

SECURE

Life



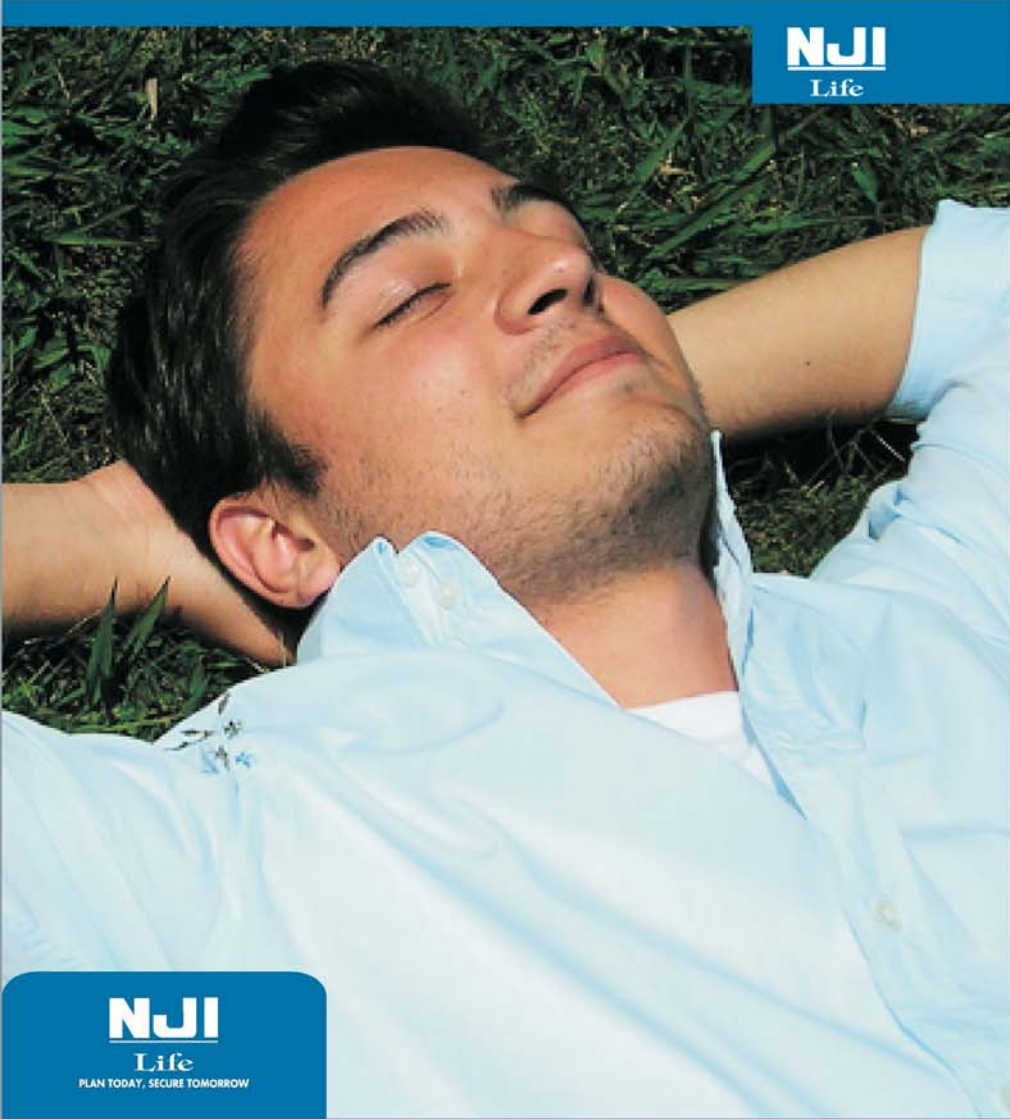
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You may think this is only needed for the next.

Secure

term

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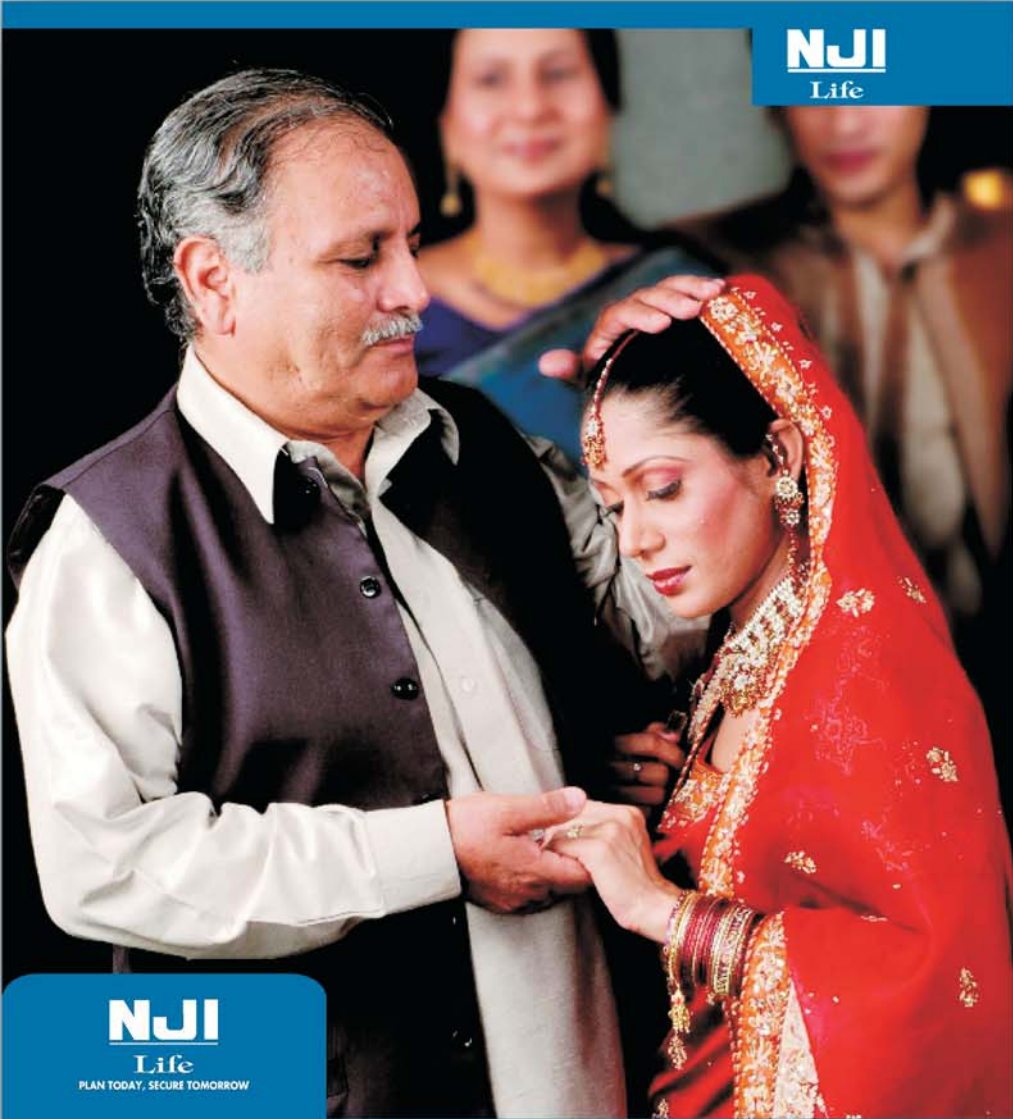
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and Exchange Commission of Pakistan



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especially designed for customers greater than 45 years of age

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CORPORATE *information*

BOARD OF DIRECTORS

Masood Noorani	Chairman
Javed Ahmed	Chief Executive Officer / Managing Director
Towfiq H. Chinoy	Director
Sultan Allana	Director
Shahid Mahmood Loan	Director
Xavier Gwenael Lucas	Director
John Joseph Metcalf	Director

COMPANY SECRETARY

Manzoor Ahmed

BOARD COMMITTEES

AUDIT

Towfiq H. Chinoy	Chairman
Shahid Mahmood Loan	Members
John Joseph Metcalf	Member
Xavier Gwenael Lucas	Member

FINANCE

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

HUMAN RESOURCE

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

TECHNICAL

John Joseph Metcalf	Chairman
Javed Ahmed	Member
Xavier Gwenael Lucas	Member

MANAGEMENT COMMITTEES

CLAIMS

Javed Ahmed	Chairman
Manzoor Ahmed	Member
Zahid Barki	Member/Secretary

REINSURANCE

Javed Ahmed	Chairman
Zahid Barki	Member
Jabran Noor	Member/Secretary

UNDERWRITING

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

MANAGEMENT

Javed Ahmed
Manzoor Ahmed
Syed Ali Ameer Rizvi
Faisal Shahzad Abbasi
Mohammed Sohail Fakhar
Zahid Barki
Faisal Qasim
Jabran Noor
Munawar Khalil Shah

Chief Executive Officer / Managing Director
Chief Financial Officer
Sales and Marketing - Individual Life
Sales and Marketing - Bancassurance
Sales and Marketing - Group
Customer Service
Information Technology
Actuarial
HR and Administration

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

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Sir Aga Khan Road, Lahore
Ph:(0096)(42)6308956-65
Fax:(0096)(42)6308963

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

LEGAL ADVISORS

Kabraji & Talibuddin
Advocate & Legal Counsellors
64-A/I, Gulshan-e-Faisal, Bath Island, Karachi-75530
Ph: (0096) (21) 5838874, 5838876 Fax: (0096) (21) 5838871
E-mail:kandt@kandtlaw.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

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

BANKERS

HBL Bank Limited
Standard Chartered Bank (Pakistan) Limited

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.

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, 2007 together with Auditor's Report thereon.

Business review

The Company has achieved good progress during the year 2007. An overview of the results as compared with the performance of 2006 is given below:

	<u>2007</u> (Rs. In million)	<u>2006</u>	<u>Increase</u>
Gross premium income	2,978.9	2,291.2	30%
Net premium income	2,777.1	2,077.6	34%
Investment & other income	749.2	342.0	119%
Net claims	1,001.0	627.8	59%
Movement in Policyholders' liability	1,628.1	1,197.8	36%
Management expenses	726.5	477.7	52%
Profit before tax	150.0	94.8	58%
Profit after tax	125.5	82.7	52%

Sector-wise Performance

The growth of premium (net of reinsurance) in all sectors of the business remained satisfactory as indicated below:

	<u>2007</u> (Rs. In million)	<u>2006</u>	<u>Increase</u>
Individual Life Unit Linked	2,090.9	1,562.8	34%
Conventional (Group Life & Term)	462.1	344.3	34%
Group Pension	51.7	41.8	24%
Accident & Health	172.4	128.7	34%

Investments

Gross investment income including unrealized gain / (loss) for the year stood at Rs. 751.5 million (2006: Rs. 342.8 million), an increase of 119%. Out of this amount, Rs. 658.9 million (2006: Rs. 258.8 million) belongs to Policyholders' linked funds and the balance of Rs. 92.6 million (2006: Rs. 84.0 million) belongs to non-linked funds.

Earning per share

The earning per share for the year was Rs. 2.00 (2006: Rs. 1.32), an increase of 52%.

Dividend

The Board has recommended cash dividend of 5% (Rs. 0.50 per share), subject to approval of the shareholders of the Company in the Annual General Meeting. The impact of this dividend declaration will be shown in the next year's financial statements and appropriations. This will be the second consecutive dividend of 5% in the Company's twelve 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 1st January, 2004. As at 31 December, 2002, the financial position of the company was as under:

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 September, 2003. Since then, with the dedicated efforts of the Directors, Senior Management and all other staff members, the financial condition of the Company has improved considerably. The shareholders' equity on December 31, 2007 stood at Rs. 481.228 million.

Board of Directors

During the year 2007, five meetings of the Board of Directors were held. The number of meetings attended by each Director is as follows:

Name of Directors	No. of meetings attended
Masood Noorani	5
Javed Ahmed	5
Towfiq H. Chinoy	5
Sultan Allana	3
Shahid Mahmood Loan	4
Xavier Gwenael Lucas	4
John Joseph Metcalf (Appointed on 19 February, 2007)	5

Audit Committee

The Board Audit Committee functions in accordance with the Code of Corporate Governance. The following non-executive Directors served on the Committee during the year 2007:

Towfiq H. Chinoy	Chairman
Xavier Gwenael Lucas	Member
John Joseph Metcalf (appointed on 21 March, 2007)	Member
Shahid Mahmood Loan (appointed on 24 October, 2007)	Member

The Audit Committee held four meetings during the financial year 2007. 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.

The Internal Audit Function

Until now, the internal audit function has been performed by an in-house team under the leadership of a Senior Chartered Accountant. With a view to further strengthen this function and introduce a full fledged Risk Based Audit, the Directors have now appointed Messrs. Ford Rhodes Sidat Hyder & Company as Internal Auditors.

Compliance with Listing Regulations

The Statement of Compliance with the best practices of Corporate is annexed on page 14 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.
- The pattern of shareholding and the information regarding trading in the shares of the company by Directors, CEO, CFO, Company Secretary, Appointed Actuary, Executives and their spouses and minor children is shown on page 57.

The Key Operating and Financial Information

Key operating and financial data for the last six years have been summarized and shown on page 12 of this report.

Statement of Ethics and Business Practices

The Statement of Ethics and Business Practices adopted by the Board has been signed by all the Directors, Executives and the employees of the Company.

Investment in Retirement Benefits

The value of investments made by the staff retirement funds, operated by the Company, as per their respective unaudited financial statements as at 31 December, 2007 are as follows:

Provident Fund	Rs. 32.255 million
Gratuity Fund	Rs. 17.313 million

Material Changes

There have been no material changes since December 31, 2007 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. Chartered Accountants, 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 as Auditors for the year 2008, and the Board endorses this recommendation.

Key Operating and Financial Highlights

Six Years Summary	2007	2006	2005	2004	2003	2002
Gross Premium	2,978,851	2,291,224	1,379,371	1,091,297	780,091	547,577
Revenue and P&L Account						
Premium - net of reinsurance	2,777,076	2,077,593	1,202,432	962,199	680,826	442,972
Net Investment income	697,987	282,182	336,401	93,721	76,145	109,996
Total inflow	3,475,063	2,359,775	1,538,833	1,055,920	756,971	552,968
Total outgo	3,348,463	2,298,310	1,497,794	1,072,260	769,466	559,689
Profit before tax per P&L Account	150,028	94,798	56,828	36,668	44,131	(1,927)
Income Tax (expense) / credit	(24,572)	(12,143)	(14,755)	12,480	(3,428)	-
Profit after tax per P&L Account	125,456	82,655	42,073	49,148	40,703	(1,927)
Balance Sheet						
Investments including deposits	5,238,067	3,552,733	2,410,559	1,511,055	980,018	628,425
Other assets	531,719	415,207	235,395	256,194	279,047	100,565
Fixed assets	82,029	73,780	81,170	82,090	28,296	22,226
Total assets	5,851,815	4,041,720	2,727,124	1,849,339	1,287,361	751,216
Issued, subscribed and Paid up capital	627,120	627,120	627,120	627,120	627,120	402,000
Accumulated surplus /(deficit)	(145,892)	(270,348)	(326,407)	(373,480)	(412,628)	(369,925)
Statutory funds	4,967,990	3,318,280	2,103,778	1,362,920	920,145	553,260
Other liabilities	402,597	366,668	322,633	232,779	152,724	165,881
Total equity & liabilities	5,851,815	4,041,720	2,727,124	1,849,339	1,287,361	751,216
Investors Information						
Earning per share (Rs)	2.00	1.32	0.67	0.78	0.88	(0.22)
Break-up value per share (Rs)	7.67	5.69	4.80	4.04	3.42	0.80
Market value per share (Rs)	70.55	18.50	27.30	24.80	20.05	9.00
Cash dividend per share (Rs)	0.50	0.50	0	0	0	0

Holding Company

The Company is a subsidiary of Aga Khan Fund for Economic Development S.A. Switzerland, who holds 57.87% shares of the Company.

Other Developments**Advancement in IT**

During the year, the Company strengthened its IT capacity to respond to the needs of its growing business. Oracle Financials has been made operative effective from 1st January, 2007.

A unit price calculation system is in the process of installation to be fully functional during 2008.

The Company has introduced on-line connectivity of the Lahore and Islamabad branches with the Head Office for providing them direct access to information relating to the insurance policies.

Expansion of Branch Network

The Company has added five more branches during the year, increasing the number of branches to 52.

Bancassurance

The sale of insurance products through Banks is becoming an increasingly important channel of distribution.

The company has successfully been working with Standard Chartered Bank (Pakistan) Limited for the sale of Bancassurance products through SCB branches since 2003.

In August, 2007, the Company entered into an agreement with HBL Bank Limited for sale of Bancassurance products through HBL branches. The Company also expects good business from this arrangement.

The Company has also recently concluded a similar agreement with Soneri Bank Limited.

Future Outlook

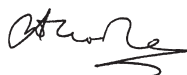
With the growth of the economy, an emerging middle class and increasing demand for life insurance and saving products, there is a good scope for rapid expansion of our business. The company plans to capitalize on this situation by expanding the distribution channels, sales offices and manpower; introducing new products; improving the quality and productivity of its human resource and taking further measures to contain costs.

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 and business partners 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: February 27, 2008

Statement of Compliance with the Code of Corporate Governance

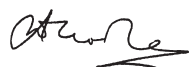
For The Year Ended December 31, 2007

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 NBFI.
5. None of the Directors or their spouses is engaged in business of stock brokerage.
6. The casual vacancy, due to resignation of one director during the year, was 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 & 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 has 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, Company Secretary, Appointed Actuary, Executives and their spouses and minor children 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 the 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 four 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 as required by the Code. The terms of reference of the committee has 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.
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

Karachi: February 27, 2008

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 of Corporate Governance as applicable to the Company for the year ended 31 December, 2007.

Date: February 27, 2008
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 2007 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 2007 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: February 27, 2008
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

Balance Sheet


as at 31 December 2007

Note	Share holders' Fund	Statutory Funds				Aggregate	
		Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2007	2006
(Rupees in '000)							
Share capital and reserves							
	1,000,000	-	-	-	-	1,000,000	1,000,000
Authorised share capital 100,000,000 ordinary shares of Rs. 10 each							
Issued, subscribed and paid-up share capital	627,120	-	-	-	-	627,120	627,120
Accumulated deficit	(145,892)	-	-	-	-	(145,892)	(270,348)
Net shareholders' equity	481,228	-	-	-	-	481,228	356,772
Balance of statutory fund [including policyholders' liabilities Rs. 4,884.3 million (2006: Rs. 3,256.2 million)]	-	4,489,815	226,254	159,805	92,116	4,967,990	3,318,280
Creditors and accruals							
Outstanding claims	-	19,851	155,610	-	25,307	200,768	162,124
Premiums received in advance	-	90,279	6,521	-	6,727	103,527	87,697
Amounts due to other insurers / reinsurers	-	-	2,639	-	117	2,756	2,851
Amounts due to agents	-	24,412	-	-	-	24,412	24,278
Accrued expenses	4,941	45,416	6,209	1,214	2,920	60,700	38,656
Taxation - provision less payments	-	-	-	-	-	-	3,007
Other creditors and accruals	973	6,363	1,169	307	1,064	9,876	5,360
Inter-fund payable	-	-	-	-	-	-	11,339
	5,914	186,321	172,148	1,521	36,135	402,039	335,312
Other liabilities							
Dividend payable	558	-	-	-	-	558	31,356
Total liabilities	6,472	4,676,136	398,402	161,326	128,251	5,370,587	3,684,948
Total equity and liabilities	487,700	4,676,136	398,402	161,326	128,251	5,851,815	4,041,720

Commitments

9

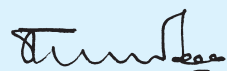
The annexed notes 1 to 32 form an integral part of these financial statements.



Masood Noorani
Chairman



Towfiq H. Chinoy
Director



Shahid M. Loan
Director



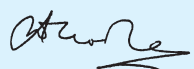
Javed Ahmed
Managing Director &
Chief Executive Officer

Balance Sheet

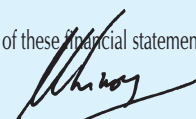
as at 31 December 2007

Note	Share holders' Fund	Statutory Funds				Aggregate	
		Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2007	2006
(Rupees in '000)							
Cash and bank deposits							
Cash and others	1,349	114	22	-	63	1,548	786
Current and other accounts	25,314	296,551	9,402	18,435	815	350,517	271,170
Deposits maturing within 12 months	115,000	1,477,000	84,000	60,000	21,000	1,757,000	1,235,000
	141,663	1,773,665	93,424	78,435	21,878	2,109,065	1,506,956
Unsecured advances to employees	3,718	-	-	-	-	3,718	3,285
Investments							
Government securities - gross	140,871	129,098	197,869	-	52,750	520,588	571,127
Other fixed income securities	1,512	501,572	-	-	-	503,084	496,965
Listed equities and closed-end mutual funds - gross	103,044	1,532,668	5,015	48,390	-	1,689,117	1,159,167
Open-end mutual funds	-	682,227	56,000	33,509	25,025	796,761	123,741
	245,427	2,845,565	258,884	81,899	77,775	3,509,550	2,351,000
Less: Provision for impairment in the value of the investments	(8,938)	-	(17,096)	-	(2,449)	(28,483)	(33,267)
	236,489	2,845,565	241,788	81,899	75,326	3,481,067	2,317,733
Other assets							
Premiums due but unpaid	-	-	43,552	-	28,910	72,462	50,206
Investment income due but outstanding	598	2,655	117	59	-	3,429	2,340
Investment income accrued	2,902	32,991	5,453	748	1,817	43,911	40,934
Amounts due from other insurers / reinsurers	-	10,584	13,290	-	-	23,874	17,477
Taxation - payments less provision	11,684	-	-	-	-	11,684	-
Prepayments	5,345	6,483	300	99	171	12,398	4,281
Sundry receivable	3,272	4,193	478	86	149	8,178	13,389
Inter-fund receivable	-	-	-	-	-	-	11,339
	23,801	56,906	63,190	992	31,047	175,936	139,966
Fixed assets							
Tangible assets							
Furniture, fixtures, office equipments, computers and vehicles	70,744	-	-	-	-	70,744	68,515
Capital work-in-progress	5,973	-	-	-	-	5,973	3,263
Intangible assets							
Computer software	5,312	-	-	-	-	5,312	2,002
	82,029	-	-	-	-	82,029	73,780
Total assets	487,700	4,676,136	398,402	161,326	128,251	5,851,815	4,041,720

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



Masood Noorani
Chairman



Towfiq H. Chinoy
Director



Shahid M. Loan
Director



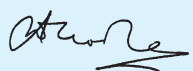
Javed Ahmed
Managing Director &
Chief Executive Officer

Profit and Loss Account

For the year ended 31 December 2007

	Note	2007	2006
(Rupees in '000)			
Investment income not attributable to statutory funds			
Return on Government securities		10,695	7,978
Return on other fixed income securities		2,783	4,603
Amortisation of discount relative to par		69	35
Dividend income		4,883	4,124
		<u>18,430</u>	<u>16,740</u>
Gain on disposal of investments		31,285	40,745
Reversal of provision for impairment in value of investments		1,024	1,425
Total investment income		<u>50,739</u>	<u>58,910</u>
Investment related expenses		(300)	(435)
Net investment income		<u>50,439</u>	<u>58,475</u>
Other revenues			
Gain on disposal of fixed assets		591	1,157
Others		146	143
		<u>737</u>	<u>1,300</u>
Total investment income and other revenue		<u>51,176</u>	<u>59,775</u>
Expenses not attributable to statutory funds	14	(7,148)	(4,977)
Profit before appropriation of surplus to shareholders' fund		44,028	54,798
Surplus appropriated to shareholders' fund from ledger account D	5	106,000	40,000
Profit before tax		<u>150,028</u>	<u>94,798</u>
Taxation	15	(24,572)	(12,143)
Net profit for the year		<u>125,456</u>	<u>82,655</u>
			(Rupees)
Basic and diluted earnings per share	16	<u>2.00</u>	<u>1.32</u>

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



Masood Noorani
Chairman



Towfiq H. Chinoy
Director



Shahid M. Loan
Director



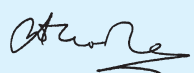
Javed Ahmed
Managing Director &
Chief Executive Officer

Statement of Changes in Equity

For the year ended 31 December 2007

	Note	Share Capital	Net accumulated deficit		Total	
			Accumulated surplus	Capital contribution to statutory funds		Net accumulated deficit
(Rupees in '000)						
Balance as at 01 January 2006		627,120	218,343	(544,750)	(326,407)	300,713
Movement during the year						
Net profit for the year		-	82,655	-	82,655	82,655
Interim dividend @ Rs. 0.5 per share (2005: Rs. Nil)		-	(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
Balance as at 31 December 2006		627,120	269,642	(539,990)	(270,348)	356,772
Movement during the year						
Net profit for the year		-	125,456	-	125,456	125,456
Capital contributed to statutory funds		-	-	(1,000)	(1,000)	(1,000)
Balance as at 31 December 2007		627,120	395,098	(540,990)	(145,892)	481,228

The annexed notes 1 to 32 form 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

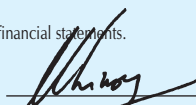
Cash Flow Statement

For the year ended 31 December 2007


Note	Share holders' Fund	Statutory Funds				Aggregate	
		Individual Life (Unit Linked)	Conventional business	Group Pension	Accident & Health	2007	2006
(Rupees in '000)							
Operating cash flows							
a) Underwriting activities							
Premiums received	-	2,163,335	594,414	51,634	163,042	2,972,425	2,330,160
Reinsurance premiums paid	-	(38,802)	(163,016)	-	(53)	(201,871)	(306,405)
Claims paid	-	(56,288)	(423,673)	(53,382)	(110,636)	(643,979)	(446,406)
Surrenders paid	-	(485,465)	-	-	-	(485,465)	(293,819)
Reinsurance and other recoveries received	-	26,623	134,057	-	-	160,680	153,292
Commissions paid	-	(350,706)	(10,705)	-	(2,764)	(364,175)	(228,746)
Commissions received	-	7,630	466	-	-	8,096	6,676
Net cash flow from underwriting activities	-	1,266,327	131,543	(1,748)	49,589	1,445,711	1,214,752
b) Other operating activities							
Income tax paid	(39,263)	-	-	-	-	(39,263)	4,851
General management expenses paid	(2,276)	(249,676)	(45,630)	(2,543)	(16,879)	(317,004)	(227,991)
Other operating payments	-	(6,430)	(224)	-	-	(6,654)	(11,384)
Other operating receipts	4,858	2,973	457	66	649	9,003	9,998
Loans advanced	(433)	-	-	-	-	(433)	(2,339)
Inter fund transactions	(37,166)	55,947	6,724	(20,539)	(4,966)	-	-
Net cash flow from other operating activities	(74,280)	(197,186)	(38,673)	(23,016)	(21,196)	(354,351)	(226,865)
Total cash flow from all operating activities	(74,280)	1,069,141	92,870	(24,764)	28,393	1,091,360	987,887
Investment activities							
Profit/ Return received	43,959	266,369	28,491	6,158	9,916	354,893	240,813
Dividends received	4,883	55,811	483	2,659	-	63,836	55,676
Payments for investments	(63,636)	(1,091,464)	(92,225)	(41,552)	(48,087)	(1,336,964)	(1,099,422)
Proceeds from disposal of investments	49,435	305,112	27,052	71,448	14,353	467,400	263,517
Fixed capital expenditure	(40,517)	-	-	-	-	(40,517)	(23,327)
Proceeds from disposal of fixed assets	2,101	-	-	-	-	2,101	1,570
Total cash flow from investing activities	(3,775)	(464,172)	(36,199)	38,713	(23,818)	(489,251)	(561,173)
Financing activities							
Capital payments received by statutory funds	(1,000)	-	-	1,000	-	-	-
Surplus appropriated to shareholders' fund	106,000	-	(70,000)	-	(36,000)	-	-
Total cash flow from financing activities	105,000	-	(70,000)	1,000	(36,000)	-	-
Net cash inflow from all activities	26,945	604,969	(13,329)	14,949	(31,425)	602,109	426,714
Cash and cash equivalent at beginning of the year	19	114,718	1,168,696	106,753	63,486	1,506,956	1,080,242
Cash and cash equivalent at end of the year	19	141,663	1,773,665	93,424	78,435	2,109,065	1,506,956
Reconciliation to profit and loss account							
Operating cash flows						1,091,360	987,889
Depreciation expense						(29,214)	(25,407)
Amortisation expense						(2,012)	(1,151)
Financial charges						-	1,008
Profit on disposal of fixed assets						591	1,157
Increase in assets other than cash						36,400	32,612
(Increase) / decrease in liabilities other than running finance						(1,920,532)	(1,320,051)
Revaluation gain on investments						314,756	8,819
Investment income						399,961	295,760
Other income						1,546	552
Surplus of statutory funds						126,600	61,467
Surplus appropriated to shareholders fund						106,000	40,000
Profit after taxation						125,456	82,655

The annexed notes 1 to 33 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 2007

	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2007	2006
	(Rupees in '000)					
Income						
Premiums less reinsurances	2,090,902	462,114	51,635	172,425	2,777,076	2,077,593
Net investment income	635,862	31,761	19,129	11,235	697,987	282,182
Total net income	2,726,764	493,875	70,764	183,660	3,475,063	2,359,775
Claims and expenditures						
Claims net of reinsurance recoveries	512,133	318,853	53,382	116,644	1,001,012	627,801
Management expenses less recoveries	638,736	57,217	2,978	20,410	719,341	472,712
Total claims and expenditures	1,150,869	376,070	56,360	137,054	1,720,353	1,100,513
Excess of income over claims and expenditures	1,575,895	117,805	14,404	46,606	1,754,710	1,259,262
Add : Policyholders' liabilities at beginning of the year	2,904,994	149,454	139,347	62,434	3,256,229	2,058,432
Less : Policyholders' liabilities at end of the year	4,477,740	179,771	156,254	70,574	4,884,339	3,256,229
(Deficit) / surplus	3,149	87,488	(2,503)	38,466	126,600	61,465
Movement in policyholders' liabilities	1,572,746	30,317	16,907	8,140	1,628,110	1,197,797
Transfers to shareholders' fund						
- Surplus appropriated to shareholders' fund	-	(70,000)	-	(36,000)	(106,000)	(40,000)
- Capital returned to shareholders' fund	-	-	-	-	-	(34,760)
- Capital contributions from shareholders' fund	-	-	1,000	-	1,000	30,000
Net transfer (to) / from shareholders' fund	-	(70,000)	1,000	(36,000)	(105,000)	(44,760)
Balance of statutory funds at beginning of the year	2,913,920	178,449	144,401	81,510	3,318,280	2,103,778
Balance of statutory funds at end of the year	4,489,815	226,254	159,805	92,116	4,967,990	3,318,280
Represented by: (Note 5)						
Capital contributed by shareholders' fund	519,328	-	21,662	-	540,990	539,990
Policyholders' liabilities	4,477,740	179,771	156,254	70,574	4,884,339	3,256,229
Retained earnings on other than participating business	(507,253)	46,483	(18,111)	21,542	(457,339)	(477,939)
Balance of statutory funds	4,489,815	226,254	159,805	92,116	4,967,990	3,318,280

The annexed notes 1 to 32 form 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

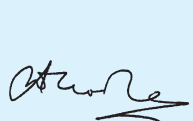
Statement of Premiums

For the year ended 31 December 2007

	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2007	2006
(Rupees in '000)						
Gross premiums						
Regular premium individual policies*						
First year	444,899	1,141	-	2,545	448,585	274,131
Second year renewal	213,564	1,021	-	-	214,585	179,038
Subsequent years renewal	557,367	1,090	-	-	558,457	426,221
Single premium individual policies	913,874	9	-	1,379	915,262	723,635
Group policies with cash values	-	-	51,635	-	51,635	41,761
Group policies without cash values	-	621,657	-	168,670	790,327	646,438
Total gross premiums	2,129,704	624,918	51,635	172,594	2,978,851	2,291,224
Less: reinsurance premiums ceded						
On individual life first year business	(9,675)	(463)	-	-	(10,138)	(8,265)
On individual life second year business	(6,056)	395	-	-	(5,661)	(5,824)
On individual life renewal business	(23,071)	(1,094)	-	-	(24,165)	(19,624)
On single premium individual policies	-	(2)	-	(169)	(171)	(80)
On group policies	-	(161,640)	-	-	(161,640)	(179,838)
	(38,802)	(162,804)	-	(169)	(201,775)	(213,631)
Net premiums	2,090,902	462,114	51,635	172,425	2,777,076	2,077,593

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

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



Masood Noorani
Chairman



Towfiq H. Chinoy
Director



Shahid M. Loan
Director



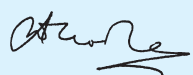
Javed Ahmed
Managing Director &
Chief Executive Officer

Statement of Claims

For the year ended 31 December 2007

	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2007	2006
	(Rupees in '000)					
Gross claims						
Claims under individual policies						
by death	49,895	640	-	-	50,535	50,178
by insured event other than death	276	-	-	1,451	1,727	1,330
by surrender	485,464	-	-	-	485,464	293,819
Total gross individual policy claims	535,635	640	-	1,451	537,726	345,327
Claims under group policies						
by death	-	406,191	-	-	406,191	283,347
by insured event other than death	-	5,799	-	112,370	118,169	74,680
by maturity	-	-	3,462	-	3,462	493
by surrender	-	-	49,920	-	49,920	20,934
experience refund	-	49,798	-	2,823	52,621	61,998
Total gross group policy claims	-	461,788	53,382	115,193	630,363	441,452
Total gross claims	535,635	462,428	53,382	116,644	1,168,089	786,779
Less: reinsurance recoveries						
On individual life first year business claims	(2,075)	-	-	-	(2,075)	(7,093)
On individual life second year business claims	(748)	(400)	-	-	(1,148)	2,355
On individual life renewal business claims	(17,833)	-	-	-	(17,833)	(13,246)
On group life claims	-	(119,503)	-	-	(119,503)	(115,639)
On experience refund of premiums	(2,846)	(23,672)	-	-	(26,518)	(25,355)
	(23,502)	(143,575)	-	-	(167,077)	(158,978)
Net claims	512,133	318,853	53,382	116,644	1,001,012	627,801

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



Masood Noorani
Chairman



Towfiq H. Chinoy
Director



Shahid M. Loan
Director



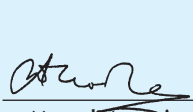
Javed Ahmed
Managing Director &
Chief Executive Officer

Statement of Expenses

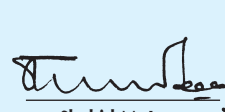
For the year ended 31 December 2007

Note	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2007	2006
(Rupees in '000)						
Acquisition costs						
Remuneration to insurance intermediaries on individual policies:						
- Commission on first year premiums	246,053	312	-	-	246,365	129,751
- Commission on second year premiums	20,569	102	-	-	20,671	20,144
- Commission on subsequent renewal premiums	13,952	27	-	-	13,979	7,876
- Commission on single premiums	18,032	1	-	276	18,309	16,390
	298,606	442	-	276	299,324	174,161
Remuneration to insurance intermediaries on group policies:						
- Commission	-	10,190	-	2,489	12,679	6,506
Branch overheads:						
- Salaries, allowance and other benefits	129,030	7,534	448	1,346	138,358	96,807
- Charge for defined benefit plan	905	3	-	-	908	1,409
- Contribution to defined contribution plan	1,710	5	-	-	1,715	2,254
- Overriding commission	52,306	-	-	-	52,306	42,840
	183,951	7,542	448	1,346	193,287	143,310
Other acquisition costs:						
- Policy stamps	8,364	87	2	18	8,471	5,833
	490,921	18,261	450	4,129	513,761	329,810
Administration expenses						
Salaries, allowance and other benefits	40,898	10,848	283	5,188	57,217	46,394
Charge for defined benefit plan	1,517	713	22	230	2,482	846
Contribution to defined contribution plan	1,810	743	36	287	2,876	1,478
Travelling expenses	5,757	1,375	45	445	7,622	4,974
Auditors' fees	850	250	21	71	1,192	1,035
Actuary's fees	2,400	705	58	201	3,364	3,426
Medical fees	2,557	650	26	189	3,422	2,760
Advertisements	4,150	782	82	278	5,292	667
Computer expenses	-	-	-	-	-	931
Printing and stationery	8,281	2,169	709	1,241	12,400	9,197
Depreciation	24,595	3,015	385	895	28,890	25,075
Amortisation	1,434	354	51	120	1,959	1,151
Rental	9,970	4,391	175	1,585	16,121	10,862
Legal and professional charges	12,302	554	43	149	13,048	1,856
Supervision fees	2,141	628	52	179	3,000	2,300
Utilities	4,096	1,875	75	672	6,718	4,093
Entertainment	752	376	8	107	1,243	573
Vehicle running	2,419	1,843	49	528	4,839	4,083
Repairs and maintenance	2,935	1,458	64	513	4,970	4,101
Bank charges and brokerage	5,127	601	23	172	5,923	3,664
Training expenses	935	305	13	100	1,353	499
Postages, telegrams and telephone	4,943	2,293	138	699	8,073	5,920
Staff welfare	12,483	1,739	72	584	14,878	10,996
General insurance	2,026	216	84	79	2,405	1,937
Doubtful debts	-	1,421	-	1,721	3,142	-
Miscellaneous expenses	1,065	119	14	48	1,246	761
	155,443	39,423	2,528	16,281	213,675	149,579
Gross management expenses	646,364	57,684	2,978	20,410	727,436	479,389
Commission from reinsurers	(7,628)	(467)	-	-	(8,095)	(6,677)
Net management expenses	638,736	57,217	2,978	20,410	719,341	472,712

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


Masood Noorani
Chairman


Tawfiq H. Chinoy
Director


Shahid M. Loan
Director

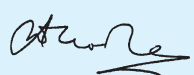

Javed Ahmed
Managing Director &
Chief Executive Officer

Statement of Investment Income

For the year ended 31 December 2007

	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2007	2006
(Rupees in '000)						
Investment income						
- Government securities	16,600	16,830	3,274	4,317	41,021	48,866
- Other fixed income securities and deposits	194,417	13,968	6,362	5,841	220,588	131,433
- Dividends	55,811	483	2,659	-	58,953	51,552
- Gain / (loss) on sale of investments	68,271	(2,302)	504	25	66,498	45,674
- Amortisation of premium	-	(712)	-	(382)	(1,094)	(1,043)
- Unrealized gain / (loss) on investments	304,550	-	6,444	-	310,994	8,913
- Other income	-	-	-	1,400	1,400	408
Total	639,649	28,267	19,243	11,201	698,360	285,803
Provision for impairment in the value of the investments						
- Government securities	-	(71)	-	-	(71)	(974)
- Shares and stocks	-	-	-	-	-	(545)
- Reversal of provisions	-	3,732	-	100	3,832	-
Less: Investment related expenses	(3,787)	(167)	(114)	(66)	(4,134)	(2,102)
Net Investment income	635,862	31,761	19,129	11,235	697,987	282,182

The annexed notes 1 to 32 form 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

For the year ended 31 December 2007

1. STATUS AND NATURE OF BUSINESS

- 1.1 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
- Group Pension
- Accident and Health

- 1.2 The Board of Directors has decided to discontinue Group Pension Fund and accordingly Securities and Exchange Commission of Pakistan and the valued policyholders have been informed. The Group Pension Fund will be discontinued during the year 2008, results of the said Fund are disclosed in these financial statements.
- 1.3 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 approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, Insurance Rules, 2002 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 or directives issued by the Securities and Exchange Commission of Pakistan shall prevail.

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.

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 29.

These financial statements have been presented in Pakistani Rupee, which is the Company's functional and presentation currency. Amounts presented have been rounded off to the nearest thousand.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below.

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 2007.

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 2007.

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 funds, 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, in which case it is recognised in 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 carrying amounts of assets and liabilities for financial reporting purposes and amounts used for the taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted at the balance sheet date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available and the credits can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

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 part 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 represent assets with finite life and 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.

Commission 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 Premium due but unpaid

These are initially recognized at fair value.

Provision for impairment on premium receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Receivables are also analysed as per their aging and accordingly provision is maintained on a systematic basis.

4.12 Cash and cash equivalents

For the purpose 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

4.13 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.

4.14 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.

4.15 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.
- 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. The Board of Directors has decided to discontinue Group Pension Fund and accordingly the SECP and the valued policyholders have been informed. The Group Pension Fund will discontinue during the year 2008, results of the said Fund are disclosed in these financial statements.
- 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

4.16 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.

4.17 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.

4.18 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 declared / approved.

5. MOVEMENT IN EQUITY OF STATUTORY FUND

	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2007	2006
	(Rupees in '000)					
Policyholders' liabilities						
Balance at beginning of the year	2,904,994	149,454	139,347	62,434	3,256,229	2,058,432
Increase during the year	1,572,746	30,318	16,906	8,140	1,628,110	1,197,797
Balance at end of the year	4,477,740	179,772	156,253	70,574	4,884,339	3,256,229
Retained earnings on other than participating business						
Balance at beginning of the year	(510,402)	28,995	(15,608)	19,076	(477,939)	(499,404)
Surplus / (deficit) allocated in respect of the year	3,149	87,488	(2,503)	38,466	126,600	61,465
Surplus appropriated to shareholders' fund	-	(70,000)	-	(36,000)	(106,000)	(40,000)
Balance at end of the year	(507,253)	46,483	(18,111)	21,542	(457,339)	(477,939)
Capital contributed by shareholders' fund						
Balance at beginning of the year	519,328	-	20,662	-	539,990	544,750
Capital contributed during the year	-	-	1,000	-	1,000	30,000
Capital withdrawn during the year - note 5.1	-	-	-	-	-	(34,760)
Balance at end of the year	519,328	-	21,662	-	540,990	539,990

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

2007 (Number of shares in '000)	2006		2007 (Rupees in '000)	2006
62,712	62,712	Ordinary Shares of Rs. 10 each fully paid in cash	627,120	627,120

Aga Khan Fund for Economic Development S.A Switzerland and its nominees held 36,294,894 (2006 : 36,294,894) Ordinary Shares of Rs. 10, each at 31 December 2007.

6.1 Dividend declared subsequent to the year end

Board of Directors in their meeting held on 27 February 2008 have declared dividend of Rs. 0.50 per share (2006: Rs. 0.50 per share) amounting to Rs. 31.356 million (2006: Rs. 31.356 million).

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

	2007 (Rupees in '000)	2006
Accumulated surplus in statement of changes in equity ignoring effect of capital transfers at start of the year	269,642	218,343
Add: Surplus in profit and loss account for the year	125,456	82,655
Interim cash dividends	-	(31,356)
Accumulated surplus in statement of changes in equity ignoring effect of capital transfers at end of the year	395,098	269,642
Accumulated net capital transfers to statutory funds	(540,990)	(539,990)
Total as shown in balance sheet	(145,892)	(270,348)

8. OTHER CREDITORS AND ACCRUALS

	Share holders' Fund	Statutory Funds				Aggregate	
		Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2007	2006
		(Rupees in '000)					
Sundry creditors	973	2,222	76	13	23	3,307	677
Payable to associated undertaking - New Jubilee Insurance Company Limited	-	565	247	86	148	1,046	1,088
Withholding tax payable	-	3,469	675	140	887	5,171	3,554
Zakat payable	-	107	171	68	6	352	41
Payable to gratuity fund - note 8.1	-	-	-	-	-	-	-
	973	6,363	1,169	307	1,064	9,876	5,360

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 2007. Following are the significant assumptions used in the valuation:

	Note	2007	2006
Discount factor used		10%	10%
Expected long term rate of return on plan assets		9%	9%
Salary increase		10%	10%
Normal retirement age		58 years	58 years

8.1.1 Reconciliation of payable to defined benefit plan

		2007	2006
		(Rupees in '000)	
Present value of defined benefit obligation	8.1.2	20,715	15,883
Fair value of plan assets	8.1.3	(17,313)	(14,812)
Net actuarial gain not recognised		(3,402)	(1,071)
		-	-

8.1.2 Movement in present value of defined benefit obligation

Opening balance	15,883	11,987
Current service cost	3,259	2,332
Interest cost	1,588	1,079
(Gain) / loss on defined benefit obligation	2,963	853
Actual benefit paid during the year	(2,978)	(368)
Closing balance	20,715	15,883

8.1.3 Movement in fair value of plan assets

Opening balance	14,812	11,769
Expected return on plan assets	1,333	1,059
Contributions made	3,514	2,352
Benefit paid by the fund	(2,978)	(368)
Actuarial gain on plan assets	632	-
Closing balance	17,313	14,812

8.1.4 Actual return on plan assets

1,965	1,123
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8.1.5 Plan assets consist of the following:

	2007	2006
	(Rupees in '000)	
Balances with banks and financial institutions	2,979	8,181
Pakistan Investment Bonds	5,162	5,133
Mutual Funds	8,718	-
Term Finance Certificates	454	1,498

	17,313	14,812
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8.1.6 Movement in payable to defined benefit plan

Opening balance	-	-
Charge for the year	8.1.7 3,514	2,352
Contribution to fund made during the year	(3,514)	(2,352)
Closing balance	-	-

8.1.7 Charge for defined benefit plan

Current service cost	3,259	2,332
Interest cost	1,588	1,079
Expected return on plan assets	(1,333)	(1,059)
	3,514	2,352

8.1.8 Historical information

	2007	2006	2005	2004	2003
	(Rupees in '000)				
Defined benefit obligation	20,715	15,883	11,987	10,363	7,743
Fair value of plan assets	(17,313)	(14,812)	(11,769)	(10,096)	(8,323)
Surplus / (deficit)	(3,402)	(1,071)	(218)	(267)	580
Experience adjustment on plan liabilities	2,963	853	(15)	846	1,913
Experience adjustment on plan assets	632	-	33	-	387

9. COMMITMENTS

In respect of leased assets:
Not later than one year
Later than one year

	2007	2006
	(Rupees in '000)	
Not later than one year	232	232
Later than one year	387	619
	619	851

10. TERM DEPOSITS

	Share holders' Fund	Statutory Funds				Aggregate	
		Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2007	2006
(Rupees in '000)							
MCB Bank Limited	15,000	-	-	5,000	5,000	25,000	130,000
Bank Alfalah Limited	5,000	108,000	12,000	7,000	-	132,000	125,000
NIB Bank Limited	5,000	376,000	12,000	7,000	-	400,000	125,000
Habib Metropolitan Bank Limited	5,000	133,000	12,000	-	-	150,000	100,000
United Bank Limited	-	110,000	-	5,000	5,000	120,000	100,000
Soneri Bank Limited	5,000	195,000	-	-	-	200,000	100,000
Allied Bank Limited	5,000	76,000	12,000	7,000	-	100,000	80,000
Atlas Bank Limited	5,000	26,000	12,000	7,000	-	50,000	75,000
KASB Bank Limited	40,000	40,000	-	10,000	-	90,000	50,000
ABN AMRO Bank Limited	5,000	108,000	12,000	-	-	125,000	-
J.S. Bank Limited	-	105,000	10,000	5,000	-	120,000	-
The Bank of Punjab	25,000	200,000	2,000	7,000	11,000	245,000	-
Askari Commercial Bank Limited	-	-	-	-	-	-	100,000
PICIC Commercial Bank Limited	-	-	-	-	-	-	100,000
Citi Bank N.A	-	-	-	-	-	-	100,000
Mybank Limited	-	-	-	-	-	-	50,000
	115,000	1,477,000	84,000	60,000	21,000	1,757,000	1,235,000

10.1 This carries mark-up from 8% to 10.75% per annum and maturing within three months.

11. INVESTMENTS

11.1 Government Securities

	Share holders' Fund	Statutory Funds				Aggregate	
		Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2007	2006
(Rupees in '000)							
Held-to-maturity							
10 years Defence Saving Certificates	-	39,346	-	-	-	39,346	95,497
05 years Wapda Bonds	-	20,000	-	-	-	20,000	20,000
20 years Pakistan Investment Bonds	-	-	50,220	-	9,940	60,160	60,164
15 years Pakistan Investment Bonds	9,936	-	-	-	-	9,936	9,933
10 years Pakistan Investment Bonds	-	-	23,524	-	11,762	35,286	36,435
05 years Pakistan Investment Bonds	-	-	24,748	-	-	24,748	24,690
03 years Pakistan Investment Bonds	24,913	-	-	-	-	24,913	24,847
	34,849	59,346	98,492	-	21,702	214,389	271,566
Available-for-sale							
20 years Pakistan Investment Bonds	-	44,881	-	-	-	44,881	44,740
10 years Pakistan Investment Bonds	22,597	-	75,152	-	21,121	118,870	120,909
05 years Pakistan Investment Bonds	73,498	-	-	-	-	73,498	114,059
03 years Pakistan Investment Bonds	9,927	24,871	-	-	9,927	44,725	19,853
01 year T-Bill	-	-	24,225	-	-	24,225	-
	106,022	69,752	99,377	-	31,048	306,199	299,561
	140,871	129,098	197,869	-	52,750	520,588	571,127
Provision for impairment in value of investments	(8,938)	-	(17,096)	-	(2,449)	(28,483)	(32,722)
	131,933	129,098	180,773	-	50,301	492,105	538,405

11.1.1 Particulars of Government Securities as at 31 December 2007

11.1.1 Particulars of Government Securities as at 31 December 2007

Name of the investments	Maturity	Tenor (Years)	Principal payment	Coupon rate p.a. (%)	Coupon payment
Held-to-maturity					
Defence Saving Certificates	May 2009 to January 2010	10 years	On maturity	15	On maturity
Wapda Bonds	March 2008	5 years	On maturity	9.25	Half-yearly
Pakistan Investment Bonds	May 2009 to June 2024	3 - 20 years	On maturity	9-13	Half-yearly
Available-for-sale					
Pakistan Investment Bonds	May 2008 to June 2024	3 - 20 years	On maturity	7-14	Half yearly
Treasury Bill	Feb-2008	1 year	On maturity	8.85	On maturity

The Company has deposited 10 years Pakistan Investment Bond amounting to Rs. 5 million (2006: 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	2007	2006
(Rupees in '000)							
Held-to-maturity							
Certificates of Investments (COIs)	11.2.1	-	-	-	-	-	75,000
Available-for-sale							
Term Finance Certificates (TFCs)	11.2.2	1,512	501,572	-	-	503,084	421,965
		<u>1,512</u>	<u>501,572</u>	<u>-</u>	<u>-</u>	<u>503,084</u>	<u>496,965</u>

11.2.1 Held-to-maturity

Certificate of Investments	Book Value as at		Maturity year	Tenor (Months)	Rate of profit (%)	Profit payment
	31 December 2007	31 December 2006				
Name of Company	(Rupees in '000)					
Individual Life Unit Linked						
*Jahangir Siddiqui Bank Limited	-	25,000	2007	3 months	11.25	On maturity
*Pakistan Industrial Credit & Investment Corporation Limited	-	50,000	2007	3 months	11.50	On maturity
	<u>-</u>	<u>75,000</u>				

*These Certificates of Investment were matured/called by the issuer during 2007.

11.2.2 Available-for-sale - Term finance certificates

	Book Value as at		Maturity year	Tenor (Years)	Rate of profit (%)	Profit payment
	31 December 2007	31 December 2006				
Shareholders' Fund - Cost	(Rupees in '000)					
Standard Chartered Bank (Pakistan) Limited (formerly Union Bank Limited) - (First Issue)	1,512	4,583	2008	5.5 years	12.07	Half-yearly
*Crescent Leasing Company Limited (second issue)	-	2,500	2007	5 years	12.00	Half-yearly
(A)	<u>1,512</u>	<u>7,083</u>				

*This Term Finance Certificate was matured/ called by the issuer during 2007.

The aggregate market value of the above investments as at 31 December 2007 was Rs. 1.530 million (2006 : Rs. 7.150 million).

<i>Individual Life Unit Linked</i>	Market Value / cost as at		Maturity year	Tenor (Years)	Rate of profit (%)	Profit payment
	31 December 2007	31 December 2006				
	(Rupees in '000)					
Allied Bank Limited	53,479	50,165	2014	8 years	11.86	Half-yearly
Pakistan Mobile Communication (Private) Limited	32,381	30,627	2013	7 years	12.81	Half-yearly
United Bank Limited	104,458	100,230	2013	7 years	11.72	Half-yearly
Orix Leasing Company Limited	31,044	30,000	2011	5 years	11.48	Half-yearly
Pakistan International Airlines Corporation Limited	21,874	23,124	2011	8 years	10.00	Half-yearly
Standard Chartered Bank (Pakistan) Limited- second issue (formerly Union Bank Limited)	19,748	19,389	2011	7 years	10.75	Half-yearly
Jahangir Siddiqui & Company Limited (fourth issue)	26,489	25,498	2011	5 years	12.49	Half-yearly
Naimat Baisal Oil & Gas Securitization Company Limited	5,130	7,158	2010	5 years	12.48	Monthly
Jahangir Siddiqui & Company Limited (third issue)	25,854	25,427	2010	5 years	11.72	Half-yearly
MCB Bank Limited	3,014	10,104	2008	5.5 years	11.50	Half-yearly
*Sui Southern Gas Company Limited (second issue)	-	840	2007	5 years	11.50	Half-yearly
*First Dawood Investment Bank Limited	-	5,000	2007	5 years	12.25	Half-yearly
Faysal Bank Limited	25,375	25,000	2014	7 years	11.35	Half-yearly
Bank Al Habib Limited	53,989	50,000	2012	5 years	12.14	Half-yearly
Bank Alfalah Limited	12,382	12,320	2008	6 years	11.17	Half-yearly
Engro Chemicals Pakistan Limited (First Issue)	36,355	-	2008	8 years	11.54	Half-yearly
	451,572	414,882				
Pre-IPO subscription of Engro Chemicals Pakistan Limited -TFCs (Second Issue)	50,000	-	Perpetual		11.76	Half-yearly
(B)	<u>501,572</u>	<u>414,882</u>				
Total available-for-sale investments (A + B)	<u>503,084</u>	<u>421,965</u>				

* These term finance certificates were matured / called by the issuer during 2007.

The aggregate amortised cost of the above investments as at 31 December 2007 was Rs. 482.270 million (2006 : Rs. 412. 963 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	2007	2006	
(Rupees in '000)								
Available-for-sale								
Ordinary shares, units of closed-end mutual funds and open-end mutual funds	11.3.1	103,044	1,532,668	5,015	48,390	-	1,689,117	1,159,167
Less : Provision for impairment in value of investments		-	-	-	-	-	-	(545)
		<u>103,044</u>	<u>1,532,668</u>	<u>5,015</u>	<u>48,390</u>	<u>-</u>	<u>1,689,117</u>	<u>1,158,622</u>

11.3.1 Particulars of listed equities and closed-end mutual funds

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

Shareholders' Fund - at cost	31 December 2007			31 December 2006		
	Number of shares	Cost	Market Value	Number of shares	Cost	Market Value
	(Rupees in '000)			(Rupees in '000)		
Askari Bank Limited (formerly Askari Commercial Bank Limited)	56,863	522	5,672	71,242	983	7,477
Southern Electric Power Company Limited	22,000	283	123	22,000	283	131
Pak Suzuki Motors Company Limited	-	-	-	42,350	2,218	17,787
Fauji Fertilizer Company Limited.	201,697	21,826	23,952	201,697	21,826	21,289
Lucky Cement Company Limited	30,000	3,671	3,495	55,000	6,729	3,295
Kot Addu Power Company Limited	145,000	6,366	7,025	145,000	6,366	5,902
Pakistan Industrial Credit & Investment Corporation	350,000	26,717	20,563	100,000	7,392	6,245
The Bank of Punjab	42,875	3,146	4,193	50,000	5,347	5,063
National Bank of Pakistan	46,000	8,808	10,679	40,000	8,808	8,970
Pakistan Refinery Limited	-	-	-	25,000	5,406	5,411
Hub Power Company Limited	125,000	3,610	3,813	125,000	3,610	3,375
Indus Motors Company Limited	-	-	-	30,500	7,678	7,703
Habib Bank Limited	100	24	24	-	-	-
New Jubilee Insurance Company Limited	30,000	6,121	6,668	-	-	-
Pakistan Oilfields Limited	15,000	5,014	5,016	-	-	-
Oil and Gas Development Company Limited	25,000	2,831	2,986	-	-	-
International Industries Limited	133,000	14,105	18,766	-	-	-
	<u>103,044</u>	<u>112,975</u>		<u>76,646</u>	<u>92,648</u>	

Individual Life Unit Linked - at market value	31 December 2007			31 December 2006		
	Number of shares	Cost	Market Value	Number of shares	Cost	Market Value
	(Rupees in '000)			(Rupees in '000)		
Honda Atlas Car Company Limited	135,000	3,378	7,304	188,700	7,557	10,737
Hub Power Company Limited	1,577,500	52,477	48,114	1,487,500	49,453	40,163
Faysal Bank Limited	2,134,614	84,631	140,778	1,407,691	60,890	85,165
Nishat Mills Limited	358,350	21,005	37,698	383,350	22,474	33,658
Packages Limited	86,436	12,051	31,445	82,320	12,051	17,287
Indus Motor Company Limited	394,500	62,131	125,924	355,000	48,784	69,225
Fauji Fertilizer Company Limited	593,477	36,316	70,475	593,477	36,316	62,641
Pakistan Telecommunication Company Limited	50,000	2,222	2,103	100,000	4,444	4,430
Meezan Bank Limited	408,359	3,766	15,722	408,359	3,767	7,983
Orix Leasing Company Limited	229,550	7,109	6,232	229,550	7,109	5,624
Standard Chartered Modaraba	45,477	1,439	571	43,312	1,439	658
First Habib Modaraba	597,000	5,398	4,836	597,000	5,398	4,119
Oil and Gas Development Company Limited	527,691	59,207	63,033	286,191	30,595	32,826
PICIC Investment Fund	150,500	2,663	1,987	150,500	2,663	2,182
Bank Al-Habib Limited	662,472	29,496	51,143	387,480	21,322	26,542
ABAMCO Composite Fund	1,000,000	10,000	8,100	1,000,000	10,000	8,000
Unilever Pakistan Limited	6,000	8,995	13,680	6,000	8,995	12,000
Millat Tractors Limited	197,160	36,097	53,332	197,160	36,097	55,599
Pakistan Strategic Allocation Fund	1,000,000	10,000	9,100	1,000,000	10,000	8,500
Askari Bank Limited (formerly Askari Commercial Bank Limited)	1,639,492	98,230	163,539	1,087,995	90,680	114,185
ABAMCO Growth Fund	796,117	11,831	10,190	796,117	11,831	10,350
Cherat Cement Company Limited	385,475	20,093	15,303	385,475	20,093	15,804
PICIC Growth Fund	284,000	10,288	8,094	284,000	10,288	7,995
National Bank of Pakistan	422,280	46,050	98,032	457,200	57,069	102,527
MCB Bank Limited	10,580	503	4,231	90,000	4,946	22,149
Kot Addu Power Company Limited	731,500	30,931	35,441	731,500	30,931	29,772
Fauji Fertilizer Bin Qasim Limited	150,000	4,435	6,308	150,000	4,435	4,275
Pak Suzuki Motors Company Limited	179,925	31,395	59,312	77,600	9,167	32,592
Orix Investment Bank Limited	318,000	4,453	3,291	106,000	2,333	2,512
Lucky Cement Company Limited	50,000	4,313	5,825	50,000	4,313	2,995
D.G. Khan Cement Company Limited	162,500	13,873	15,389	247,500	21,164	15,580
Thal Limited	157,690	21,861	44,847	121,300	21,861	19,954
Pakistan Tobacco Company Limited	106,700	12,951	16,592	36,700	2,438	2,606
The Bank of Punjab	152,206	10,012	14,886	258,187	20,119	26,141
Pakistan Oilfields Limited	218,400	72,530	73,033	135,000	44,606	47,216
Pakistan Petroleum Limited	60,500	9,750	14,826	55,000	9,750	12,760
Glaxo SmithKline Pakistan Limited	156,250	16,526	30,063	125,000	16,526	19,731
National Refinery Limited	-	-	-	13,000	3,255	3,367
Bank Alfalah Limited	65,000	1,937	3,491	100,000	3,874	4,180
Pakistan Industrial Credit & Investment Corporation	770,000	54,354	45,238	500,000	32,382	31,225
Soneri Bank Limited	240,000	10,587	10,416	250,000	14,557	11,913
Pakistan Refinery Limited	74,900	16,198	18,714	75,000	16,219	16,236
Allied Bank Limited	50,000	5,374	6,508	-	-	-
International Industries Limited	734,680	85,058	103,663	-	-	-
New Jubilee Insurance Company Limited	3,100	622	689	-	-	-
Century Paper & Board Mills Limited	200,000	16,019	15,230	-	-	-
Hinopak Motors Limited	30,000	17,871	17,940	-	-	-
		<u>1,076,426</u>	<u>1,532,668</u>		<u>832,191</u>	<u>1,043,404</u>
Conventional Business - at cost						
Fauji Fertilizer Company Limited	<u>42,350</u>	<u>5,015</u>	<u>5,029</u>	<u>42,350</u>	<u>5,015</u>	<u>4,470</u>

Group Pension - at market value

	31 December 2007			31 December 2006		
	Number of shares	Cost	Market Value	Number of shares	Cost	Market Value
	(Rupees in '000)			(Rupees in '000)		
Lucky Cement Company Limited	45,000	4,574	5,243	45,000	4,574	2,696
Cherat Cement Company Limited	173,000	7,780	6,868	173,000	7,780	7,093
Kot Addu Power Company Limited	130,000	6,697	6,299	130,000	6,697	5,291
Indus Motor Company Limited	10,000	1,936	3,192	10,000	1,936	1,950
Hub Power Company Limited	235,000	8,071	7,168	125,000	3,610	3,375
The Bank of Punjab	43,725	3,208	4,276	50,000	5,347	5,063
Orix Leasing Company Limited	225,000	5,530	6,109	225,000	5,530	5,513
Pakistan Industrial Credit & Investment Corporation	80,000	5,314	4,700	50,000	3,033	3,121
Oil and Gas Development Company Limited	33,500	4,038	4,000	-	-	-
Pakistan Oilfields Limited	1,600	507	535	-	-	-
	47,655	48,390		38,507	34,102	

11.4 Open-end mutual funds

	Note	Share holders' Fund	Statutory Funds				Aggregate		
			Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2007	2006	
								(Rupees in '000)	
Available-for-sale									
Units of open-end mutual funds	11.4.1	-	682,227	56,000	33,509	25,025	796,761	123,741	

11.4.1 Individual Life Unit Linked - market value

	2007	2006
	(Rupees in '000)	
Unit Trust of Pakistan	48,664	38,974
Pakistan Income Fund	36,574	33,232
Atlas Stock Market Fund	19,340	15,196
AKD Opportunity Fund	12,997	9,530
NAFA Cash Fund	134,327	26,809
United Growth and Income Fund	202,259	-
KASB Liquid Fund	71,514	-
MCB Dynamic Cash Fund	29,026	-
Atlas Income Fund	29,034	-
NAFA Islamic Multi-Asset Fund	48,681	-
NIT Units (National Investment Trust)	49,811	-
	682,227	123,741

The aggregate cost of the above mutual funds as at 31 December 2007 was Rs 610.85 million (2006: Rs. 93.453 million).

Conventional Business - at Cost

United Growth and Income Fund	10,000	-
KASB Liquid Fund	12,000	-
NAFA Cash Fund	10,000	-
MCB Dynamic Cash Fund	12,000	-
Atlas Income Fund	12,000	-
	56,000	-

The aggregate market value of the above mutual funds as at 31 December 2007 was Rs 58.14 million (2006: Rs. nil).

Pension Fund - at Market Value

	2007	2006
	(Rupees in '000)	
United Growth and Income Fund	7,390	-
KASB Liquid Fund	7,388	-
NAFA Cash Fund	8,363	-
MCB Dynamic Cash Fund	5,183	-
Atlas Income Fund	5,185	-
	33,509	-
	33,509	-

The aggregate cost of the above mutual funds as at 31 December 2007 was Rs 32.21 million (2006: Rs. Nil).

Accident & Health Fund - at Cost

United Growth and Income Fund	5,011	-
KASB Liquid Fund	5,000	-
NAFA Cash Fund	5,014	-
MCB Dynamic Cash Fund	5,000	-
Atlas Income Fund	5,000	-
	25,025	-
	25,025	-

The aggregate market value of the above mutual funds as at 31 December 2007 was Rs 26.02 million (2006: Rs. nil).

- 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) -----						
At 1 January 2006						
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	<u>-</u>	<u>12,408</u>	<u>8,592</u>	<u>6,361</u>	<u>43,655</u>	<u>71,016</u>
Year ended 31 December 2006						
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	-	-	(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	<u>-</u>	<u>12,080</u>	<u>6,996</u>	<u>5,307</u>	<u>44,132</u>	<u>68,515</u>
At 31 December 2006						
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	<u>-</u>	<u>12,080</u>	<u>6,996</u>	<u>5,307</u>	<u>44,132</u>	<u>68,515</u>
Year ended 31 December 2007						
Opening net book amount	-	12,080	6,996	5,307	44,132	68,515
Additions	-	6,065	11,456	4,697	12,420	34,638
Disposals (note 12.4)	-	(1,049)	(402)	(36)	(3,808)	(5,295)
Depreciation charge	-	(5,607)	(4,688)	(3,937)	(14,955)	(29,187)
Accumulated depreciation on disposal	-	406	281	36	1,350	2,073
Closing net book value	<u>-</u>	<u>11,895</u>	<u>13,643</u>	<u>6,067</u>	<u>39,139</u>	<u>70,744</u>
At 31 December 2007						
Cost	10,972	59,072	44,743	38,023	80,559	233,369
Accumulated depreciation	(10,972)	(47,177)	(31,100)	(31,956)	(41,420)	(162,625)
Net book amount	<u>-</u>	<u>11,895</u>	<u>13,643</u>	<u>6,067</u>	<u>39,139</u>	<u>70,744</u>
Depreciation rate % per annum	<u>20</u>	<u>20</u>	<u>20</u>	<u>30</u>	<u>20</u>	

12.2 Capital work-in-progress

	2007	2006
(Rupees in '000)		
Opening balance	3,263	7,682
Additions	32,231	9,948
Transfer to tangible assets	(29,521)	(14,367)
Closing balance	<u>5,973</u>	<u>3,263</u>

12.3 Intangible assets

	2007									
	C O S T			A M O R T I S A T I O N				Written down value as at 31 December 2007	Rate of amortisation % per annum	
	As at 1 January 2007	Additions	Disposals	As at 31 December 2007	As at 1 January 2007	Disposals	For the year			As at 31 December 2007
(Rupees in '000)										
Computer software	5,742	5,349	(16)	11,075	3,740	2,039	(16)	5,763	5,312	30

	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	

12.4 Details of disposals of fixed assets

Disposal of fixed assets during 2007 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)						
Office equipment	103	46	57	57	Insurance claim	New Jubilee Insurance Company Limited
Net book value not exceeding Rs. 50,000 each	299	235	64	64	Insurance claim	New Jubilee Insurance Company Limited
Furniture and Fixture	200	90	110	110	Insurance claim	New Jubilee Insurance Company Limited
	99	45	54	54	Insurance claim	New Jubilee Insurance Company Limited
	253	76	177	177	Insurance claim	New Jubilee Insurance Company Limited
Net book value not exceeding Rs. 50,000 each	498	196	302	302	Insurance claim	New Jubilee Insurance Company Limited
Computer Hardware						
Net book value not exceeding Rs. 50,000 each	36	36	-	-	Destroyed	
Computer Software						
Net book value not exceeding Rs. 50,000 each	16	16	-	-	Destroyed	
Motor vehicles	795	358	437	583	Company Policy	Nasir Ali Syed A- 155, Block # 8, Karachi Administration Housing Society, Karachi
	575	230	345	470	Company Policy	Ahsan Qureshi C-64, Block-4 Gulshan-e-Iqbal, Karachi.
	376	219	157	247	Company Policy	Muhammad Shahzad H # 1452/2, F. B. Area, Azizabad, Karachi.
	313	182	131	240	Insurance claim	
	800	360	440	560	Insurance claim	
	2,859	1,349	1,510	2,100		
	4,363	2,089	2,274	2,864		

13. PREMIUM DUE BUT UNPAID

	2007			2006		
	Conventional Business	Accident & health	Total	Conventional Business	Accident & health	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Considered good						
Due from related parties - associates	4,041	-	4,041	2,537	-	2,537
Due from others	39,511	28,910	68,421	23,483	24,186	47,669
Considered doubtful	1,421	1,721	3,142	-	-	-
	<u>44,973</u>	<u>30,631</u>	<u>75,604</u>	<u>26,020</u>	<u>24,186</u>	<u>50,206</u>
Provision for doubtful receivables	(1,421)	(1,721)	(3,142)	-	-	-
Net premium due but unpaid	<u>43,552</u>	<u>28,910</u>	<u>72,462</u>	<u>26,020</u>	<u>24,186</u>	<u>50,206</u>

14. EXPENSES OF SHAREHOLDERS' FUND

	2007	2006
	(Rupees in '000)	
Salaries, allowances and other benefits	3,988	2,859
Charge for defined benefit plan	125	97
Contribution to defined contribution plan	226	166
Travelling expenses	730	654
Advertisement and publicity	21	20
Printing and stationery	259	170
Staff welfare	74	33
Postage, telegram and telephone	32	5
Entertainment	38	3
Vehicle running expenses	88	-
Repair and maintenance	71	32
Training expenses	10	3
Board Meeting and misc.	8	-
Computer expenses	-	7
Utilities	263	139
Rent, taxes and insurance	838	457
Depreciation expense	324	332
Amortisation expense	53	-
	<u>7,148</u>	<u>4,977</u>

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

15. TAXATION

	2007	2006
	(Rupees in '000)	
Current	(28,000)	(14,418)
Prior	3,428	2,275
	<u>(24,572)</u>	<u>(12,143)</u>

15.1 Relationship between tax expense and accounting profit

	2007	2006
Profit before tax	<u>150,028</u>	<u>94,798</u>
Tax at the applicable rate of 35% (2006: 35%)	52,510	33,179
Tax effect of Capital Gain being exempt	(10,950)	(14,261)
Tax effect of Dividend Income being taxable at lower rate	(1,221)	(1,237)
Tax effect of brought forward losses being adjusted	(12,339)	(5,184)
Adjustment of minimum tax paid in previous years	(3,428)	(2,275)
Effect of permanent differences	-	1,921
Tax expense for the year	<u>24,572</u>	<u>12,143</u>

16. BASIC AND DILUTED EARNINGS PER SHARE

	2007	2006
	(Rupees in '000)	
Profit after tax	<u>125,456</u>	<u>82,655</u>
Number of ordinary shares outstanding as at year end	<u>62,712</u>	<u>62,712</u>
Earnings per share basic and diluted	<u>2.00</u>	<u>1.32</u>

17. POLICYHOLDERS' LIABILITIES GROSS OF REINSURANCE

	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conven- tional business	Group Pension	Accident & Health	2007	2006
	(Rupees in '000)					
Actuarial liability relating to future events	4,441,612	118,718	156,195	54,750	<u>4,771,275</u>	3,227,842
Provision for outstanding reported claims payable over a period exceeding twelve months	12,264	3,508	-	-	<u>15,772</u>	10,951
Provision for incurred but not reported claims	35,166	87,262	58	16,038	<u>138,524</u>	100,393
	<u>4,489,042</u>	<u>209,488</u>	<u>156,253</u>	<u>70,788</u>	<u>4,925,571</u>	<u>3,339,186</u>
Net of Reinsurance						
Actuarial liability relating to future events	4,435,221	100,639	156,195	54,562	<u>4,746,617</u>	3,171,116
Provision for outstanding reported claims payable over a period exceeding twelve months	12,264	3,508	-	-	<u>15,772</u>	10,951
Provision for incurred but not reported claims	30,255	75,625	58	16,012	<u>121,950</u>	74,162
	<u>4,477,740</u>	<u>179,772</u>	<u>156,253</u>	<u>70,574</u>	<u>4,884,339</u>	<u>3,256,229</u>

18. AUDITORS' REMUNERATION

	2007	2006
	(Rupees in '000)	
Audit fee	<u>800</u>	768
Limited review, audit of provident and gratuity fund	<u>325</u>	200
Out of pocket expenses	<u>67</u>	67
	<u>1,192</u>	<u>1,035</u>

19. CASH AND CASH EQUIVALENTS

	Note	Share holders' Fund	Statutory Funds				Aggregate	
			Individual Life Unit Linked	Conven- tional business	Group Pension	Accident & Health	2007	2006
			(Rupees in '000)					
Cash at banks in current accounts		-	13	628	-	-	<u>641</u>	3,819
Cash at banks in savings accounts		25,314	296,538	8,774	18,435	815	<u>349,876</u>	267,351
		25,314	296,551	9,402	18,435	815	<u>350,517</u>	271,170
Term deposits maturing within three months	10	115,000	1,477,000	84,000	60,000	21,000	<u>1,757,000</u>	1,235,000
Cash and stamps in hand		1,349	114	22	-	63	<u>1,548</u>	786
		<u>141,663</u>	<u>1,773,665</u>	<u>93,424</u>	<u>78,435</u>	<u>21,878</u>	<u>2,109,065</u>	<u>1,506,956</u>

20. 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:

	2007		2006	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees in '000)			
Managerial remuneration	4,839	21,204	4,258	12,029
Performance bonus	2,000	7,549	2,000	3,200
Commission	-	15,729	-	10,135
Retirement benefits	798	3,243	682	1,936
House rent allowance	2,177	9,510	1,916	5,320
Utilities	484	2,120	426	1,203
Medical	7	436	41	358
Leave passage	500	162	400	295
Termination benefits	-	-	-	-
Others	-	631	-	42
	10,805	60,584	9,723	34,518
Number of persons	1	20	1	11

In addition to the above, Chief Executive is provided with the Company maintained car whereas Executives are provided with Company cars. Fees paid to Directors of the Company for attending various meetings amounted to Rs. Nil (2006:Rs. 0.090 million).

21. 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. Associated undertakings include New Jubilee Insurance Company Limited and Habib Bank Limited being under control of the Parent Company. Other associated undertakings are classified due to common directorship.

The related parties comprises 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	2007	2006
		(Rupees in '000)	
Profit and loss items			
Sale of services - to associates			
New Jubilee Insurance Company Limited	Group insurance premium	261	203
----- do -----	Incurred claims against insurance cover	-	(200)
Pakistan Cables Limited	Group insurance premium	1,410	1,100
----- do -----	Incurred claims against insurance cover	(1,403)	(800)
Tourism Promotion Services (Private) Limited	Group insurance premium	1,019	870
----- do -----	Incurred claims against insurance cover	(300)	(400)
First Micro Finance Bank Limited	Group insurance premium	6,618	3,132
----- do -----	Incurred claims against insurance cover	(4,176)	(2,612)
First International Investment Bank Limited	Group insurance premium	158	305

		2007	2006
		(Rupees in '000)	
International Industries Limited	Group insurance premium	909	833
———— do —————	Incurred claims against insurance cover	(472)	(400)
BOC Pakistan Limited	Group insurance premium	777	251
———— do —————	Incurred claims against insurance cover	(600)	(200)
Habib Bank Limited	Group insurance premium	124,717	144,045
———— do —————	Incurred claims against insurance cover	(134,757)	(84,060)
New Jubilee Insurance Company Limited	Rent of building	13,715	11,224
———— do —————	Premium for general insurance	2,602	2,403
———— do —————	Claims lodged	(2,281)	(1,287)
Noorani Associates	Investment advisory services	3,900	1,800
Key management compensations			
Salaries, allowances and other short term employee benefits		40,914	26,800
Other long term benefits		2,787	2,068
		43,701	28,868
Balance Sheet Items			
Bank Balance and Investment			
Habib Bank Limited	Bank account balance	124,935	112,258
———— do —————	Investment in shares	24	-
International Industries Limited	Investment in shares	117,769	-
New Jubilee Insurance Company Limited	Investment in shares	6,810	-
Receivables from associated companies			
New Jubilee Insurance Company Limited	Claims against general policy	1,881	1,120
First Micro Finance Bank Limited	Group Life Premium	1,794	439
First International Investment Bank Limited	Group Life Premium	-	157
Habib Bank Limited	Group Life Premium	2,247	1,941
Payable to associated companies			
New Jubilee Insurance Company Ltd	General Insurance premium	1,046	1,088
———— do —————	Claims lodged & outstanding	-	200
Pakistan Cables Limited	Claims lodged & outstanding	1,400	600
First Micro Finance Bank Limited	Claims lodged & outstanding	303	107
Habib Bank Limited	Claims lodged & outstanding	24,277	2,907
Tourism Promotion Services	Excess premium received	300	-
BOC Pakistan Limited	Excess premium received	200	-
International Industries Limited	Excess premium received	200	-

21.1 The transactions are entered into on commercial basis.

22. 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:

22.1 Mismatch of interest rate sensitive assets and liabilities / yield / interest rate risk

Effective Yield/ Interest rate	Total	2007									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)											
On-balance sheet financial instruments											
Financial assets											
Cash and others	1,548	-	-	-	-	-	-	-	-	-	1,548
Current and other accounts	350,517	349,877	-	-	-	-	-	-	-	-	640
Deposits maturing within 12 months	1,757,000	737,000	1,020,000	-	-	-	-	-	-	-	-
Unsecured advances to employees	3,718	-	-	-	-	-	-	-	-	-	3,718
Investments - net of provision	3,481,067	-	77,239	21,512	56,582	129,097	71,245	263,649	260,889	114,977	2,485,877
Premiums due but unpaid	72,462	-	-	-	-	-	-	-	-	-	72,462
Investment income due but outstanding	3,429	-	-	-	-	-	-	-	-	-	3,429
Investment income accrued	43,911	-	-	-	-	-	-	-	-	-	43,911
Amounts due from other insurers / reinsurers	23,874	-	-	-	-	-	-	-	-	-	23,874
Inter-fund receivable	-	-	-	-	-	-	-	-	-	-	-
Sundry receivable	8,178	-	-	-	-	-	-	-	-	-	8,178
	5,745,704	1,086,877	1,097,239	21,512	56,582	129,097	71,245	263,649	260,889	114,977	2,643,637
Financial liabilities											
Outstanding claims	200,768	-	-	-	-	-	-	-	-	-	200,768
Amounts due to other insurers / reinsurers	2,756	-	-	-	-	-	-	-	-	-	2,756
Amounts due to agents	24,412	-	-	-	-	-	-	-	-	-	24,412
Accrued expenses	60,700	-	-	-	-	-	-	-	-	-	60,700
Other creditors and accruals	9,876	-	-	-	-	-	-	-	-	-	9,876
Dividend payable	558	-	-	-	-	-	-	-	-	-	558
Inter-fund payable	-	-	-	-	-	-	-	-	-	-	-
	299,070	-	-	-	-	-	-	-	-	-	299,070
On-balance sheet gap	5,446,634	1,086,877	1,097,239	21,512	56,582	129,097	71,245	263,649	260,889	114,977	2,344,567
Off-balance sheet financial instruments											
Commitments	(619)	(19)	(39)	(58)	(116)	(232)	(155)	-	-	-	-
Off-balance sheet gap	(619)	(19)	(39)	(58)	(116)	(232)	(155)	-	-	-	-
Total yield / interest rate risk sensitivity gap		1,086,858	1,097,200	21,454	56,466	128,865	71,090	263,649	260,889	114,977	2,344,567
Cumulative yield / interest rate risk sensitivity gap		1,086,858	2,184,058	2,205,512	2,261,978	2,390,843	2,461,933	2,725,582	2,986,471	3,101,448	1,117,250

		2006									
		Exposed to Yield/ Interest rate risk									
Effective Yield/ Interest rate	Total	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	Non-interest bearing financial instruments
(Rupees in '000)											
On-balance sheet financial instruments											
Financial assets											
		786	-	-	-	-	-	-	-	-	786
	5.4	271,170	267,351	-	-	-	-	-	-	-	3,819
	7.5 - 11.5	1,235,000	200,000	835,000	200,000	-	-	-	-	-	-
		3,285	-	-	-	-	-	-	-	-	3,285
	5.75 - 18	2,317,733	-	125,132	72,415	12,763	95,630	74,713	200,302	372,301	1,249,640
		50,206	-	-	-	-	-	-	-	-	50,206
		2,340	-	-	-	-	-	-	-	-	2,340
		40,934	-	-	-	-	-	-	-	-	40,934
		17,477	-	-	-	-	-	-	-	-	17,477
		11,339	-	-	-	-	-	-	-	-	11,339
		13,389	-	-	-	-	-	-	-	-	13,389
		3,963,659	467,351	960,132	272,415	12,763	95,630	74,713	200,302	372,301	1,193,215
Financial liabilities											
		162,124	-	-	-	-	-	-	-	-	162,124
		2,851	-	-	-	-	-	-	-	-	2,851
		24,278	-	-	-	-	-	-	-	-	24,278
		38,656	-	-	-	-	-	-	-	-	38,656
		5,360	-	-	-	-	-	-	-	-	5,360
		31,356	-	-	-	-	-	-	-	-	31,356
		11,339	-	-	-	-	-	-	-	-	11,339
		275,964	-	-	-	-	-	-	-	-	275,964
On-balance sheet gap		<u>3,687,695</u>	<u>467,351</u>	<u>960,132</u>	<u>272,415</u>	<u>12,763</u>	<u>95,630</u>	<u>74,713</u>	<u>200,302</u>	<u>372,301</u>	<u>1,117,251</u>
Off-balance sheet financial instruments											
Commitments		(851)	(19)	(39)	(58)	(116)	(232)	(232)	(155)	-	-
Off-balance sheet gap		<u>(851)</u>	<u>(19)</u>	<u>(39)</u>	<u>(58)</u>	<u>(116)</u>	<u>(232)</u>	<u>(232)</u>	<u>(155)</u>	<u>-</u>	<u>-</u>
Total Yield/Interest Rate Risk Sensitivity Gap			<u>467,332</u>	<u>960,093</u>	<u>272,357</u>	<u>12,647</u>	<u>95,398</u>	<u>74,481</u>	<u>200,147</u>	<u>372,301</u>	<u>1,117,251</u>
Cumulative Yield/Interest Rate Risk Sensitivity Gap			<u>467,332</u>	<u>1,427,425</u>	<u>1,699,782</u>	<u>1,712,429</u>	<u>1,807,827</u>	<u>1,882,308</u>	<u>2,082,455</u>	<u>2,454,756</u>	<u>2,569,593</u>

23. FOREIGN CURRENCY RISK

As at balance sheet date, there are no financial instruments denominated in foreign currency. Therefore, Company is not exposed to risk from foreign currency exchange rate fluctuation.

24. 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.

25. 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, commission, claim receivable, bank balances and investments. The management monitors exposure to credit risk through regular review of credit exposure and assessing credit worthiness of counter parties.

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

26. 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.

27. CAPITAL MANAGEMENT

The Company's objective is to maintain a strong capital base to continue as a going concern so that it can continue to provide returns to shareholders and to sustain future development of the business. The management closely monitors the return on capital along with the level of distributions to ordinary shareholders.

28. 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 2007, the carrying value of all financial instruments is estimated to approximate their fair value, except investments, the market value exceeded cost by Rs. 514 million (2006: Rs. 214 million) on an aggregate portfolio basis.

29. 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:

29.1 Policyholders' liabilities

29.1.1 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.

29.1.2 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.

29.1.3 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.

29.1.4 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.

29.1.5 Changes in actuarial basis of valuation

The valuation conducted as at 31 December 2007, contains change in the reserving basis for the reserves maintained for Group Life Incurred But Not Reported (IBNR) claims.

The above change in valuation base has resulted in increase in policyholders' liability by Rs. 12.163 million with corresponding impact in the revenue account of the respective statutory funds.

29.2 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.

29.3 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.

30. NUMBER OF EMPLOYEES	2007	2006
	(Numbers)	
Permanent	259	215
Contractual	93	48
	<u>352</u>	<u>263</u>

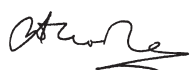
31. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

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:

Revised IAS- 1 Presentation of Financial Statements	effective from accounting period beginning on or after 1 January 2009
Revised IAS 23 - Borrowing costs	effective from accounting period beginning on or after 01 January 2009
IFRIC 9 - Reassessment of embedded derivatives	effective during the year and will be applied together with application of IAS 39
IFRIC 11 - IFRS 2- 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
IFRIC 13 - Customer Loyalty Programmes	effective for accounting period beginning on or after 01 July 2008
IFRIC 14 - IAS 19 - The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction	effective for accounting period beginning on or after 01 January 2008

32. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on February 27, 2008 by the Board of Directors of the Company.



Masood Noorani
Chairman



Towfiq H. Chinoy
Director



Shahid M. Loan
Director



Javed Ahmed
Managing Director &
Chief Executive Officer

Statement of Directors

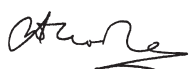
(As per the requirement of section 46(6) and section 52(2)[©] of the Insurance Ordinance, 2000)

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, 2007 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)[©]

- (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 31.12.2007 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: February 27, 2008

Pattern of Holding of the Shares held by the Shareholders

As At 31 December 2007

Number of Shareholders	Shareholding		Total Shares held	Percentage
	From	To		
80	1	100	4011	.0063
750	101	500	325106	.5184
321	501	1000	283165	.4515
466	1001	5000	1368926	2.1828
129	5001	10000	1006660	1.6052
43	10001	15000	537532	.8571
39	15001	20000	694300	1.1071
22	20001	25000	500720	.7984
15	25001	30000	422240	.6733
8	30001	35000	255800	.4078
7	35001	40000	271700	.4332
3	40001	45000	126500	.2017
7	45001	50000	341500	.5445
5	50001	55000	261780	.4174
3	55001	60000	176000	.2806
1	60001	65000	61200	.0975
1	65001	70000	69500	.1108
3	70001	75000	222840	.3553
1	75001	80000	80000	.1275
2	80001	85000	166000	.2647
2	85001	90000	178500	.2846
1	90001	95000	90300	.1439
3	95001	100000	298000	.4751
1	100001	105000	100500	.1602
2	110001	115000	225000	.3587
3	115001	120000	353500	.5636
1	120001	125000	125000	.1993
1	125001	130000	125560	.2002
2	135001	140000	280000	.4464
1	140001	145000	145000	.2312
2	155001	160000	314000	.5007
1	170001	175000	175000	.2790
1	175001	180000	180000	.2870
1	195001	200000	199500	.3181
3	200001	205000	609500	.9719
1	240001	245000	245000	.3906
2	255001	260000	515500	.8220
2	260001	265000	527000	.8403
1	325001	330000	325500	.5190
1	435001	440000	440000	.7016
1	650001	655000	650500	1.0372
1	725001	730000	729500	1.1632
1	895001	900000	900000	1.4351
1	1890001	1895000	1890500	3.0145
1	4030001	4035000	4032766	6.4306
1	5585001	5590000	5590000	8.9137
1	36290001	36295000	36290894	57.8691
1945			62712000	100.0000

Categories of Shareholders

As of 31 December 2007

PARTICULARS	NUMBER OF SHAREHOLDERS	SHAREHOLDING	PERCENTAGE
DIRECTORS, CEO & CHILDREN	8	6060	.0096
ASSOCIATED COMPANIES	3	10062766	16.0459
NIT & ICP	1	500	.0007
BANKS, DFI & NBF1	5	559500	.8921
INSURANCE COMPANIES	3	940500	1.4997
MODARABAS & MUTUAL FUNDS	2	769500	1.2270
GENERAL PUBLIC (LOCAL)	1846	9620040	15.3400
GENERAL PUBLIC (FOREIGN)	8	19460	.0310
OTHERS	61	2329500	3.7146
FOREIGN COMPANIES	4	2110500	3.3653
HOLDING MORE THAN 10%	2	36292394	57.8715
EXECUTIVES	2	1280	.0020
COMPANY TOTAL	1945	62712000	100.0000

Trading in shares by Directors, CEO, CFO & Company Secretary, Appointed Actuary, Executives and their spouses and minor children during the year 2007:

Name	Designation	Transaction	No. of Shares
Mr. Towfiq H. Chinoy	Director	Sale	50,000

Compliance Status of Code of Corporate Governance

Listing Regulation 37 (xix)

Pattern of Shareholding as at 31-12-2007 is given below

FOLIO NO.	NAME OF SHAREHOLDER	CODE HELD	SHARES	%
0000020660	ASSOCIATED COMPANIES/RELATED PARTIES NEW JUBILEE INSURANCE CO. LTD.	02	4,032,766	6.4306
0224600042 0327702102	HABIB BANK LIMITED-TREASURY DIVISION THE AGA KHAN UNIVERSITY FOUNDATION	02 02	5,590,000 440,000	8.9137 0.7016
0000020626	INVESTMENT CORPORATION OF PAKISTAN	03	500	0.0007
	DIRECTORS, CEO AND SPOUSE			
0327700186	MASOOD NOORANI	01	780	0.0012
0000020670	MR. JAVED AHMED	01	780	0.0012
0000021845	MRS. HINA JAVED	01	2,000	0.0031
0000020679	MR. TOWFIQ H. CHINYOY	01	500	0.0007
0000021823	MR. SULTAN ALLANA	01	500	0.0007
0000021887	MR. SHAHID MAHMOOD LOAN	01	500	0.0007
0000021888	MR. LUCAS GWENAEL XAVIER	01	500	0.0007
0000021891	MR. JOHN JOSEPH METCALF	01	500	0.0007
	BANKS, DFI, NBFI, INSURANCE, MODARABA & MUTUAL FUNDS			
0000000455	MCB BANK LIMITED	04	16,500	0.0263
0239400029	NIB BANK LIMITED	04	175,000	0.2790
0303803495	FIRST DAWOOD INVESTMENT BANK	04	31,500	0.0502
0343400055	ESCORTS INVESTMENT BANK LTD.	04	11,000	0.0175
0745000539	FIRST DAWOOD INVESTMENT BANK LTD.	04	325,500	0.5190
0000021223	THE PREMIER INSURANCE CO. OF PAKISTAN	05	500	0.0007
0327702184	EFU GENERAL INSURANCE LIMITED	05	900,000	1.4351
0623900528	SHAHEEN INSURANCE COMPANY LTD.,	05	40,000	0.0637
0187500781	FIRST CAPITAL MATUAL FUND LTD.	06	40,000	0.0637
0607200023	CDC - TRUSTEE FIRST DAWOOD MUTUAL FUND	06	729,500	1.1632
	JOINT STOCK COMPANIES & OTHER			
0000020564	KHADIM ALI SHAH BUKHARI & CO. LTD.	10	4,000	0.0063
0000020615	AMER COTTON MILLS (PRIVATE) LTD.	10	20,000	0.0318
0000021031	MOLASSES EXPORT CO. (PVT.) LTD.	10	500	0.0007
0000021834	KANDAWALLA TRUST	10	26,500	0.0422
0035600033	ASIAN SECURITIES LIMITED	10	650,500	1.0372
0053901202	RAMADA SECURITIES & DERVIATIVES LTD.	10	500	0.0007
0053901319	RAMADA INVESTORS SERVICES LTD.	10	500	0.0007
0062000039	TAURUS SECURITIES LIMITED	10	1,000	0.0015
0098400011	THE KARACHI STOCK EXCHANGE (G) LIMITED	10	2,000	0.0031
0100800033	AMZ SECURITIES (PVT) LIMITED	10	50,000	0.0797
0182600018	BMA CAPITAL MANAGEMENT LTD.	10	500	0.0007
0191700041	PRUDENTIAL SECURITIES LIMITED	10	60	
0199000027	INVEST CAPITAL & SECURITIES (PVT) LTD.	10	10,000	0.0159
0305300036	AZIZ FIDAHUSEIN & COMPANY (PVT) LTD.	10	81,000	0.1291
0305306231	(H) WTL SERVICES (PRIVATE) LIMITED	10	32,000	0.0510
0305309409	(Y) TRUSTEE S M SOHAIL TRUST	10	265,000	0.4225
0308700017	EASTERN CAPITAL LIMITED	10	500	0.0007
0321000028	Y.S. SECURITIES & SERVICES (PVT) LTD.	10	6,060	0.0096
0327701017	SAPPHIRE FIBRES LIMITED	10	22,500	0.0358
0327701018	SAPPHIRE TEXTILE MILLS LIMITED	10	24,500	0.0390
0327702307	AMER COTTON MILLS (PVT) LIMITED	10	61,200	0.0975
0327704230	CRESCENT STEEL AND ALLIED PRODUCTS LTD.	10	40,000	0.0637
0327740179	YOUSUF YAQOOB KOLIA AND COMPANY (PVT) LTD	10	60,000	0.0956

FOLIO NO.	NAME OF SHAREHOLDER	CODE HELD	SHARES	%
0327749059	KHALFAN CAPITAL PRIVATE LIMITED	10	17,500	0.0279
0343418347	ELITE STOCK SERVICES (PRIVATE) LIMITED	10	1,500	0.0023
0345903958	TRUSTEE-ARMY WELFARE TRUST	10	500	0.0007
0385500021	DARSON SECURITIES (PRIVATE) LIMITED	10	3,500	0.0055
0386300020	ACE SECURITIES (PVT.) LIMITED	10	125,560	0.2002
0401000021	FAWAD YUSUF SECURITIES (PVT.) LIMITED	10	14,000	0.0223
0418400022	AZEE SECURITIES (PRIVATE) LIMITED	10	2,560	0.0040
0421800027	LAKHANI SECURITIES (PVT) LTD.	10	260,000	0.4145
0443204510	SAT SECURITIES (PVT) LTD	10	6,000	0.0095
0448100026	DOSSLANI'S SECURITIES (PVT) LIMITED	10	2,000	0.0031
0456400025	S.Z. SECURITIES (PRIVATE) LIMITED	10	500	0.0007
0458000023	CAPITAL VISION SECURITIES (PVT) LTD.	10	3,000	0.0047
0480405123	Y.S STOCKS(PVT) LTD	10	1,000	0.0015
0494500029	MARS SECURITIES (PRIVATE) LIMITED	10	5,700	0.0090
0497800042	LIVE SECURITIES (PRIVATE) LIMITED	10	280	0.0004
0506605800	ZEPHYR TEXTILES LTD	10	45,000	0.0717
0511600028	TIME SECURITIES (PVT.) LTD.	10	1,340	0.0021
0550400020	MGM SECURITIES (PRIVATE) LIMITED	10	100	0.0001
0558700857	GENERAL INVES. SERV. (PVT) LTD.	10	2,500	0.0039
0558707258	G.R.SECURITIES (SMC-PVT) LTD	10	1,000	0.0015
0558708207	STOCK VISION (PVT) LTD	10	2,000	0.0031
0586800028	CLIKTRADE LIMITED	10	22,300	0.0355
0612203970	FAIRWAY SECURITIES PVT LIMITED (00585)	10	113,000	0.1801
0626200020	HUM SECURITIES LIMITED	10	280	0.0004
0628800028	UNITED CAPITAL SECURITIES PVT. LTD.	10	60	
0636100028	ADAM HAJI MOHAMMAD SECURITIES (PVT) LTD	10	15,000	0.0239
0644500028	DARSON SECURITIES (PVT) LIMITED	10	16,500	0.0263
0670005594	FAIR DEAL SECURITIES (PVT) LTD	10	500	0.0007
0675903115	ZEPHYR TEXTILES LIMITED	10	10,000	0.0159
0705400024	BHAYANI SECURITIES (PVT) LTD.	10	10,000	0.0159
0715300022	MAHA SECURITIES (PVT.) LIMITED	10	245,000	0.3906
0738500025	ISMAIL ABDUL SHAKOOR SECURITIES (PRIVATE) LTD.	10	9,000	0.0143
0956300020	VALUE STOCK SECURITIES PRIVATE LIMITED	10	6,000	0.0095
0978702673	Y.S. SECURITIES & SERVICES (PVT) LTD.	10	1,000	0.0015
1023100027	MSMANIAR FINANCIALS (PVT) LTD.	10	19,000	0.0302
1048801372	MILLENNIUM BROKERAGE (SMC-PVT) LTD.	10	2,000	0.0031
1061100012	AKD SECURITIES LIMITED - AKD TRADE	10	500	0.0007
1061124137	TRUSTEE ARTAL RESTAURANT INT LTD EMP P.F	10	5,000	0.0079
	FOREIGN COMPANIES			
0054701516	BEAR STEARNS SECURITIES CORPORATION	11	10,000	0.0159
0069506229	THE BANK OF NEW YORK [748-5]	11	1,890,500	3.0145
0353300698	HABIB BANK AG ZURICH, ZURICH,SWITZERLAND	11	5,000	0.0079
0353300722	HABIB BANK AG ZURICH, DEIRA DUBAI	11	205,000	0.3268
	SHAREHOLDING ABOVE 10% OR ABOVE			
0327731590	AGA KHAN FUND FOR ECONOMIC DEV.S.A SWISS	12	36,292,394	57.8714
	EXECUTIVES			
0000020510	MR. MOHAMMAD SOHAIL FAKHAR	13	780	0.0012
0327710583	FAISAL	13	500	0.0007
	GENERAL PUBLIC		9,639,500	15.371
	TOTAL		62,712,000	100

* Beneficial owner is the Aga Khan Fund for Economic Development

Notice of Annual General Meeting

Notice is hereby given that the 13th Annual General Meeting of New Jubilee Life Insurance Company Limited will be held at Pearl Continental Hotel, Lahore, on Monday, 31st March, 2008 at 11.00 A.M. to transact following business;

Ordinary Business

1. To receive the Minutes of the 12th Annual General Meeting held on 26.04.2007.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2007 together with Directors and Auditors Reports thereon.
3. To approve Cash Dividend of Rs. 0.50 per share (5%) for the year ended 31 December, 2007.
4. To appoint Auditors and to fix their remuneration for the year ending December 31, 2008. The retiring auditors M/s KPMG Taseer Hadi & Co. Chartered Accountants, being eligible, have offered themselves for re-appointment.

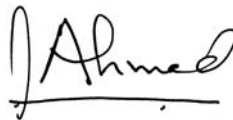
Special Business

5. To elect seven (7) Directors as fixed by the Board in accordance with provisions of Section 178 of the Companies Ordinance, 1984, for a period of three (3) years commencing 31 March, 2008 in place of the retiring directors namely:
 - a) Masood Noorani
 - b) Javed Ahmed
 - c) Towfiq H. Chinoy
 - d) Sultan Allana
 - e) Shahid Mahmood Loan
 - f) Xavier Gwenael Lucas
 - g) John Joseph Metcalf

The retiring directors, being eligibale, have offered themselves for election.

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

By Orders of the Board



Manzoor Ahmed
Company Secretary

February 27, 2008
Karachi

Notes:

1. The Share Transfer Books of the Company shall remain closed from March 24, 2008 to March 31, 2008 (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 March 22, 2008 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 Aga 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.

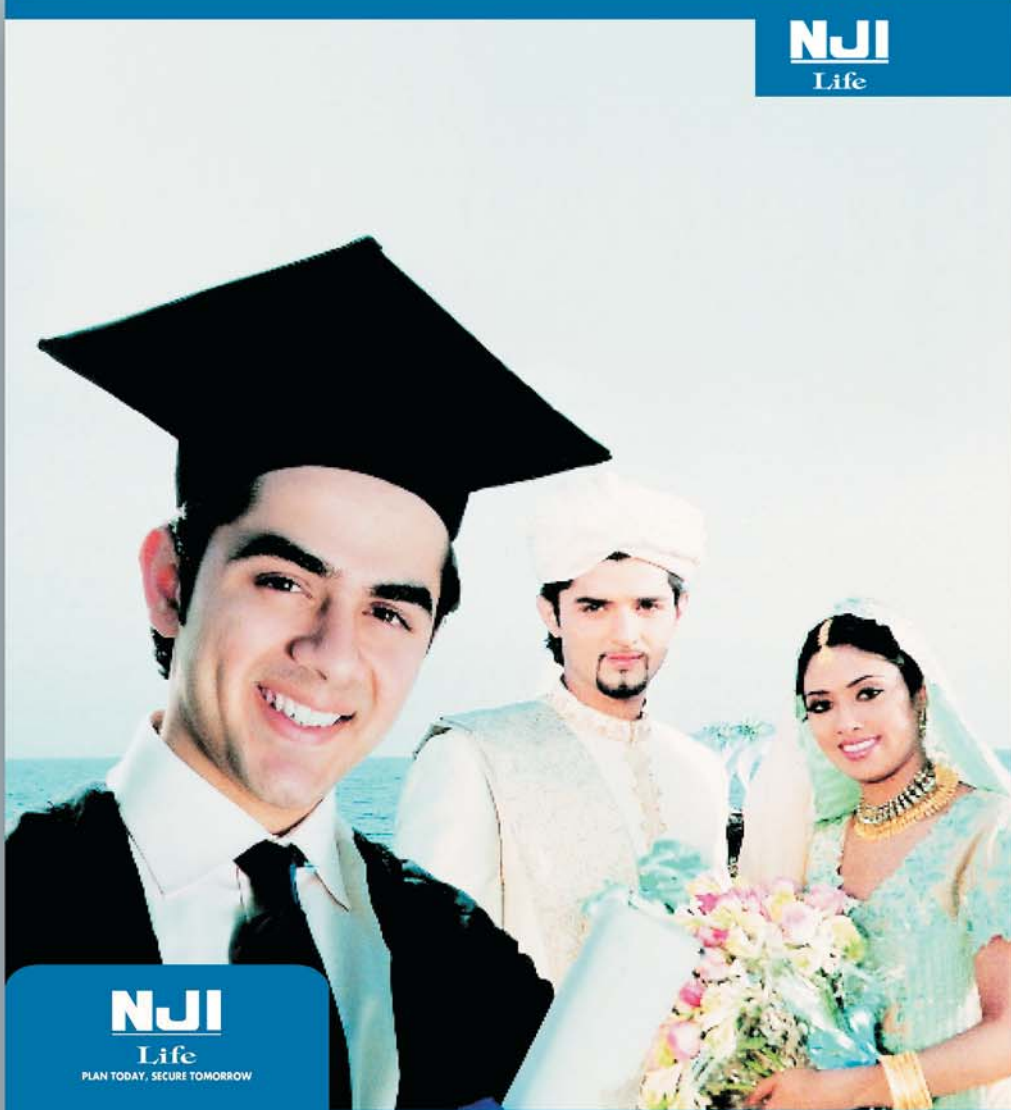
The shareholders registered on CDC are also requested to bring their particulars, I.D. numbers and account numbers in CDS.

- 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.

NJI
Life



NJI
Life

PLAN TODAY. SECURE TOMORROW

Tabeer

Child Education & Marriage Plan

NJI Life-Registered and Supervised by the Securities and Exchange Commission of Pakistan

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 Monday, March 31, 2008 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 _____ 2008

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

Karachi

Shaheed-e-Millat Branch

4th Floor, Duty Free Shop Center,
Plot # 6, Jinnah Coperative Housing society,
Block 7/8, Main Sharah-e-faisal, Karachi.
Tel: (021) 4325385-98

Shahrah-e-Faisal Branch - 2

1st Floor Suite No. 103, 104, 105,
Kawish Crown Plaza,
Main Shahrah-e-Faisal, Karachi.
Tel: (021) 4131350,4131346-7
Fax: (021) 4382052

Shaheen - 3 & P.E.C.H.S

(Old Tariq Road Branch)

B-3, 2nd Floor, "Rahat Jo Dero"
Plot No. 172-L Block No. 2, PECHS, Karachi.
Tel: (021) 4392853-6
Fax: (021) 45388714

Nursery Branch 1 & 2

4th Floor, Duty Free Shop Center, Plot # 6,
Jinnah Coperative Housing society,
Block 7/8, Main Sharah-e-faisal, Karachi.
Tel: (021) 4325385-98

Progressive Centre Branch - 1 & 2

4th Floor, Duty Free Shop Center, Plot # 6,
Jinnah Coperative Housing society,
Block 7/8, Main Sharah-e-faisal, Karachi.
Tel: (021) 4325385-98

Rashid Minhas Road(Old 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 (Sub Office Airport)

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

Karsaz Branch (Old Shahra-e-Faisal - 1 Br.)

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

Airport Branch

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

Karachi City Branch

4th Floor, Duty Free Shop Center, Plot # 6,
Jinnah Coperative Housing society,
Block7/8, Main Sharah-e-faisal, Karachi.
Tel: (021) 4325385-98

Shaheen Branch - 1

Office # 601, 6th Floor, Progressive Centre,
P.E.C.H.S., Block - 6, Karachi.
Tel: (021) 4322168 - 70

Karachi City Branch

4th Floor, Duty Free Shop Center, Plot # 6,
Jinnah Coperative Housing society,Block7/8,
Main Sharah-e-faisal, Karachi.
Tel: (021) 4325385-98

Shaheen Branch - 1

Office # 601, 6th Floor, Progressive
Centre,P.E.C.H.S., Block - 6, Karachi.
Tel: (021) 4322168 - 70

S. I. T. E. Branch

Office # 3, 2nd Floor, Ploot # B/17,
S.I.T.E. Karachi.Tel: (021) 2550052

Hyderabad

Thandi Sarak Branch 1 & 2
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 (022) 2786082-86

Civic Center Branch

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

Mirpurkhas

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

Ghotki

Station Road Branch

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

Sukkur

Station Road Branch

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

Larkana

Larkana Branch 1 & 3

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

Jaccabad

Quaid-e-Azam Road Branch(Jacobabad)

Opp. Old Municipal Committee,
Quaid-e-Azam Road, Jaccobabad.
Tel: (0722) 655085, 651237

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) 2840877,2823913

Lahore

Davis Road Branch

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

Shadman Branch

175 Gen. Sarfaraz Khan Road
Shadman Colony 2, Lahore.
Tel: (042) 7532139, 7562705-6-7, 7582854
Fax: (042) 7232246

Sialkot

Paris Road Branch

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

Faisalabad

Satiana Road Branch

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

Multan

Abdali Road Branch - 1 & 2

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

Bhawalpur

Bhawalpur Branch

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

Gujrat

Gujrat Sub Office(Faisalabad)

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

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 : Satiana Road Branch, 1st Floor-721, Batala Colony, Satiana 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

Gujranwala 1

G.T. Road Branch

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

Gujranwala New 2

Gujranwala Shaheenabad

Chughtai Centre, G.T Road
Shaheenabad Gujranwala
Tel: (068) 382470-5

Sargodha

Club Road Sub Office (Faisalabad)

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

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

Islamabad

Jinnah Avenue Branch - 1 & 2

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

Jhelum

Jhelum Sub Office Shamsabad RWLP)

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

Muzaffarabad (Sub Office)

Sub Office (Kotli)

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

Mirpur Azad Kashmir (AJK)

Allama Iqbal Road Branch

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

Kotli

Pindi Road Branch

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

Peshawar

University Road Branch 1 & 2

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

Cantt. Road Branch 1 & 2

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

Badin

Badin Branch

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

Khairpur

Civic Center Branch

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

Nausheroferoz (Sub Office Khairpur)

Nausheroferoz Sub Office

Near Rahil Clinic, Main Road, Nausheroferoz
Tel: (0242) 448424-5

Tando Adam (Sub Office Civic Centre Hyderabad)

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

Abbotabad

Mansehra Road Branch

Civic Shopping Center, Near Muqadas Power
Post Office Ayub Medical Complex, Mandian
Abbotabad
(0992)383257/ 384322/ 382349

Kohat (Sub Office Peshawer University Road)

Al-Madina Plaza, Pehzati Chikarkot,
Bannu Road, Kohat
Tel# 092-2519789

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

Dadu (Sub Office)

Sub Office Larkana - 1

Old PTCL Accounts Office
Matoi Muhallah, Dadu

Larkana (Sub Office)

Sub Office Larkana - 3

Eri Building,
Girls School Road, Larkana.

Panoakil (Sub Office)

Sub Office Ghotki Br.

Opposite Caltex Petrol Pump, Baiji Chowk,
Panoakil.

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 : Satiana Road Branch, 1st Floor-721, Batala Colony, Satiana 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