1,168,696</b>	<b>106,753</b>	<b>63,486</b>	<b>53,303</b>	<b>1,506,956</b>	<b>1,080,242</b>
<b>Unsecured advances to employees</b>		3,285	-	-	-	-	3,285	946
<b>Investments</b>								
Government securities - gross	11.1	115,926	171,184	190,746	49,226	44,045	571,127	564,723
Other fixed income securities	11.2	7,083	489,882	-	-	-	496,965	185,633
Listed equities and closed-end mutual funds - gross	11.3	76,646	1,043,404	5,015	34,102	-	1,159,167	659,104
Open-end mutual funds	11.4	-	123,741	-	-	-	123,741	81,095
		199,655	1,828,211	195,761	83,328	44,045	2,351,000	1,490,555
Less: Provision for impairment in the value of the investments		(9,961)	-	(20,757)	-	(2,549)	(33,267)	(33,173)
		<b>189,694</b>	<b>1,828,211</b>	<b>175,004</b>	<b>83,328</b>	<b>41,496</b>	<b>2,317,733</b>	<b>1,457,382</b>
<b>Other assets</b>								
Premiums due but unpaid		-	-	26,020	-	24,186	50,206	45,744
Investment income due but outstanding		571	1,691	78	-	-	2,340	377
Investment income accrued		2,426	31,024	5,653	214	1,617	40,934	20,992
Amounts due from other insurers / reinsurers		-	13,705	3,772	-	-	17,477	11,791
Taxation - payments less provision		-	-	-	-	-	-	13,987
Prepayments		36	3,676	299	99	171	4,281	9,889
Sundry receivable		12,328	569	255	87	150	13,389	4,604
Inter-fund receivable		-	2,228	9,111	-	-	11,339	-
		<b>15,361</b>	<b>52,893</b>	<b>45,188</b>	<b>400</b>	<b>26,124</b>	<b>139,966</b>	<b>107,384</b>
<b>Fixed assets</b>								
<b>Tangible assets</b>	12							
Furniture, fixtures, office equipments, computers and vehicles		68,515	-	-	-	-	68,515	71,016
Capital work-in-progress		3,263	-	-	-	-	3,263	7,682
<b>Intangible assets</b>								
Computer software		2,002	-	-	-	-	2,002	2,472
		<b>73,780</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,780</b>	<b>81,170</b>
<b>Total assets</b>		<b>396,838</b>	<b>3,049,800</b>	<b>326,945</b>	<b>147,214</b>	<b>120,923</b>	<b>4,041,720</b>	<b>2,727,124</b>

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Masood Noorani  
Chairman



Towfiq H. Chinoy  
Director



Shahid M. Loan  
Director



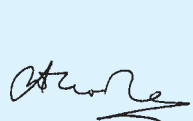
Javed Ahmed  
Managing Director &  
Chief Executive Officer

## Profit and Loss Account

For the year ended 31 December 2006

	Note	2006	2005
(Rupees in '000)			
<b>Investment income not attributable to statutory funds</b>			
Return on Government securities		7,978	6,797
Return on other fixed income securities		4,603	5,792
Amortisation of discount relative to par		35	3
Dividend income		4,124	1,423
		<u>16,740</u>	<u>14,015</u>
<b>Gain on disposal of investments</b>		40,745	-
<b>Provision for impairment in value of investments</b>			
- Government securities		-	(5,726)
- Reversal of provision		1,425	-
		<u>1,425</u>	<u>(5,726)</u>
<b>Total investment income</b>		<u>58,910</u>	<u>8,289</u>
Less: investment related expenses		(435)	(14)
<b>Net investment income</b>		<u>58,475</u>	<u>8,275</u>
<b>Other revenues</b>			
Gain on disposal of fixed assets		1,157	8,173
Others		143	4,155
		<u>1,300</u>	<u>12,328</u>
<b>Total investment income and other revenue</b>		<u>59,775</u>	<u>20,603</u>
Less: expenses not attributable to statutory funds	13	(4,977)	(3,775)
Profit before appropriation of surplus to shareholders' fund		<u>54,798</u>	<u>16,828</u>
Add: surplus appropriated to shareholders' fund from ledger account D	5	40,000	40,000
		<u>94,798</u>	<u>56,828</u>
<b>Profit before tax</b>			
Taxation	14	(12,143)	(14,755)
<b>Profit after tax</b>		<u>82,655</u>	<u>42,073</u>
			(Rupees)
<b>Basic and diluted earnings per share</b>	15	<u>1.32</u>	<u>0.67</u>


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Masood Noorani  
Chairman



Towfiq H. Chinoy  
Director



Shahid M. Loan  
Director



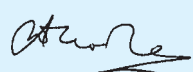
Javed Ahmed  
Managing Director &  
Chief Executive Officer

## Statement of Changes in Equity

For the year ended 31 December 2006

	Note	Share Capital	Net accumulated deficit		Total	
			Accumulated surplus	Capital contribution to statutory funds		Net accumulated deficit
(Rupees in '000)						
Balance as at 1 January 2005		627,120	176,270	(549,750)	(373,480)	253,640
<b>Changes in equity for 2005</b>						
Net profit for the year		-	42,073	-	42,073	42,073
Capital contributed to statutory funds		-	-	(16,000)	(16,000)	(16,000)
Capital withdrawn from statutory funds		-	-	21,000	21,000	21,000
Balance as at 31 December 2005		627,120	218,343	(544,750)	(326,407)	300,713
<b>Changes in equity for 2006</b>						
Net profit for the year		-	82,655	-	82,655	82,655
Interim dividend @ Rs. 0.5 per share (2005 : Rs. nil per share)		-	(31,356)	-	(31,356)	(31,356)
Capital contributed to statutory funds	5	-	-	(30,000)	(30,000)	(30,000)
Capital withdrawn from statutory funds	5	-	-	34,760	34,760	34,760
<b>Balance as at 31 December 2006</b>		<u>627,120</u>	<u>269,642</u>	<u>(539,990)</u>	<u>(270,348)</u>	<u>356,772</u>

The annexed notes 1 to 32 are an integral part of these financial statements.



Masood Noorani  
Chairman



Towfiq H. Chinoy  
Director



Shahid M. Loan  
Director



Javed Ahmed  
Managing Director &  
Chief Executive Officer

# Cash Flow Statement

For the year ended 31 December 2006


Note	Share holders' Fund	Statutory Funds				Aggregate	
		Individual Life (Unit Linked)	Conventional business	Group Pension	Accident & Health	2006	2005
(Rupees in '000)							
<b>Operating cash flows</b>							
<b>a) Underwriting activities</b>							
	-	1,622,314	536,628	41,761	129,457	2,330,160	1,382,911
Premiums received	-	(44,219)	(262,106)	-	(80)	(306,405)	(133,505)
Reinsurance premiums paid	-	(43,446)	(312,532)	(21,426)	(69,002)	(446,406)	(337,069)
Claims paid	-	(293,819)	-	-	-	(293,819)	(112,877)
Surrenders paid	-	11,735	141,557	-	-	153,292	129,932
Reinsurance and other recoveries received	-	(220,811)	(5,019)	-	(2,916)	(228,746)	(174,309)
Commissions paid	-	5,997	679	-	-	6,676	5,795
Commissions received	-	-	-	-	-	-	-
Other underwriting payments, if any	-	-	-	-	-	-	-
Other underwriting receipts, if any	-	-	-	-	-	-	-
Net cash flow from underwriting activities	-	1,037,751	99,207	20,335	57,459	1,214,752	760,878
<b>b) Other operating activities</b>							
Income tax paid / received	(8,800)	12,739	462	355	95	4,851	(13,207)
General management expenses paid	(4,571)	(172,812)	(36,738)	(2,562)	(11,308)	(227,991)	(204,737)
Other operating payments	(10,041)	(1,329)	(14)	-	-	(11,384)	(11,147)
Other operating receipts	525	6,410	1,726	294	1,043	9,998	4,678
Loans advanced	(2,339)	-	-	-	-	(2,339)	(231)
Loan repayments received	-	-	-	-	-	-	-
Other payments on operating assets	-	-	-	-	-	-	-
Other receipts in respect of operating assets	-	-	-	-	-	-	-
Inter fund transactions	33,699	(33,323)	(10,894)	6,447	4,071	-	-
Net cash flow from other operating activities	8,473	(188,315)	(45,458)	4,534	(6,099)	(226,865)	(224,644)
<b>Total cash flow from all operating activities</b>	<b>8,473</b>	<b>849,436</b>	<b>53,749</b>	<b>24,869</b>	<b>51,360</b>	<b>987,887</b>	<b>536,234</b>
<b>Investment activities</b>							
Profit/ Return received	52,210	152,582	17,943	12,006	6,072	240,813	172,805
Dividends received	4,124	49,230	354	1,968	-	55,676	33,015
Rentals received	-	-	-	-	-	-	-
Payments for investments	(87,443)	(925,718)	(24,663)	(51,568)	(10,030)	(1,099,422)	(464,992)
Proceeds from disposal of investments	30,352	193,273	20,569	19,151	172	263,517	485,454
Fixed Capital Expenditure	(23,327)	-	-	-	-	(23,327)	(28,148)
Proceeds from disposal of fixed assets	1,570	-	-	-	-	1,570	11,965
<b>Total cash flow from investing activities</b>	<b>(22,514)</b>	<b>(530,633)</b>	<b>14,203</b>	<b>(18,443)</b>	<b>(3,786)</b>	<b>(561,173)</b>	<b>210,099</b>
<b>Financing activities</b>							
Capital payments received by statutory funds	(30,000)	5,000	20,000	5,000	-	-	-
Capital payments repaid by statutory funds	34,760	-	(34,006)	-	(754)	-	-
Surplus appropriated to shareholders' fund	40,000	-	(20,000)	-	(20,000)	-	-
<b>Total cash flow from financing activities</b>	<b>44,760</b>	<b>5,000</b>	<b>(34,006)</b>	<b>5,000</b>	<b>(20,754)</b>	<b>-</b>	<b>-</b>
<b>Net cash inflow from all activities</b>	<b>30,719</b>	<b>323,803</b>	<b>33,946</b>	<b>11,426</b>	<b>26,820</b>	<b>426,714</b>	<b>746,333</b>
<b>Cash and cash equivalent at beginning of the year</b>	<b>18</b>	<b>83,999</b>	<b>844,893</b>	<b>72,807</b>	<b>52,060</b>	<b>26,483</b>	<b>1,080,242</b>
<b>Cash and cash equivalent at end of the year</b>	<b>18</b>	<b>114,718</b>	<b>1,168,696</b>	<b>106,753</b>	<b>63,486</b>	<b>53,303</b>	<b>1,506,956</b>
<b>Reconciliation to profit and loss account</b>							
Operating cash flows						987,889	536,234
Depreciation expense						(25,407)	(22,687)
Amortisation expense						(1,151)	(2,589)
Financial charges						1,008	-
Profit on disposal of fixed assets						1,157	8,173
Increase in assets other than cash						32,612	10,594
(Increase) / decrease in liabilities other than running finance						(1,320,051)	(917,522)
Revaluation gain on investments						8,819	127,329
Investment income						295,760	217,347
Other income						552	4,155
Surplus of statutory funds						61,467	41,039
Surplus appropriated to shareholders fund						40,000	40,000
<b>Profit after taxation</b>						<b>82,655</b>	<b>42,073</b>

The annexed notes 1 to 32 are an integral part of these financial statements.

  
Masood Noorani  
Chairman

  
Towfiq H. Chinoy  
Director

  
Shahid M. Loan  
Director

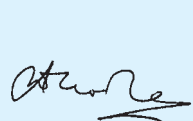
  
Javed Ahmad  
Managing Director &  
Chief Executive Officer

## Revenue Account

For the year ended 31 December 2006

	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2006	2005
	(Rupees in '000)					
<b>Income</b>						
Premiums less reinsurances	1,562,872	344,252	41,761	128,708	<b>2,077,593</b>	1,202,432
Net investment income	241,236	19,164	15,693	6,089	<b>282,182</b>	336,401
<b>Total net income</b>	<b>1,804,108</b>	<b>363,416</b>	<b>57,454</b>	<b>134,797</b>	<b>2,359,775</b>	1,538,833
<b>Claims and expenditures</b>						
Claims net of reinsurance recoveries	324,747	206,713	21,427	74,914	<b>627,801</b>	344,319
Management expenses less recoveries	406,371	46,180	3,769	16,392	<b>472,712</b>	408,656
<b>Total claims and expenditures</b>	<b>731,118</b>	<b>252,893</b>	<b>25,196</b>	<b>91,306</b>	<b>1,100,513</b>	752,975
<b>Excess of income over claims and expenditures</b>	<b>1,072,990</b>	<b>110,523</b>	<b>32,258</b>	<b>43,491</b>	<b>1,259,262</b>	785,858
Add : Policyholders' liabilities at beginning of the year	1,817,246	88,237	103,358	49,591	<b>2,058,432</b>	1,313,613
Less : Policyholders' liabilities at end of the year	2,904,994	149,454	139,347	62,434	<b>3,256,229</b>	2,058,432
<b>(Deficit) / surplus</b>	<b>(14,758)</b>	<b>49,306</b>	<b>(3,731)</b>	<b>30,648</b>	<b>61,465</b>	41,039
<b>Movement in policyholders' liabilities</b>	<b>1,087,748</b>	<b>61,217</b>	<b>35,989</b>	<b>12,843</b>	<b>1,197,797</b>	744,819
<b>Transfers to shareholders' fund</b>						
- Surplus appropriated to shareholders' fund	-	(20,000)	-	(20,000)	<b>(40,000)</b>	(40,000)
- Capital returned to shareholders' fund	-	(34,006)	-	(754)	<b>(34,760)</b>	(21,000)
- Capital contributions from shareholders' fund	5,000	20,000	5,000	-	<b>30,000</b>	16,000
<b>Net transfer (to) / from shareholders' fund</b>	<b>5,000</b>	<b>(34,006)</b>	<b>5,000</b>	<b>(20,754)</b>	<b>(44,760)</b>	(45,000)
<b>Balance of statutory funds at beginning of the year</b>	<b>1,835,930</b>	<b>101,932</b>	<b>107,143</b>	<b>58,773</b>	<b>2,103,778</b>	1,362,920
<b>Balance of statutory funds at end of the year</b>	<b>2,913,920</b>	<b>178,449</b>	<b>144,401</b>	<b>81,510</b>	<b>3,318,280</b>	2,103,778
<b>Represented by: (Note 5)</b>						
Capital contributed by shareholders' fund	519,328	-	20,662	-	<b>539,990</b>	544,750
Policyholders' liabilities	2,904,994	149,454	139,347	62,434	<b>3,256,229</b>	2,058,432
Retained earnings on other than participating business	(510,402)	28,995	(15,608)	19,076	<b>(477,939)</b>	(499,404)
<b>Balance of statutory funds</b>	<b>2,913,920</b>	<b>178,449</b>	<b>144,401</b>	<b>81,510</b>	<b>3,318,280</b>	2,103,778

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Masood Noorani  
Chairman



Towfiq H. Chinoy  
Director



Shahid M. Loan  
Director



Javed Ahmed  
Managing Director &  
Chief Executive Officer

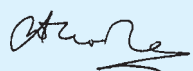
# Statement of Premiums

For the year ended 31 December 2006

	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2006	2005
(Rupees in '000)						
Gross premiums						
Regular premium individual policies*						
First year	272,793	1,338	-	-	274,131	243,647
Second year renewal	178,103	935	-	-	179,038	155,188
Subsequent years renewal	425,522	699	-	-	426,221	294,535
Single premium individual policies	718,564	-	-	5,071	723,635	183,158
Group policies with cash values	-	-	41,761	-	41,761	28,803
Group policies without cash values	-	522,721	-	123,717	646,438	474,040
<b>Total gross premiums</b>	<b>1,594,982</b>	<b>525,693</b>	<b>41,761</b>	<b>128,788</b>	<b>2,291,224</b>	<b>1,379,371</b>
<b>Less: reinsurance premiums ceded</b>						
On individual life first year business	(7,802)	(463)	-	-	(8,265)	(7,357)
On individual life second year business	(5,472)	(352)	-	-	(5,824)	(5,775)
On individual life renewal business	(18,836)	(788)	-	-	(19,624)	(13,375)
On single premium individual policies	-	-	-	(80)	(80)	(464)
On group policies	-	(179,838)	-	-	(179,838)	(149,968)
	<b>(32,110)</b>	<b>(181,441)</b>	<b>-</b>	<b>(80)</b>	<b>(213,631)</b>	<b>(176,939)</b>
<b>Net premiums</b>	<b>1,562,872</b>	<b>344,252</b>	<b>41,761</b>	<b>128,708</b>	<b>2,077,593</b>	<b>1,202,432</b>

\* Individual policies are those underwritten on an individual basis, and include joint life policies underwritten as such.

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Javed Ahmed  
Managing Director &  
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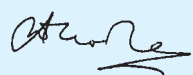


# Statement of Claims

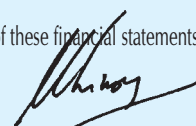
For the year ended 31 December 2006

	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2006	2005
(Rupees in '000)						
<b>Gross claims</b>						
Claims under individual policies						
by death	50,591	(413)	-	-	50,178	35,915
by insured event other than death	307	-	-	1,023	1,330	700
by maturity	-	-	-	-	-	-
by surrender	293,819	-	-	-	293,819	112,877
<b>Total gross individual policy claims</b>	<b>344,717</b>	<b>(413)</b>	<b>-</b>	<b>1,023</b>	<b>345,327</b>	<b>149,492</b>
Claims under group policies						
by death	-	283,347	-	-	283,347	204,910
by insured event other than death	-	3,995	-	70,685	74,680	54,205
by maturity	-	-	493	-	493	845
by surrender	-	-	20,934	-	20,934	14,127
experience refund	-	58,792	-	3,206	61,998	49,498
<b>Total gross group policy claims</b>	<b>-</b>	<b>346,134</b>	<b>21,427</b>	<b>73,891</b>	<b>441,452</b>	<b>323,585</b>
<b>Total gross claims</b>	<b>344,717</b>	<b>345,721</b>	<b>21,427</b>	<b>74,914</b>	<b>786,779</b>	<b>473,077</b>
<b>Less: reinsurance recoveries</b>						
On individual life first year business claims	(7,093)	-	-	-	(7,093)	(7,499)
On individual life second year business claims	2,355	-	-	-	2,355	(4,703)
On individual life renewal business claims	(13,246)	-	-	-	(13,246)	(1,311)
On group life claims	-	(115,639)	-	-	(115,639)	(97,122)
On experience refund of premiums	(1,986)	(23,369)	-	-	(25,355)	(18,123)
	<b>(19,970)</b>	<b>(139,008)</b>	<b>-</b>	<b>-</b>	<b>(158,978)</b>	<b>(128,758)</b>
<b>Net claims</b>	<b>324,747</b>	<b>206,713</b>	<b>21,427</b>	<b>74,914</b>	<b>627,801</b>	<b>344,319</b>

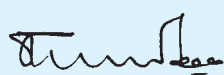
The annexed notes 1 to 32 are an integral part of these financial statements.



Masood Noorani  
Chairman



Towfiq H. Chinoy  
Director



Shahid M. Loan  
Director



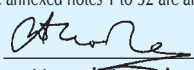
Javed Ahmed  
Managing Director &  
Chief Executive Officer

# Statement of Expenses

## For the year ended 31 December 2006

Note	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2006	2005
(Rupees in '000)						
<b>Acquisition costs</b>						
Remuneration to insurance intermediaries on individual policies:						
- Commission on first year premiums	129,463	288	-	-	129,751	113,201
- Commission on second year premiums	20,050	94	-	-	20,144	15,050
- Commission on subsequent renewal premiums	7,859	17	-	-	7,876	7,389
- Commission on single premiums	15,376	-	-	1,014	16,390	5,043
	172,748	399	-	1,014	174,161	140,683
Remuneration to insurance intermediaries on group policies:						
- Commission	-	4,604	-	1,902	6,506	1,159
Branch overheads:						
- Salaries, allowance and other benefits	89,533	6,079	298	897	96,807	93,484
- Charge for defined benefit plan	1,239	137	8	25	1,409	1,407
- Contribution to defined contribution plan	1,927	270	15	42	2,254	2,150
- Overriding commission	42,840	-	-	-	42,840	40,162
	135,539	6,486	321	964	143,310	137,203
Other acquisition costs:						
- Policy stamps	5,776	57	-	-	5,833	5,567
	314,063	11,546	321	3,880	329,810	284,612
<b>Administration expenses</b>						
Salaries, allowance and other benefits	26,087	13,779	1,206	5,322	46,394	41,805
Charge for defined benefit plan	361	310	30	145	846	629
Contribution to defined contribution plan	562	612	59	245	1,478	961
Traveling expenses	3,803	873	50	248	4,974	2,897
Auditors' fees	17	721	237	19	1,035	1,030
Actuary's fees	2,383	787	62	194	3,426	2,101
Medical fees	2,309	397	20	34	2,760	1,773
Advertisements	362	158	54	93	667	1,934
Computer expenses	534	269	23	105	931	1,366
Printing and stationery	5,541	2,189	515	952	9,197	6,986
Depreciation	12.1	21,314	2,596	353	812	25,075
Amortisation	12.3	1,062	56	10	23	1,151
Rental	6,420	2,989	254	1,199	10,862	10,305
Legal and professional charges	1,291	426	34	105	1,856	3,267
Supervision fees	1,600	528	42	130	2,300	1,399
Utilities	2,276	1,254	102	461	4,093	3,136
Entertainment	323	181	11	58	573	175
Vehicle running	1,869	1,665	97	452	4,083	2,678
Repairs and maintenance	2,204	1,296	110	491	4,101	1,280
Bank charges and brokerage	2,756	686	54	168	3,664	3,346
Training expenses	321	121	10	47	499	836
Postages, telegrams and telephone	3,629	1,734	130	427	5,920	4,671
Staff welfare	8,863	1,494	118	521	10,996	9,420
General insurance	1,307	419	65	146	1,937	1,888
Miscellaneous expenses	408	257	20	76	761	861
	98,306	35,313	3,448	12,512	149,579	129,839
Gross management expenses	412,369	46,859	3,769	16,392	479,389	414,451
Commission from reinsurers	(5,998)	(679)	-	-	(6,677)	(5,795)
<b>Net management expenses</b>	<b>406,371</b>	<b>46,180</b>	<b>3,769</b>	<b>16,392</b>	<b>472,712</b>	<b>408,656</b>

The annexed notes 1 to 32 are an integral part of these financial statements.

  
Masood Noorani  
Chairman

  
Towfiq H. Chinoy  
Director

  
Shahid M. Loan  
Director

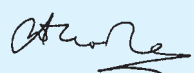
  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

# Statement of Investment Income

For the year ended 31 December 2006

	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2006	2005
	(Rupees in '000)					
<b>Investment income</b>						
- Government securities	21,444	16,702	7,518	3,202	48,866	61,711
- Other fixed income securities and deposits	118,150	5,243	4,859	3,181	131,433	54,858
- Dividends	49,230	354	1,968	-	51,552	31,592
- Gain / (loss) on sale of investments	40,424	(1,083)	6,333	-	45,674	56,526
- Amortisation of premium	-	(689)	-	(354)	(1,043)	(922)
- Unrealized gain / (loss) on investments	13,782	-	(4,869)	-	8,913	142,054
- Other income	-	-	-	408	408	-
<b>Total</b>	<b>243,030</b>	<b>20,527</b>	<b>15,809</b>	<b>6,437</b>	<b>285,803</b>	<b>345,819</b>
<b>Provision for impairment in the value of the investments</b>						
- Government securities	-	(671)	-	(303)	(974)	(8,999)
- Shares and stocks	-	(545)	-	-	(545)	-
<b>Less: Investment related expenses</b>	<b>(1,794)</b>	<b>(147)</b>	<b>(116)</b>	<b>(45)</b>	<b>(2,102)</b>	<b>(419)</b>
<b>Net Investment income</b>	<b>241,236</b>	<b>19,164</b>	<b>15,693</b>	<b>6,089</b>	<b>282,182</b>	<b>336,401</b>

The annexed notes 1 to 32 are an integral part of these financial statements.



Masood Noorani  
Chairman



Towfiq H. Chinoy  
Director



Shahid M. Loan  
Director



Javed Ahmed  
Managing Director &  
Chief Executive Officer

# Notes to the Financial Statements

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## For the year ended 31 December 2006

### 1. STATUS AND NATURE OF BUSINESS

New Jubilee Life Insurance Company Limited (the Company) was incorporated in Pakistan on 29 June 1995 as a Public Limited Company under the Companies Ordinance, 1984. Its shares are quoted on the Karachi Stock Exchange. The Company started its business on 20 June 1996. The addresses of its registered and principal office are 16/2, KSB Building, Sir Aga Khan Road, Lahore and NJI Life Building, 74/1-A, Lalazar, M.T Khan Road, Karachi, respectively.

The Company is engaged in life insurance, carrying on non-participating business. In accordance with the requirements of the Insurance Ordinance, 2000 the Company has established a shareholders' fund and following statutory funds in respect of its each class of life insurance business:

- Individual Life (Unit linked)
- Conventional Business (refer note 1.1)
- Group Pension
- Accident and Health

**1.1** Securities and Exchange Commission of Pakistan (SECP) vide their letter No. SECP/ID/NJLI-MISC 5/06 dated 15th June 2006 has allowed the Company to merge the Individual Life Conventional and Group Life Funds into Conventional Business Fund with effect from 1 July 2006.

**1.2** The Company is a subsidiary of Aga Khan Fund For Economic Development S.A Switzerland.

### 2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000, Insurance Rules, 2002 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Approved accounting standards comprise of such International Accounting Standards (IASs) / International Financial Reporting Standards (IFRSs) as notified under the provisions of the Companies Ordinance, 1984. Where the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000 or of the said, directives / rules take precedence.

### 3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except as disclosed in accounting policies relating to investments.

The preparation of financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and Insurance Rules, 2002 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Actual results may differ from these estimates. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant affect on the amount recognised in the financial statements are described in note 27.

Judgements made by management in the application of approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the Insurance Rules, 2002 that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 27.

These financial statements have been presented in Pakistani Rupee, which is the Company's functional currency.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. The policy has been applied consistently to all years presented:

##### 4.1 Staff retirement benefits

###### *Defined benefit plan*

The Company operates an approved funded gratuity scheme for all permanent employees who have completed minimum qualifying eligible service of 5 years. Contribution to the fund is made and expense is recognised on the basis of actuarial valuation carried out as at each year end using the projected unit credit method. Actuarial gains or losses in excess of 10% of the actuarial liability or plan assets are recognised over the average life of the employees. Latest valuation of the gratuity fund was carried out as at 31 December 2006.

###### *Defined contribution plan*

The Company operates an approved contributory provident fund for all its permanent employees. Equal monthly contributions are made by both the Company and the employees to the fund at the rate of 10 % of basic salary. Contributions made by the Company are recognised as expense.

##### 4.2 Accumulated compensated absences

The Company makes provision in the financial statements for its liabilities towards vested compensated absences accumulated by its employees estimated on the basis of valuation carried out by the Company's actuary. Latest valuation was carried out as at 31 December 2006.

##### 4.3 Statutory funds

The Company maintains statutory funds in respect of each class of life insurance business. Assets, liabilities, revenues and expenses of the Company are referable to respective statutory fund, however, where these are not referable to statutory funds, these are allocated to the shareholders' fund.

Apportionment of assets, liabilities, revenues and expenses, wherever required, between funds are made on a fair and equitable basis in accordance with the written advice of the appointed actuary.

Policyholders' liabilities included in the statutory funds are determined based on appointed actuary's valuation conducted as at the balance sheet date, in accordance with section 50 of the Insurance Ordinance, 2000.

##### 4.4 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to the items recognised directly in the equity or below equity, in which case it is recognised in equity or below equity.

###### **Current**

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation on income. The charge for the current tax is calculated using tax rates enacted or substantively enacted at the balance sheet date. The charge for current tax also includes adjustments, where considered necessary relating to prior years.

## Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised on all deductible temporary differences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is measured at the rates that are expected to be applied in the period when the temporary differences reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

## 4.5 Investments

### *Classification*

Investments with fixed or determinable payments and fixed maturity, where the Company has positive intent and ability to hold to maturity, are classified as Held-to-Maturity. Investments which are intended to be held for an indefinite period but may be sold in response to the need for liquidity or change in mark-up / interest rates are classified as available-for-sale.

### *Initial Recognition*

All investments, classified as above, are initially recognised at fair value including acquisition charges associated with the investment.

### *Subsequent Measurement*

Investments classified as held-to-maturity are subsequently measured at amortised cost, taking into account any discount or premium on acquisition, using the effective interest method.

Investments classified as available-for-sale are subsequently measured at lower of cost or market value (market value being taken as lower if the reduction is other than temporary) in accordance with the requirements of the Securities and Exchange Commission (Insurance) Rules, 2002 and is recognised as a provision for impairment in value of investment. Any change in the provision for impairment in the value of the investment is recognised in the profit and loss account or revenue account of the respective non-linked fund. However, investments classified as available-for-sale, which are linked to the units of the unit linked fund, are marked to their market values. Any gain or loss on such available-for-sale investments is recognised in revenue account of the respective linked fund.

### *Fair / Market Value Measurements*

For investments in Government securities, fair / market value is determined by reference to quotations obtained from Reuters page (PKRV). For investments in quoted marketable securities, other than term finance certificates, fair / market value is determined by reference to Stock Exchange quoted market price at the close of the business on balance sheet date. The fair / market value of the term finance certificates are determined by the average rates quoted by brokers.

#### 4.6 Fixed assets

##### *Tangible assets*

These are stated at cost less accumulated depreciation and impairment losses, (if any). Depreciation is charged using the straight line method at the rates specified in note 12.1. Depreciation on additions and disposals during the year is charged from the month of addition to the month of disposal, when parts of an item of asset have different useful lives, they are accounted for as separate item in fixed assets.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other expenses are charged to income during the financial year in which they are incurred.

The assets' residual value and useful lives are reviewed at each balance sheet date and adjusted if appropriate.

Gains and losses on disposal of fixed assets are taken to profit and loss account.

Capital work-in-progress is stated at cost less impairment losses (if any).

##### *Intangible assets*

These are stated at cost less accumulated amortisation and impairment losses (if any). Amortisation is charged over the estimated useful life of the asset applying the straight line method at the rates specified in note 12.3 to the financial statements.

Software development costs are only capitalised to the extent that future economic benefits are expected to be derived by the Company.

#### 4.7 Revenue recognition

##### *Premiums*

##### *Individual Life - Unit Linked*

- First year premiums are recognised once the related policies are issued against receipt of premium.
- Renewal premiums are recognised once the related policies are renewed against receipt of premium.
- Single premiums are recognised once the related policies are issued against the receipt of premium.

##### *Conventional Business*

- Individual Life Conventional first year premiums are recognised once the related policies are issued against receipt of premium. Renewal premiums are recognised once the related policies are renewed against receipt of premium.
- Group Life premiums are recognised as and when due. In respect of certain group policies the Company continues to provide insurance cover even if the premium is received after the grace period.

##### *Group Pension*

- Group Pension premiums are recognised upon receipt.

#### Accident and Health

- Group health premiums are recognised as and when due. In respect of certain group policies the Company continues to provide cover even if the premium is received after the grace period.

#### *Mark-up / Interest*

- Mark-up / interest income from all sources is recognised on accrual basis, using effective interest rate method.

#### *Dividends*

- Dividend income is recognised when Company's right to receive dividend is established.

### **4.8 Acquisition cost**

These are costs incurred in acquiring insurance policies, maintaining such policies, and include without limitation all forms of remuneration paid to insurance agents.

Commissions and other expenses are recognised as an expense in the earlier of the financial year in which they are paid and financial year in which they become due and payable, except that commission and other expenses which are directly referable to the acquisition or renewal of specific contracts are recognised not later than the period in which the premium to which they refer is recognised as revenue.

### **4.9 Claims**

#### *Claim Expense*

Claims are recognised earlier of the policy ceases to participate in the earnings of the fund or the date insured event occurs.

Liability for outstanding claims is recognised in respect of all claims incurred up to the balance sheet date. Claims liability includes amounts in relation to unpaid reported claims.

Liability for claims "Incurred But Not Reported" (IBNR) is included in policyholders' liabilities.

#### *Claim Recoveries*

Claim recoveries receivable from reinsurers are recognised at the same time as the claims which give rise to the right of recovery and are measured at the amount expected to be recovered.

#### *Experience Refund of Premium*

Experience Refund of Premium payable to policyholders is included in outstanding claims.

Experience Refund of Premium receivable from reinsurers is included in the reinsurance recoveries of claims.

### **4.10 Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date. Foreign currency transactions are recorded using the rates prevailing at the date of transaction. Exchange gains and losses on translation are included in income currently.



#### **4.11 Cash and cash equivalents**

For the purposes of cash flow statement cash and cash equivalents include the following:

- Cash at bank in current and saving accounts
- Cash and stamps in hand
- Term deposits with original maturity within three months

#### **4.12 Impairment**

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss account / revenue account, as appropriate.

#### **4.13 Provisions**

Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event, and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

#### **4.14 Business segment**

The Company has four primary business segments for reporting purposes namely; Individual Life (Unit Linked), Conventional Business, Group Pension and Accident and Health.

- The Individual Life (Unit Linked) segment provides life insurance coverage to individuals under unit based policies issued by the Company.
- The Conventional Business segment includes 'Individual Life (Conventional)' and 'Group Life'. The Individual Life (Conventional) business segment provides life insurance coverage to individuals under conventional policies issued by the Company. The Group Life business segment provides life insurance coverage to members of business enterprises, corporate entities in common interest groups under group life insurance schemes issued by the Company. Upto 30 June 2006, Individual Life (Conventional) and Group Life Fund were classified as separate Funds.
- The Group Pension is a Unit Linked business segment which provides pension and annuity benefits to member enterprises, corporate entities and common interest groups under group pension schemes issued by the Company.
- Accident and Health business segment provides personal accident coverage to individuals and inpatient / outpatient health coverage to member enterprises, corporate entities and common interest groups under group health insurance schemes issued by the Company.

#### **4.15 Off-setting**

Assets and liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognised amount and the Company intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

#### **4.16 Financial assets and liabilities**

All financial assets and liabilities (except, investments refer note 4.5) are initially measured at fair value. These financial assets and liabilities are subsequently measured at fair / market value or amortised cost as the case may be.

#### **4.17 Dividend and appropriation to reserves**

Dividend and appropriation to reserves except appropriations required by the law or determined by actuary or allowed by Insurance Ordinance 2000, are recognised in the year in which these are approved.

## 5. MOVEMENT IN EQUITY OF STATUTORY FUNDS

	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2006	2005
	(Rupees in '000)					
<b>Policyholders' liabilities</b>						
Balance at beginning of the year	1,817,246	88,237	103,358	49,591	<b>2,058,432</b>	1,313,613
Increase during the year	1,087,748	61,217	35,989	12,843	<b>1,197,797</b>	744,819
Balance at end of the year	<u>2,904,994</u>	<u>149,454</u>	<u>139,347</u>	<u>62,434</u>	<u><b>3,256,229</b></u>	<u>2,058,432</u>
<b>Retained earnings on other than participating business</b>						
Balance at beginning of the year	(495,644)	(311)	(11,877)	8,428	<b>(499,404)</b>	(500,443)
(Deficit) / surplus allocated in respect of the year	(14,758)	49,306	(3,731)	30,648	<b>61,465</b>	41,039
Surplus appropriated to shareholders' fund	-	(20,000)	-	(20,000)	<b>(40,000)</b>	(40,000)
Balance at end of the year	<u>(510,402)</u>	<u>28,995</u>	<u>(15,608)</u>	<u>19,076</u>	<u><b>(477,939)</b></u>	<u>(499,404)</u>
<b>Capital contributed by shareholders' fund</b>						
Balance at beginning of the year	514,328	14,006	15,662	754	<b>544,750</b>	549,750
Capital contributed during the year	5,000	20,000	5,000	-	<b>30,000</b>	16,000
Capital withdrawn during the year - note 5.1	-	(34,006)	-	(754)	<b>(34,760)</b>	(21,000)
Balance at end of the year	<u>519,328</u>	<u>-</u>	<u>20,662</u>	<u>-</u>	<u><b>539,990</b></u>	<u>544,750</u>

5.1 This represents capital distribution by Statutory Funds to Shareholders' Fund in accordance with the appointed actuary's advice.

## 6. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2006 (Number of shares in '000)	2005		2006 (Rupees in '000)	2005
<u>62,712</u>	<u>62,712</u>	Ordinary Shares of Rs. 10 each fully paid in cash	<u>627,120</u>	<u>627,120</u>

Aga Khan Fund for Economic Development S.A Switzerland and its nominees held 36,294,894 (2005 : 36,294,894) Ordinary Shares of Rs. 10, each at 31 December 2006.

## 7. ANALYSIS OF ACCUMULATED SURPLUS / (DEFICIT) AS SHOWN IN BALANCE SHEET

	2006 (Rupees in '000)	2005
Accumulated surplus in statement of changes in equity ignoring effect of capital transfers at start of the year	<b>218,343</b>	176,270
Add: Surplus in profit and loss account for the year	<b>82,655</b>	42,073
Less: Interim cash dividends	<b>(31,356)</b>	-
Accumulated surplus in statement of changes in equity ignoring effect of capital transfers at end of the year	<b>269,642</b>	218,343
Less: Accumulated net capital transfers to statutory funds	<b>(539,990)</b>	(544,750)
Total as shown in balance sheet	<u><b>(270,348)</b></u>	<u>(326,407)</u>

## 8. OTHER CREDITORS AND ACCRUALS

	Share holders' Fund	Statutory Funds				Aggregate	
		Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2006	2005
(Rupees in '000)							
Sundry creditors	516	93	36	12	20	677	91
Payable to associated undertaking - New Jubilee Insurance Company Limited	32	571	251	86	148	1,088	1,217
Withholding tax payable	52	2,704	416	140	242	3,554	3,926
Zakat payable	1	22	9	3	6	41	40
Payable to gratuity fund - note 8.1	-	-	-	-	-	-	-
	<b>601</b>	<b>3,390</b>	<b>712</b>	<b>241</b>	<b>416</b>	<b>5,360</b>	<b>5,274</b>

### 8.1 Defined benefit plan

The latest actuarial valuation of the defined benefit plan based on Projected Unit Credit Actuarial Cost Method was carried out as at 31 December 2006. Following are the significant assumptions used in the valuation:

	Note	2006	2005
Discount factor used		10%	9%
Expected long term rate of return on plan assets		9%	9%
Salary increase		10%	9%
Normal retirement age		58 years	58 years

#### 8.1.1 Reconciliation of payable to defined benefit plan

		2006	2005
(Rupees in '000)			
Present value of defined benefit obligation	8.1.2	15,883	11,987
Fair value of plan assets	8.1.3	(14,812)	(11,769)
Net actuarial gain not recognised		(1,071)	(218)
		-	-

#### 8.1.2 Movement in present value of defined benefit obligation

Opening balance		11,987	10,363
Current service cost		2,332	2,066
Interest cost		1,079	828
(Gain) / loss on defined benefit obligation		853	(15)
Actual benefit paid during the year		(368)	(1,255)
Closing balance		15,883	11,987

#### 8.1.3 Movement in fair value of plan assets

Opening balance		11,769	9,651
Expected return on plan assets		1,059	772
Contributions made		2,352	2,568
Benefit paid by the fund		(368)	(1,255)
Loss on plan assets		-	33
Closing balance	8.1.5	14,812	11,769

#### 8.1.4 Actual return on plan assets

	1,123	606
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### 8.1.5 Plan assets consist of the following:

	2006	2005
	(Rupees in '000)	
Balances with banks and financial institutions	8,181	5,079
Pakistan Investment Bonds	5,133	5,192
Term Finance Certificates	1,498	1,498
	<u>14,812</u>	<u>11,769</u>

### 8.1.6 Movement in payable to defined benefit plan

Opening balance		-	446
Charge for the year	8.1.7	2,352	2,122
Contribution to fund made during the year		(2,352)	(2,568)
Closing balance		<u>-</u>	<u>-</u>

### 8.1.7 Charge for defined benefit plan

Current service cost	2,332	2,066
Interest cost	1,079	828
Expected return on plan assets	(1,059)	(772)
	<u>2,352</u>	<u>2,122</u>

### 8.1.8 Historical information

	2006	2005	2004	2003	2002
	(Rupees in '000)				
Defined benefit obligation	15,883	11,987	10,363	7,743	6,258
Fair value of plan assets	(14,812)	(11,769)	(10,096)	(8,323)	(5,383)
Surplus / (deficit)	<u>1,071</u>	<u>218</u>	<u>267</u>	<u>(580)</u>	<u>875</u>
Experience adjustment on plan liabilities	<u>853</u>	<u>(15)</u>	<u>846</u>	<u>1,913</u>	<u>(1,959)</u>
Experience adjustment on plan assets	<u>-</u>	<u>33</u>	<u>-</u>	<u>387</u>	<u>(171)</u>

## 9. COMMITMENTS

	2006	2005
	(Rupees in '000)	
Not later than one year	232	482
Later than one year	619	1,481
	<u>851</u>	<u>1,963</u>

## 10. TERM DEPOSITS

	Share holders' Fund	Statutory Funds				Aggregate	
		Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2006	2005
(Rupees in '000)							
MCB Bank Limited	15,000	90,000	12,000	8,000	5,000	130,000	-
Bank Alfalah Limited	-	108,000	12,000	-	5,000	125,000	128,177
NIB Bank Limited	15,000	86,000	12,000	7,000	5,000	125,000	100,000
Askari Commercial Bank Limited	-	88,000	12,000	-	-	100,000	100,000
Habib Metropolitan Bank Limited	-	88,000	12,000	-	-	100,000	100,000
United Bank Limited	-	100,000	-	-	-	100,000	100,000
PICIC Commercial Bank Limited	-	88,000	12,000	-	-	100,000	100,000
Citi Bank N.A	-	100,000	-	-	-	100,000	100,000
Soneri Bank Limited	-	95,000	-	-	5,000	100,000	-
Allied Bank Limited	-	56,000	12,000	7,000	5,000	80,000	-
Atlas Bank Limited	-	63,000	-	7,000	5,000	75,000	-
KASB Bank Limited	-	37,000	-	8,000	5,000	50,000	25,000
Mybank Limited	-	37,000	-	8,000	5,000	50,000	-
Standard Chartered Bank (Pakistan) Limited	-	-	-	-	-	-	100,000
Faysal Bank Limited	-	-	-	-	-	-	100,000
	<b>30,000</b>	<b>1,036,000</b>	<b>84,000</b>	<b>45,000</b>	<b>40,000</b>	<b>1,235,000</b>	<b>953,177</b>

10.1 This carries mark-up from 8.5% to 11.5% and maturity upto six months.

## 11. INVESTMENTS

### 11.1 Government Securities

	Share holders' Fund	Statutory Funds				Aggregate	
		Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2006	2005
(Rupees in '000)							
<b>Held-to-maturity</b>							
10 years Federal Investment Bonds	-	-	-	-	-	-	26,085
10 years Defence Saving Certificates	-	46,271	-	49,226	-	95,497	81,452
05 years Wapda Bonds	-	20,000	-	-	-	20,000	20,302
20 years Pakistan Investment Bonds	-	-	50,225	-	9,939	60,164	60,167
15 years Pakistan Investment Bonds	9,933	-	-	-	-	9,933	9,929
10 years Pakistan Investment Bonds	-	-	24,290	-	12,145	36,435	37,502
05 years Pakistan Investment Bonds	-	-	24,690	-	-	24,690	-
03 years Pakistan Investment Bonds	24,847	-	-	-	-	24,847	-
	34,780	66,271	99,205	49,226	22,084	271,566	235,437
<b>Available-for-sale</b>							
20 years Pakistan Investment Bonds	-	44,740	-	-	-	44,740	46,410
10 years Pakistan Investment Bonds	22,597	-	86,278	-	12,034	120,909	120,909
05 years Pakistan Investment Bonds	48,623	60,173	5,263	-	-	114,059	119,847
03 years Pakistan Investment Bonds	9,926	-	-	-	9,927	19,853	42,120
	81,146	104,913	91,541	-	21,961	299,561	329,286
	115,926	171,184	190,746	49,226	44,045	571,127	564,723
Less : Provision for impairment in value of investments	(9,961)	-	(20,212)	-	(2,549)	(32,722)	(33,173)
	<b>105,965</b>	<b>171,184</b>	<b>170,534</b>	<b>49,226</b>	<b>41,496</b>	<b>538,405</b>	<b>531,550</b>

### 11.1.1 Particulars of Government Securities as at 31 December 2006

Name of the investments	Maturity	Tenor (Years)	Principal payment	Coupon rate (%)	Coupon payment
<b>Held-to-maturity</b>					
Defence Saving Certificates	May 2007 to January 2010	10 years	On maturity	15-18	On maturity
Wapda Bonds	March 2008	5 years	On maturity	8.75	Half-yearly
Pakistan Investment Bonds	October 2011 to June 2024	3 - 20 years	On maturity	9-14	Half-yearly
<b>Available-for-sale</b>					
Pakistan Investment Bonds	March 2007 to June 2024	3 - 20 years	On maturity	7-14	Half yearly

The Company has deposited 10 years Pakistan Investment Bond amounting to Rs. 3.5 million (2005 : Rs. 3.5 million) with the State Bank of Pakistan under section 29 of the Insurance Ordinance, 2000.

### 11.2 Other fixed income securities

Note	Share holders' Fund	Statutory Funds				Aggregate	
		Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2006	2005
(Rupees in '000)							
<b>Held-to-maturity</b>							
Certificates of Investments (COIs)	11.2.1	-	75,000	-	-	75,000	55,604
<b>Available-for-sale</b>							
Term Finance Certificates (TFCs)		7,083	414,882	-	-	421,965	130,029
		7,083	489,882	-	-	496,965	185,633

#### 11.2.1 Held-to-maturity

Certificate of Investments	Book Value as at		Maturity year	Tenor (Months)	Rate of profit (%)	Profit payment
	31 December 2006	31 December 2005				
Name of Company	(Rupees in '000)					
<b>Individual Life Unit Linked</b>						
JS Bank Limited	25,000	55,604	2007	3 months	11.25	On maturity
Pakistan Industrial Credit & Investment Corporation Limited	50,000	-	2007	3 months	11.5	On maturity
	75,000	55,604				

### 11.2.2 Available-for-sale - Term finance certificates

	Book Value as at		Maturity year	Tenor (Years)	Rate of profit (%)	Profit payment
	31 December 2006	31 December 2005				
<b>Shareholders' Fund - Cost</b>	<b>(Rupees in '000)</b>					
Standard Chartered Bank (Pakistan) Limited (first issue)	4,583	4,584	2008	5.5 years	11.92	Half-yearly
Crescent Leasing Company Limited (second issue)	2,500	2,500	2007	5 years	12.00	Half-yearly
Orix Leasing Company Limited	-	2,339	2006	4 years	11.00	Half-yearly
Securetel SPV Limited	-	205	2006	3 years	11.50	Quarterly
(A)	<u>7,083</u>	<u>9,628</u>				

The aggregate market value of the above investments as at 31 December 2006 was Rs. 7.15 million (2005 : Rs. 9.83 million).

<b>Individual Life Unit Linked</b>	Market Value / cost as at		Maturity year	Tenor (Years)	Rate of profit (%)	Profit payment
	31 December 2006	31 December 2005				
	<b>(Rupees in '000)</b>					
Allied Bank Limited	50,165	-	2014	8 years	12.49	Half-yearly
Pakistan Mobile Communication Limited	30,627	-	2013	7 years	13.42	Half-yearly
United Bank Limited	100,230	-	2013	7 years	12.07	Half-yearly
Orix Leasing Company Limited	30,000	-	2011	5 years	11.86	Half-yearly
Pakistan International Airlines Corporation Limited	23,124	24,374	2011	8 years	9.50	Half-yearly
Standard Chartered Bank (Pakistan) Limited (second issue)	19,389	16,990	2011	7 years	6.10	Half-yearly
Jahangir Siddiqui Company Limited (fourth issue)	25,498	-	2011	5 years	13.06	Half-yearly
Naimat Baisal Oil & Gas Securitization Company Limited	7,158	9,528	2010	5 years	11.68	Monthly
Jahangir Siddiqui Company Limited (third issue)	25,427	25,600	2010	5 years	10.66	Half-yearly
MCB Bank Limited	10,104	10,188	2008	5.5 years	11.50	Half-yearly
Sui Southern Gas Company Limited (first issue)	-	1,261	2006	5 years	13.00	Half-yearly
Sui Southern Gas Company Limited (second issue)	840	2,548	2007	5 years	11.50	Half-yearly
First Oil & Gas Securitisation Company Limited	-	4,801	2006	3.3 years	7.00	Monthly
	<u>322,562</u>	<u>95,290</u>				
Orix Leasing Company Limited *	-	2,661	2006	4 years	11.00	Half-yearly
First Dawood Investment Bank Limited *	5,000	5,000	2007	5 years	12.25	Half-yearly
Bank Alfalah Limited *	12,320	12,325	2008	6 years	10.00	Half-yearly
	<u>17,320</u>	<u>19,986</u>				
Pre-IPO subscription of Faysal Bank Limited - TFCs	25,000	-	2013	7 years	11.83	Half-yearly
Pre-IPO subscription of Bank Al-Habib Limited - TFCs	50,000	-	2011	5 years	12.61	Half-yearly
(B)	<u>414,882</u>	<u>115,276</u>				

\* These Term Finance Certificates (TFC) having a carrying value of Rs. 17.320 million are stated at cost, since these do not represent investments relating to units assigned to policies. The market value of these TFC's is Rs. 17.562 million.

The aggregate amortised cost of all the above investments as at 31 December 2006 was Rs. 412.963 million (2005 : Rs. 117.178 million).

Group Pension	Market Value / cost as at		Maturity year	Tenor (Years)	Rate of profit (%)	Profit payment
	31 December 2006	31 December 2005				
	(Rupees in '000)					
First Dawood Investment Bank Limited + (C)	-	5,125	2006	5 Years	13.50	Half-yearly
Total available-for-sale investments (A+B+C)	<u>421,965</u>	<u>130,029</u>				

+ The aggregate amortised cost of the above investments as at 31 December 2006 was nil (2005 : Rs. 5 million).

### 11.3 Listed equities and closed-end mutual funds

Note	Share holders' Fund	Statutory Funds				Aggregate		
		Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2006	2005	
		(Rupees in '000)						
<b>Available-for-sale</b>								
Ordinary shares, units of closed-end mutual funds and open-end mutual funds	11.3.1	76,646	1,043,404	5,015	34,102	-	1,159,167	659,104
Less : Provision for impairment in value of investments		-	-	(545)	-	-	(545)	-
		<u>76,646</u>	<u>1,043,404</u>	<u>4,470</u>	<u>34,102</u>	<u>-</u>	<u>1,158,622</u>	<u>659,104</u>

#### 11.3.1 Particulars of listed equities and closed-end mutual fund

The face value of ordinary shares are between Rs. 5 to Rs. 50 per share.

Shareholders' Fund - at cost	31 December 2006			31 December 2005		
	Number of shares	Cost	Market Value	Number of shares	Cost	Market Value
	(Rupees in '000)			(Rupees in '000)		
Askari Commercial Bank Limited.	71,242	983	7,477	127,551	2,337	16,173
MCB Bank Limited	-	-	-	103,082	1,949	17,297
Southern Electric Power Company Limited	22,000	283	131	22,000	283	242
Pak Suzuki Motors Company Limited	42,350	2,218	17,787	42,350	2,218	8,809
Pakistan Telecommunication Company Limited	-	-	-	87,500	2,329	5,723
Fauji Fertilizer Company Limited.	201,697	21,826	21,289	201,697	21,826	27,632
Lucky Cement Company Limited	55,000	6,729	3,295	-	-	-
Kot Addu Power Company Limited	145,000	6,366	5,902	-	-	-
Pakistan Industrial Credit & Investment Corporation	100,000	7,392	6,245	-	-	-
The Bank of Punjab	50,000	5,347	5,063	-	-	-
National Bank of Pakistan	40,000	8,808	8,970	-	-	-
Pakistan Refinery Limited	25,000	5,406	5,411	-	-	-
Hub Power Company Limited	125,000	3,610	3,375	-	-	-
Indus Motors Company Limited	30,500	7,678	7,703	-	-	-
	<u>76,646</u>	<u>92,648</u>	<u>92,648</u>	<u>30,942</u>	<u>75,876</u>	<u>75,876</u>



**Individual Life Unit Linked - at market value**

	31 December 2006			31 December 2005		
	Number of shares	Cost (Rupees in '000)	Market Value	Number of shares	Cost (Rupees in '000)	Market Value
Honda Atlas Car Company Limited	188,700	7,557	10,737	111,000	7,557	12,709
Hub Power Company Limited	1,487,500	49,453	40,163	1,400,000	47,002	33,600
Faysal Bank Limited	1,407,691	60,890	85,165	1,087,036	50,470	80,549
Nishat Mills Limited	383,350	22,474	33,658	298,500	16,629	33,880
Packages Limited	82,320	12,051	17,287	82,320	12,051	16,629
Indus Motor Company Limited	355,000	48,784	69,225	212,000	21,033	37,291
Fauji Fertilizer Company Limited	593,477	36,316	62,641	593,477	36,316	81,306
Pakistan Telecommunication Company Limited	100,000	4,444	4,430	100,000	4,444	6,540
Meezan Bank Limited	408,359	3,767	7,983	220,022	2,491	5,115
Orix Leasing Company Limited	229,550	7,109	5,624	146,050	4,900	4,265
Standard Chartered Modaraba	43,312	1,439	658	39,375	1,439	850
First Habib Modaraba	597,000	5,398	4,119	597,000	5,398	4,746
Oil and Gas Development Company Limited	286,191	30,595	32,826	186,191	16,530	21,971
PICIC Investment Fund	150,500	2,663	2,182	150,500	2,663	2,739
Bank Al-Habib Limited	387,480	21,322	26,542	72,900	2,094	5,139
ABAMCO Composite Fund	1,000,000	10,000	8,000	1,000,000	10,000	9,550
Unilever Pakistan Limited	6,000	8,995	12,000	10,000	14,991	17,750
Millat Tractors Limited	197,160	36,097	55,599	92,300	13,741	27,275
Pakistan Strategic Allocation Fund	1,000,000	10,000	8,500	1,000,000	10,000	11,700
Askari Commercial Bank Limited	1,087,995	90,680	114,185	201,500	16,616	25,550
ABAMCO Growth Fund	796,117	11,831	10,350	371,500	9,865	11,888
Cherat Cement Company Limited	385,475	20,093	15,804	25,000	1,368	2,206
PICIC Growth Fund	284,000	10,288	7,995	165,000	6,343	8,184
National Bank of Pakistan	457,200	57,069	102,527	381,000	41,137	75,990
MCB Bank Limited	90,000	4,946	22,149	75,000	4,946	12,585
Kot Addu Power Company Limited	731,500	30,931	29,772	458,500	19,703	22,237
Fauji Fertilizer Bin Qasim Limited	150,000	4,435	4,275	150,000	4,435	5,723
Callmate Tellips Telecom Limited	-	-	-	118,250	4,673	9,419
Pak Suzuki Motors Company Limited	77,600	9,167	32,592	77,600	9,167	16,141
Orix Investment Bank Limited	106,000	2,333	2,512	106,000	2,333	2,889
Standard Chartered Bank (Pakistan) Limited	-	-	-	143,000	9,488	9,846
Lucky Cement Company Limited	50,000	4,313	2,995	-	-	-
D.G. Khan Cement Company Limited	247,500	21,164	15,580	-	-	-
Thal Limited	121,300	21,861	19,954	-	-	-
Pakistan Tobacco Company Limited	36,700	2,438	2,606	-	-	-
The Bank of Punjab	258,187	20,119	26,141	-	-	-
Pakistan Oilfield Limited	135,000	44,606	47,216	-	-	-
Pakistan Petroleum Limited	55,000	9,750	12,760	-	-	-
Glaxo Smithkline Pakistan Limited	125,000	16,526	19,731	-	-	-
National Refinery Limited	13,000	3,255	3,367	-	-	-
Bank Alfalah Limited	100,000	3,874	4,180	-	-	-
Pakistan Industrial Credit & Investment Corporation	500,000	32,382	31,225	-	-	-
Soneri Bank Limited	250,000	14,557	11,913	-	-	-
Pakistan Refinery Limited	75,000	16,219	16,236	-	-	-
		<u>832,191</u>	<u>1,043,404</u>		<u>409,823</u>	<u>616,262</u>

**Conventional Business - at cost**

Fauji Fertilizer Company Limited	<u>42,350</u>	<u>5,015</u>	<u>4,470</u>	<u>42,350</u>	<u>5,015</u>	<u>5,802</u>
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<i>Group Pension - at market value</i>	31 December 2006			31 December 2005		
	Number of shares	Cost	Market Value	Number of shares	Cost	Market Value
	(Rupees in '000)			(Rupees in '000)		
Standard Chartered Bank (Pakistan) Limited	-	-	-	100,000	6,547	6,885
Lucky Cement Company Limited	45,000	4,574	2,696	-	-	-
Cherat Cement Company Limited	173,000	7,780	7,093	-	-	-
Kot Addu Power Company Limited	130,000	6,697	5,291	-	-	-
Indus Motor Company Limited	10,000	1,936	1,950	-	-	-
Hub Power Company Limited	125,000	3,610	3,375	-	-	-
The Bank of Punjab	50,000	5,347	5,063	-	-	-
Orix Leasing Company Limited	225,000	5,530	5,513	-	-	-
Pakistan Industrial Credit & Investment Corporation	50,000	3,033	3,121	-	-	-
	<u>38,507</u>	<u>34,102</u>		<u>6,547</u>	<u>6,885</u>	

#### 11.4 Open-end mutual funds

Note	Share holders' Fund	Statutory Funds				Aggregate		
		Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2006	2005	
		(Rupees in '000)						
<i>Available-for-sale</i>								
Units of open-end mutual funds	11.4.1	-	123,741	-	-	-	123,741	81,095

#### 11.4.1 Individual Life Unit Linked - market value

	2006	2005
	(Rupees in '000)	
Unit Trust of Pakistan	38,974	37,120
Pakistan Income Fund	33,232	29,935
Atlas Stock Market Fund	15,196	14,040
AKD Opportunity Fund	9,530	-
NAFA Cash Fund	26,809	-
	<u>123,741</u>	<u>81,095</u>

**11.5** International Accounting Standard IAS-39 "Financial Instruments - Recognition and Measurement" has been revised effective from 1 January 2005. In the revised IAS-39 the option of taking the revaluation gain / (loss) on the available-for-sale securities to income / revenue account has been deleted and all such gain / (loss) is to be taken directly into equity. However, the Securities and Exchange Commission of Pakistan (SECP) through Insurance Rules, 2002 had prescribed the format of presentation and disclosure of financial statements, according to which the statutory funds have no equity accounts, resultantly the changes in IAS-39 were not implemented.

## 12. FIXED ASSETS

### 12.1 Tangible assets

	Leasehold Improvements	Furniture, fixture and fittings	Office equipments	Computers	Motor Vehicles	Total
(Rupees in '000)						
<b>At 1 January 2005</b>						
Cost	10,972	43,256	28,923	28,490	58,030	169,671
Accumulated depreciation	(10,972)	(31,795)	(19,842)	(21,951)	(15,304)	(99,864)
Net book amount	-	11,461	9,081	6,539	42,726	69,807
<b>Year ended 31 December 2005</b>						
Opening net book amount	-	11,461	9,081	6,539	42,726	69,807
Transfer	-	-	-	(1,429)	-	(1,429)
Additions	-	6,503	3,212	3,388	16,014	29,117
Disposals	-	(454)	(24)	-	(13,931)	(14,409)
Depreciation charge	-	(5,556)	(3,685)	(3,891)	(11,309)	(24,441)
Transfer	-	-	-	1,754	-	1,754
Accumulated depreciation on disposal	-	454	8	-	10,155	10,617
Closing net book value	-	12,408	8,592	6,361	43,655	71,016
<b>At 31 December 2005</b>						
Cost	10,972	49,305	32,111	30,449	60,113	182,950
Accumulated depreciation	(10,972)	(36,897)	(23,519)	(24,088)	(16,458)	(111,934)
Net book amount	-	12,408	8,592	6,361	43,655	71,016
<b>Year ended 31 December 2006</b>						
Opening net book amount	-	12,408	8,592	6,361	43,655	71,016
Additions	-	4,751	1,703	2,913	15,025	24,392
Disposals and adjustments (note 12.4)	-	-	(125)	-	(3,191)	(3,316)
Depreciation charge	-	(5,079)	(3,237)	(3,967)	(13,124)	(25,407)
Accumulated depreciation on disposal	-	-	63	-	1,767	1,830
Closing net book value	-	12,080	6,996	5,307	44,132	68,515
<b>At 31 December 2006</b>						
Cost	10,972	54,056	33,689	33,362	71,947	204,026
Accumulated depreciation	(10,972)	(41,976)	(26,693)	(28,055)	(27,815)	(135,511)
Net book amount	-	12,080	6,996	5,307	44,132	68,515
Depreciation rate % per annum	20	20	20	30	20	

### 12.2 Capital work-in-progress

	2006	2005
(Rupees in '000)		
Opening balance	7,682	12,283
Additions	9,948	17,352
Transfer to tangible assets	(14,367)	(21,953)
Closing balance	3,263	7,682

### 12.3 Intangible assets

	2006							
	C O S T			A M O R T I S A T I O N			Written down value as at 31 December 2006	Rate of amortisation % per annum
	As at 1 January 2006	Additions	As at 31 December 2006	As at 1 January 2006	For the year	As at 31 December 2006		
	-----Rupees in '000-----							
Computer software	5,061	681	5,742	2,589	1,151	3,740	2,002	30

	2005									
	C O S T				A M O R T I S A T I O N				Written down value as at 31 December 2005	Rate of amortisation % per annum
	As at 1 January 2005	Additions	Transfer	As at 31 December 2005	As at 1 January 2005	Transfer	For the year	As at 31 December 2005		
	-----Rupees in '000-----									
Computer software	-	3,632	1,429	5,061	-	1,754	835	2,589	2,472	30

### 12.4 Details of disposals of fixed assets

Disposal of fixed assets during 2006 having net book value (NBV) of Rs. 50,000 and above are as follows:

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of buyers
	----- (Rupees in '000) -----					
<b>Office equipment</b>						
Net book value not exceeding Rs. 50,000 each	125	63	62	-	Scrap	Various
<b>Motor vehicles</b>	600	210	390	500	Tender	Ahmed Malazai 7-A, Babar Colony near MDA Chock, Multan.
	600	250	350	470	Tender	Syed Israr Ahmed St-10, Haidria Road, Gulgashat, Multan.
	330	126	204	204	Claim acknowledged	New Jubilee Insurance Company Limited
	474	8	466	466	Claim acknowledged	New Jubilee Insurance Company Limited
Net book value not exceeding Rs. 50,000 each	1,187	1,173	14	1,003	Negotiation	Various
	3,191	1,767	1,424	2,643		
	3,316	1,830	1,486	2,643		

	2006	2005
	(Rupees in '000)	
<b>13. EXPENSES OF SHAREHOLDERS' FUND</b>		
Salaries, allowances and other benefits	2,859	2,424
Charge for defined benefit plan	97	86
Contribution to defined contribution plan	166	118
Travelling expenses	654	404
Advertisement and publicity	20	64
Printing and stationery	170	13
Staff welfare	33	21
Postage, telegram and telephone	5	10
Entertainment	3	12
Vehicle running expenses	-	66
Repair and maintenance	32	8
Training expenses	3	3
Computer expenses	7	9
Utilities	139	78
Rent, taxes and insurance	457	278
Depreciation expense	332	181
	<u>4,977</u>	<u>3,775</u>

The above expenses represent allocation in accordance with the advice of appointed actuary as approved by the Board.

	2006	2005
	(Rupees in '000)	
<b>14. TAXATION</b>		
- Current	(14,418)	(2,275)
- Prior	2,275	5,477
- Deferred	-	(17,957)
	<u>(12,143)</u>	<u>(14,755)</u>

**14.1** Deferred tax liability on revaluation of quoted securities has not been recognised in the financial statements as the Government has announced extension of capital gains arising on disposal of listed securities beyond tax year 2007. The official notification to this effect is expected to be issued by the Central Board of Revenue.

	2006	2005
	(Rupees in '000)	
<b>15. BASIC AND DILUTED EARNINGS PER SHARE</b>		
Profit after tax	<u>82,655</u>	<u>42,073</u>
	<b>Number of shares in thousand</b>	
Number of ordinary shares outstanding as at year end	<u>62,712</u>	<u>62,712</u>
	<b>(Rupees)</b>	
Earnings per share basic and diluted	<u>1.32</u>	<u>0.67</u>

## 16. POLICYHOLDERS' LIABILITIES GROSS OF REINSURANCE

	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2006	2005
	(Rupees in '000)					
Actuarial liability relating to future events	2,878,089	157,182	139,289	53,282	3,227,842	2,047,981
Provision for outstanding reported claims payable over a period exceeding twelve months	8,893	2,058	-	-	10,951	8,814
Provision for incurred but not reported claims	27,299	63,831	58	9,205	100,393	75,075
	<u>2,914,281</u>	<u>223,071</u>	<u>139,347</u>	<u>62,487</u>	<u>3,339,186</u>	<u>2,131,870</u>
<b>Net of Reinsurance</b>						
Actuarial liability relating to future events	2,872,630	105,954	139,289	53,243	3,171,116	1,997,351
Provision for outstanding reported claims payable over a period exceeding twelve months	8,893	2,058	-	-	10,951	8,814
Provision for incurred but not reported claims	23,471	41,442	58	9,191	74,162	52,267
	<u>2,904,994</u>	<u>149,454</u>	<u>139,347</u>	<u>62,434</u>	<u>3,256,229</u>	<u>2,058,432</u>

## 17. AUDITORS' REMUNERATION

	2006	2005
	(Rupees in '000)	
Audit fee	768	768
Limited review, audit of provident and gratuity fund	200	200
Out of pocket expenses	67	62
	<u>1,035</u>	<u>1,030</u>

## 18. CASH AND CASH EQUIVALENTS

Note	Share holders' Fund	Statutory Funds				Aggregate		
		Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2006	2005	
	(Rupees in '000)							
Cash at banks in current accounts	-	2,253	1,566	-	-	3,819	8,756	
Cash at banks in savings accounts	84,609	129,851	21,102	18,486	13,303	267,351	117,000	
	84,609	132,104	22,668	18,486	13,303	271,170	125,756	
Term deposits maturing within three months	10	30,000	1,036,000	84,000	45,000	40,000	1,235,000	953,177
Cash and stamps in hand		109	592	85	-	-	786	1,309
		<u>114,718</u>	<u>1,168,696</u>	<u>106,753</u>	<u>63,486</u>	<u>53,303</u>	<u>1,506,956</u>	<u>1,080,242</u>

## 19. REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits to the Chief Executive, Directors and Executives of the Company are as follows:

	2006		2005	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees in '000)			
Managerial remuneration	4,258	12,029	3,677	9,169
Performance bonus	2,000	3,200	1,500	2,300
Commission	-	10,135	-	7,799
Retirement benefits	682	1,936	600	1,482
House rent allowance	1,916	5,320	1,655	4,038
Utilities	426	1,203	368	917
Medical	41	358	21	315
Leave passage	400	295	300	255
Termination benefits	-	-	-	184
Others	-	42	-	48
	<u>9,723</u>	<u>34,518</u>	<u>8,121</u>	<u>26,507</u>
Number of persons	<u>1</u>	<u>12</u>	<u>1</u>	<u>11</u>

In addition to the above, Chief Executive is provided with Company maintained car whereas Executives are provided with Company cars. Fees paid to two Directors of the Company for attending various meetings amounted to Rs. 0.090 million (2005: Rs. 0.080 million)

## 20. TRANSACTIONS WITH RELATED PARTIES

The Company is controlled by Aga Khan Fund for Economic Development S.A Switzerland, which owns 57.87% of the Company's shares. Also its associated undertaking - New Jubilee Insurance Company Limited holds 6.43 % of the Company's shares.

The related parties comprise of related group companies, local associated companies, directors of the Company, companies where directors also hold directorship, key management employees, staff retirement funds and Statutory Funds.

The details of transactions with related parties, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

Related party name	Nature of Transaction	2006	2005
(Rupees in '000)			
<b>Profit and Loss Items</b>			
Sale of services - to associates			
New Jubilee Insurance Company Limited	Group insurance premium	203	177
----- do -----	Incurred claims against insurance cover	(200)	-
Pakistan Cables Limited	Group insurance premium	1,100	793
----- do -----	Incurred claims against insurance cover	(800)	(402)
Tourism Promotion Services (Private) Limited	Group insurance premium	870	848
----- do -----	Incurred claims against insurance cover	(400)	-
First Micro Finance Bank Limited	Group insurance premium	3,132	1,514
----- do -----	Incurred claims against insurance cover	(2,612)	(839)

Related party name	Nature of Transaction	2006 (Rupees in '000)	2005
First International Investment Bank Limited	Group insurance premium	305	175
International Industries Limited	Group insurance premium	833	753
----- do -----	Incurred claims against insurance cover	(400)	(200)
BOC Pakistan Limited	Group insurance premium	251	686
----- do -----	Incurred claims against insurance cover	(200)	(600)
Habib Bank Limited	Group insurance premium	144,045	72,861
----- do -----	Incurred claims against insurance cover	(84,060)	(46,823)
New Jubilee Insurance Company Limited	Rent of building	11,224	10,567
----- do -----	Premium for general insurance	2,403	1,900
----- do -----	Claims lodged	(1,287)	(412)
----- do -----	Purchase of furniture / vehicle	-	179
Noorani Associates	Investment advisory services	1,800	856
<b>Key management compensations</b>			
Salaries, allowances and other short term employee benefits		28,044	23,298
Termination benefits		-	184
Other long term benefits		2,068	1,716
		30,112	25,198
<b>Balance Sheet Items</b>			
<b>Receivables from associated companies</b>			
New Jubilee Insurance Company Limited	Group Life Premium	-	51
----- do -----	Claims against general policy	1,120	1,603
First Micro Finance Bank Limited	Group Life Premium	439	267
International Industries Limited	Group Life Premium	-	7
First International Investment Bank Limited	Group Life Premium	157	-
Habib Bank Limited	Group Life Premium	1,941	3,565
----- do -----	Deposit with the bank	112,258	5,874
<b>Payable to associated companies</b>			
New Jubilee Insurance Company Ltd	General Insurance premium	1,088	1,217
----- do -----	Claims lodged & outstanding	200	-
Pakistan Cables Limited	Claims lodged & outstanding	600	400
First Micro Finance Bank Limited	Claims lodged & outstanding	107	-
Habib Bank Limited	Claims lodged & outstanding	2,907	-
Tourism Promotion Services	Excess premium received	3	10
BOC Pakistan Limited	Excess premium received	777	1,037
International Industries Limited	Excess premium received	19	-
----- do -----	Claims lodged & outstanding	-	200

20.1 The transactions are entered into on commercial basis.



## 21. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. To guard against the risk, the Company has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure that adequate liquidity is maintained.

### Interest rate risk

The Company invests in securities and has deposits that are subject to interest rate risk. Interest rate risk to the Company is the risk of changes in market interest rates reducing the overall return on its interest bearing securities. The Company limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and investments are denominated. The Company's interest rate sensitivity and liquidity positions based on maturities is as follows:

#### 21.1 Mismatch of Interest Rate Sensitive Assets and Liabilities / Yield / Interest Rate Risk

Effective Yield/ Interest rate	Total	2006									Non-interest bearing financial instruments
		Exposed to Yield/ Interest rate risk									
		Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years	
Rupees in '000											
<b>On-balance sheet financial instruments</b>											
<b>Financial assets</b>											
Cash and others	786	-	-	-	-	-	-	-	-	-	786
Current and other accounts	5.4 271,170	267,351	-	-	-	-	-	-	-	-	3,819
Deposits maturing within 12 months	8.5 - 11.5 1,235,000	200,000	835,000	200,000	-	-	-	-	-	-	-
Unsecured advances to employees	3,285	-	-	-	-	-	-	-	-	-	3,285
Investments - net of provision	6.1 - 18 2,317,733	-	125,132	72,415	12,763	95,630	74,713	200,302	372,301	114,837	1,249,640
Premiums due but unpaid	50,206	-	-	-	-	-	-	-	-	-	50,206
Investment income due but outstanding	2,340	-	-	-	-	-	-	-	-	-	2,340
Investment income accrued	40,934	-	-	-	-	-	-	-	-	-	40,934
Amounts due from other insurers / reinsurers	17,477	-	-	-	-	-	-	-	-	-	17,477
Inter-fund receivable	11,339	-	-	-	-	-	-	-	-	-	11,339
Sundry receivable	13,389	-	-	-	-	-	-	-	-	-	13,389
	3,963,659	467,351	960,132	272,415	12,763	95,630	74,713	200,302	372,301	114,837	1,393,215
<b>Financial liabilities</b>											
Outstanding claims	162,124	-	-	-	-	-	-	-	-	-	162,124
Amounts due to other insurers / reinsurers	2,851	-	-	-	-	-	-	-	-	-	2,851
Amounts due to agents	24,278	-	-	-	-	-	-	-	-	-	24,278
Accrued expenses	38,656	-	-	-	-	-	-	-	-	-	38,656
Other creditors and accruals	5,360	-	-	-	-	-	-	-	-	-	5,360
Dividend payable	31,356	-	-	-	-	-	-	-	-	-	31,356
Inter-fund payable	11,339	-	-	-	-	-	-	-	-	-	11,339
	275,964	-	-	-	-	-	-	-	-	-	275,964
<b>On-balance sheet gap</b>	3,687,695	467,351	960,132	272,415	12,763	95,630	74,713	200,302	372,301	114,837	1,117,251
<b>Off-balance sheet financial instruments</b>											
Commitments	(851)	(19)	(39)	(58)	(116)	(232)	(232)	(155)	-	-	-
<b>Off-balance sheet gap</b>	(851)	(19)	(39)	(58)	(116)	(232)	(232)	(155)	-	-	-
<b>Total Yield/Interest Rate Risk Sensitivity Gap</b>		467,332	960,093	272,357	12,647	95,398	74,481	200,147	372,301	114,837	1,117,251
<b>Cumulative Yield/Interest Rate Risk Sensitivity Gap</b>		467,332	1,427,425	1,699,782	1,712,429	1,807,827	1,882,308	2,082,455	2,454,756	2,569,593	1,117,250

2005

Effective Yield/ Interest rate	Total	Exposed to Yield/ Interest rate risk								Non-interest bearing financial instruments	
		Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years		Over ten years
Rupees in '000											
<b>On-balance sheet financial instruments</b>											
<b>Financial assets</b>											
Cash and others	1,309	-	-	-	-	-	-	-	-	-	1,309
Current and other accounts	5.4 125,756	117,000	-	-	-	-	-	-	-	-	8,756
Deposits maturing within 12 months	7.5 - 11.5 953,177	-	953,177	-	-	-	-	-	-	-	-
Unsecured advances to employees	946	-	-	-	-	-	-	-	-	-	946
Investments	5.75 - 18 1,457,382	25,453	30,152	9,194	80,470	128,339	96,023	69,076	195,145	116,504	707,026
Premiums due but unpaid	45,744	-	-	-	-	-	-	-	-	-	45,744
Investment income due but outstanding	377	-	-	-	-	-	-	-	-	-	377
Investment income accrued	20,992	-	-	-	-	-	-	-	-	-	20,992
Amounts due from other insurers / reinsurers	11,791	-	-	-	-	-	-	-	-	-	11,791
Sundry receivable	4,604	-	-	-	-	-	-	-	-	-	4,604
	<u>2,622,078</u>	<u>142,453</u>	<u>983,329</u>	<u>9,194</u>	<u>80,470</u>	<u>128,339</u>	<u>96,023</u>	<u>69,076</u>	<u>195,145</u>	<u>116,504</u>	<u>801,545</u>
<b>Financial liabilities</b>											
Outstanding claims	115,571	-	-	-	-	-	-	-	-	-	115,571
Amounts due to other insurers / reinsurers	95,626	-	-	-	-	-	-	-	-	-	95,626
Amounts due to agents	29,518	-	-	-	-	-	-	-	-	-	29,518
Accrued expenses	32,346	-	-	-	-	-	-	-	-	-	32,346
Other creditors and accruals	5,274	-	-	-	-	-	-	-	-	-	5,274
	<u>278,335</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>278,335</u>
<b>On-balance sheet gap</b>	<u>2,343,743</u>	<u>142,453</u>	<u>983,329</u>	<u>9,194</u>	<u>80,470</u>	<u>128,339</u>	<u>96,023</u>	<u>69,076</u>	<u>195,145</u>	<u>116,504</u>	<u>523,210</u>
<b>Off-balance sheet financial instruments</b>											
Commitments	(1,963)	(40)	(80)	(121)	(241)	(480)	(480)	(521)	-	-	-
<b>Off-balance sheet gap</b>	<u>(1,963)</u>	<u>(40)</u>	<u>(80)</u>	<u>(121)</u>	<u>(241)</u>	<u>(480)</u>	<u>(480)</u>	<u>(521)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Yield/Interest Rate Risk Sensitivity Gap</b>		<u>142,413</u>	<u>983,249</u>	<u>9,073</u>	<u>80,229</u>	<u>127,859</u>	<u>95,543</u>	<u>68,555</u>	<u>195,145</u>	<u>116,504</u>	<u>523,210</u>
<b>Cumulative Yield/Interest Rate Risk Sensitivity Gap</b>		<u>142,413</u>	<u>1,125,662</u>	<u>1,134,735</u>	<u>1,214,964</u>	<u>1,342,823</u>	<u>1,438,366</u>	<u>1,506,921</u>	<u>1,702,066</u>	<u>1,818,570</u>	<u>523,210</u>

## 22. FOREIGN CURRENCY RISK

The Company is not exposed to risk from foreign currency exchange rate fluctuation.

## 23. MARKET RISK

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market.

The Company is exposed to market risk with respect to its investments.

The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in Government securities, equity, open-end and closed-end mutual funds and term finance certificates (TFCs) markets. In addition, the Company actively monitors the key factors that affect the underlying value of these securities.

## 24. CREDIT RISK AND CONCENTRATION OF CREDIT RISK

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

Concentration of credit risk arises when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in a similar manner.

Major credit risk is in premiums receivable, receivable, commission, claim receivable, bank balances and investments. The management monitors exposure to credit risk through regular review of credit exposure, assessing credit worthiness of counter parties and prudent estimates of provision for doubtful debts.

Due to the nature of the Company's business the Company is not exposed to concentration of credit risk.

## **25. REINSURANCE RISK**

In order to minimize the financial exposure arising from large claims, the Company, in the normal course of business, enters into agreement with other reinsurers.

Reinsurance ceded do not relieve the Company from its obligation to policy holders and as a result the Company remains liable for the portion of outstanding claims reinsured to the extent that reinsurer fails to meet the obligation under the reinsurance agreements.

In order to manage this risk the Company obtains reinsurance cover only from companies with sound financial health.

## **26. FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

As at 31 December 2006, the carrying value of all financial instruments is estimated to approximate their fair value, except investments, the market value exceeded cost by Rs. 214 million (2005: Rs. 236 million) on an aggregate portfolio basis.

## **27. ACCOUNTING ESTIMATES AND JUDGMENTS**

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates relating to the insurance contracts are based on the advice of the appointed actuary. Some of the critical accounting estimates and judgments are as follows:

### **27.1 Policyholders' liabilities**

#### **27.1.1 Valuation discount rate**

The valuation of policyholders' liabilities has been based on a discount rate of 3.75%, which is in line with the requirements under the repealed Insurance Act, 1938 and is considerably lower than the actual investment return the Company is managing on its conventional portfolio. The difference each year between the above and the actual investment return is intended to be available to the Company for meeting administration expense and provide margins for adverse deviation.

#### **27.1.2 Mortality assumption**

For the purpose of valuing the insurance contracts, the mortality assumption used is 95% Graduated LIC 94-96. This table is constructed on the basis of LIC 94-96, adjusted to reflect the mortality expectation in Pakistan. In the opinion of appointed actuary the adjusted table gives the closest match to the underlying mortality of the covered population.

For valuing annuities, appointed actuary has used LICa 96-98 annuitant mortality table. This table has lower mortality at older ages, which gives a more conservative estimate of the value placed on annuities. In the opinion of the appointed actuary using Graduated LIC 94-96 for valuing annuities gives unrealistically optimistic results. A 7 year setback has been used to account for future improvements in mortality.

For females, an age set-back of 5 years to the male mortality rates has been used to account for the lower expected mortality.

### 27.1.3 Claims provision

The calculation of Incurred But Not Reported Claims Reserve for both Group Life under Conventional Business and Accident and Health lines has been based on the assumption that the claims lag pattern would follow the trend experienced over the past 3 years.

The reserving basis has been formulated on the recent claims lag pattern and experience of the Company for each line of business separately. Appropriate margins have been added to ensure that the reserve set aside is resilient to changes in the experience

### 27.1.4 Surrenders

For the purpose of valuation of conventional and annuity business, no provision has been made for lapses and surrenders. This gives prudence to the value placed on the liability by not taking any credits for the profits made on surrenders.

### 27.1.5 Changes in actuarial basis of valuation

The valuation conducted as at 31 December 2006, contains changes in the reserving basis for the following reserves:

- Group Life unearned premium and Incurred But Not Reported (IBNR) claims.
- Group Health unearned premium.

Both the above changes in valuation base have resulted in increase in policyholders' liability by Rs. 17.3 million with corresponding impact in the revenue account of the respective statutory funds.

## 27.2 Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on disputed issues in the past. However, the Company has made adequate provision in this respect. Therefore, no amount is shown as a contingent liability of the Company.

## 27.3 Impairment in respect of listed securities

The Company determines that listed available-for-sale securities are impaired when there has been a significant or prolonged decline in fair value below its cost. In making this judgment, the Company evaluates among other factors volatility in share prices in normal course.

## 28. NUMBER OF EMPLOYEES

- Permanent
- Contractual

2006	2005
(Numbers)	
215	162
48	42
263	204

**29. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorized for issue on March 21, 2007 by the Board of Directors of the Company.

**30. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE**

The following standards, amendments and interpretations of approved accounting standards, with effective dates mentioned against each, are either not relevant to the Company's operations or are not expected to have significant effect on the Company's financial statements other than increased disclosures in certain cases:

IAS- 1 Presentation of Financial Statements - amendments relating to capital disclosures	effective from accounting period beginning on or after 1 January 2007
IFRS- 2 Share Based Payments	effective from accounting period beginning on or after 1 January 2007
IFRS- 3 Business Combinations	effective from accounting period beginning on or after 1 January 2007
IFRS- 5 Non-current Assets Held for Sale and Discontinued Operations	effective from accounting period beginning on or after 1 January 2007
IFRS- 6 Exploration for and Evaluation of Mineral Resources	effective from accounting period beginning on or after 1 January 2007
IFRIC- 8 Scope of IFRS 2 Share Based Payments	effective for accounting period beginning on or after 1 May 2006
IFRIC 9 - Reassessment of embedded derivatives	effective for accounting period beginning on or after 1 June 2006
IFRIC- 10 Interim Financial Reporting and Impairment	effective for accounting period beginning on or after 1 November 2006
IFRIC- 11 Group and Treasury Share Transactions	effective for accounting period beginning on or after 1 March 2007
IFRIC- 12 Services Concession Arrangements	effective for accounting period beginning on or after 1 January 2008

### 31. CORRESPONDING FIGURES

Previous year's figures have been rearranged and reclassified wherever necessary for the purposes of comparison. Major changes made during the year are as follows:

Reclassification from		Reclassification to		Reason for reclassification	(Rupees in '000)
Note	Component	Note	Component		
13	Salaries, allowance and other benefits	13	Charge for defined benefit plans	Better presentation	86
13	Salaries, allowance and other benefits	13	Contribution to defined benefit plans	Better presentation	118

The same has been reclassified in the statement of expenses of statutory funds.

### 32. GENERAL

Figures have been rounded-off to the nearest thousand Rupees unless stated otherwise.



Masood Noorani  
Chairman



Towfiq H. Chinoy  
Director



Shahid M. Loan  
Director



Javed Ahmed  
Managing Director &  
Chief Executive Officer

## Statement of Directors

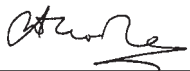
(As per the requirement of section 46(6) and section 52(2)<sup>©</sup> of the Insurance Ordinance, 2000)

### Section 46(6)

- (a) In our opinion the annual statutory accounts of the New Jubilee Life Insurance Company Limited set out in the forms attached to the statement have been drawn up in accordance with the Ordinance and any rules made there under;
- (b) New Jubilee Life Insurance Company Limited has at all times in the year complied with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements; and
- (c) As at December 31, 2006 New Jubilee Life Insurance Company Limited continues to be in compliance with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements.

### Section 52(2)<sup>©</sup>

- (d) In our opinion each statutory fund of New Jubilee Life Insurance Company Limited complies with the solvency requirements of the Insurance Ordinance, 2000 and the Insurance Rules, 2002.



Masood Noorani  
Chairman



Towfiq H. Chinoy  
Director



Shahid M. Loan  
Director



Javed Ahmed  
Managing Director &  
Chief Executive Officer

## Statement by the Appointed Actuary

(required under section 52(2) (a) & (b) of the Insurance Ordinance, 2000.

In my Opinion:

- (a) the policyholder liabilities in the balance sheet of New Jubilee Life Insurance Company Limited as at 31.12.2006 have been determined in accordance with the provisions of the Insurance Ordinance, 2000; and
- (b) each statutory fund of the New Jubilee Life Insurance Company Limited complies with the solvency requirements the Insurance Ordinance, 2000.



NAUMAN A. CHEEMA

Appointed Actuary of the Company  
Fellow of the Society of Actuaries (USA)  
Fellow of the Pakistan Society of Actuaries

Date: 21st March 2007

## Pattern of Holding of the Shares held by the Shareholders

As At 31 December 2006

Number of Shareholders	Shareholding		Total Shares held	Percentage
	From	To		
69	1	100	3612	.0057
842	101	500	369047	.5884
430	501	1000	381983	.6091
622	1001	5000	1792790	2.8587
148	5001	10000	1196281	1.9075
43	10001	15000	555167	.8852
30	15001	20000	533400	.8505
21	20001	25000	490920	.7828
14	25001	30000	397340	.6335
8	30001	35000	263300	.4198
10	35001	40000	385740	.6150
3	40001	45000	131180	.2091
11	45001	50000	544000	.8674
4	50001	55000	207180	.3303
1	55001	60000	58280	.0929
2	60001	65000	123200	.1964
3	65001	70000	202500	.3229
4	70001	75000	299500	.4775
1	80001	85000	80080	.1276
4	85001	90000	350720	.5592
2	90001	95000	184700	.2945
6	95001	100000	596000	.9503
1	100001	105000	103360	.1648
2	110001	115000	227500	.3627
2	115001	120000	236000	.3763
1	120001	125000	125000	.1993
1	125001	130000	130000	.2072
3	135001	140000	415000	.6617
1	145001	150000	150000	.2391
3	150001	155000	458500	.7311
2	155001	160000	314000	.5007
1	170001	175000	175000	.2790
1	180001	185000	183000	.2918
3	195001	200000	599500	.9559
1	255001	260000	258500	.4122
1	435001	440000	440000	.7016
1	440001	445000	442000	.7048
1	780001	785000	782000	1.2469
1	785001	790000	788560	1.2574
1	1345001	1350000	1345500	2.1455
1	4030001	4035000	4032766	6.4306
1	6065001	6070000	6068000	9.6759
1	36290001	36295000	36290894	57.8691
2308			62712000	100.0000



## Categories of Shareholders

As of 31 December 2006

PARTICULARS	NUMBER OF SHAREHOLDERS	SHAREHOLDING	PERCENTAGE
Directors, CEO, and Spouse	9	56,060	.0893
NIT & ICP	1	500	.0007
Banks, DFI & NBF1	4	368,500	.5876
Insurance Companies	4	4,054,766	6.4656
Modarabas & Mutual Funds	5	1,207,900	1.9261
Listed Companies	9	420,920	.6711
General Public	2,227	16,874,620	26.9081
Others	47	3,436,340	5.4795
Holding more than 10%	2	36,292,394	57.8715
<b>TOTAL</b>	<b>2,308</b>	<b>62,712,000</b>	<b>100.0000</b>

## Compliance Status of Code of Corporate Governance

Listing Regulation 37 (xix)

Pattern of Shareholding as at 31-12-2006 is given below

SR. NO.	NAME OF SHAREHOLDER	SHARES HELD	%
1	ASSOCIATED COMPANIES/RELATED PARTIES NEW JUBILEE INSURANCE CO. LTD.	4,032,766	6.431%
2	INVESTMENT CORPORATION OF PAKISTAN	500	0.001%
3	DIRECTORS, CEO AND SPOUSES  MASOOD NOORANI * ZULFIKAR KASSAMALI MOHAMED * SHAHID MAHMOOD LOAN * XAVIER GWENAEL LUCAS * SULTAN ALLANA * TOWFIQ H. CHINOY TOWFIQ H. CHINOY JAVED AHMED HINA JAVED	56,060  780 500 500 500 500 500 50,000 780 2,000	0.089%  0.001% 0.001% 0.001% 0.001% 0.001% 0.001% 0.080% 0.001% 0.003%
4	EXECUTIVES  FAISAL QASIM MOHAMMAD SOHAIL FAKHAR	1,280  500 780	0.002%  0.001% 0.001%
5	BANKS, DFI, NBFI, INSURANCE, MODARABA & MUTUAL FUNDS  MCB BANK LIMITED PICIC FIRST DAWOOD INVESTMENT BANK SAUDI PAK INV. CO. THE PREMIER INSURANCE CO. OF PAKISTAN EFU GENERAL INSURANCE LIMITED CENTURY INSURANCE COMPANY LTD. CDC - TRUSTEE FIRST DAWOOD MUTUAL FUND ASIAN STOCK FUND LIMITED SAFEGWAY MUTUAL FUND LIMITED GUARDIAN MODARABA FIRST DAWOOD INVESTMENT BANK LTD.	1,598,400  42,500 200,000 116,000 10,000 2,000 10,000 10,000 10,000 782,000 70,000 154,500 18,400 183,000	2.549%  0.068% 0.319% 0.185% 0.016% 0.003% 0.016% 0.016% 1.247% 0.112% 0.246% 0.029% 0.292%
6	JOINT STOCK COMPANIES & OTHERS  KHADIM ALI SHAH BUKHARI & CO. LTD. CRESCENT STEEL & ALLIED PRODUCTS LTD. JAVED OMER VOHRA & COMPANY LIMITED FIRST CAPITAL EQUITIES LIMITED SAPPHIRE TEXTILE MILLS LIMITED QUETTA TEXTILE MILLS LIMITED ZEPHYR TEXTILES LTD FIRST NATIONAL EQUITIES LIMITED ARIF HABIB SECURITIES LIMITED (P) M/S. AMER COTTON MILLS (PRIVATE) LTD. M/S. MOLASSES EXPORT CO. (PVT.) LTD. INVEST CAPITAL & SECURITIES (PVT.) LTD. KANDAWALLA TRUST	3,857,260  5,000 40,000 25,000 2,920 50,000 75,000 45,000 27,500 150,500 20,000 500 2,000 26,500	6.151%  0.008% 0.064% 0.040% 0.005% 0.080% 0.120% 0.072% 0.044% 0.240% 0.032% 0.001% 0.003% 0.042%

SR. NO.	NAME OF SHAREHOLDER	SHARES HELD	%
	RAMADA SECURITIES & DERVIATIVES LTD.	500	0.001%
	RAMADA INVESTORS SERVICES LTD.	500	0.001%
	BEAR STEARNS SECURITIES CORPORATION	10,000	0.016%
	TAURUS SECURITIES LIMITED	1,000	0.002%
	THE KARACHI STOCK EXCHANGE (G) LIMITED	2,000	0.003%
	AMZ SECURITIES (PVT) LIMITED	2,000	0.003%
	PRUDENTIAL SECURITIES LIMITED	60	0.000%
	INVEST CAPITAL & SECURITIES (PVT) LTD.	10,000	0.016%
	EASTERN CAPITAL LIMITED	1,500	0.002%
	ALI HUSAIN RAJABALI LTD	10,000	0.016%
	Y.S. SECURITIES & SERVICES (PVT) LTD.	1,060	0.002%
	THE AGA KHAN UNIVERSITY FOUNDATION	440,000	0.702%
	AMER COTTON MILLS (PVT) LIMITED	61,200	0.098%
	YOUSUF YAQOOB KOLIA AND COMPANY (PVT) LTD.	36,500	0.058%
	TRUSTEE-ARMY WELFARE TRUST	500	0.001%
	EXCEL SECURITIES (PVT.) LTD.	1,000	0.002%
	DARSON SECURITIES (PRIVATE) LIMITED	100	0.000%
	ACE SECURITIES (PVT.) LIMITED	788,560	1.257%
	I. I. KODVAVI SECURITIES (PVT) LIMITED	2,000	0.003%
	JAMSHAD & HASAN SECURITIES (PVT) LTD.	16,500	0.026%
	AZEE SECURITIES (PRIVATE) LIMITED	9,000	0.014%
	DOSSLANI'S SECURITIES (PVT) LIMITED	1,500	0.002%
	S.Z. SECURITIES (PRIVATE) LIMITED	500	0.001%
	CAPITAL VISION SECURITIES (PVT) LTD.	80	0.000%
	AMPLE SECURITIES (PRIVATE) LIMITED	100,000	0.159%
	MARS SECURITIES (PRIVATE) LIMITED	6,500	0.010%
	LIVE SECURITIES (PRIVATE) LIMITED	50,280	0.080%
	TIME SECURITIES (PVT.) LTD.	3,740	0.006%
	GENERAL INVES. SERV. (PVT) LTD.	1,000	0.002%
	LIVE SEC. (PVT.) LTD.-LIVE TRADE ONLINE	1,000	0.002%
	APEX CAPITAL SECURITIES (PVT) LIMITED	5,000	0.008%
	CLIKTRADE LIMITED	93,700	0.149%
	KASHIF RAFIQ VOHRA SECURITIES (PVT) LTD.	60	0.000%
	HUM SECURITIES LIMITED	2,000	0.003%
	K.J ENTERPRISES	5,000	0.008%
	UNITED CAPITAL SECURITIES (PVT.) LTD.	10,000	0.016%
	DARSON SECURITIES (PVT) LIMITED	3,000	0.005%
	ARIF HABIB LIMITED	1,345,500	2.146%
	AWJ SECURITIES (SMC-PRIVATE) LIMITED.	1,000	0.002%
	MAHA SECURITIES (PVT.) LIMITED	50,000	0.080%
	WASI SECURITIES (SMC-PVT) LTD.	50,000	0.080%
	AL-HAQ SECURITIES (PVT) LTD.	5,000	0.008%
	ISMAIL ABDUL SHAKOOR SECURITIES (PRIVATE) LTD.	258,500	0.412%
7	<b>SHAREHOLDING ABOVE 10% VOTING INTEREST AGA KHAN FUND FOR ECONOMIC DEVELOPMENT</b>	<b>36,292,394</b>	<b>57.872%</b>
8	<b>GENERAL PUBLIC</b>	<b>16,873,340</b>	<b>26.906%</b>
9	<b>TOTAL</b>	<b>62,712,000</b>	<b>100.000%</b>

\* Beneficial owner is the Aga Khan Fund for Economic Development

## Notice of Annual General Meeting

Notice is hereby given that the 12<sup>th</sup> Annual General Meeting of New Jubilee Life Insurance Company Limited will be held at Pearl Continental Hotel, Lahore, on Thursday, 26<sup>th</sup> April, 2007 at 11.00 A.M. to transact following business;

### Ordinary Business

1. To confirm the Minutes of the 11<sup>th</sup> Annual General Meeting held on 25.04.2006.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2006 together with Directors and Auditors Reports thereon.
3. To approve Interim Cash Dividend of Rs. 0.50 per share (5%) already declared by the Board of Directors and paid for the year ended 31 December, 2006 as final dividend.
4. To appoint Auditors and to fix their remuneration for the year ending December 31, 2007. The retiring auditors M/s KPMG Taseer Hadi & Co. Chartered Accountants, being eligible, have offered themselves for re-appointment.

### Special Business

5. To consider and, if thought fit, to pass the following Resolution with or without modification(s) as a special resolution for authorizing investments in the undermentioned associated companies.

RESOLVED that:

- (a) the approval of the shareholders be and is hereby accorded in terms of Section 208 of the Companies Ordinance, 1984 for investment of upto the undermentioned amounts in the purchase of ordinary shares of undermentioned associated companies at their fair value on the date of purchase:

Sr. No.	Name of the Company	Amount to be invested (PKR)
1	International Industries Limited (purchase of ordinary shares)	150,000,000
2	Habib Bank Limited (purchase of ordinary shares)	150,000,000
3	New Jubilee Insurance Company Limited (purchase of ordinary shares)	150,000,000

- (b) The Managing Director and the Chief Financial Officer be and are hereby authorized jointly to take any and all actions which may be required for the investment of the above mentioned amounts in the purchase of the ordinary shares of the above mentioned associated companies.

FURTHER RESOLVED that these Special Resolutions be and are hereby passed for the purpose of Section 208 of the Companies Ordinance, 1984.

6. To transact any other ordinary as may be placed before the Meeting with the permission of the Chair.

March 21, 2007  
Karachi

By Orders of the Board



**Manzoor Ahmed**  
Company Secretary

**Notes:**

1. The Share Transfer Books of the Company shall remain closed from April 19, 2007 to April 26, 2007 (both days inclusive). Transfers received in order by our Registrar, M/s THK Associates (Pvt) Limited, Ground floor, State Life Building 3, Dr. Ziauddin Ahmed Road, Karachi-75530 at the close of business on April 18, 2007 will be treated in time for the purpose of attending the meeting.
2. A Member of the company entitled to attend and vote at this Meeting shall be entitled to appoint another member, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to a member.
3. A Member shall not be entitled to appoint more than one proxy to attend any one meeting. If any Member appoints more than one proxy for any one meeting and more than one instruments of proxy are deposited with the Company, all such instruments of proxy shall be rendered invalid.
4. Proxies, in order to be effective, must be received by / lodged with the Company at its Registered Office (second floor, 16/2 KSB Pumps Building, Sir Agha Khan Road, Lahore) not less than 48 hours before the Meeting.
5. Members are requested to immediately notify any change in their addresses.
6. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

**FOR ATTENDING THE MEETING**

- i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his / her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

The shareholders registered on CDC are also requested to bring their particulars, I.D. numbers and account numbers in CDS.

- ii) In case of corporate entity the Board of Directors' resolution/power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

**FOR APPOINTMENT OF PROXIES**

- i) In case of individual, the account holder or sub account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per requirement notified by the company.
  - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
  - iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
  - iv) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
  - v) In case of corporate entity being a Member, the Board of Directors' resolution / power of attorney with specimen signature of the nominee / attorney shall have to be submitted (unless it has been provided earlier) along with the proxy form to the Company.
7. The statement under section 160(1)(b) of the Companies Ordinance, 1984 is annexed and is being sent to all members.

**Statement under section 160 of the Companies Ordinance, 1984 pertaining to the Special business:**

1. This statement sets out the material facts pertaining to the Special business to be transacted at the Annual General Meeting of the Company to be held on 26 April, 2007.
2. **Item 5 regarding investments in Associated Companies:**

The information required under SRO 865 (1) 2000 is as under:

- i) **Name of Investee Company:**  
International Industries Limited

**Nature, amount and extent of investment:**

Equity investment of about Rs. 150 million to be utilized in purchasing ordinary shares of the investee company.

**Average market price of the shares intended to be purchased during preceeding six months in case of listed companies:**

Average market price up to February, 2007 is Rs. 111.08 per share.

**Break up value of shares intended to be purchased on the basis of last published financial statements:**

Rs. 46.73 per share

**Price at which shares will be purchased:**

Fair value on the date of purchase

**Earning per share of investee company in last 3 years:**

2004 Rs. 24.12 (basic)

2004 Rs. 9.19 (diluted)

2005 Rs. 8.72 (basic & diluted)

2006 Rs. 12.47 (basic & diluted)

**Source of funds from where shares will be purchased:**

Own resources and policyholders' funds.

**Period for which investment will be made:**

Not applicable being long term equity investment

**Purpose of investment:**

To earn dividend income as well as prospective capital gains

**Benefits likely to accrue to the company and the shareholders from the proposed investment; and**

Dividends & capital gains

**Interest of directors and their relatives in the investee company:**

Towfiq H. Chinoy, Director of your company is also a Director / Managing Director of International Industries Limited. He is interested in this business to the extent of his investment in this company.

ii) **Name of Investee Company:**  
Habib Bank Limited

**Nature, amount and extent of investment:**

Equity investment of about Rs. 150 million to be utilized in purchasing ordinary shares of the investee company as and when offered for public subscription

**Average market price of the shares intended to be purchased during preceeding six months in case of listed companies:**

Not applicable as not yet listed

**Break up value of shares intended to be purchased on the basis of last published financial statements:**

Rs. 76.97 per share

**Price at which shares will be purchased:**

Fair value on the date of purchase

**Earning per share of investee company in last 3 years:**

2004 Rs. 8.22

2005 Rs. 12.92

2006 Rs. 20.69

**Source of funds from where shares will be purchased:**

Own resources and policyholders' funds.

**Period for which investment will be made:**

Not applicable being long term equity investment

**Purpose of investment:**

To earn dividend income as well as prospective capital gains

**Benefits likely to accrue to the company and the shareholders from the proposed investment; and**

Dividends & capital gains

**Interest of directors and their relatives in the investee company:**

Sultan Allana, Director of your company is also a Director / Chairman of Habib Bank Limited. He is interested in this business to the extent of his respective investment in this company.

iii) **Name of Investee Company:**  
New Jubilee Insurance Company Limited

**Nature, amount and extent of investment:**  
Equity investment of about Rs. 150 million to be utilized in purchasing ordinary shares of the investee company.

**Average market price of the shares intended to be purchased during preceeding six months in case of listed companies:**

Average market price up to February, 2007 is Rs. 90.46 per share of Rs. 5

**Break up value of shares intended to be purchased on the basis of last published financial statements:**  
Rs. 23.15 per share

**Price at which shares will be purchased:**  
Fair value on the date of purchase

**Earning per share of investee company in last 3 years:**  
2004 Rs. 2.81  
2005 Rs. 7.59  
2006 Rs. 9.58

**Source of funds from where shares will be purchased:**  
Own resources and policyholders' funds.

**Period for which investment will be made:**  
Not applicable being long term equity investment

**Purpose of investment:**  
Long term equity investment to earn dividend income as well as prospective capital gains

**Benefits likely to accrue to the company and the shareholders from the proposed investment; and**  
Dividends & capital gains

**Interest of directors and their relatives in the investee company:**

Towfiq H. Chinoy, Masood Noorani, Sultan Allana and John Joseph Metcalf, Directors of your company are also Directors of New Jubilee Insurance Company Limited. They are interested in this business to the extent of their investment in this company.



# Proxy Form

I/We \_\_\_\_\_ of \_\_\_\_\_ (full address) being member (s) of New Jubilee Life Insurance Company Limited and holder of \_\_\_\_\_ Ordinary Shares as per Share Register Folio No. \_\_\_\_\_ CDC Participant ID \_\_\_\_\_ CDC Account No. \_\_\_\_\_ hereby appoint Mr./Mrs./Miss \_\_\_\_\_ of \_\_\_\_\_ (full address) or failing him \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my proxy to attend, speak and vote for me and on my behalf at the Annual General Meeting of the Company to be held on Thursday, April 26, 2007 at 11.00 a.m. at Pearl Continental Hotel, Lahore and at any adjournment thereof.

In witness whereof, I have placed my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2007

Signed by \_\_\_\_\_

In presence of \_\_\_\_\_

\_\_\_\_\_  
Signature  
Name:  
Addressee:  
Passport / NIC No.

Please affix  
Revenue Stamp

\_\_\_\_\_  
Signature of Member(s)

Share holder's Folio No. \_\_\_\_\_ Number of Shares held \_\_\_\_\_  
A member entitled to attend and vote at the Annual General Meeting may appoint another member as proxy to attend, speak and vote instead of him.

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, if the appointer is a corporation, under its common seal or the hand of an officer or attorney duly authorized.

The instrument appointing a proxy, together with the power of attorney if any under which it is signed or a notarial certified copy thereof, should be deposited at the Registered Office not less than 48 hours before the time of holding the meeting.

AFFIX  
CORRECT  
POSTAGE

The Company Secretary

**New Jubilee Life Insurance Company Limited**

KSB Pumps Building, 16/2, Sir Aga Khan Road, Lahore.

Tel : (042) 6308956-65 Fax : (042) 6308963

Fold : Here

Fold : Here

Fold : Here

Fold : Here

## New Jubilee life Insurance Company Limited

Head Office

74/1-A, Lalazar, M.T. Khan Road, Karachi-74000,  
Tel: (021) 5611071-5, 5611802-8 Fax:(021) 5610959

### BRANCH NETWORK Southern Region

#### BADIN

##### Badin Branch

NJI Block, Naseem City Centre, Badin  
Tel: (0227) 62020

#### GHOTKI

##### Station Road Branch

Green Hotel Building, Main Chowk,  
Station Road , Ghotki.  
Tel: (0723) 600612, 600613

#### HYDERABAD

##### Civic Center Branch

1st Floor, Block - CC 1, Civic Center,  
Thandi Serak, Hyderabad.  
Tel: (0222) 729112, 786193-4  
Fax: (0222) 786191

##### Hyderabad Cantt Branch

Bldg No. 97, Mazanine Floor Opp.  
Bank Line, Saddar Bazar, Hyderabad  
Tel (02222) 2786082-86

##### Thandi Sarak Branch 1 & 2

1st Floor, Block - CC 1, Civic Center,  
Thandi Serak, Hyderabad.  
Tel: (0222) 729112, 786193-4  
Fax: (0222) 786191

#### JACOBABAD

##### Quaid-e-Azam Road Branch

Opp. Old Municipal Committee,  
Quaid-e-Azam Road, Jaccobabad.  
Tel: (0722) 655085

#### KARACHI

##### Airport Branch

M-15, Falaknaz Tower,  
Sharah-e-Faisal , Karachi.  
Tel: (021) 4684011-3

##### Gulshan Branch

1st Floor, Office No. 105-A & 106,  
Asia Pacific Trade Center,  
Opp. Drive-In-Cinema  
Main Rashid Minhas Road, Karachi.  
Tel: (021) 4021578-9  
Fax: (021) 4017415

##### Gulshan-e-Hadeed Branch (Sub Office)

A-150, Phase -1, Opp. Pir Bazar,  
Gulshan-e-Hadeed,  
Bin Qasim, Karachi.  
Tel: (021) 4718680

#### Karachi City Branch

Suite no. 604, 6th Floor, Progressive  
Centre, 30-A, Block 6, PECHS  
Shahrah-e-Faisal, Karachi  
Tel: (021) 4391135-6, 4322174-5,  
4382054  
Fax: (021) 4322170

#### Nursery Branch 1 & 2

Suite no. 601, 6th Floor, Progressive  
Centre, 30-A, Block 6, PECHS  
Shahrah-e-Faisal, Karachi  
Tel: (021) 4313908-9  
Fax: (021) 4313907

#### Progressive Centre Branch – 1 & 2

Suite no. 604, 6th Floor, Progressive  
Centre, 30-A, Block 6, PECHS  
Shahrah-e-Faisal, Karachi  
Tel: (021) 4391135-6, 4322174-5,  
4382054  
Fax: (021) 4322170

#### Shaheed-e-Millat Branch

6th Floor, Office No. 604,  
Progressive Center,30 A,  
Block-6 PECHS , Main Sharah-e-  
Faisal, Karachi.  
Tel (021) 4313908-9  
Fax (021) 4313907

#### Shaheen Branch

B-3, 2nd Floor,  
"Rahat Jo Dero" Plot No. 172-L  
Block No. 2, PECHS, Karachi.  
Tel: (021) 4388615-7  
Fax: (021) 45388714

#### Shahrah-e-Faisal Branch-1 & 2

1st Floor Suite No. 103, 104, 105,  
Kawish Crown Plaza,  
Main Shahrah-e-Faisal, Karachi.  
Tel: (021) 4313903-6  
Fax: (021) 4382052

#### Stadium Road Branch

Flat No. 9, Afzal Apartment,  
KDA Scheme No. I-A  
Stadium Road, Karachi.  
Tel: (021) 4131350, 4131346-7  
Fax: (021) 4947252

#### Tariq Road Branch

B-3, 2nd Floor,  
"Rahat Jo Dero" Plot No. 172-L  
Block No. 2, PECHS, Karachi.  
Tel: (021) 4388615-7  
Fax: (021) 45388714

#### KHAIRPUR

##### Civic Center Branch

Room no. 8 & 9, 1st Floor, Civic Centre,  
Khairpur, MIRS.  
Tel: (0243) 9280375, 553951

#### LARKANA

##### Station Road Branch 1, 2 & 3

1st Floor, Asad Shopping Centre,  
Near Ali-Manzar Cinema, Station Road,  
Larkana  
Tel: (074) 4057483-4 4057486-7  
Fax: (074) 4057482

#### MIRPURKHAS

##### Umar Kot Road Branch

Umar Kot Road , Mirpurkhas, Sindh  
Tel: ( 0233) 873106

#### NAUSHERO FEROUZ

##### Nausheroferoz Sub Office

Near Rahil Clinic, Main Road,  
Nausheroferoz

#### QUETTA

##### Quetta Shaheen Branch

Suite No. 11 & 12, 2nd floor, Institute  
of Engineering  
Zarghoon Road, Quetta  
Tel: (081) 2829822, 2823913

##### Zarghoon Road Branch

Main Jinnah Road Opp. Indus Bank,  
1st Floor,  
Optic World Corner Building, Quetta  
Tel: (081) 2840877

#### SUKKUR

##### Station Road Branch 1 & 2

1st Floor, Lala Azam Plaza, Opp. Excise  
Office,  
Station Road, Sukkur.  
Tel: (071) 5612056,  
5614515, 5614261  
Fax: (071) 5613375

#### TANDO ADAM (SUB OFFICE)

H, A246/1 Shah Faisal Street,  
Near Fatima Jinnah Girls High School

#### EMPLOYEES BENEFIT SERVICES

Karachi : NJI Life Building, 74/1-A, Lalazar, M.T. Khan Road, Karachi-74000 Tel: (021) 5611071-5, Ext. 2263 Fax: (021) 5612314  
Lahore : Davis Road Branch, 16/2, 2nd Floor, KSB Pumps Building, Sir Aga Khan Road, Lahore. Tel: (042) 6308963 Fax: (042) 6308963  
Faisalabad : Satiانا Road Branch, 1st Floor-721, Batala Colony, Satiانا Road, Faisalabad. Tel: (041) 8712006, 8733179, 8717337, 8720984, 8714256, 8720487 Fax: (041) 8710101  
Rawalpindi : Murree Road Branch, B-DD-83, 1st Floor, Minhas Shopping Plaza, Shamsabad, Murree Road, Rawalpindi. Tel: (051) 4575210 Fax: (051) 4575209

## New Jubilee life Insurance Company Limited

Head Office

74/1-A, Lalazar, M.T. Khan Road, Karachi-74000,  
Tel: (021) 5611071-5, 5611802-8 Fax:(021) 5610959

### Northern Region

#### ABBOTABAD

##### Mansehra Road Branch

Civic Shopping Center, Near Muqadas Power  
Post Office Ayub Medical Complex,  
Mandian  
Abbotabad

#### BAHAWALPUR

##### Bahawalpur Branch

1st Floor, Adil Complex,  
Opp. Circuit House Ahmed Pur Road,  
Bahawalpur  
Tel (062) 2877326, 2877682  
Fax: (062) 4573397

#### FAISALABAD

##### Satiana Road Branch

721-B, 1st Floor, - Batala Colony,  
Satiana Road, Faisalabad.  
Tel: (041) 8733179, 8720984,  
8714256, 8720487  
Fax: (041) 710101

#### GUJRANWALA

##### G.T. Road Branch

3rd floor Zaheer Plaza, GT Road  
Gujranwala  
Tel: (0553) 736611-13

#### GUJRAT

##### Chenab Branch Gujrat Sub Office(Faisalabad)

Ground Floor, Ittefaq Plaza, Jinnah Road, Gujrat.  
Tel: (0433) 525115

#### ISLAMABAD

##### Jinnah Avenue Branch – 1 & 2

D-26, 3rd Floor, Kashmir Plaza, Jinnah Avenue,  
Islamabad.  
Tel: (051) 2206930-6  
Fax: (051) 2825372

#### JEHLUM

##### Sub Office (Muree Road)

1st Floor, Flat No. 9, Soilder Plaza,  
Civil Lines, Jhelum  
Tel: (0544) 614582,  
Fax: (0544) 614528

#### KOTLI

##### Pindi Road Branch

2nd Floor, Gulistan Plaza, Pindi Road,  
Kotli, Azad Kashmir.  
Tel: (058660) 44475  
Fax: (058660) 43553

#### LAHORE

##### Davis Road Branch

16/2, 2nd Floor, KSB Pumps Building,  
Sir Aga Khan Road, Lahore.  
Tel: (042) 6308957-59  
Fax: (042) 6308963

##### Sir Aga Khan Road Branch – 1 & 2

16/2, 2nd Floor, KSB Pumps Building,  
Sir Aga Khan Road, Lahore.  
Tel: (042) 6308956-60  
Fax: (042) 6308963

##### Shadman Branch

175 Gen. Sarfaraz Khan Road  
Shadman Colony 2, Lahore.  
Tel: (042) 7532139, 7562705-6-7,  
7582854  
Fax: (042) 7532246

#### MIRPUR (AZAD KASHMIR)

##### Allama Iqbal Road Branch

Plot No.629, 1st floor, Sector B-1,  
Bank Square  
Allama Iqbal Road, Mirpur AJK  
Tel : (058610) 45802-5

#### MULTAN

##### Abdali Road Branch – 1 & 2

NIPCO House, 63-A,  
Abdali Road, Multan  
Tel: (061) 4573301, 02, 05  
Fax: (061) 4573397

#### MUZAFFARABAD

##### Sub Office (Kotli)

7 to 11 Building, 2nd Floor, Mir Waaize Kashmir Road  
Opp: C.M.H. , Muzzafarabad  
Tel: (058810) 45041

#### PESHAWAR

##### University Road Branch

B - 501 - 502, City Tower,  
University Road, Peshawar.  
Tel: (091) 5850520-22  
Fax: (091) 5842449

##### Cantt. Road Branch

2nd Floor, Block A, Office no. I,  
Cantonment Plaza,  
Fakhr-e-Alam Road, Peshawar Cantt.  
Tel: (091) 5270588,  
5270599, 5270565-6  
Fax: (091) 5273656

#### RAHIM YAR KHAN

##### Shahi Road Branch

White Palace Hotel,  
1st Floor, City Centre,  
Shahi Road, Rahim Yar Khan.  
Tel: (068) 5887601-4  
Fax: (068) 5887602

#### RAWALPINDI

##### Haider Road Branch

2nd Floor, Hall no. 3, Bilal Plaza  
Grindlay's Market, Haider road,  
Rawalpindi cantt.  
Tel# 051-5111336, 5112581-4 Fax #  
051-5111336

##### Shamsabad Branch

DD-83, 1st Floor, Minhas Shopping Plaza Shamsabad,  
Murree Road, Rawalpindi.  
Tel: (051) 4575201-4  
Fax: (051) 4575209

#### SARGODHA

##### Club Road Sub Office (Faisalabad)

405 Club Road,  
Opp. Cantonment Board,  
Sargodha  
Tel: (048) 3725467

#### SIALKOT

##### Paris Road Branch

2nd Floor, Al-Amin Centre,  
Opp. Sialkot Chamber of Commerce & Industry, Paris Road  
Tel: (052) 4264687-8  
Fax: (052) 4265041

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