

New Jubilee Life Insurance Company Limited



**Save**  
**for your**  
**Loved**  
**ones with**

**NJI**  
**Life**

Annual Report 2008

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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

## BOARD COMMITTEES

### AUDIT

Xavier Gwenael Lucas	Chairman
Shahid Mahmood Loan	Member
John Joseph Metcalf	Member

### FINANCE & INVESTMENT

Masood Noorani	Chairman
Javed Ahmed	Member
Shahid M. Loan	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

## HEAD OFFICE

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

## REGISTERED OFFICE

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

## 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

## MANAGEMENT COMMITTEES

### CLAIMS

Javed Ahmed	Chairman
Manzoor Ahmed	Member
Zahid Barki	Member/Secretary

### REINSURANCE

Javed Ahmed	Chairman
Zahid Barki	Member
Sana Hussain	Member/Secretary

### UNDERWRITING

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

### COMPANY SECRETARY

Manzoor Ahmed

### CHIEF INTERNAL AUDITOR

Adeel Ahmed Khan

## 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

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.

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.

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

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.

# Mission

# 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, 2008 together with Auditor's Report thereon.

## Business Performance

### Premium Income

The overall business performance of the Company during year 2008 has been quite satisfactory. Gross written premium of the Company increased from Rs 2,979 million in 2007 to Rs 3,435 million in 2008 showing an increase of 15% over previous year.

Individual Life regular premium new business jumped from Rs 445 million in 2007 to Rs 918 million in 2008 depicting an impressive growth of 106%. This was made possible due to significant efforts made by the company in developing Direct Sales Force and Bancassurance Distribution.

Individual Life renewal premium increased by 35% to Rs 1,040 million in 2008 as against Rs 771 million in 2007. The Company has continued to focus on persistency as one of its core business objectives and growth in renewal premium is an indicator of the same.

Due to the volatility of the stock market, the Company decided to reduce Single Premium Individual Life business. As a result, Single Premium business during year 2008 dropped to Rs 454 million from Rs 914 million in 2007.

Despite the prevailing economic conditions and increased competition particularly from the new entrants, Group Life premium showed a healthy growth of 28% with gross premium reaching Rs 794 million as compared to Rs 622 million during year 2007. Group Health Insurance also increased by 29% over previous year with premium of Rs 222 million in 2008 (Rs 173 million in 2007). The Board of Directors decided to discontinue Group Pension business due to limited market potential. Employers now prefer to offer defined contribution retirement schemes rather than defined benefit retirement schemes. Hence, premium under this line of business dropped to Rs 4 million in 2008 from Rs 52 million in 2007.

### Claims

There was an increase of 51% in claims paid by the company, primarily due to a significant increase in surrenders and partial withdrawals under individual life and group pension policies. Total amount of claims paid was Rs 1,757 million in 2008 as compared to Rs 1,168 million in 2007.

Despite the crisis on the Stock Exchange and the severe liquidity crunch across the entire financial sector, your company was able to pay promptly all policyholder claims and requests for surrender of units.

### Expenses

Administrative expenses and commission increased during the year, mainly due to the extra ordinary growth of 106% in Individual Life new business and the impact of the high rate of inflation which prevailed in 2008.

Commission expense increased by 66% from Rs 364 million in 2007 to Rs 605 million in 2008 and general administration expenses increased from Rs 355 million in 2007 to Rs 521 million in 2008, a 47% increase.

### Investment Income

The company has been following a prudent policy for managing all its investment. However, the collapse of stock market during year 2008 forced almost every company to book losses on their portfolio of equities.

While the investment income of the company from fixed income securities, dividend and other sources increased to Rs 565 million in 2008 from Rs 387 million in 2007, the unrealized loss on investments amounted to Rs 1,248 million in 2008 as compared to unrealized gain of Rs 311 million in 2007. As a result, net investment loss of the company is Rs 701 million in 2008 as against an income of Rs 698 million in 2007. This loss resulted in a drop in unit prices of funds being managed by the company on behalf of policyholders.

## Revenue Account Results

The company's overall profit from Life Insurance Business (statutory funds) increased to Rs 158 million in 2008 from Rs 127 million in 2007. It is heartening to see that company's individual life business is now regularly generating profits. Group Life and Group Health have also continued to contribute to profits of the company.

## Profit & Loss Account

The Profit & Loss Account comprises of the investment income on the Shareholders Fund and the surplus transferred from statutory funds. However, due to the collapse of prices on the stock market in 2008, the value of the Company's portfolio of quoted shares showed unrealized depreciation of Rs. 140 million as at 31st December 2008.

After careful consideration, the Board decided to provide for 100% of the impairment in the value of equities held by the company in Shareholders Fund. As a result, a provision of Rs 140 million has been made in Profit & Loss Account of the company.

After taking into account the surplus of Rs 67 million transferred from statutory funds, the company made a loss of Rs 50 million during year 2008 (profit of Rs 150 million in 2007) and the loss after tax is Rs. 55 million as against Profit after tax of Rs 125 million in 2007.

The loss per share for the year was Rs 0.88 (2007: EPS of 2.00).

## Dividend

Due to the loss suffered in 2008, the Board is unable to recommend the payment of a dividend for the year 2008 (2007: cash dividend of Rs 0.50 per share).

## Board of Directors

During the year 2008, five (5) 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	2
Shahid Mahmood Loan	5
Xavier Gwenael Lucas	3
John Joseph Metcalf	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 2008:

Xavier Gwenael Lucas	Chairman
John Joseph Metcalf	Member
Shahid Mahmood Loan	Member

The Audit Committee held four (4) meetings during the financial year 2008. The Committee's terms of reference has 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**

With a view to further strengthen internal audit function, and introduce a full fledged Risk Based Audit, the Directors appointed Messrs. Ford Rhodes Sidat Hyder & Company as Internal Auditors from 2008. This appointment is in addition to in-house Chief Internal Auditor and his team. The Board appreciates the services of Messrs. Ford Rhodes Sidat Hyder & Company, Chartered Accountants.

### **Compliance with Listing Regulations**

The Statement of Compliance with the best practices of Corporate is annexed on page 10 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 53.

### **The Key Operating and Financial Information**

Key operating and financial data for the last six years have been summarized and shown on page 09 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.

### **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, 2008 are as follows:

Provident Fund	Rs. 36.4 million
Gratuity Fund	Rs. 32.6 million

### **Material Changes**

There have been no material changes since December 31, 2008 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 after completion of their five years term.

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 the appointment of A. F. Ferguson & Company, Chartered Accountants as Auditors for the year 2009, and the Board endorses this recommendation.

The Board records its appreciation of the services rendered by M/s KPMG Taseer Hadi & Co, Chartered Accountants during the past five years.

### **Holding Company**

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

## **Strategic Initiatives and Significant Developments**

### **Bancassurance**

The sale of insurance products through banks is becoming an increasingly important channel of distribution. The company established a dedicated Bancassurance Department in 2007 to specifically focus on this area. This initiative has proved to be very successful and the company now operates the largest Bancassurance distribution network in the country. The company currently has Bancassurance relationship with seven (7) banks and will continue to develop and expand this important distribution channel.

### **Advancement in IT**

The company invested in an Asset Management Software which enables the maintenance of a complete record of investments and also calculates unit price of funds on a daily basis. New Jubilee Life is the first life insurance company in Pakistan which is calculating unit prices on a daily basis to ensure that customers are treated equitably.

The company is also in the process of implementing an Actuarial Software which will enhance company's actuarial capabilities.

The company now has decentralized offices working in Lahore and Rawalpindi. New policies are underwritten and issued and all customer services activities are also performed at these offices.

### **Human Resource**

Human Resource development is the key to the success of any organization and the Company has made significant progress in this direction. The Company is committed to the training and development of all management and other staff including the sales force, with the objective of improving service to our clients and increasing productivity.

The Company endeavors to develop a culture of high performance through regular management reviews and training programs which lead to synergy of the knowledge, experience and capabilities of our human resource with the company's objectives.

### **Expansion of Branch Network**

The company's branch network has now increased to 60 branches. The company plans to focus on increasing the productivity of its sales force and optimizing the utilization of the existing branches.

### **Future Outlook**

While the global economic outlook for 2009 is quite gloomy, the expanding base of middle and higher income groups in Pakistan and the low penetration of life assurance offers a unique opportunity for the growth of the business.



New Jubilee Life plans to capitalize on this opportunity by strengthening 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 and improve profitability.

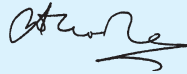
We hope that with the stable portfolio of business which has now been developed, the various initiatives which have been taken and the continued commitment and efforts of all cadres of the management and the officers, the Company will be able to achieve good results going forward.

#### **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)  
Chief Executive

Karachi, 25 March, 2009

# Key Operating and Financial Highlights

(Rupees in thousand)

Six Years Summary	2008	2007	2006	2005	2004	2003
Gross Premium	3,435,119	2,978,851	2,291,224	1,379,371	1,091,297	780,091
<b>Revenue and P&amp;L Account</b>						
Premium - net of reinsurance	3,127,200	2,777,076	2,077,593	1,202,432	962,199	680,826
Net Investment (loss) / income	(700,714)	697,987	282,182	336,401	93,721	76,145
Total inflow	2,426,486	3,475,063	2,359,775	1,538,833	1,055,920	756,971
Total outgo	2,267,786	3,348,463	2,298,310	1,497,794	1,072,260	769,466
(Loss) / Profit before tax per P&L Account	(49,972)	150,028	94,798	56,828	36,668	44,131
Income Tax (expense) / credit	(5,000)	(24,572)	(12,143)	(14,755)	12,480	(3,428)
(Loss) / Profit after tax per P&L Account	(54,972)	125,456	82,655	42,073	49,148	40,703
<b>Balance Sheet</b>						
Investments including deposits	5,031,512	5,238,067	3,552,733	2,410,559	1,511,055	980,018
Other assets	516,786	531,719	415,207	235,395	256,194	279,047
Fixed assets	94,579	82,029	73,780	81,170	82,090	28,296
Total assets	5,642,877	5,851,815	4,041,720	2,727,124	1,849,339	1,287,361
Issued, subscribed and Paid up capital	627,120	627,120	627,120	627,120	627,120	627,120
Accumulated surplus /(deficit)	(210,558)	(145,892)	(270,348)	(326,407)	(373,480)	(412,628)
Statutory funds	4,629,457	4,967,990	3,318,280	2,103,778	1,362,920	920,145
Other liabilities	596,858	402,597	366,668	322,633	232,779	152,724
Total equity & liabilities	5,642,877	5,851,815	4,041,720	2,727,124	1,849,339	1,287,361
<b>Investors Information</b>						
(Loss) / Earning per share (Rs)	(0.88)	2.00	1.32	0.67	0.78	0.88
Break-up value per share (Rs)	6.64	7.67	5.69	4.80	4.04	3.42
Market value per share (Rs)	45.13	70.55	18.50	27.30	24.80	20.05
Cash dividend per share	-	0.50	0.50	-	-	-

# Statement of Compliance with the Code of Corporate Governance

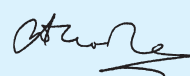
For The Year Ended December 31, 2008

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 are 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 more than ten 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 NBFIs.
5. None of the Directors or their spouses is engaged in business of stock brokerage.
6. No casual vacancy occurred in the Board during the year 2008.
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 three members, all of whom are non-executive directors.
22. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company 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. With a view to further strengthen this function and introduce a full fledged Risk Based Audit, the Directors have appointed Messrs. Ford Rhodes Sidat Hyder & Company as Internal Auditors.
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: March 25, 2009

# 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 Insurance Company Limited** ("the Company") to comply with the listing regulations of the respective Stock Exchanges, where the Company is listed, and the Code of Corporate Governance applicable to listed insurance companies issued under SRO 68(1)/2003, by the Securities and Exchange Commission of Pakistan.

The responsibility for compliance with the Code of Corporate Governance 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 of Corporate Governance 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 2008.

Date: March 25, 2009

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 2008 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 2008 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;
- 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; and
- e) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Date: March 25, 2009  
Karachi

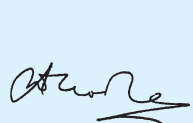
**KPMG Taseer Hadi & Co.**  
Chartered Accountants

# Balance Sheet

as at 31 December 2008

	Note	Share holders' Fund	Statutory Funds				Aggregate	
			Individual Life Unit Linked	Conven-tional business	Group Pension	Accident & Health	2008	2007
(Rupees in '000)								
<b>Share capital and reserves</b>								
Authorised share capital 100,000,000 ordinary shares of Rs. 10 each		1,000,000	-	-	-	-	1,000,000	1,000,000
Issued, subscribed and paid-up share capital	5	627,120	-	-	-	-	627,120	627,120
Accumulated deficit	6	(210,558)	-	-	-	-	(210,558)	(145,892)
<b>Net shareholders' equity</b>		<b>416,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>416,562</b>	<b>481,228</b>
<b>Balance of statutory fund [including policyholders' liabilities Rs. 4,475.4 million (2007: Rs. 4,884.3 million)]</b>	7	-	4,249,356	253,696	-	126,405	4,629,457	4,967,990
<b>Creditors and accruals</b>								
Outstanding claims		-	32,545	172,410	-	32,926	237,881	200,768
Premiums received in advance		-	133,052	11,750	-	4,142	148,944	103,527
Amounts due to reinsurers		-	3,472	21,163	-	79	24,714	2,756
Amounts due to agents		-	61,537	3,383	-	-	64,920	24,412
Accrued expenses		18,086	34,940	6,233	-	1,231	60,490	60,700
Other creditors and accruals	10	37,397	13,804	1,271	-	1,039	53,511	9,876
Inter-fund payable		2,167	3,463	-	-	-	5,630	-
		57,650	282,813	216,210	-	39,417	596,090	402,039
<b>Other liabilities</b>								
Dividend payable		768	-	-	-	-	768	558
<b>Total liabilities</b>		<b>58,418</b>	<b>4,532,169</b>	<b>469,906</b>	<b>-</b>	<b>165,822</b>	<b>5,226,315</b>	<b>5,370,587</b>
<b>Total equity and liabilities</b>		<b>474,980</b>	<b>4,532,169</b>	<b>469,906</b>	<b>-</b>	<b>165,822</b>	<b>5,642,877</b>	<b>5,851,815</b>
<b>Commitments</b>	11							

The annexed notes 1 to 33 form an integral part of these financial statements.



Masood Noorani  
Chairman



Towfiq H. Chinoy  
Director



Shahid M. Loan  
Director



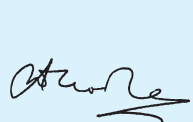
Javed Ahmed  
Managing Director &  
Chief Executive Officer

# Balance Sheet

as at 31 December 2008

	Note	Share holders' Fund	Statutory Funds				Aggregate	
			Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2008	2007
(Rupees in '000)								
<b>Cash and bank deposits</b>								
Cash and others		149	2,732	69	-	42	2,992	1,548
Current and other accounts		2,903	209,217	11,658	-	31,227	255,005	350,517
Deposits maturing within 12 months	12	25,000	2,763,000	177,000	-	35,000	3,000,000	1,757,000
		<b>28,052</b>	<b>2,974,949</b>	<b>188,727</b>	<b>-</b>	<b>66,269</b>	<b>3,257,997</b>	<b>2,109,065</b>
<b>Unsecured advances to employees</b>		4,266	-	-	-	-	4,266	3,718
<b>Investments</b>	13							
Government securities		213,273	343,936	203,926	-	50,010	811,145	492,105
Other fixed income securities		-	504,117	-	-	-	504,117	503,084
Listed equities and closed-end mutual funds		69,543	642,771	2,487	-	-	714,801	1,689,117
Open-end mutual funds		-	1,449	-	-	-	1,449	796,761
		<b>282,816</b>	<b>1,492,273</b>	<b>206,413</b>	<b>-</b>	<b>50,010</b>	<b>2,031,512</b>	<b>3,481,067</b>
Deferred Tax		6,000	-	-	-	-	6,000	-
<b>Other assets</b>	14							
Premiums due but unpaid		-	-	54,310	-	41,585	95,895	72,462
Investment income due but outstanding		26	1,922	-	-	-	1,948	3,429
Investment income accrued		5,480	41,327	4,992	-	1,380	53,179	43,911
Amounts due from reinsurers		-	5,686	11,675	-	396	17,757	23,874
Taxation - payments less provision		39,061	-	-	-	-	39,061	11,684
Prepayments		5,740	12,793	813	-	171	19,517	12,398
Sundry receivable		5,497	3,219	1,667	-	5,153	15,536	8,178
Inter-fund receivable		3,463	-	1,309	-	858	5,630	-
		<b>59,267</b>	<b>64,947</b>	<b>74,766</b>	<b>-</b>	<b>49,543</b>	<b>248,523</b>	<b>175,936</b>
<b>Fixed assets</b>								
<b>Tangible assets</b>	15							
Capital work-in-progress		10,175	-	-	-	-	10,175	5,973
Furniture, fixtures, office equipments, computers and vehicles		72,570	-	-	-	-	72,570	70,744
<b>Intangible assets</b>								
Computer software		11,834	-	-	-	-	11,834	5,312
		<b>94,579</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94,579</b>	<b>82,029</b>
<b>Total assets</b>		<b>474,980</b>	<b>4,532,169</b>	<b>469,906</b>	<b>-</b>	<b>165,822</b>	<b>5,642,877</b>	<b>5,851,815</b>

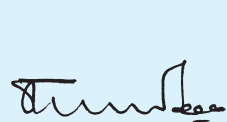
The annexed notes 1 to 33 form an integral part of these financial statements.



Masood Noorani  
Chairman



Towfiq H. Chinoy  
Director



Shahid M. Loan  
Director



Javed Ahmed  
Managing Director &  
Chief Executive Officer

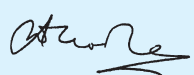


# Profit and Loss Account

For the year ended 31 December 2008

	Note	2008	2007
(Rupees in '000)			
<b>Investment income not attributable to statutory funds</b>			
Return on Government securities		13,173	10,695
Return on other fixed income securities		5,236	2,783
Amortisation of discount relative to par		68	69
Dividend income		3,480	4,883
		<u>21,957</u>	<u>18,430</u>
<b>Gain on disposal of investments</b>		7,656	31,285
<b>Provision for impairment in value of investment</b>			
Government securities		(1,428)	-
Stocks		(138,496)	-
Reversal of provision		-	1,024
		<u>(139,924)</u>	<u>1,024</u>
<b>Total investment income</b>		<u>(110,311)</u>	<u>50,739</u>
Investment related expenses		(53)	(300)
<b>Net investment income</b>		<u>(110,364)</u>	<u>50,439</u>
<b>Other revenues</b>			
Gain on disposal of fixed assets		4,585	591
Others		113	146
		<u>4,698</u>	<u>737</u>
<b>Total investment income and other revenue</b>		<u>(105,666)</u>	<u>51,176</u>
Expenses not attributable to statutory funds	16	(10,939)	(7,148)
(Loss) / profit before appropriation of surplus to shareholders' fund		<u>(116,605)</u>	<u>44,028</u>
Surplus appropriated to shareholders' fund from ledger account D	7	66,633	106,000
<b>(Loss) / profit before tax</b>		<u>(49,972)</u>	<u>150,028</u>
<b>Taxation</b>	17	(5,000)	(24,572)
<b>Net (loss) / profit for the year</b>		<u>(54,972)</u>	<u>125,456</u>
<b>(Rupees)</b>			
<b>Basic and diluted (loss) / earnings per share</b>	18	<u>(0.88)</u>	<u>2.00</u>

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Masood Noorani  
Chairman



Towfiq H. Chinoy  
Director



Shahid M. Loan  
Director



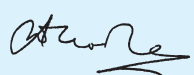
Javed Ahmed  
Managing Director &  
Chief Executive Officer

# Statement of Changes in Equity

For the year ended 31 December 2008

	Note	Share Capital	Net accumulated deficit			Total
			Accumulated surplus	Capital contribution to statutory funds	Net accumulated deficit	
(Rupees in '000)						
Balance as at 1 January 2007		627,120	269,642	(539,990)	(270,348)	356,772
<b>Movement during the period</b>						
Profit for the year		-	125,456	-	125,456	125,456
Capital contributed to statutory funds		-	-	(1,000)	(1,000)	(1,000)
Capital withdrawn from statutory funds		-	-	-	-	-
Balance as at 31 December 2007		627,120	395,098	(540,990)	(145,892)	481,228
<b>Movement during the period</b>						
Loss for the year		-	(54,972)	-	(54,972)	(54,972)
Dividend @ Rs. 0.5 per share (2007 : Rs. nil per share)		-	(31,356)	-	(31,356)	(31,356)
Capital contributed to statutory funds	7	-	-	(11,000)	(11,000)	(11,000)
Capital withdrawn from statutory funds	7	-	-	32,662	32,662	32,662
<b>Balance as at 31 December 2008</b>		<u>627,120</u>	<u>308,770</u>	<u>(519,328)</u>	<u>(210,558)</u>	<u>416,562</u>


The annexed notes 1 to 33 form an integral part of these financial statements.



Masood Noorani  
Chairman



Towfiq H. Chinoy  
Director



Shahid M. Loan  
Director



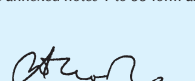
Javed Ahmed  
Managing Director &  
Chief Executive Officer

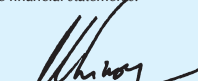
# Cash Flow Statement

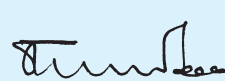
For the year ended 31 December 2008

Note	Share holders' Fund	Statutory Funds				Aggregate	
		Individual Life (Unit Linked)	Conventional business	Group Pension	Accident & Health	2008	2007
(Rupees in '000)							
<b>Operating cash flows</b>							
<b>a) Underwriting activities</b>							
Premiums received	-	2,454,930	791,452	4,025	206,696	3,457,103	2,972,425
Reinsurance premiums paid	-	(56,983)	(228,754)	-	(224)	(285,961)	(201,871)
Claims paid	-	(45,859)	(576,255)	(1,636)	(136,925)	(760,675)	(643,979)
Surrenders paid	-	(807,004)	-	(152,092)	-	(959,096)	(485,465)
Reinsurance and other recoveries received	-	32,202	181,297	-	(396)	213,103	160,680
Commissions paid	-	(545,613)	(13,332)	-	(5,979)	(564,924)	(364,175)
Commissions received	-	12,643	186	-	-	12,829	8,096
Net cash flow from underwriting activities	-	1,044,316	154,594	(149,703)	63,172	1,112,379	1,445,711
<b>b) Other operating activities</b>							
Income tax paid	(16,377)	-	-	-	-	(16,377)	(39,263)
General management expenses paid	2,178	(412,419)	(79,097)	(1,299)	(17,952)	(508,589)	(317,004)
Other operating payments	-	(5,336)	(1,702)	(307)	(3,333)	(10,678)	(6,654)
Other operating receipts	7,356	7,441	102	185	-	15,084	9,003
Loans advanced	(548)	-	-	-	-	(548)	(433)
Inter fund transactions	84,893	(135,944)	(2,230)	55,443	(2,162)	-	-
Net cash flow from other operating activities	77,502	(546,258)	(82,927)	54,022	(23,447)	(521,108)	(354,351)
<b>Total cash flow from all operating activities</b>	<b>77,502</b>	<b>498,058</b>	<b>71,667</b>	<b>(95,681)</b>	<b>39,725</b>	<b>591,271</b>	<b>1,091,360</b>
<b>Investment activities</b>							
Profit/ Return received	(115,985)	410,692	33,201	10,324	10,256	348,488	354,893
Dividends received	3,480	75,325	593	800	-	80,198	63,836
Payments for investments	(217,135)	(1,507,388)	(322,618)	(82,748)	(85,719)	(2,215,608)	(1,336,964)
Proceeds from disposal of investments	96,144	1,724,597	352,460	107,165	110,129	2,390,495	467,400
Fixed capital expenditure	(58,130)	-	-	-	-	(58,130)	(40,517)
Proceeds from disposal of fixed assets	12,218	-	-	-	-	12,218	2,101
<b>Total cash flow from investing activities</b>	<b>(279,408)</b>	<b>703,226</b>	<b>63,636</b>	<b>35,541</b>	<b>34,666</b>	<b>557,661</b>	<b>(489,251)</b>
<b>Financing activities</b>							
Capital payments received by statutory funds	(11,000)	-	-	11,000	-	-	-
Capital payments repaid by statutory funds	32,662	-	-	(32,662)	-	-	-
Surplus appropriated to shareholders' fund	66,633	-	(40,000)	3,367	(30,000)	-	-
<b>Total cash flow from financing activities</b>	<b>88,295</b>	<b>-</b>	<b>(40,000)</b>	<b>(18,295)</b>	<b>(30,000)</b>	<b>-</b>	<b>-</b>
<b>Net cash inflow from all activities</b>	<b>(113,611)</b>	<b>1,201,284</b>	<b>95,303</b>	<b>(78,435)</b>	<b>44,391</b>	<b>1,148,932</b>	<b>602,109</b>
<b>Cash and cash equivalent at beginning of the year</b>	<b>141,663</b>	<b>1,773,665</b>	<b>93,424</b>	<b>78,435</b>	<b>21,878</b>	<b>2,109,065</b>	<b>1,506,956</b>
<b>Cash and cash equivalent at end of the year</b>	<b>19</b>	<b>2,974,949</b>	<b>188,727</b>	<b>-</b>	<b>66,269</b>	<b>3,257,997</b>	<b>2,109,065</b>
<b>Reconciliation to profit and loss account</b>							
Operating cash flows						591,271	1,091,360
Depreciation expense						(33,489)	(29,214)
Amortisation expense						(4,045)	(2,012)
Profit on disposal of fixed assets						4,585	591
Increase in assets other than cash						73,135	36,400
(Increase) / decrease in liabilities other than running finance						(14,430)	(1,920,532)
Revaluation (loss) / gain on investments						(1,249,314)	314,756
Investment income						350,173	399,961
Other income						1,809	1,546
Surplus of statutory funds						158,700	126,600
Surplus appropriated to shareholders fund						66,633	106,000
<b>Profit after taxation</b>						<b>(54,972)</b>	<b>125,456</b>

The annexed notes 1 to 33 form an integral part of these financial statements.

  
Masood Noorabi  
Chairman

  
Fowfiq H. Chinoy  
Director

  
Shahid M. Loan  
Director

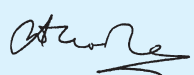
  
Javed Ahmad  
Managing Director &  
Chief Executive Officer

# Revenue Account

For the year ended 31 December 2008

	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2008	2007
	----- (Rupees in '000) -----					
<b>Income</b>						
Premiums less reinsurances	2,351,702	549,703	4,025	221,770	<b>3,127,200</b>	2,777,076
Net investment income	(752,541)	32,445	8,279	11,103	<b>(700,714)</b>	697,987
<b>Total net income</b>	<b>1,599,161</b>	<b>582,148</b>	<b>12,304</b>	<b>232,873</b>	<b>2,426,486</b>	<b>3,475,063</b>
<b>Claims and expenditures</b>						
Claims net of reinsurance recoveries	838,253	413,373	153,728	144,544	<b>1,549,898</b>	1,001,012
Management expenses less recoveries	1,001,367	101,334	85	24,040	<b>1,126,826</b>	719,341
<b>Total claims and expenditures</b>	<b>1,839,620</b>	<b>514,707</b>	<b>153,813</b>	<b>168,584</b>	<b>2,676,724</b>	<b>1,720,353</b>
<b>(Deficit) / excess of income over claims and expenditures</b>	<b>(240,459)</b>	<b>67,441</b>	<b>(141,509)</b>	<b>64,289</b>	<b>(250,238)</b>	<b>1,754,710</b>
Add : Policyholders' liabilities at beginning of the year	4,477,740	179,772	156,253	70,574	<b>4,884,339</b>	3,256,229
Less : Policyholders' liabilities at end of the year	4,189,511	197,104	-	88,786	<b>4,475,401</b>	4,884,339
<b>Surplus</b>	<b>47,770</b>	<b>50,109</b>	<b>14,744</b>	<b>46,077</b>	<b>158,700</b>	<b>126,600</b>
<b>Movement in policyholders' liabilities</b>	<b>(288,229)</b>	<b>17,332</b>	<b>(156,253)</b>	<b>18,212</b>	<b>(408,938)</b>	<b>1,628,110</b>
<b>Transfers to shareholders' fund</b>						
- (Surplus) / Deficit appropriated to shareholders' fund	-	(40,000)	3,367	(30,000)	<b>(66,633)</b>	(106,000)
- Capital returned to shareholders' fund	-	-	(32,662)	-	<b>(32,662)</b>	-
- Capital contributions from shareholders' fund	-	-	11,000	-	<b>11,000</b>	1,000
<b>Net transfer (to) / from shareholders' fund</b>	<b>-</b>	<b>(40,000)</b>	<b>(18,295)</b>	<b>(30,000)</b>	<b>(88,295)</b>	<b>(105,000)</b>
<b>Balance of statutory funds at beginning of the year</b>	<b>4,489,815</b>	<b>226,255</b>	<b>159,804</b>	<b>92,116</b>	<b>4,967,990</b>	<b>3,318,280</b>
<b>Balance of statutory funds at end of the year</b>	<b>4,249,356</b>	<b>253,696</b>	<b>-</b>	<b>126,405</b>	<b>4,629,457</b>	<b>4,967,990</b>
<b>Represented by: (Note 7)</b>						
Capital contributed by shareholders' fund	519,328	-	-	-	<b>519,328</b>	540,990
Policyholders' liabilities	4,189,511	197,104	-	88,786	<b>4,475,401</b>	4,884,339
Retained earnings on other than participating business	(459,483)	56,592	-	37,619	<b>(365,272)</b>	(457,339)
<b>Balance of statutory funds</b>	<b>4,249,356</b>	<b>253,696</b>	<b>-</b>	<b>126,405</b>	<b>4,629,457</b>	<b>4,967,990</b>

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Masood Noorani  
Chairman



Towfiq H. Chinoy  
Director



Shahid M. Loan  
Director



Javed Ahmed  
Managing Director &  
Chief Executive Officer

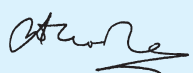
# Statement of Premiums

For the year ended 31 December 2008

	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2008	2007
	(Rupees in '000)					
<b>Gross premiums</b>						
Regular premium individual policies*						
First year	918,362	591	-	1,800	920,753	448,585
Second year renewal	317,608	716	-	96	318,420	214,585
Subsequent years renewal	722,296	1,235	-	-	723,531	558,457
Single premium individual policies	453,891	2	-	-	453,893	915,262
Group policies with cash values	-	-	4,025	-	4,025	51,635
Group policies without cash values	-	794,437	-	220,060	1,014,497	790,327
<b>Total gross premiums</b>	<b>2,412,157</b>	<b>796,981</b>	<b>4,025</b>	<b>221,956</b>	<b>3,435,119</b>	<b>2,978,851</b>
<b>Less: reinsurance premiums ceded</b>						
On individual life first year business	(15,212)	(86)	-	(26)	(15,324)	(10,138)
On individual life second year business	(8,864)	(210)	-	(21)	(9,095)	(5,661)
On individual life renewal business	(36,379)	(637)	-	-	(37,016)	(24,165)
On single premium individual policies	-	(2)	-	(139)	(141)	(171)
On group policies	-	(246,343)	-	-	(246,343)	(161,640)
	(60,455)	(247,278)	-	(186)	(307,919)	(201,775)
<b>Net premiums</b>	<b>2,351,702</b>	<b>549,703</b>	<b>4,025</b>	<b>221,770</b>	<b>3,127,200</b>	<b>2,777,076</b>

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

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Masood Noorani  
Chairman



Towfiq H. Chinoy  
Director



Shahid M. Loan  
Director



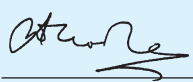
Javed Ahmed  
Managing Director &  
Chief Executive Officer

# Statement of Claims

For the year ended 31 December 2008

	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2008	2007
	(Rupees in '000)					
<b>Gross claims</b>						
Claims under individual policies						
by death	57,970	(110)	-	350	58,210	50,535
by insured event other than death	583	-	-	(655)	(72)	1,727
by surrender	807,004	-	-	-	807,004	485,464
<b>Total gross individual policy claims</b>	<b>865,557</b>	<b>(110)</b>	<b>-</b>	<b>(305)</b>	<b>865,142</b>	<b>537,726</b>
Claims under group policies						
by death	-	511,728	-	-	511,728	406,191
by insured event other than death	-	10,440	-	142,986	153,426	118,169
by maturity	-	-	1,636	-	1,636	3,462
by surrender	-	-	152,092	-	152,092	49,920
experience refund	-	70,997	-	1,863	72,860	52,621
<b>Total gross group policy claims</b>	<b>-</b>	<b>593,165</b>	<b>153,728</b>	<b>144,849</b>	<b>891,742</b>	<b>630,363</b>
<b>Total gross claims</b>	<b>865,557</b>	<b>593,055</b>	<b>153,728</b>	<b>144,544</b>	<b>1,756,884</b>	<b>1,168,089</b>
<b>Less: reinsurance recoveries</b>						
On individual life first year business claims	(796)	(250)	-	-	(1,046)	(2,075)
On individual life second year business claims	(7,425)	-	-	-	(7,425)	(1,148)
On individual life renewal business claims	(9,683)	-	-	-	(9,683)	(17,833)
On group life claims	-	(165,375)	-	-	(165,375)	(119,503)
On experience refund of premiums	(9,400)	(14,057)	-	-	(23,457)	(26,518)
	(27,304)	(179,682)	-	-	(206,986)	(167,077)
<b>Net claims</b>	<b>838,253</b>	<b>413,373</b>	<b>153,728</b>	<b>144,544</b>	<b>1,549,898</b>	<b>1,001,012</b>

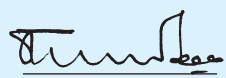
The annexed notes 1 to 33 form an integral part of these financial statements.



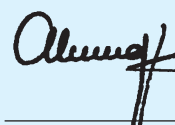
Masood Noorani  
Chairman



Towfiq H. Chinoy  
Director



Shahid M. Loan  
Director



Javed Ahmed  
Managing Director &  
Chief Executive Officer

# Statement of Expenses

For the year ended 31 December 2008

Note	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2008	2007
(Rupees in '000)						
<b>Acquisition costs</b>						
Remuneration to insurance intermediaries on individual policies:						
- Commission on first year premiums	487,292	318	-	379	487,989	246,365
- Commission on second year premiums	28,847	72	-	-	28,919	20,671
- Commission on subsequent renewal premiums	17,984	31	-	-	18,015	13,979
- Commission on single premiums	7,055	-	-	-	7,055	18,309
	541,178	421	-	379	541,978	299,324
Remuneration to insurance intermediaries on group policies:						
- Commission	-	16,294	-	5,600	21,894	12,679
Branch overheads:						
- Salaries, allowance and other benefits	210,247	11,658	-	3,886	225,791	138,358
- Charge for defined benefit plan	13,149	-	-	-	13,149	908
- Contribution to defined contribution plan	4,440	-	-	-	4,440	1,715
- Overriding commission	41,560	-	-	-	41,560	52,306
	269,396	11,658	-	3,886	284,940	193,287
Other acquisition costs:						
- Policy stamps	15,639	52	-	22	15,713	8,471
	826,213	28,425	-	9,887	864,525	513,761
<b>Administration expenses</b>						
Salaries, allowance and other benefits	52,314	31,404	-	3,774	87,492	68,802
Charge for defined benefit plan	2,488	2,117	-	384	4,989	2,482
Contribution to defined contribution plan	1,958	1,732	-	304	3,994	2,876
Travelling expenses	10,305	1,662	-	282	12,249	7,622
Auditors' fees	942	311	2	87	1,342	1,192
Actuary's fees	2,462	813	4	227	3,506	3,364
Medical fees	2,592	649	-	2	3,243	3,422
Advertisements	5,808	1,687	-	740	8,235	5,292
Printing and stationery	15,836	2,612	-	1,176	19,624	12,400
Depreciation	26,462	4,897	-	1,529	32,888	28,890
Amortisation	2,867	787	-	269	3,923	1,959
Rental	11,420	4,120	-	762	16,302	16,121
Legal and professional charges	8,294	2,168	13	570	11,045	13,048
Supervision fees	2,435	726	52	201	3,414	3,000
Utilities	6,220	2,350	-	415	8,985	6,718
Entertainment	771	372	-	63	1,206	1,243
Vehicle running	2,042	3,431	-	215	5,688	4,839
Repairs and maintenance	6,403	1,919	-	593	8,915	4,970
Bank charges and brokerage	5,689	678	13	231	6,611	5,923
Training expenses	3,189	1,782	-	219	5,190	1,353
Postages, telegrams and telephone	6,984	3,330	-	599	10,913	8,073
Staff welfare	4,963	442	-	102	5,507	3,293
General insurance	2,209	589	-	147	2,945	2,405
Doubtful debts	-	2,084	-	1,111	3,195	3,142
Miscellaneous expenses	3,144	433	1	151	3,729	1,246
	187,797	73,095	85	14,153	275,130	213,675
Gross management expenses	1,014,010	101,520	85	24,040	1,139,655	727,436
Commission from reinsurers	(12,643)	(186)	-	-	(12,829)	(8,095)
<b>Net management expenses</b>	<b>1,001,367</b>	<b>101,334</b>	<b>85</b>	<b>24,040</b>	<b>1,126,826</b>	<b>719,341</b>

The annexed notes 1 to 33 form an integral part of these financial statements.

  
Masood Noorani  
Chairman

  
Towfiq H. Chinoy  
Director

  
Shahid M. Loan  
Director

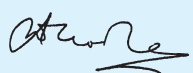
  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

# Statement of Investment Income

For the year ended 31 December 2008

	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2008	2007
	(Rupees in '000)					
<b>Investment income</b>						
- Government securities	19,230	17,414	1,175	5,093	42,912	41,021
- Other fixed income securities and deposits	297,112	20,042	4,038	5,189	326,381	220,588
- Dividends	75,325	593	800	-	76,718	58,953
- Gain on sale of investments	102,316	8,369	4,304	3,204	118,193	66,498
- Amortisation of premium	-	(771)	-	(412)	(1,183)	(1,094)
- Unrealized (loss) on investments	(1,246,161)	-	(2,038)	-	(1,248,199)	310,994
- Other income	-	-	-	1,696	1,696	1,400
<b>Total</b>	(752,178)	45,647	8,279	14,770	(683,482)	698,360
<b>Provision for impairment in the value of the investments</b>						
- Government securities	-	(10,606)	-	(3,644)	(14,250)	(71)
- Shares and stocks	-	(2,528)	-	-	(2,528)	-
- Reversal of provisions	-	-	-	-	-	3,832
<b>Less: Investment related expenses</b>	(363)	(68)	-	(23)	(454)	(4,134)
<b>Net Investment (loss) / income</b>	(752,541)	32,445	8,279	11,103	(700,714)	697,987

The annexed notes 1 to 33 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 2008

### 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 Group Pension Fund has been closed as of 31 December 2008 after payment of total liabilities to the policyholders and receipt of approval from the Securities & Exchange Commission of Pakistan vide letter dated 4 March 2009. The balance assets and other liabilities have been transferred to the Shareholders' fund accordingly and incorporated in these financial statements.
- 1.3 The Company is a subsidiary of the Aga Khan Fund For Economic Development, S.A, Switzerland.

### 2. BASIS OF PRESENTATION

These financial statements have been prepared on the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through the Securities and Exchange Commission (Insurance) Rules, 2002 [SEC (Insurance) Rules, 2002], vide S.R.O. 938 dated 12 December 2002.

#### 2.1 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 (IFRS) 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 and SEC (Insurance) Rules, 2002. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 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 SEC (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. Actual results may differ from these estimates. 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.

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 SEC (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 30.

#### 3.1 Functional Currency and Presentation

These financial statements have been presented in Pak 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.

##### **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 on the basis of anticipated utilisation of such leaves based on past trends.

#### 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 SEC (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 15.2. Depreciation on additions and disposals during the year is charged from the month of addition to the month of disposal. When parts of an item of asset have different useful lives, they are accounted for as separate items 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 15.4 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 and renewal premiums are recognised once the related policies are issued / 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 have been recognized upon receipt.

### **Accident and Health**

- 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.

### **Reinsurance premiums**

- Reinsurance premiums are recognised at the same time when the premium income is recognised. It is measured in line with the terms and conditions of the reinsurance treaty.

### **Mark-up / Interest**

- Mark-up / interest income on bank deposits is recognised on time proportion basis.
- Interest on fixed income securities is recognised on time proportion 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 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 three (3) primary business segments for reporting purposes namely; Individual Life (Unit Linked), Conventional Business 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.
- 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 the Appointed Actuary or allowed by the Insurance Ordinance, 2000 are recognised in the year in which these are declared / approved.

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

2008 (Number of shares in '000)	2007		2008 (Rupees in '000)	2007
<u>62,712</u>	<u>62,712</u>	Ordinary Shares of Rs. 10 each fully paid in cash	<u>627,120</u>	<u>627,120</u>

The Aga Khan Fund for Economic Development S.A Switzerland and its nominees held 36,294,894 (2007 : 36,294,894) Ordinary shares of Rs. 10 each at 31 December 2008.

### 5.1 Dividend declared subsequent to the year end

Board of Directors in its meeting held on 25 March 2009 have declared Nil cash dividend per share (2007: Rs. 0.50 per share Rs. 31.356 million).

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

	2008 (Rupees in '000)	2007
Accumulated surplus in statement of changes in equity ignoring effect of capital transfers at start of the year	395,098	269,642
Add: (Deficit) / Surplus in profit and loss account for the year	(54,972)	125,456
Dividends	(31,356)	-
Accumulated surplus in statement of changes in equity ignoring effect of capital transfers at end of the year	<u>308,770</u>	<u>395,098</u>
Accumulated net capital transfers to statutory funds	(519,328)	(540,990)
Accumulated deficit	<u>(210,558)</u>	<u>(145,892)</u>

## 7. MOVEMENT IN EQUITY OF STATUTORY FUND

	Statutory Funds				Aggregate	
	Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2008	2007
	(Rupees in '000)					
<b>Policyholders' liabilities</b>						
Balance at beginning of the year	4,477,740	179,772	156,253	70,574	4,884,339	3,256,229
Increase during the year	(288,229)	17,332	(156,253)	18,212	(408,938)	1,628,110
Balance at end of the year	<u>4,189,511</u>	<u>197,104</u>	<u>-</u>	<u>88,786</u>	<u>4,475,401</u>	<u>4,884,339</u>
<b>Retained earnings on other than participating business</b>						
Balance at beginning of the year	(507,253)	46,483	(18,111)	21,542	(457,339)	(477,939)
Surplus / (deficit) allocated in respect of the year	47,770	50,109	14,744	46,077	158,700	126,600
(Surplus) deficit appropriated to shareholders' fund	-	(40,000)	3,367	(30,000)	(66,633)	(106,000)
Balance at end of the year	<u>(459,483)</u>	<u>56,592</u>	<u>-</u>	<u>37,619</u>	<u>(365,272)</u>	<u>(457,339)</u>
<b>Capital contributed by shareholders' fund</b>						
Balance at beginning of the year	519,328	-	21,662	-	540,990	539,990
Capital contributed during the year	-	-	11,000	-	11,000	1,000
Capital withdrawn during the year - note 7.1	-	-	(32,662)	-	(32,662)	-
Balance at end of the year	<u>519,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>519,328</u>	<u>540,990</u>
Balance of statutory fund at year end	<u>4,249,356</u>	<u>253,696</u>	<u>-</u>	<u>126,405</u>	<u>4,629,457</u>	<u>4,967,990</u>

7.1 This represents capital withdrawn by Shareholders' Fund in accordance with the Appointed Actuary's advice on closure of this fund.

#### 8. POLICYHOLDERS' LIABILITIES GROSS OF REINSURANCE

	Statutory Funds			Aggregate	
	Individual Life Unit Linked	Conventional business	Accident & Health	2008	2007
	(Rupees in '000)				
Actuarial liability relating to future events	4,140,426	201,328	66,717	4,408,471	4,771,275
Provision for outstanding reported claims payable over a period exceeding twelve months	16,692	3,653	-	20,345	15,772
Provision for incurred but not reported claims	46,615	93,988	22,339	162,942	138,524
	<u>4,203,733</u>	<u>298,969</u>	<u>89,056</u>	<u>4,591,758</u>	<u>4,925,571</u>
Net of Reinsurance					
Actuarial liability relating to future events	4,132,666	129,018	66,468	4,328,152	4,746,617
Provision for outstanding reported claims payable over a period exceeding twelve months	16,692	3,653	-	20,345	15,772
Provision for incurred but not reported claims	40,153	64,433	22,318	126,904	121,950
	<u>4,189,511</u>	<u>197,104</u>	<u>88,786</u>	<u>4,475,401</u>	<u>4,884,339</u>

#### 9. STATUTORY DEPOSITS

The Company has deposited 10 & 20 years Pakistan Investment Bonds amounting to Rs. 63 million (2007: Rs. 5 million) with the State Bank of Pakistan under section 29 of the Insurance Ordinance, 2000.

#### 10. OTHER CREDITORS AND ACCRUALS

	Shareholders' Fund	Statutory Funds			Aggregate	
		Individual Life Unit Linked	Conventional business	Accident & Health	2008	2007
		(Rupees in '000)				
Sundry creditors	37,397	6,955	229	115	44,696	3,307
Payable to associated undertaking New Jubilee Insurance Company Limited	-	650	247	148	1,045	1,046
Withholding tax payable	-	6,155	795	771	7,721	5,171
Zakat payable	-	44	-	5	49	352
	<u>37,397</u>	<u>13,804</u>	<u>1,271</u>	<u>1,039</u>	<u>53,511</u>	<u>9,876</u>

## 10.1 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 2008. Following are the significant assumptions used in the valuation:

		2008	2007
Discount factor used		16%	10%
Expected long term rate of return on plan assets		10%	9%
Salary increase		16%	10%
Normal retirement age		58 years	58 years
<b>10.1.1 Reconciliation of payable to defined benefit plan</b>		<b>2008</b>	<b>2007</b>
		(Rupees in '000)	
Present value of defined benefit obligation	10.1.2	40,313	20,715
Fair value of plan assets	10.1.3	(32,560)	(17,313)
Net actuarial loss not recognised		(7,753)	(3,402)
		-	-
<b>10.1.2 Movement in present value of defined benefit obligation</b>			
Opening balance		20,715	15,883
Current service cost		7,350	3,259
Interest cost		2,072	1,588
Vested past service cost		10,461	-
Non-vested past service cost		375	-
Actuarial loss on defined benefit obligation		680	2,963
Actual benefit paid during the year		(1,340)	(2,978)
Closing balance		40,313	20,715
<b>10.1.3 Movement in fair value of plan assets</b>			
Opening balance		17,313	14,812
Expected return on plan assets		1,731	1,333
Contributions made	10.1.6	18,433	3,514
Benefit paid by the fund		(1,340)	(2,978)
Actuarial (loss) / gain on plan assets		(3,577)	632
Closing balance	10.1.5	32,560	17,313
<b>10.1.4 Actual return on plan assets</b>		(1,846)	1,965
<b>10.1.5 Plan assets consist of the following:</b>			
Balances with banks and financial institutions		30,595	2,979
Pakistan Investment Bonds		1,965	5,162
Mutual Funds		-	8,718
Term Finance Certificates		-	454
		32,560	17,313
<b>10.1.6 Movement in payable to defined benefit plan</b>			
Opening balance		-	-
Charge for the year	10.1.7	18,433	3,514
Contribution to fund made during the year		(18,433)	(3,514)
Closing balance		-	-



### 10.1.7 Charge for defined benefit plan

	2008	2007
	(Rupees in '000)	
Current service cost	7,350	3,259
Interest cost	2,072	1,588
Expected return on plan assets	(1,731)	(1,333)
Past service cost - Vested	10,461	-
Past service cost - Non Vested	187	-
Actuarial loss recognized during the year	94	-
	<u>18,433</u>	<u>3,514</u>

### 10.1.8 Historical information

	2008	2007	2006	2005	2004
	(Rupees in '000)				
Defined benefit obligation	40,313	20,715	15,883	11,987	10,363
Fair value of plan assets	(32,560)	(17,313)	(14,812)	(11,769)	(10,096)
Surplus / (deficit)	<u>(7,753)</u>	<u>(3,402)</u>	<u>(1,071)</u>	<u>(218)</u>	<u>(267)</u>
Experience adjustment on plan liabilities	680	2,963	853	(15)	846
Experience adjustment on plan assets	<u>(3,577)</u>	<u>632</u>	<u>-</u>	<u>33</u>	<u>-</u>

### 11. COMMITMENTS

	2008	2007
	(Rupees in '000)	
In respect of leased assets:		
Not later than one year	142	232
Later than one year	95	387
	<u>237</u>	<u>619</u>

### 12. DEPOSITS MATURING WITHIN TWELVE MONTHS

Share holders' Fund	Statutory Funds			Aggregate	
	Individual Life Unit Linked	Conventional business	Accident & Health	2008	2007
	(Rupees in '000)				
Allied Bank Limited	-	275,000	-	275,000	100,000
Atlas Bank Limited	-	-	-	-	50,000
Bank Alfalah Limited	-	188,000	12,000	200,000	132,000
Dubai Islamic Bank Limited	-	30,000	-	30,000	-
Faysal Bank Limited	-	200,000	-	200,000	-
Habib Bank Limited	15,000	640,000	30,000	685,000	-
Habib Metropolitan Bank Limited	-	100,000	-	100,000	150,000
J.S. Bank Limited	-	-	-	-	120,000
KASB Bank Limited	-	-	-	-	90,000
MCB Bank Limited	10,000	180,000	30,000	250,000	25,000
NIB Bank Limited	-	275,000	-	275,000	400,000
Saudi Pak Commercial Bank Limited	-	200,000	-	200,000	-
Soneri Bank Limited	-	200,000	-	200,000	200,000
Standard Chartered Bank (Pakistan) Limited	-	150,000	-	150,000	-
The Bank of Punjab	-	-	-	-	245,000
The Royal Bank of Scotland	-	225,000	5,000	235,000	125,000
United Bank Limited	-	100,000	100,000	200,000	120,000
	<u>25,000</u>	<u>2,763,000</u>	<u>177,000</u>	<u>3,000,000</u>	<u>1,757,000</u>

12.1 These carry mark-up from 10.50% to 18.50% per annum and maturing within three months.

### 13. INVESTMENTS

#### 13.1 Government Securities

	Share holders' Fund	Statutory Funds			Aggregate	
		Individual Life Unit Linked	Conventional business	Accident & Health	2008	2007
----- (Rupees in '000) -----						
<b>Held-to-maturity</b>						
10 years Defence Saving Certificates	-	45,600	-	-	45,600	39,346
05 years Wapda Bonds	-	-	-	-	-	20,000
20 years Pakistan Investment Bonds	-	-	50,214	9,942	60,156	60,160
15 years Pakistan Investment Bonds	9,939	-	-	-	9,939	9,936
10 years Pakistan Investment Bonds	-	-	22,698	11,349	34,047	35,286
05 years Pakistan Investment Bonds	-	-	24,809	-	24,809	24,748
03 years Pakistan Investment Bonds	24,977	-	-	-	24,977	24,913
	34,916	45,600	97,721	21,291	199,528	214,389
<b>Available-for-sale</b>						
20 years Pakistan Investment Bonds	-	31,166	-	-	31,166	44,881
10 years Pakistan Investment Bonds	22,598	-	75,153	21,121	118,872	118,870
05 years Pakistan Investment Bonds	24,875	-	-	-	24,875	73,498
03 years Pakistan Investment Bonds	9,927	24,558	19,761	13,691	67,937	44,725
01 year T-Bill	22,835	-	-	-	22,835	24,225
03 months T-Bill	108,488	242,612	38,992	-	390,092	-
	188,723	298,336	133,906	34,812	655,777	306,199
Provision for impairment in value of investments	223,639 (10,366)	343,936 -	231,627 (27,701)	56,103 (6,093)	855,305 (44,160)	520,588 (28,483)
	<u>213,273</u>	<u>343,936</u>	<u>203,926</u>	<u>50,010</u>	<u>811,145</u>	<u>492,105</u>

#### 13.1.1 Particulars of Government Securities

Name of the investments	Maturity	Tenor (Years)	Principal payment	Coupon rate p.a. (%)	Coupon payment
<b>Held-to-maturity</b>					
Defence Saving Certificates	May 2009 to January 2010	10 years	On maturity	15	On maturity
Pakistan Investment Bonds	May 2009 to June 2024	3 - 20 years	On maturity	9-13	Half-yearly
<b>Available-for-sale</b>					
Pakistan Investment Bonds	May 2009 to June 2024	3 - 20 years	On maturity	8-14	Half yearly
Treasury Bill	March 2009	1 year	On maturity	10	On maturity
Treasury Bill	January 2009	3 months	On maturity	12.25	On maturity

#### 13.2 Other fixed income securities

	Share holders' Fund	Statutory Funds			Aggregate	
		Individual Life Unit Linked	Conventional business	Accident & Health	2008	2007
----- (Rupees in '000) -----						
<b>Available-for-sale</b>						
Term Finance Certificates (TFCs)	13.2.2	-	504,117	-	504,117	503,084
		-	504,117	-	504,117	503,084

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

	Book Value as at		Maturity year	Tenor (Months)	Rate of profit (%)	Profit payment
	31 December 2008	31 December 2007				
	(Rupees in '000)					
<b>Shareholders' Fund - Cost</b>						
*Standard Chartered Bank (Pakistan) Limited	-	1,512	2008	5.5 years	12.07	Half-yearly
(A)	-	1,512				

\*This Term Finance Certificate was matured/ called by the issuer during 2008.

	Market value / cost as at		Maturity year	Tenor (Months)	Rate of profit (%)	Profit payment
	31 December 2008	31 December 2007				
	(Rupees in '000)					
<b>Individual Life (Unit Linked)</b>						
*Bank Alfalah Limited	-	12,382				
*MCB Bank Limited	-	3,014				
*Naimat Baisal Oil & Gas Securitization Company Limited	-	5,130				
Allied Bank Limited	48,111	53,479	2014	8 years	17.56	Half-yearly
Bank Al Habib Limited	48,221	53,989	2015	8 years	15.40	Half-yearly
Engro Chemicals Pakistan Limited (First Issue)	33,685	36,355	2015	8 years	17.22	Half-yearly
Faysal Bank Limited	25,410	25,375	2014	7 years	17.03	Half-yearly
Jahangir Siddiqui & Company Limited (Fourth Issue)	25,112	26,489	2012	5 years	16.00	Half-yearly
Jahangir Siddiqui & Company Limited (Third Issue)	23,615	25,854	2010	5 years	16.00	Half-yearly
Orix Leasing Company Limited	30,411	31,044	2012	5 years	17.14	Half-yearly
Pakistan International Airlines Corporation Limited	17,708	21,874	2011	8 years	12.50	Half-yearly
Pakistan Mobile Communication (Private) Limited	32,056	32,381	2013	7 years	18.52	Half-yearly
Standard Chartered Bank (Pakistan) Limited - (Second Issue)	18,759	19,748	2011	7 years	10.75	Half-yearly
United Bank Limited	101,029	104,458	2014	7 years	15.54	Half-yearly
	404,117	451,572				
Pre-IPO subscription of Allied Bank Limited - TFCs (Second Issue)	100,000	-	Perpetual	16.49	Half-yearly	
Pre-IPO subscription of Engro Chemical Pakistan Limited -TFCs (Second Issue)	-	50,000	Perpetual	11.76	Half-yearly	
(B)	504,117	501,572				
Total available-for-sale investments (A+B)	504,117	503,084				

\* These term finance certificates were matured / called by the issuer during 2008.

The aggregate amortised cost of the above investments as at 31 December 2008 was Rs. 504.848 million (2007 : Rs. 482.270 million).

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

	Share holders' Fund	Statutory Funds			Aggregate		
		Individual Life Unit Linked	Conventional business	Accident & Health	2008	2007	
(Rupees in '000)							
<b>Available-for-sale</b>							
Ordinary shares, units of closed-end mutual funds and open-end mutual funds	13.3.1	208,039	642,771	5,015	-	855,825	1,689,117
Less : Provision for impairment in value of investments		(138,496)	-	(2,528)	-	(141,024)	-
		<u>69,543</u>	<u>642,771</u>	<u>2,487</u>	<u>-</u>	<u>714,801</u>	<u>1,689,117</u>

#### 13.3.1 Particulars of listed equities and closed-end mutual funds

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

	31 December 2008			31 December 2007		
	Number of shares	Cost	Market Value	Number of shares	Cost	Market Value
(Rupees in '000)						
<b>Shareholders' Fund</b>						
Askari Bank Limited	-	-	-	56,863	522	5,672
Fauji Fertilizer Company Limited.	59,697	6,460	3,506	201,697	21,826	23,952
Habib Bank Limited	408,030	109,702	30,545	100	24	24
Hub Power Company Limited	-	-	-	125,000	3,610	3,813
International Industries Limited	175,560	14,106	8,070	133,000	14,105	18,766
Kot Addu Power Company Limited	145,000	6,366	4,576	145,000	6,366	7,025
Lucky Cement Company Limited	-	-	-	30,000	3,671	3,495
National Bank of Pakistan	50,600	8,808	2,546	46,000	8,808	10,679
New Jubilee Insurance Company Limited	116,880	21,942	11,473	30,000	6,121	6,668
NIB Bank Limited	1,099,500	26,393	5,135	350,000	26,717	20,563
Oil and Gas Development Company Limited	13,000	1,472	650	25,000	2,831	2,986
Pakistan Oilfields Limited	-	-	-	15,000	5,014	5,016
Pakistan State Oil Limited	10,000	4,161	1,446	-	-	-
Southern Electric Power Company Limited	22,000	283	64	22,000	283	123
The Bank of Punjab	116,093	8,346	1,532	42,875	3,146	4,193
		<u>208,039</u>	<u>69,543</u>		<u>103,044</u>	<u>112,975</u>
<b>Individual Life (Unit Linked)</b>						
Allied Bank Limited	110,000	9,532	3,446	50,000	5,374	6,508
Askari Bank Limited	2,290,079	103,626	33,367	1,639,492	98,230	163,539
Bank Alfalah Limited	104,950	2,941	1,756	65,000	1,937	3,491
Bank Al-Habib Limited	861,213	29,496	21,418	662,472	29,496	51,143
Century Paper & Board Mills Limited	200,000	16,019	5,770	200,000	16,019	15,230
Cherat Cement Company Limited	558,475	27,333	6,372	385,475	20,093	15,303
D.G. Khan Cement Company Limited	162,500	13,873	3,456	162,500	13,873	15,389
Fauji Fertilizer Bin Qasim Limited	150,000	4,435	1,935	150,000	4,435	6,308
Fauji Fertilizer Company Limited	1,105,977	102,000	64,954	593,477	36,316	70,475
Faysal Bank Limited	2,134,614	84,631	24,569	2,134,614	84,631	140,778
First Habib Modaraba Limited	1,194,000	9,875	6,770	597,000	5,398	4,836
Glaxo SmithKline Pakistan Limited	156,250	16,526	11,866	156,250	16,526	30,063
Hinopak Motors Limited	33,300	19,801	20,313	30,000	17,871	17,940
Honda Atlas Cars Company Limited	52,500	1,314	605	135,000	3,378	7,304
Hub Power Company Limited	2,137,500	67,218	30,117	1,577,500	52,477	48,114
Indus Motor Company Limited	300,839	50,028	36,967	394,500	62,131	125,924
International Industries Limited	1,000,497	88,473	45,993	734,680	85,058	103,663

	31 December 2008			31 December 2007		
	Number of shares	Cost	Market Value	Number of shares	Cost	Market Value
	(Rupees in '000)			(Rupees in '000)		
JS Growth Fund	796,117	11,831	2,372	796,117	11,831	10,190
Kot Addu Power Company Limited	861,500	37,821	27,189	731,500	30,931	35,441
Lucky Cement Company Limited	125,000	14,182	3,909	50,000	4,313	5,825
MCB Bank Limited	10,580	503	1,331	10,580	503	4,231
Meezan Bank Limited	532,173	3,766	11,431	408,359	3,766	15,722
Millat Tractors Limited	246,450	36,097	33,002	197,160	36,097	53,332
National Bank of Pakistan	674,508	81,545	33,941	422,280	46,050	98,032
New Jubilee Insurance Company Limited	-	-	-	3,100	622	689
NIB Bank Limited	2,716,500	58,526	12,686	770,000	54,354	45,238
Nishat Mills Limited	358,350	21,005	8,099	358,350	21,005	37,698
Oil and Gas Development Company Limited	657,291	75,640	32,858	527,691	59,207	63,033
Orix Investment Bank Limited	318,000	4,453	531	318,000	4,453	3,291
Orix Leasing Company Limited	522,733	13,285	7,919	229,550	7,109	6,232
Packages Limited	99,401	12,051	8,070	86,436	12,051	31,445
Pak Suzuki Motors Company Limited	228,125	43,541	18,161	179,925	31,395	59,312
Pakistan Oilfields Limited	324,000	90,173	33,207	218,400	72,530	73,033
Pakistan Petroleum Limited	146,550	23,848	14,746	60,500	9,750	14,826
Pakistan Refinery Limited	87,383	16,198	8,598	74,900	16,198	18,714
Pakistan Strategic Allocation Fund	1,000,000	10,000	2,280	1,000,000	10,000	9,100
Pakistan Telecommunication Company Limited	50,000	2,222	845	50,000	2,222	2,103
Pakistan Tobacco Company Limited	156,700	19,948	16,657	106,700	12,951	16,592
PICIC Growth Fund	284,000	10,288	1,588	284,000	10,288	8,094
PICIC Investment Fund	150,500	2,663	306	150,500	2,663	1,987
Soneri Bank Limited	240,000	10,587	2,640	240,000	10,587	10,416
Standard Chartered Modaraba Limited	45,477	1,439	310	45,477	1,439	571
Thal Limited	220,766	21,861	18,061	157,690	21,861	44,847
The Bank of Punjab	432,414	28,775	5,708	152,206	10,012	14,886
Unilever Pakistan Limited	6,000	8,995	10,846	6,000	8,995	13,680
United Bank Limited	95,000	8,879	3,506	-	-	-
UTP Large Capital Fund	1,000,000	10,000	2,300	1,000,000	10,000	8,100
		<u>1,327,243</u>	<u>642,771</u>		<u>1,076,426</u>	<u>1,532,668</u>
<b>Conventional Business</b>						
Fauji Fertilizer Company Limited	<u>42,350</u>	<u>5,015</u>	<u>2,487</u>	<u>42,350</u>	<u>5,015</u>	<u>5,029</u>
<b>Group Pension</b>						
Cherat Cement Company Limited	-	-	-	173,000	7,780	6,868
Hub Power Company Limited	-	-	-	235,000	8,071	7,168
Indus Motor Company Limited	-	-	-	10,000	1,936	3,192
Kot Addu Power Company Limited	-	-	-	130,000	6,697	6,299
Lucky Cement Company Limited	-	-	-	45,000	4,574	5,243
Oil and Gas Development Company Limited	-	-	-	33,500	4,038	4,000
Orix Leasing Company Limited	-	-	-	225,000	5,530	6,109
Pakistan Industrial Credit & Investment Corporation	-	-	-	80,000	5,314	4,700
Pakistan Oilfields Limited	-	-	-	1,600	507	535
The Bank of Punjab	-	-	-	43,725	3,208	4,276
		<u>-</u>	<u>-</u>		<u>47,655</u>	<u>48,390</u>

### 13.4 Open-end mutual funds

	Note	Share holders' Fund	Statutory Funds			Aggregate	
			Individual Life Unit Linked	Conventional business	Group Pension	Accident & Health	2008
Available-for-sale							
Units of open-end mutual funds	13.4.1	-	1,449	-	-	1,449	796,761

#### 13.4.1 Individual Life Unit Linked

	2008	2007
	(Rupees in '000)	
AKD Opportunity Fund	-	12,997
Atlas Income Fund	-	29,034
Atlas Stock Market Fund	-	19,340
KASB Liquid Fund	1,449	71,514
MCB Dynamic Cash Fund	-	29,026
NAFA Cash Fund	-	134,327
NAFA Islamic Multi-Asset Fund	-	48,681
NIT Units (National Investment Trust)	-	49,811
Pakistan Income Fund	-	36,574
Unit Trust of Pakistan	-	48,664
United Growth and Income Fund	-	202,259
	1,449	682,227

The aggregate cost of the above mutual funds as at 31 December 2008 was Rs 1.458 million (2007: Rs. 610.850 million).

#### Conventional Business

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 2008 was Nil (2007: Rs. 58.140 million).

#### Pension Fund

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

The aggregate cost of the above mutual funds as at 31 December 2008 was Nil (2007: Rs. 32.210 million).

#### Accident & Health Fund

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

The aggregate market value of the above mutual funds as at 31 December 2008 was Nil (2007: Rs. 26.020 million).

- 13.5** 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.
- 13.6** The Karachi Stock Exchange (Guarantee) Limited ("KSE") placed a "Floor Mechanism" on the market value of securities based on the closing prices of securities prevailing as on 27 August 2008. Under the "Floor Mechanism", the individual security price of equity securities could vary within normal circuit breaker limit, but not below the floor price level. The mechanism was effective from 28 August 2008 and remained in place until 15 December 2008. Consequent to the introduction of 'floor mechanism' by KSE, the market volume declined significantly during the period from 27 August 2008 to 15 December 2008. There were lower floors on a number of securities at 31 December 2008. The equity securities have been valued at prices quoted on the KSE on 31 December 2008 without any adjustment as allowed by the Securities and Exchange Commission of Pakistan (SECP) circular No. Enf/D-III/Misc./1/2008 dated 29 January 2009 and disclosed in the financial statements as required.

**14. PREMIUM DUE BUT UNPAID**

	2008			2007		
	Conventional Business	Accident & health	Total	Conventional Business	Accident & health	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Considered good						
Due from related parties - associates	122	-	122	4,041	-	4,041
Due from others	54,188	41,585	95,773	39,511	28,910	68,421
Considered doubtful	3,504	2,832	6,336	1,421	1,721	3,142
	<u>57,814</u>	<u>44,417</u>	<u>102,231</u>	<u>44,973</u>	<u>30,631</u>	<u>75,604</u>
Provision for bad & doubtful receivables	(3,504)	(2,832)	(6,336)	(1,421)	(1,721)	(3,142)
Net premium due but unpaid	<u>54,310</u>	<u>41,585</u>	<u>95,895</u>	<u>43,552</u>	<u>28,910</u>	<u>72,462</u>

**15. FIXED ASSETS**

**15.1 Capital work-in-progress**

	2008	2007
	(Rupees in '000)	
Opening balance	5,973	3,263
Additions	13,771	32,231
Transfer to tangible assets	(9,569)	(29,521)
Closing balance	<u>10,175</u>	<u>5,973</u>

**15.2 Tangible assets**

	Leasehold Improvements	Furniture, fixture and fittings	Office equipments	Computers	Motor Vehicles	Total
	----- (Rupees in '000) -----					
<b>At 1 January 2007</b>						
Cost	10,972	54,056	33,689	33,362	71,947	204,026
Accumulated depreciation	(10,972)	(41,976)	(26,693)	(28,055)	(27,815)	(135,511)
Net book amount	<u>-</u>	<u>12,080</u>	<u>6,996</u>	<u>5,307</u>	<u>44,132</u>	<u>68,515</u>
<b>Year ended 31 December 2007</b>						
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	-	(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>

	Leasehold Improvements	Furniture, fixture and fittings	Office equipments	Computers	Motor Vehicles	Total
	(Rupees in '000)					
<b>At 31 December 2007</b>						
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>
<b>Year ended 31 December 2008</b>						
Opening net book amount	-	11,895	13,643	6,067	39,139	70,744
Additions	-	6,510	6,240	16,165	14,403	43,318
Transfers	-	476	(476)	-	-	-
Disposals (note 15.4)	-	(15,813)	(9,177)	(16,646)	(22,645)	(64,281)
Depreciation charge	-	(6,735)	(5,315)	(6,659)	(14,780)	(33,489)
Accumulated depreciation transfer	-	(464)	464	-	-	-
Accumulated depreciation on disposal	-	15,192	8,711	16,506	15,869	56,278
Closing net book value	<u>-</u>	<u>11,061</u>	<u>14,090</u>	<u>15,433</u>	<u>31,986</u>	<u>72,570</u>
<b>At 31 December 2008</b>						
Cost	<b>10,972</b>	<b>50,245</b>	<b>41,330</b>	<b>37,542</b>	<b>72,317</b>	<b>212,406</b>
Accumulated depreciation	<b>(10,972)</b>	<b>(39,184)</b>	<b>(27,240)</b>	<b>(22,109)</b>	<b>(40,331)</b>	<b>(139,836)</b>
Net book amount	<u><b>-</b></u>	<u><b>11,061</b></u>	<u><b>14,090</b></u>	<u><b>15,433</b></u>	<u><b>31,986</b></u>	<u><b>72,570</b></u>
Depreciation rate % per annum	<u><b>20</b></u>	<u><b>20</b></u>	<u><b>20</b></u>	<u><b>30</b></u>	<u><b>20</b></u>	



### 15.3 Details of disposals of fixed assets

Disposal of fixed assets during 2008 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	138	85	53	60	Trade in	Business System & Communications
	200	93	107	22	Sale of scrap	Lodhi Electronics
Motor vehicles	1,750	1,165	585	566	Tender	Adnan Ahmed Bhatti E-148, DHA phase 2, Karachi
	1,194	597	597	736		
	600	450	150	354	Tender	Amir Mahmood C-165, Block D, North Nazimabad, Karachi
	1,079	791	288	722		
	590	423	167	348		
	998	682	316	677		
	420	364	56	212	Tender	Muhammad Junaid A6, Broadway Appartments Bahadurabad, Karachi
	800	693	107	360	Tender	Muhamamd Khalil B-1267, Qilla Road, Tando Allahyar
	313	240	73	221	Tender	Atta Rabbani 63-Q, Block 2, PECHS, Karachi
	469	399	70	307	Tender	Muhamamd Yameen 875, Block 3, F.B. Area, Karachi
	585	419	166	430	Tender	Muhammad Nasir 4, Mohallah Shahjahan, Liyari, Karachi
	590	442	148	391	Tender	Irfanullah Khan 54/1-B, Khayaban-e-Shujat, DHA Karachi
	1,760	1,261	499	500	Tender	Muhamamd Saleem A/218, Latifabad, Hyderabad
	600	220	380	452	Tender	Waseem Mirza 292, Mughalpur post office, Shahdadpur
	800	307	493	651	Tender	Muhammad Saleem Shop 3, Mafina Manzil, Jahangir Road, Khi
	1,079	858	221	221	Company policy	Syed Masood Hussian 45/II, 5 Commercial Street, DHA Karachi
	630	546	84	210	Company policy	Shiraz Sadruddin Khoja 84, Block B, Mubarak Housing Society, HYD.
600	450	150	260	Company policy	Kamran Ali Somani 131/12-3, Dholabad, Mirpurkhas	
496	339	157	281	Company policy	Azhar Alam Sagheer R-518, Sector 15-A/5, Buffer Zone, Karachi	
1,248	977	271	537	Company policy	Sohail Fakhar A-100, Sector 15-A/5, Buffer Zone, Karachi	
376	244	132	282	Company policy	Nasir Ali Rizvi 709, Kashmir Block, Allama Iqbal Town, LHR	
795	556	239	517	Company policy	Syed Ghous Mohiuddin CB-2, Alfalah Society, Shah Faisal Colony, KHI	

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of buyers
	(Rupees in '000)					
	560	355	205	327	Company policy	Rehman Fayyaz 7/4, Hashim Raza Road, Model Colony, KHI
	595	426	169	416	Company policy	Bilal Mustafa 35, Block C, Indus Gas Society, Hyderabad
	864	605	259	397	Company policy	Munawar Khalil IH 61, Street 4, Falcon Complex, Karachi
	885	590	295	472	Company policy	Jabran Noor Z-3, Al-Habib Arcade, Clifton, Karachi
	314	262	52	220	Insurance claim	New Jubilee Insurance Company Limited
	958	623	335	532	Insurance claim	New Jubilee Insurance Company Limited
<b>Net book value not exceeding Rs. 50,000 each</b>	<b>21,948</b>	<b>15,284</b>	<b>6,664</b>	<b>11,599</b>		
Motor Vehicles	697	583	114	413	Tender	Adnan Ahmed Bhatti, E-148, DHA, Phase 2
Office equipment	8,839	8,532	307	148	Sale of scrap	Lodhi Electronics
Furniture and Fixture	15,813	15,192	621	308	Sale of Scrap	Lodhi Electronics
Computer Hardware	16,646	16,518	128	50	Sale of Scrap	Lodhi Electronics
Computer Software	1,550	1,496	54	33	Sale of Scrap	Lodhi Electronics
	<b>65,831</b>	<b>57,783</b>	<b>8,048</b>	<b>12,633</b>		

#### 15.4 Intangible assets

	2 0 0 8									
	C O S T			A M O R T I S A T I O N				Written down value as at 31 December 2008	Rate of amortisation % per annum	
	As at 1 January 2008	Additions	Disposals	As at 31 December 2008	As at 1 January 2008	Disposals	For the year			As at 31 December 2008
Computer software	11,075	10,610	(1,550)	20,135	5,763	(1,507)	4,045	8,301	11,834	30

	2 0 0 7									
	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
Computer software	5,742	5,349	(16)	11,075	3,740	2,039	(16)	5,763	5,312	30

	2008	2007
	(Rupees in '000)	
<b>16. EXPENSES OF SHAREHOLDERS' FUND</b>		
Advertisement and publicity	156	21
Amortisation expense	122	53
Charge for defined benefit plan	295	125
Contribution to defined contribution plan	234	226
Depreciation expense	601	324
Entertainment	53	38
Legal and Professional	873	-
Miscellaneous	661	8
Postage, telegram and telephone	132	32
Printing and stationery	746	259
Rent, taxes and insurance	-	838
Repair and maintenance	28	71
Salaries, allowances and other benefits	3,276	3,988
Staff welfare	7	74
Training expenses	206	10
Travelling expenses	1,549	730
Utilities	-	263
Vehicle running expenses	200	88
Workers Welfare Fund	1,800	-
	<u>10,939</u>	<u>7,148</u>

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

#### 17. TAXATION

Current	(29,000)	(28,000)
Prior	18,000	3,428
Deferred	6,000	-
	<u>(5,000)</u>	<u>(24,572)</u>

Deferred tax has been worked out on accelerated tax depreciation @ 35%.

#### 17.1 Relationship between tax expense and accounting profit

(Loss) / profit before tax	<u>(49,972)</u>	<u>150,028</u>
Tax at the applicable rate of 35% (2007: 35%)	(17,490)	52,510
Tax effect of Capital Gain being exempt	(2,680)	(10,950)
Tax effect of Dividend Income being taxable at lower rate	(870)	(1,221)
Tax effect of brought forward losses being adjusted	-	(12,339)
Adjustment of minimum tax paid in previous years	-	(3,428)
Prior year adjustment	(18,000)	-
Tax effect of provision against impairment of investment	50,040	-
Deferred tax	(6,000)	-
Tax expense for the year	<u>5,000</u>	<u>24,572</u>

**18. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE**

(Loss) / profit after tax

**2008****2007**

(Rupees in '000)

(54,972)125,456**Number of shares in thousand**

Weighted average number of ordinary shares outstanding as at year end

62,71262,712

(Rupees)

(Loss) / earning per share basic and diluted

(0.88)2.00**19. CASH AND CASH EQUIVALENTS**

	Statutory Funds				Aggregate	
	Share holders' fund	Individual Life Unit Linked	Conventional business	Accident & Health	2008	2007
	(Rupees in '000)					
Cash at banks in current accounts	768	13,458	1,062	-	15,288	641
Cash at banks in savings accounts	2,135	195,759	10,596	31,227	239,717	349,876
	<u>2,903</u>	<u>209,217</u>	<u>11,658</u>	<u>31,227</u>	<u>255,005</u>	<u>350,517</u>
Term deposits maturing within three months	25,000	2,763,000	177,000	35,000	3,000,000	1,757,000
Cash and stamps in hand	149	2,732	69	42	2,992	1,548
	<u>28,052</u>	<u>2,974,949</u>	<u>188,727</u>	<u>66,269</u>	<u>3,257,997</u>	<u>2,109,065</u>

**20. AUDITORS' REMUNERATION**

Audit fee  
 Limited review, audit of provident and gratuity fund  
 Out of pocket expenses

**2008****2007**

(Rupees in '000)

95780031032575671,3421,192**21. REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES****21.1** 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:

	2008		2007	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees in '000)			
Managerial remuneration	5,806	46,575	4,839	21,204
Performance bonus	1,800	15,656	2,000	7,549
Commission	-	-	-	15,729
Retirement benefits	1,266	18,291	798	3,243
House rent allowance	2,613	20,959	2,177	9,510
Utilities	581	4,658	484	2,120
Medical	6	1,692	7	436
Leave passage	500	-	500	162
Others	-	856	-	631
	<u>12,572</u>	<u>108,687</u>	<u>10,805</u>	<u>60,584</u>
Number of persons	<u>1</u>	<u>29</u>	<u>1</u>	<u>20</u>

In addition to the above, Chief Executive is provided with the Company maintained car whereas Executives are provided with Company cars.

## 21.2 Key management compensations

Salaries, allowances and other short term employee benefits  
Other long term benefits

2008	2007
(Rupees in '000)	
45,689	40,914
6,722	2,787
<u>52,411</u>	<u>43,701</u>

## 22. 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

2008

2007

(Rupees in '000)

Profit and loss items

Sale of services - to associates

New Jubilee Insurance Company Limited

Group insurance premium

306

261

Pakistan Cables Limited

Group insurance premium

1,612

1,410

----- do -----

Incurred claims against insurance cover

-

(1,403)

Tourism Promotion Services (Private) Limited

Group insurance premium

1,011

1,019

----- do -----

Incurred claims against insurance cover

(1,000)

(300)

IGI Investment Bank Limited

Group insurance premium

315

158

International Industries Limited

Group insurance premium

1,074

909

----- do -----

Incurred claims against insurance cover

(200)

(472)

BOC Pakistan Limited

Group insurance premium

960

777

----- do -----

Incurred claims against insurance cover

-

(600)

Habib Bank Limited

Group insurance premium

124,191

124,717

----- do -----

Incurred claims against insurance cover

(140,887)

(134,757)

Aga Khan Agency for Microfinance

Group insurance premium

111,971

-

<b>Purchase of services - from associates</b>		<b>2008</b>		<b>2007</b>	
<b>Nature of transaction</b>		<b>(Rupees in '000)</b>			
New Jubilee Insurance Company Limited	Rent of building	<u>14,380</u>		<u>13,715</u>	
----- do -----	Premium for general insurance	<u>2,946</u>		<u>2,602</u>	
----- do -----	Claims lodged	<u>(421)</u>		<u>(2,281)</u>	
Noorani Associates	Investment advisory services	<u>3,000</u>		<u>3,900</u>	
Pakistan Cables Limited	Purchase of Cable	<u>812</u>		<u>-</u>	
Aga Khan Agency for Microfinance	Agency Commission	<u>1,038,716</u>		<u>-</u>	
<b>Balance Sheet Items</b>					
<b>Bank Balance and Investment</b>					
Habib Bank Limited	Bank account balance	<u>91,690</u>		<u>124,935</u>	
----- do -----	Short term deposits	<u>685,000</u>		<u>-</u>	
<b>Receivables from associated companies</b>					
New Jubilee Insurance Company Limited	Claims against general policy	<u>735</u>		<u>1,881</u>	
New Jubilee Insurance Company Limited	Group Life Premium	<u>19</u>		<u>1,794</u>	
Habib Bank Limited	Group Life Premium	<u>103</u>		<u>2,247</u>	
<b>Payable to associated companies</b>					
New Jubilee Insurance Company Ltd	General Insurance premium	<u>1,046</u>		<u>1,046</u>	
Pakistan Cables Limited	Claims lodged & outstanding	<u>1,300</u>		<u>1,400</u>	
Habib Bank Limited	Claims lodged & outstanding	<u>14,994</u>		<u>24,277</u>	
<b>Funds transactions</b>					
Gratuity fund	Contribution	<u>18,433</u>		<u>3,514</u>	
Provident fund	Contribution	<u>8,682</u>		<u>4,830</u>	

22.1 The transactions are entered into on commercial basis.

## 23. 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:

### 23.1 Mismatch of interest rate sensitive assets and liabilities/ yield / interest rate risk.

		2008									
		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)											
<b>On-balance sheet financial instruments</b>											
Financial assets											
	Cash and others	2,992	-	-	-	-	-	-	-	-	2,992
5.4	Current and other accounts	255,005	255,005	-	-	-	-	-	-	-	-
8-10.75	Deposits maturing within 12 months	3,000,000	320,000	2,680,000	-	-	-	-	-	-	-
	Unsecured advances to employees	4,266	-	-	-	-	-	-	-	-	4,266
6.1 - 18	Investments - net of provision	2,031,512	390,093	22,835	131,770	-	86,912	221,465	90,929	269,996	716,251
	Premiums due but unpaid	95,895	-	-	-	-	-	-	-	-	95,895
	Investment income due but outstanding	1,948	-	-	-	-	-	-	-	-	1,948
	Investment income accrued	53,179	-	-	-	-	-	-	-	-	53,179
	Amounts due from other insurers / reinsurers	17,757	-	-	-	-	-	-	-	-	17,757
	Inter-fund receivable	5,630	-	-	-	-	-	-	-	-	5,630
	Sundry receivable	15,536	-	-	-	-	-	-	-	-	15,536
		5,483,720	965,098	2,702,835	131,770	-	86,912	221,465	90,929	269,996	913,454
Financial liabilities											
	Outstanding claims	237,881	-	-	-	-	-	-	-	-	237,881
	Amounts due to other insurers / reinsurers	24,714	-	-	-	-	-	-	-	-	24,714
	Amounts due to agents	64,920	-	-	-	-	-	-	-	-	64,920
	Accrued expenses	60,490	-	-	-	-	-	-	-	-	60,490
	Other creditors and accruals	53,511	-	-	-	-	-	-	-	-	53,511
	Dividend payable	768	-	-	-	-	-	-	-	-	768
	Inter-fund payable	5,630	-	-	-	-	-	-	-	-	5,630
		447,914	-	-	-	-	-	-	-	-	447,914
	<b>On-balance sheet gap</b>	<b>5,035,806</b>	<b>965,098</b>	<b>2,702,835</b>	<b>131,770</b>	<b>-</b>	<b>86,912</b>	<b>221,465</b>	<b>90,929</b>	<b>269,996</b>	<b>465,540</b>
<b>Off-balance sheet financial instruments</b>											
	Commitments	(237)	(12)	(24)	(36)	(71)	(94)	-	-	-	-
	<b>Off-balance sheet gap</b>	<b>(237)</b>	<b>(12)</b>	<b>(24)</b>	<b>(36)</b>	<b>(71)</b>	<b>(94)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total yield / interest rate risk sensitivity gap</b>		<b>965,086</b>	<b>2,702,811</b>	<b>131,734</b>	<b>(71)</b>	<b>86,818</b>	<b>221,465</b>	<b>90,929</b>	<b>269,996</b>	<b>465,540</b>
	<b>Cumulative yield / interest rate risk sensitivity gap</b>		<b>965,086</b>	<b>3,667,897</b>	<b>3,799,631</b>	<b>3,799,560</b>	<b>3,886,378</b>	<b>4,107,843</b>	<b>4,198,772</b>	<b>4,468,768</b>	<b>4,570,029</b>

2007

Effective Yield/ Interest rate	Total	Exposed to Yield/ Interest rate risk								Non-interest bearing financial instruments	
		Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years		Over ten years
(Rupees in '000)											
<b>On-balance sheet financial instruments</b>											
<b>Financial assets</b>											
Cash and others	1,548	-	-	-	-	-	-	-	-	-	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
<b>Financial liabilities</b>											
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
<b>Off-balance sheet financial instruments</b>											
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	2,344,567

## 24. FOREIGN CURRENCY RISK

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

## 25. 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.



## **26. 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 its business the Company is not exposed to concentration of credit risk.

## **27. 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.

## **28. 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.

## **29. 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 2008, the carrying value of all financial instruments is estimated to approximate their fair value, except investments, the market value exceeded cost by Rs. Nil (2007: Rs. 514 million) on an aggregate portfolio basis.

## **30. 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:

### **30.1 Policyholders' liabilities**

#### **30.1.1 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.

### 30.1.2 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.

### 30.1.3 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.

### 30.1.4 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.

### 30.1.5 Changes in actuarial basis of valuation

The valuation conducted as at 31 December 2008, contains change in the reserving basis for the reserves maintained for Group Life's Incurred But Not Reported (IBNR) claims.

The above change in valuation base has resulted in decrease in policyholders' liability by Rs. 9.061 million with corresponding impact in the revenue account of the respective statutory fund.

### 30.2 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 ast. However, the Company has made adequate provision in this respect. Therefore, no amount is shown as a contingent liability of the Company.

### 30.3 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.

31. NUMBER OF EMPLOYEES	2008	2007
Permanent	293	259
Contractual	73	55
	<u>366</u>	<u>314</u>

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

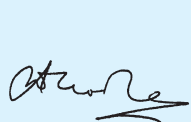
The following standards, interpretations and amendments of approved accounting standards are effective for accounting periods beginning on or after 1 January 2009:

- Revised IAS 1 - Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. The change will be effected after discussions with regulators.
- Revised IAS 23 - Borrowing costs (effective for annual periods beginning on or after 1 January 2009) removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The application of the standard is not likely to have an effect on the Company's financial statements.
- IAS 29 – Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 28 April 2008). The Company does not have any operations in Hyperinflationary Economies and therefore the application of the standard is not likely to have an effect on the Company's financial statements.
- Amendments to IAS 32 Financial instruments: Presentation and IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009) – Puttable Financial Instruments and Obligations Arising on Liquidation requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met. The amendments, which require retrospective application, are not expected to have any impact on the Company's financial statements.
- Amendment to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009) clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The application of this standard is not likely to have a material effect on the Company's financial statements.
- Revised IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 July 2009) broadens among other things the definition of business resulting in more acquisitions being treated as business combinations, contingent consideration to be measured at fair value, transaction costs other than share and debt issue costs to be expensed, any pre-existing interest in an acquiree to be measured at fair value, with the related gain or loss recognised in profit or loss and any non-controlling (minority) interest to be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of an acquiree, on a transaction-by-transaction basis. The application of this standard is not likely to have an effect on the Company's financial statements.
- Amended IAS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009) requires accounting for changes in ownership interest by the group in a subsidiary, while maintaining control, to be recognized as an equity transaction. When the group loses control of subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in the profit or loss. The application of the standard is not likely to have an effect on the Company's financial statements.
- IFRS 7 – Financial Instruments: Disclosures (effective for annual periods beginning on or after 28 April 2008) supersedes IAS 30 – Disclosures in the Financial Statements of Banks and Similar Financial Institutions and the disclosure requirements of IAS 32 – Financial Instruments: Disclosure and Presentation. The application of the standard is not expected to have significant impact on the Company's financial statements other than increase in disclosures.
- IFRS 8 – Operating Segments (effective for annual periods beginning on or after 1 January 2009) introduces the “management approach” to segment reporting. IFRS 8 will require a change in the presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the Company's “chief operating decision maker” in order to assess each segment's performance and to allocate resources to them. This standard will have no effect on the Company's reported total profit or loss or equity.
- IFRIC 13 Customer Loyalty Programmes (effective for annual periods beginning on or after 01 July 2008) addresses the accounting by entities that operate or otherwise participate in customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. The application of IFRIC 13 is not likely to have an effect on the Company's financial statements.

- IFRIC 15- Agreement for the Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009) clarifies the recognition of revenue by real estate developers for sale of units, such as apartments or houses, 'off-plan', that is, before construction is complete. IFRIC 15 would not effect the accounting policy of the Company.
- IFRIC 16- Hedge of Net Investment in a Foreign Operation. (effective for annual periods beginning on or after 1 October 2008) clarifies that net investment hedging can be applied only to foreign exchange differences arising between the functional currency of a foreign operation and the parent entity's functional currency and only in an amount equal to or less than the net assets of the foreign operation, the hedging instrument may be held by any entity within the group except the foreign operation that is being hedged and that on disposal of a hedged operation, the cumulative gain or loss on the hedging instrument that was determined to be effective is reclassified to profit or loss. The Interpretation allows an entity that uses the step-by-step method of consolidation an accounting policy choice to determine the cumulative currency translation adjustment that is reclassified to profit or loss on disposal of a net investment as if the direct method of consolidation had been used. The amendment is not relevant to the Company's operations.
- The International Accounting Standards Board made certain amendments to existing standards as part of its first annual improvements project. The effective dates for these amendments vary by standard and most will be applicable to the Company's 2009 financial statements. These amendments are unlikely to have an impact on the company's accounts except for the following:
  - Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible hedged Items (effective for annual periods beginning on or after 1 July 2009) clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship. The amendment is not likely to have an effect on the Company's financial statements.
  - IAS 27 'Consolidated and separate financial statements' (effective for annual periods beginning on or after 1 January 2009). The amendment removes the definition of the cost method from IAS27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor. The amendment is not likely to have an effect on the Company's financial investments.
  - IFRIC – 17 Distributions of Non-cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009) states that when a company distributes non cash assets to its shareholders as dividend, the liability for the dividend is measured at fair value. If there are subsequent changes in the fair value before the liability is discharged, this is recognised in equity. When the non cash asset is distributed, the difference between the carrying amount and fair value is recognised in the income statement. As the Company does not distribute non-cash assets to its shareholders, this interpretation has no impact on the Company's financial statements.
  - IFRS 5 Amendment - Improvements to IFRSs - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (effective for annual periods beginning on or after 1 July 2009) specify that: if an entity is committed to a sale plan involving the loss of control of a subsidiary, then it would classify all of that subsidiary's assets and liabilities as held for sale when the held for sale criteria in paragraphs 6 to 8 of IFRS 5 are met. Disclosures for discontinued operations would be required by the parent when a subsidiary meets the definition of a discontinued operation. The amendment is not likely to have an effect on the Company's financial statements.
  - IFRS 4- Insurance Contracts, requires to assess at each reporting date adequacy of its insurance liabilities through liability adequacy test. Further, it required additional disclosure relating to identification and explanation of the amount in the financial statements arising from insurance contracts and the amount, timing and uncertainty of future cash flows from insurance contracts. The application of the standard requires additional disclosures in the Company's financial statements.

### 33. DATE OF AUTHORISATION FOR ISSUE

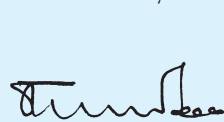
These financial statements were authorized for issue on 25th March 2009 by the Board of Directors of the Company.



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)<sup>©</sup> of the Insurance Ordinance, 2000)

## Section 46(6)

- (a) In our opinion the annual statutory accounts of the New Jubilee Life Insurance Company Limited set out in the forms attached to the statement have been drawn up in accordance with the Ordinance and any rules made there under;
- (b) New Jubilee Life Insurance Company Limited has at all times in the year complied with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements; and
- (c) As at December 31, 2008 New Jubilee Life Insurance Company Limited continues to be in compliance with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements.

## Section 52(2)<sup>©</sup>

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



Masood Noorani  
Chairman



Towfiq H. Chinoy  
Director



Shahid M. Loan  
Director



Javed Ahmed  
Managing Director &  
Chief Executive Officer

## Statement by the Appointed Actuary

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

In my Opinion:

- (a) the policyholder liabilities in the balance sheet of New Jubilee Life Insurance Company Limited as at 31.12.2008 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 of 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: March 16, 2009

# Pattern of Shareholding

As At 31 December 2008

Number of Shareholders	Shareholding		Total Shares held	Percentage
	From	To		
93	1	100	4183	.0066
693	101	500	299735	.4780
293	501	1000	258857	.4128
448	1001	5000	1264200	2.0158
133	5001	10000	1039936	1.6582
28	10001	15000	344572	.5494
35	15001	20000	630300	1.0050
18	20001	25000	413120	.6587
8	25001	30000	220397	.3514
7	30001	35000	226000	.3603
5	35001	40000	193500	.3085
5	40001	45000	204640	.3263
5	45001	50000	243000	.3874
3	50001	55000	158500	.2527
2	55001	60000	120000	.1913
2	60001	65000	122700	.1956
2	70001	75000	145500	.2320
1	75001	80000	77500	.1235
2	80001	85000	163700	.2610
1	90001	95000	92000	.1467
3	95001	100000	300000	.4783
2	100001	105000	210000	.3348
1	105001	110000	110000	.1754
1	110001	115000	112000	.1785
1	120001	125000	121500	.1937
1	125001	130000	130000	.2072
1	130001	135000	134500	.2144
2	135001	140000	280000	.4464
1	140001	145000	145000	.2312
2	145001	150000	300000	.4783
1	155001	160000	156000	.2487
1	160001	165000	160500	.2559
1	165001	170000	166000	.2647
1	170001	175000	175000	.2790
1	180001	185000	181500	.2894
1	195001	200000	199500	.3181
2	200001	205000	406500	.6482
2	215001	220000	436000	.6952
1	245001	250000	248000	.3954
1	255001	260000	257000	.4098
1	260001	265000	262000	.4177
1	335001	340000	339500	.5413
1	385001	390000	385500	.6147
1	435001	440000	440000	.7016
1	580001	585000	583500	.9304
1	730001	735000	735000	1.1720
1	810001	815000	811000	1.2932
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
<b>1823</b>			<b>62712000</b>	<b>100.0000</b>

# Categories of Shareholders

As of 31 December 2008

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 & NBF	7	604300	.9636
INSURANCE COMPANIES	4	946740	1.5096
MODARABAS & MUTUAL FUNDS	4	1047500	1.6703
GENERAL PUBLIC (LOCAL)	1721	9289447	14.8128
GENERAL PUBLIC (FOREIGN)	10	20960	.0334
OTHERS	55	2328193	3.7125
FOREIGN COMPANIES	4	2110500	3.3653
HOLDING MORE THAN 10%	2	36292394	57.8715
EXECUTIVES	4	2640	.0042
<b>COMPANY TOTAL</b>	<b>1823</b>	<b>62712000</b>	<b>100.0000</b>

Trading in shares by Directors, CEO, CFO & Company Secretary, Appointed Actuary, Executives and their spouses and minor children during the year 2008:

Name	Designation	Transaction	No. of Shares
Manzoor Ahmed	CFO & Company Secretary	Purchase	1000



# Compliance Status of Code of Corporate Governance

## Listing Regulation 37 (xix)

Pattern of Shareholding as at 31-12-2008 is given below

NAME OF SHAREHOLDER	CODE HELD	SHARES	%
<b>ASSOCIATED COMPANIES/RELATED PARTIES</b>			
NEW JUBILEE INSURANCE CO. LTD.	02	4,032,766	6.4306
HABIB BANK LIMITED-TREASURY DIVISION	02	5,590,000	8.9137
THE AGA KHAN UNIVERSITY FOUNDATION	02	440,000	0.7016
<b>INVESTMENT CORPORATION OF PAKISTAN</b>			
	<b>03</b>	<b>500</b>	<b>0.0007</b>
<b>DIRECTORS, CEO AND SPOUSE</b>			
MR. MASOOD NOORANI	01	780	0.0012
MR. JAVAID AHMED	01	780	0.0012
MR. TOWFIQ H. CHINYOY	01	500	0.0007
MR. SULTAN ALLANA	01	500	0.0007
MRS. HINA JAVAID	01	2,000	0.0031
MR. SHAHID MAHMOOD LOAN	01	500	0.0007
MR. LUCAS XAVIER GWENAEI	01	500	0.0007
MR. JOHN JOSEPH METCALF	01	500	0.0007
<b>BANKS, DFI, NBFI, INSURANCE, MODARABA &amp; MUTUAL FUNDS</b>			
MCB BANK LIMITED	04	16,000	0.0255
INVEST CAPITAL INVESTMENT BANK LIMITED	04	10,000	0.0159
NIB BANK LIMITED	04	175,000	0.2790
BANK ALFALAH LIMITED	04	23,700	0.0377
FIRST DAWOOD INVESTMENT BANK LIMITED	04	100,000	0.1594
ARIF HABIB BANK LIMITED	04	22,600	0.0360
FIRST DAWOOD INVESTMENT BANK LTD.	04	257,000	0.4098
THE PREMIER INSURANCE CO. OF PAKISTAN	05	500	0.0007
PREMIER INSURANCE LIMITED	05	6,240	0.0099
EFU GENERAL INSURANCE LIMITED	05	900,000	1.4351
SHAHEEN INSURANCE COMPANY LTD.,	05	40,000	0.0637
PAK ASIAN FUND LIMITED	06	140,000	0.2232
CDC - TRUSTEE ATLAS STOCK MARKET FUND	06	100,000	0.1594
CDC - TRUSTEE FIRST DAWOOD MUTUAL FUND	06	735,000	1.1720
CDC - TRUSTEE HBL - STOCK FUND	06	72,500	0.1156
<b>JOINT STOCK COMPANIES &amp; OTHER</b>			
KHADIM ALI SHAH BUKHARI & CO. LTD.	10	4,000	0.0063
AMER COTTON MILLS (PRIVATE) LTD.	10	20,000	0.0318
MOLASSES EXPORT CO. (PVT.) LTD.	10	500	0.0007
TRUST SECURITIES & BROKERAGE LIMITED	10	5,000	0.0079
ASIAN SECURITIES LIMITED	10	811,000	1.2932
RAMADA SECURITIES & DERIVATIVES LTD.	10	500	0.0007
RAMADA INVESTORS SERVICES LTD.	10	500	0.0007
TAURUS SECURITIES LIMITED	10	1,000	0.0015
THE KARACHI STOCK EXCHANGE (G) LIMITED	10	2,000	0.0031
PRUDENTIAL SECURITIES LIMITED	10	60	
Y.S. SECURITIES & SERVICES (PVT) LTD.	10	9,560	0.0152
ROOMI ENTERPRISES (PVT) LIMITED.	10	583,500	0.9304
SAPPHIRE FIBRES LIMITED	10	22,500	0.0358
SAPPHIRE TEXTILE MILLS LIMITED	10	24,500	0.0390
AMER COTTON MILLS (PVT) LIMITED	10	61,200	0.0975
TRUSTEES KANDAWALLA TRUST	10	26,500	0.0422
TRUSTEES ARTAL RESTAURANTS INT'L EMP P.F	10	14,000	0.0223
YOUSUF YAQOOB KOLIA AND COMPANY (PVT) LT	10	60,000	0.0956
VSL SECURITIES (PVT.) LIMITED	10	15,000	0.0239
TRUSTEE-ARMY WELFARE TRUST	10	500	0.0007
ARH (PVT) LIMITED	10	500	0.0007
DARSON SECURITIES (PRIVATE) LIMITED	10	9,620	0.0153



NAME OF SHAREHOLDER	CODE HELD	SHARES	%
ACE SECURITIES (PVT.) LIMITED	10	560	0.0008
PEARL SECURITIES (PRIVATE) LIMITED	10	1,000	0.0015
JAMSHAI D & HASAN SECURITIES (PVT) LTD.	10	16,500	0.0263
AZEE SECURITIES (PRIVATE) LIMITED	10	3,400	0.0054
MIAN MUHAMMAD AKRAM SECURITIES (PVT) LTD	10	2,000	0.0031
S.Z. SECURITIES (PRIVATE) LIMITED	10	500	0.0007
CAPITAL VISION SECURITIES (PVT) LTD.	10	500	0.0007
AMCAP SECURITIES (PVT) LTD	10	1,000	0.0015
AKHAI SECURITIES (PRIVATE) LIMITED	10	3,500	0.0055
MARS SECURITIES (PRIVATE) LIMITED	10	5,500	0.0087
LIVE SECURITIES LIMITED	10	280	0.0004
ZEPHYR TEXTILES LTD	10	41,000	0.0653
FIRST NATIONAL EQUITIES LIMITED	10	1	
TIME SECURITIES (PVT.) LTD.	10	1,300	0.0020
ALFALAH SECURITIES (PRIVATE) LIMITED	10	181,500	0.2894
STOCK MASTER SECURITIES (PRIVATE) LTD.	10	6,000	0.0095
ABBASI SECURITIES (PRIVATE) LIMITED	10	32,000	0.0510
ADEEL & NADEEM SECURITIES (PVT) LTD.	10	3,500	0.0055
CLIKTRADE LIMITED	10	2,900	0.0046
ISMAIL IQBAL SECURITIES (PVT) LTD.	10	4,000	0.0063
FAIRWAY SECURITIES PVT LIMITED (00585)	10	2,000	0.0031
HUM SECURITIES LIMITED	10	3,280	0.0052
UNITED CAPITAL SECURITIES PVT. LTD.	10	60	
DARSON SECURITIES (PVT) LIMITED	10	9,280	0.0147
KAI SECURITIES (PVT) LIMITED	10	500	0.0007
SHAFFI SECURITIES (PVT) LTD	10	1,000	0.0015
ZEPHYR TEXTILES LIMITED	10	7,500	0.0119
MAHA SECURITIES (PVT.) LIMITED	10	105,000	0.1674
ISMAIL ABDUL SHAKOOR SECURITIES (PRIVATE)	10	20	
SNM SECURITIES (PVT) LTD.	10	201,500	0.3213
IMPERIAL INVESTMENT (PVT) LIMITED	10	1,000	0.0015
FAROOQ ABDULLAH SECURITIES (PVT) LTD	10	5,000	0.0079
DURVESH SECURITIES (PVT) LTD	10	13,172	0.0210
<b>FOREIGN COMPANIES</b>			
THE BANK OF NEW YORK MELLON	11	1,890,500	3.0145
J.P.MORGAN CLEARING CORP. CLEARING A/C	11	10,000	0.0159
HABIB BANK AG ZURICH, ZURICH, SWITZERLAND	11	5,000	0.0079
HABIB BANK AG ZURICH, DEIRA DUBAI	11	205,000	0.3268
<b>SHAREHOLDING 10% OR ABOVE</b>			
AGA KHAN FUND FOR ECONOMIC	12	1,500	0.0023
AGA KHAN FUND FOR ECONOMIC DEV.S.A SWITZERLAND	12	36,290,894	57.8691
<b>EXECUTIVES</b>			
MANZOOR AHMED	13	1000	0.0016
MOHAMMAD SOHAIL FAKHAR	13	780	0.0012
FAISAL	13	500	0.0007
FAROOQUE SHARIF	13	360	0.0005
<b>GENERAL PUBLIC (LOCAL)</b>			
TOTAL INDIVIDUALS (1721)	08	9,289,447	14.8128
<b>GENERAL PUBLIC (FOREIGN)</b>			
TOTAL INDIVIDUALS (10)	09	20,960	0.0334
<b>TOTAL</b>		<b>62,712,000</b>	<b>100.0000</b>

# Notice of Annual General Meeting

Notice is hereby given that the 14th Annual General Meeting of the shareholders of New Jubilee Life Insurance Company Limited will be held as per below mentioned schedule:

Day, date and time: Thursday, 30th April, 2009 at 11:00 a.m.  
Venue: Pearl Continental Hotel, Lahore

## Agenda

### Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2008 and reports of the Directors and the Auditors thereon.
2. To appoint Auditors for the year ending 31 December 2009 and to fix their remuneration.

A member has given Notice under Section 253 of the Companies Ordinance, 1984 proposing the name of M/s A.F. Ferguson & Co. Chartered Accountants as external auditors of the Company in place of retiring auditors M/s KPMG Taseer Hadi & Co. Chartered Accountants who have completed the required five years tenure as auditors of the Company.

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

### Special Business

To consider and if thought fit to pass the following resolution as a Special Resolution with or without modification(s):

#### Resolved that:

- a) the registered office of New Jubilee Life Insurance Company Limited be changed from "16/2, KSB Pumps Building, Sir Aga Khan Road, Lahore" to "26-D, 3rd floor, Kashmir Plaza, Jinnah Avenue, Blue Area, Islamabad".
- b) clause II of the Memorandum of Association of New Jubilee Life Insurance Company Limited be and hereby changed from "The registered office of the Company will be situated in the Province of Punjab" to "The registered office of the Company will be situated in the Islamabad Capital Territory".

#### Statements under Section 160(1) (b) of the Companies Ordinance, 1984:

1. The change in the registered office of the Company is proposed keeping in view the fact that the Securities & Exchange Commission of Pakistan and the Federal Government offices are located in the Islamabad Capital Territory. Further, the registered offices of all other subsidiaries of the Aga Khan Fund for Economic Development in Pakistan are also located in Islamabad. The move will enhance the corporate image of the Company. Consequent to this, the Memorandum of Association of the Company is being amended.
2. **Investment in associated companies:**

As required under the SRO No. 865(1)/2000 dated 6 December, 2000, the status of the following investments in associated companies against approvals held by the Company in Annual General Meeting of 26 April 2007 is as under:

- a) **International Industries Limited**

As regards the approval granted by the shareholders in respect of investment of PKR 150 million, the Company has to date invested PKR 102.6 million as the market price of the shares remained volatile during the previous year. Further investment will be made on availability of shares at a suitable price after taking into consideration the latest financial position of the investee company.

**b) Habib Bank Limited**

As regards the approval granted by the shareholders in respect of investment of PKR 150 million, the Company has to date invested PKR 109.7 million as the market price of the shares remained volatile during the previous year. Further investment will be made on availability of shares at suitable prices after taking into consideration the latest financial position of the investee company.

**c) New Jubilee Insurance Company Limited**

As regards the approval granted by the shareholders in respect of investment of PKR 150 million, the Company has to date invested PKR 21.9 million as the market price of the shares remained volatile during the previous year. Further investment will be made on availability of shares at a suitable price after taking into consideration the latest financial position of the investee company.

Up to date financial position of the respective investee company are as under:

Name of the investee company	Average market price of the shares intended to be purchased during preceeding six months (Oct. 2008 to March 2009)	Break up value of shares intended to be purchased on the basis of last published financial statements	Earning (Loss) per share of investee company in the last three years.
International Industries Limited	Rs. 58.73	Rs. 45.50	Basic earning / share 2006 Rs. 12.50 2007 Rs. 10.80 2008 Rs. 8.50 Diluted earning / share 2006 Rs. 6.40 2007 Rs. 7.40 2008 Rs. 8.50
Habib Bank Limited	Rs. 107.50	Rs. 93.91	Basic & Diluted 2006 Rs. 20.69 2007 Rs. 13.18 2008 Rs. 20.47
New Jubilee Insurance Company Limited	Rs. 90.08	Rs. 31.27	Basic & Diluted 2006 Rs. 19.16 2007 Rs. 10.71 2008 (Rs. 4.05)

By order of the Board



**Manzoor Ahmed**  
Company Secretary

March 25, 2009  
Karachi

**Notes:**

1. The Share transfer books of the Company shall remain closed from April 23, 2009 to April 30, 2009 (both days inclusive). Transfers received in order by our registrar, M/s THK Associates (Pvt) Limited, Ground floor, State Life Building 3, Dr. Ziauddin Ahmed Road, Karachi-75530 at the close of business on April 22, 2009 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.



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



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

# Proxy Form

I/We \_\_\_\_\_ of \_\_\_\_\_ (full address)

Being member(s) of New Jubilee Life Insurance Company Limited and holder of \_\_\_\_\_

ordinary shares as per shares register folio No. \_\_\_\_\_ CDC Participant ID \_\_\_\_\_

CDC Account No. \_\_\_\_\_ hereby appoint Mr./Mrs./Miss \_\_\_\_\_

of \_\_\_\_\_ (full address)

or failing him/her \_\_\_\_\_ of \_\_\_\_\_ or failing him / her \_\_\_\_\_

of \_\_\_\_\_ as my proxy to attend, speak and vote for me and on my behalf at the

Annual General Meeting of the Company to be held on Thursday, April 30, 2009 at 11:00 a.m. at Pearl Continental Hotel, Lahore and at any adjournment thereof.

In witness whereof, I have placed my/our hand(s) this \_\_\_\_\_ day of April 2009.

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

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

\_\_\_\_\_  
Signature

Name:

Addressee:

Passport / CNIC No.

Please affix  
Revenue Stamp

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

A member entitled to attend and vote at the Annual General Meeting may appoint another member as proxy to attend, speak and vote instead of him.

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

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

AFFIX  
CORRECT  
POSTAGE

The Company Secretary

**New Jubilee Life Insurance Company Limited**

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

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

Fold : Here

Fold : Here

Fold : Here

Fold : Here



## New Jubilee life Insurance Company Limited

### Head Office

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

### BRANCH NETWORK SOUTHERN REGION

#### BADIN

##### Badin Branch

Shop No 33-34 Naseem City Center Badin  
Tel: 0297-861200, 0297-861620

#### GHOTKI

##### Station Road-Ghotki

Green Hotel Building, Main Chowk, Station Road,  
Ghotki.  
Tel: 0723-600612-3

#### HYDERABAD

##### Hyderabad Cantt Br

Building #97, mazanine floor, opposite Bank Al-  
Habib, Doctors' line, Sadar bazar Hyderabad  
Tel: 022-2786085-086

##### Hyderabad Central Branch

Shop No. 1 & 2, Ground Floor Sambara Tower,  
Behind KFC Near State Life Building Thandi Sarak  
Hyderabad  
Tel: 022-2730145,46,47

##### Hyderabad City Branch

1st Floor, CC-1 Block, Civic Centre, Thandi Sarak,  
Hyderabad  
Tel: 022-2785907, 022-2786193-4, 022-2729112  
Fax: 022-2786191

##### Thandi Sarak Branch

1st Floor, CC-1 Block, Civic Centre, Thandi Sarak,  
Hyderabad  
Tel: 022-2785907, 022-2786193-4, 022-2729112  
Fax: 022-2786191

#### JACOBABAD

##### Quaid-i-Azam Road Branch

NJLI Compnay Ltd. Opposite Old Municipal  
Committy, Quaid-e-Azam Road, Jaccobabad  
Tel: 0722-655085, 651237

#### KARACHI

##### Airport Branch

Suit# M-15, Mezzanine Floor, Falak Naz Tower,  
Opp. Jinnah Terminal, Main Shahra-e-Faisal,  
Karachi.  
021-4684012, 4684013

##### Civic Branch

Office #601, 6th Floor Progressive Centre  
Block -6 P.E.C.H.S Mian Shahra-e-Faisal Karachi.  
021-4392853-5, 4322168

##### Falcon Branch

Office No.3,2nd Floor, Plot No. B-17,  
State Avenue,near Metro Chowrangi,  
S.I.T.E. Karachi.  
021-2550051-53  
Fax: 021-2550063

##### Federal Branch

4th Floor, Duty Free Shop Center,  
Jinnah Co operative Housing Society,  
Block-7/8, Main Shahra-e-Faisal, Karachi.  
Tel : (021) 4225421, 4325387  
Fax : (021) 4310451

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

A-1501, phase-1, Opposite Pir Bazar,  
Gulshan-e-Hadeed, Bin Qasim, Karachi  
Tel: (021) 4718680, 4721599

##### Karsaz Branch

Flat # 09 Afzal Apartment ,KDA Scheme # 1-A  
Stadium Road Karachi  
021-4131346-7-8

##### Liberty Branch

1st Floor, Office No. 105-A & 106, Asia Pacific  
Trade Centre, Opposite Drive-In-Cinema, Main  
Rashid Minhas Road, Karachi  
021-4017412, 4017414-5

##### Nursery Branch

Duty Free Shop Centre, Jinnah Cooperative  
Housing Society, 4th Floor, Plot No.6, Block 7/8,  
Main Shahra-e-Faisal, Karachi  
021-4325424, 4325426, 4625422

##### P.E.C.H.S Branch

Office #601, 6th Floor Progressive Centre  
Block -6 P.E.C.H.S Mian Shahra-e-Faisal Karachi.  
021-4392853-55  
Fax: 021-4322170

##### Progressive Branch

Duty Free Shop Centre, Jinnah Cooperative  
Housing Society, 4th Floor, Plot No.6, Block 7/8,  
Main Shahra-e-Faisal, Karachi  
021-4325396,4325426

##### Rashid Minhas Rd Branch

1st Floor, Office No. 105-A & 106, Asia Pacific  
Trade Centre, Opposite Drive-In-Cinema,  
Main Rashid Minhas Road, Karachi  
021-4017412, 4017414-5

##### Shahra-e-Faisal Branch

Duty Free Shop Centre, Jinnah Cooperative  
Housing Society, 4th Floor, Plot No.6, Block 7/8,  
Main Shahra-e-Faisal, Karachi  
021-4325421

##### Shaheen Branch

Office #601, 6th Floor Progressive Centre  
Block -6 P.E.C.H.S Mian Shahra-e-Faisal Karachi.  
021-4392853-55  
Fax: 021-4322170

##### Shaheen Branch - 3

B-3, 2nd Floor, "Rahat Jo Dero" Plot No 172-  
L,Block 2, P.E.C.H.S, Karachi  
021-4388615-7  
Fax: 021-4388714

##### Shaheed-e-Millat Road

Duty Free Shop Centre, Jinnah Cooperative  
Housing Society, 4th Floor, Plot No.6, Block 7/8,  
Main Shahra-e-Faisal, Karachi  
021-4325396,4325426

#### KHAIRPUR

##### Khairpur City Branch

Opposite Session Court, Katchery Road, Khairpur  
0243-714872

#### LARKANA

##### Station Road Branch & Larkana City Branch

1st Floor Asad Shopping Centre, Station Road,  
Larkana  
074- 4057486,4057487  
Fax: 074-4057482

##### MEHAR (District Dadu)

Sub Office (SR Larkana)  
1st Floor, UBL Builiding,  
College Road, Mehar,  
Distt. Dadu. Tel: 0254-730406

##### Mirpurkhas City Branch

Umer Kot Road, Mirpurkhas, Sindh  
0233-873106

##### Nawabshah (Sub-Off)

2nd Floor, Zainab Centre, Near Al-Karim Hotel,  
Katchary Road, Nawabshah.  
0242-448424

##### Noshero City Branch

Near Habib Bank Ltd.Main Road,  
Naushero Feroz.  
0242-448424

##### Panu Akil Branch

Opposite Caltex Petrol Pump Baiji Chawk,  
National Highway Panu Akil.  
071-5691717-8  
Fax: 071-5690303

##### Quetta Shaheen Branch

Suit #. 11-12, Institute of Engineering, Zarghoon  
Road, Quetta.  
081-2829822, 2823913

##### Zarghoon Road Branch

Main Jinnah Road opp. Indus Bank, 1st Floor,  
Optics World Corner Building, Quetta.  
081-2840877

#### SUKKUR

##### Sukkur City Branch

1st Floor, Lala Azam Plaza, Opposite Excise Office,  
Station Road, Sukkur  
071-5612056, 5614515, 5614261  
Fax: 071-5612556

### 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 : 21-L, Gulberg III, Main Ferozepur Road, Lahore. Tel : (042) 5841915, Fax : (042) 5841913  
Faisalabad : Satiانا Road Branch, 1st Floor-721, Batala Colony, Satiانا Road, Faisalabad. Tel: (041) 8712007, 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

### BRANCH NETWORK NORTHERN REGION

#### ABBOTABAD

##### Mansehra Road Branch

Civic Shopping Centre, near Muqadas Tower  
Mandian, Mansehra Road Abottabad  
Tel: (0992) 383257

#### BAHAWALPUR

##### Bhawalpur Branch

1st Floor, Adil Complex, Opp: Circuit House  
Ahmed Pur Road Bahawalpur  
062-2877326

#### FAISALABAD

##### Satiana Road Branch

721/ B , 1st Floor , Batala Colony,  
Satiana Road, Faisalabad.  
Tel :041-8733179, 8714256  
Fax No 041-8710101

#### GUJRAWALA

##### G.T.Road Branch-1& 2

3rd Floor Zaheer Plaza, GT Road Gujranwala  
Tel: 055-3824731,32,34,35

#### GUJRAT

##### Chanab Branch

Ground Floor, Ittefaq Plaza, Jinnah Road, Gujrat.  
Tel: 0533-525115

#### ISLAMABAD

##### Jinnah Avenue Road Branch

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

#### JEHLUM

##### Jhelum (Sub-Off)

Flat No. 9, Soldier Plaza, Jhelum  
Tel: 0544-614528

#### KOTLI

##### Pindi Road Branch

2nd Floor, Gulistan Plaza, Pindi Road, Kotli ,  
Azad Kashmir.  
Tel: 058660-44475,48006  
Fax: 058660-48006

#### KOHAT

Sub Office Peshawar University Road  
Al-Madina Plaza, Penzati Chikarkot,  
Bannu Road, Kohat.  
Tel : (092) 2519789

#### LAHORE

##### Davis Road Branch

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

##### Gulberg Branch

175, Gen. Sarfraz Khan Road,  
Shadman Colony 2, Lahore  
Tel: 042- 7562705-7  
Fax: 042-7532246

##### Shadman Branch

175, Gen. Sarfraz Khan Road,  
Shadman Colony 2, Lahore  
Tel: 042- 7562705-7  
Fax: 042-7532246

#### MIRPUR (AZAD KASHMIR)

Mirpur Branch Azad Kahmir  
Plot No.629, 1st Floor, Sector B-1, Bank Square,  
Allama Iqbal Road, Mirpur AJK  
Tel: (05827)-45802-5

#### MULTAN

##### Abdali Road Branch-1 & 2

63-A NIPCO House  
(Nawai-e-Waqt Building)  
Abdali Road Multan  
Tel: 061-4573301,4573302, 4573354  
Fax: 061-4573397

#### MUZAFFARABAD

##### Sub Office (Kotli)

7 to 11 Building 2nd Floor Mir Waaize Kashmir  
Road Opp: CMH Muzaffarabad  
Tel: 058810-45041

#### PESHAWAR

##### Cantt Branch -1 & 2

2nd Floor, Block A, Office No 1,  
Cantonment Plaza, Fakhr-e-Alam Road,  
Peshawar  
Tel: 091-5270388, 5270599  
Fax: 091-5273656

##### Chitral (Sub Office)

Terichmir View Hotel, Shahi Qila Road,  
Chitral.

##### University Road Branch-1 & 2

B - 501 - 502, City Tower, University Road,  
Peshawar  
Tel: 091-5850520-22

#### RAHIM YAR KHAN

##### Shahi Road Branch

White palace hotel 1st Floor ,  
City Centre, Shahi Road, Rahim Yar Khan.  
Tel: 068-5887601

#### RAWALPINDI

##### Haider Road Branch

Bilal Plaza, 2nd Floor, Haider Road,  
Rawalpindi Cantt.  
Tel: 051-5112584-85, 5111335-36

##### Shamsabad Branch

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

##### Sub Office (Club Road Sargodha)

405, Club Road Opp. Contonment board Sargodha

#### SIALKOT

##### Paris Road Branch

2nd Floor, Al Ameen Centre, Opposite, Sialkot  
Chamber of Commerce and Industry, B Paris  
Road, Sialkot  
Tel: 052-264687  
Fax: 052-4265041

### EMPLOYEES BENEFIT SERVICES

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Lahore : 21-L, Gulberg III, Main Ferozepur Road, Lahore. Tel : (042) 5841915, Fax : (042) 5841913  
Faisalabad : Satiana Road Branch, 1st Floor-721, Batala Colony, Satiana Road, Faisalabad. Tel: (041) 8712007, 8733179, 8717337, 8720984, 8714256, 8720487 Fax: (041) 8710101  
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