



American Life Insurance Company (Pakistan) Limited

Report for the Nine Months Ended
September 30, 2009

Alico[®]

VISION STATEMENT

*“To be the most innovative, finest and
socially responsible
insurance company providing best value
to customers, partners,
employees and shareholders.”*

MISSION STATEMENT

“To build value for our policyholders, field force, employees and shareholders, by providing quality products and services through multiple distribution channels for the Pakistani market and through investing in Pakistani financial institutions, thereby serving the Pakistani people.”

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Arif Sultan Mufti	Chairman and Chief Executive	Chartered Accountant
Ehsan Ahmed Nomani	Director	Advocate
Khalid Anis-ur-Rehman	Director	Advocate
Shahid Siddiqui	Director	Actuary
Michel Khalaf	Director	Business Executive
Nurul Islam	Director (Alternate Mr. Irfan Amir)	Business Executive
Arif Abdul Aziz	Director	Financial Executive
Qasim Rabbani	Director	Business Executive

COMPANY SECRETARY

Asim Iftikhar	Cost and Management Accountant
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APPOINTED ACTUARY

Shoaib Soofi	FSA, FPSA
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AUDIT COMMITTEE

Arif Abdul Aziz	Chairman
Khalid Anis-ur-Rehman	Member
Shahid Siddiqui	Member

BANKERS

MCB Bank Limited
Standard Chartered Bank (Pakistan) Limited
HSBC Bank Middle East Limited
Habib Bank Limited
National Bank of Pakistan Limited
Citibank, N.A.
NIB Bank Limited
Bank Al-Habib Limited
Deutsche Bank
Barclays Bank PLC, Pakistan

LEGAL ADVISORS

Surr ridge and Beecheno

AUDITORS

KPMG Taseer Hadi & Co. - Chartered Accountants

SHARE REGISTRAR

THK Associates (Private) Limited
Ground Floor, State Life Building - 3
Ziauddin Ahmed Road, Karachi - 75530 P.O. Box No. 8533
Phone : +92(21) 111-000-322 Fax: + 92(21)35655595

REGISTERED OFFICE

Floor 13, Dolmen City Mall, Marine Drive,
Block-4, Clifton, Karachi.
Phones: +92(21) 111-111-711 Fax: +92(21) 35290042

DIRECTORS' REPORT

The Directors of the Company are pleased to place before you the unaudited financial statements for the nine months ended September 30, 2009.

The year to date third quarter 2009 has modest economic recovery although law and order situation remains the key issue spreading all over the country which is being checked forcefully. Your management is hopeful of the significant upward turn and has full focus for sustainable growth aligned with its strategic objectives.

Overall, the Company has shown modest growth during the third quarter of 2009. The individual life products, the Savings Plan and VUL (unit linked) were the most popular plans with the market shares of 55% and 10% in terms of company's premium income. The increase in individual life new business was 20% compared to the same period of last year.

Your Company is also aggressively working on the banc-assurance business. The portfolio of the banc-assurance business shows a tremendous growth and achieved record sales in this quarter.

The accident and health product business both individual and group shows a drop of about 26% over last year.

The combined all lines gross premium income is Rs. 1,020 million, a growth of 20% over the corresponding period with the major increase in group health and pension policy:

Profit/Loss	September 30, 2009	September 30, 2008
	(Rupees in '000)	
Net Surplus of statutory funds	126,228	119,885
Profit before appropriation of surplus to Shareholders' Fund	24,486	22,699
Taxation	20,358	18,057
Earning per Share (Rupees)	0.71	0.67

The Management is expecting good growth in the coming months in view of the effective measures being taken to strengthen the field force through training and recruitment.

Furthermore, the Unit Linked, Savings and the recently introduced Shareek-e-Safar plan with joint life coverage are expected to register good growth.

On the investment front, we are expecting good returns as a result of our prudent investment policies. In respect of our non-linked individual life products, we invest exclusively in Government securities and bank having a minimum rating of AA-.

We take this opportunity to express our appreciation to the Government of Pakistan, Ministry of Commerce and Securities and Exchange Commission of Pakistan for their invaluable assistance and guidance.

The Board of Directors would like to express their sincere thanks and wish to record their appreciation for the remarkable contribution by the Company's officers, field force, sales consultants and staff towards the Company's present achievements.

On behalf of the Board of Directors

ARIF S. MUFTI
Chairman & CEO
Dated: October 27, 2009



CONDENSED INTERIM BALANCE SHEET (UNAUDITED) AS AT SEPTEMBER 30, 2009

Note	Share Holders' Fund	STATUTORY FUNDS						AGGREGATE			
		Life (Participating)	Life (Non - Participating) Individual	Investment Group	Linked	Accident & Health Individual	Pension Business Fund Group	September 30, 2009 (Unaudited)	December 31, 2008 (Audited)		
(Rupees in '000)											
Share Capital and Reserves											
	Authorized share capital (50,000,000 ordinary shares of Rs. 10 each)	500,000	-	-	-	-	-	-	500,000	500,000	
	Issued, subscribed and paid-up share capital	500,000	-	-	-	-	-	-	500,000	500,000	
	Accumulated Surplus	311,569	-	-	-	-	-	-	311,569	275,941	
	Less: Capital contributed by Shareholders' Fund	(396,178)	-	-	-	-	-	-	(396,178)	(396,178)	
7		(84,609)	-	-	-	-	-	-	(84,609)	(120,237)	
	Net Shareholders' Equity	415,391	-	-	-	-	-	-	415,391	379,763	
Balance of Statutory Fund											
	[including policy holders' liabilities Rs. 1,956 million (December 31, 2008: Rs. 1,650 million)]	-	675,947	1,133,845	343,190	67,171	17,987	102,820	22,158	2,363,118	1,961,532
Creditors and Accruals											
	Outstanding claims (including IBNR)	-	6,375	41,444	90,956	-	5,754	21,362	-	165,891	207,537
	Payable to gratuity fund	-	1,809	3,044	544	210	52	311	70	6,040	2,734
	Premiums received in advance	-	824	16,559	-	-	1,035	-	-	18,418	37,604
	Amount due to other insurers/reinsurers	-	52	87	54,982	1,013	5,945	-	-	62,079	64,734
	Amount due to agents	-	6,188	15,670	-	702	652	-	-	23,212	17,882
	Accrued expenses	-	11,217	18,881	3,371	1,303	323	1,931	435	37,461	26,270
	Taxation - Provisions less payments	871	-	-	-	-	-	-	-	871	5,309
	Other creditors and accruals	2,798	10,939	18,411	2,387	1,143	276	6,329	372	42,655	29,530
		3,669	37,404	114,096	152,240	4,371	14,037	29,933	877	356,627	391,600
	Dividend	16,603	-	-	-	-	-	-	-	16,603	16,603
	TOTAL LIABILITIES	20,272	713,351	1,247,941	495,430	71,542	32,024	132,753	23,035	2,736,347	2,369,735
	TOTAL EQUITY AND LIABILITIES	435,663	713,351	1,247,941	495,430	71,542	32,024	132,753	23,035	3,151,738	2,749,498

Note	Share Holders' Fund	STATUTORY FUNDS						AGGREGATE			
		Life (Participating)	Life (Non - Participating)		Investment	Accident & Health		Pension Business Fund	September 30, 2009	December 31, 2008	
			Individual	Group	Linked	Individual	Group		(Unaudited)	(Audited)	
(Rupees in '000)											
Cash and Bank Deposits											
		-	539	907	162	63	16	93	21	1,801	1,368
		8,228	2,749	18,387	155	2,833	206	1,235	6,425	40,218	48,388
		-	15,000	-	-	-	-	-	-	15,000	115,000
		8,228	18,288	19,294	317	2,896	222	1,328	6,446	57,019	164,756
Loans secured against											
		-	23,193	39,040	-	-	-	-	-	62,233	51,335
Loans secured against other assets											
		246	-	-	-	-	-	-	-	246	364
		1,466	-	-	-	-	-	-	-	1,466	1,924
Investments											
	8	342,663	615,201	1,061,949	445,193	-	37,770	126,235	16,558	2,645,569	1,775,191
		-	-	-	-	67,722	-	-	-	67,722	26,148
		342,663	615,201	1,061,949	445,193	67,722	37,770	126,235	16,558	2,713,291	1,801,339
Current Assets - Others											
		-	889	32,208	27,022	28	-	47,243	-	107,390	70,535
		-	6,762	11,382	-	-	-	1,495	-	19,639	14,334
		-	7,628	12,839	2,293	886	220	1,313	296	25,475	20,899
		70,706	-	-	(501)	(2,933)	(8,147)	(57,107)	(2,018)	-	-
	9	-	5,674	9,551	1,706	659	163	4,996	220	22,969	503,152
		-	-	-	-	-	-	-	-	-	13,006
		12,354	16,711	29,689	13,687	77	1,249	3,978	796	78,541	35,574
		83,060	37,664	95,669	44,207	(1,283)	(6,515)	1,918	(706)	254,014	657,500
Fixed Assets - tangible & intangible											
		-	542	912	163	63	16	93	21	1,810	558
		-	17,618	29,655	5,295	2,046	507	3,033	684	58,838	68,694
		-	845	1,422	254	98	24	145	33	2,821	3,028
		-	19,005	31,989	5,712	2,207	547	3,271	738	63,469	72,280
TOTAL ASSETS											
		435,663	713,351	1,247,941	495,430	71,542	32,024	132,753	23,035	3,151,738	2,749,498

The annexed notes from 1 to 14 are an integral part of these condensed interim financial statements.

Chairman & Chief Executive

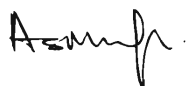
Director

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE NINE MONTH ENDED SEPTEMBER 30, 2009

	Nine Month ended Sept. 30,		Quarter ended Sept. 30,	
	2009	2008	2009	2008
..... (Rupees in '000)				
Investment income not attributable to statutory funds				
Return on Government securities	28,101	23,878	9,522	8,003
Amortisation of premium relative to par	573	531	19	17
	<u>27,528</u>	<u>23,347</u>	<u>9,503</u>	<u>7,986</u>
Loss on sale of investments held as 'available for sale'	(2,178)	(401)	(1,522)	(401)
Net Investment Income	<u>25,350</u>	<u>22,946</u>	<u>7,981</u>	<u>7,585</u>
Return on PLS term deposits and saving accounts	<u>1,359</u>	<u>1,500</u>	<u>453</u>	<u>500</u>
	<u>26,709</u>	<u>24,446</u>	<u>8,434</u>	<u>8,085</u>
Expenses not attributable to statutory funds				
Administration and miscellaneous expenses	2,223	1,747	722	557
Profit before tax	<u>24,486</u>	<u>22,699</u>	<u>7,712</u>	<u>7,528</u>
Surplus appropriated to Shareholder's Fund from Ledger Account D	31,500	28,893	10,000	6,693
Profit before tax	<u>55,986</u>	<u>51,592</u>	<u>17,712</u>	<u>14,221</u>
Tax Expense	20,358	18,057	6,732	4,977
Profit after tax	<u>35,628</u>	<u>33,535</u>	<u>10,980</u>	<u>9,244</u>
..... (Rupees)				
Earnings per share	<u>0.71</u>	<u>0.67</u>	<u>0.22</u>	<u>0.18</u>

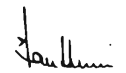
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Chairman & Chief Executive



Director

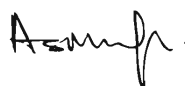


Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2009**

	Share Capital	Accumulated Surplus	Capital contributed to Statutory Funds	Total
	(Rupees in '000)			
Balance as at January 1, 2008	500,000	225,720	(396,178)	329,542
Profit for the period	-	33,535	-	33,535
Unrealised profit on revaluation of investments in mutual funds	-	(748)	-	(748)
Capital contributed during the period	-	-	-	-
Capital withdrawn during the period	-	-	-	-
Balance as at September 30, 2008	<u>500,000</u>	<u>258,507</u>	<u>(396,178)</u>	<u>362,329</u>
Balance as at January 1, 2009	500,000	275,941	(396,178)	379,763
Profit for the period	-	35,628	-	35,628
Unrealised profit on revaluation of investments in mutual funds	-	-	-	-
Capital contributed during the period	-	-	-	-
Capital withdrawn during the period	-	-	-	-
Balance as at September 30, 2009	<u>500,000</u>	<u>311,569</u>	<u>(396,178)</u>	<u>415,391</u>

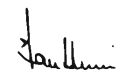
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Chairman & Chief Executive



Director



Director

CONDENSED INTERIM REVENUE ACCOUNT (UNAUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009

Note	STATUTORY FUNDS							AGGREGATE			
	Life (Participating)	Life (Non - Participating)		Investment	Accident & Health		Pension Business Fund	Nine months ended Sept. 30, 2009		Quarter ended Sept. 30, 2008	
		Individual	Group	Linked	Individual	Group		2009	2008	2009	2008
	(Rupees in '000)										
Income											
Premiums less reinsurances	31,322	518,342	116,037	104,181	20,414	162,509	7,148	959,954	782,845	361,680	249,236
Policy transfers from other statutory funds	78,915	-	-	-	-	-	-	78,915	37,032	48,167	15,107
Net investment income	43,085	80,485	33,453	8,854	2,861	9,010	1,457	179,205	152,411	68,476	52,981
Other income - net	63	14,886	1,556	3,005	1,164	5,518	2	26,194	13,620	5,204	3,884
Total Net Income	153,385	613,713	151,046	116,040	24,439	177,037	8,607	1,244,267	985,908	483,527	321,208
Claims and Expenditure											
Claims, including bonuses, net of reinsurance recoveries	22,913	52,547	83,962	25	787	103,467	1,764	265,464	240,764	85,591	79,692
Policy transfers to statutory funds	-	78,915	-	-	-	-	-	78,915	37,032	48,167	15,107
Management expenses less recoveries	6,749	302,375	46,640	67,086	14,005	29,050	898	466,803	395,635	176,618	138,323
Total Claims and Expenditure	29,662	433,837	130,602	67,111	14,792	132,517	2,662	811,183	673,431	310,376	233,122
Excess of Income over Claims and Expenditure	123,723	179,876	20,444	48,929	9,647	44,520	5,945	433,084	312,477	173,151	88,086
Policyholders' liabilities at beginning of the period	497,053	791,571	227,716	22,331	16,036	79,084	15,829	1,649,620	1,401,793	1,835,242	1,513,161
Policyholders' liabilities at end of the period	(585,825)	(986,079)	(176,080)	(68,032)	(16,867)	(100,865)	(22,729)	(1,956,477)	(1,594,385)	(1,956,477)	(1,594,385)
Movement in policyholders' liabilities	(88,772)	(194,508)	(51,636)	(45,701)	(831)	(21,781)	(6,900)	(306,857)	(192,592)	(121,235)	(81,224)
(Deficit) / Surplus	34,951	(14,632)	72,080	3,228	8,816	22,739	(955)	126,227	119,885	51,916	6,862
Movement in policyholders' liabilities	88,772	194,508	(51,636)	45,701	831	21,781	6,900	306,857	192,592	121,235	81,224
Transfers (to) or from Shareholders' Fund											
- Capital returned to Shareholders' Fund	-	-	-	-	-	-	-	-	-	-	-
- Capital contributions from Shareholders' Fund	-	-	-	-	-	-	-	-	-	-	-
- Surplus appropriated to Shareholders' Fund	(2,000)	-	-	-	(8,500)	(21,000)	-	(31,500)	(28,893)	(10,000)	(6,693)
	(2,000)	-	-	-	(8,500)	(21,000)	-	(31,500)	(28,893)	(10,000)	(6,693)
Balance of Statutory Fund at beginning of the period	554,223	953,968	322,746	18,242	16,840	79,300	16,213	1,961,532	1,595,024	2,199,967	1,797,215
Balance of Statutory Fund at end of the period	675,947	1,133,845	343,190	67,171	17,987	102,821	22,158	2,363,118	1,878,609	2,363,118	1,878,609
Represented by:	6										
Capital contributed by Shareholders' Fund	28,916	223,452	143,810	-	-	-	-	396,178	396,178	396,178	396,178
Policyholders' liabilities	585,825	986,079	176,080	68,032	16,867	100,865	22,729	1,956,477	1,594,385	1,956,477	1,594,385
Retained earnings attributable to policyholders (Ledger Account A)	54,033	-	-	-	-	-	-	54,033	29,527	54,033	29,527
Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B)	7,173	-	-	-	-	-	-	7,173	12,351	7,173	12,351
Retained earnings on other than participating business (Ledger Account D)	-	(75,686)	23,300	(861)	1,120	1,956	(571)	(50,743)	(153,832)	(50,743)	(153,832)
BALANCE OF STATUTORY FUND	675,947	1,133,845	343,190	67,171	17,987	102,821	22,158	2,363,118	1,878,609	2,363,118	1,878,609

The annexed notes from 1 to 14 are an integral part of these condensed interim financial statements.

Chairman & Chief Executive

Director

Director

CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009

	STATUTORY FUNDS						AGGREGATE				
	Life (Participating)	Life (Non - Participating)		Investment	Accident & Health		Pension Business Fund	Nine Months ended Sept. 30, 2009		Quarter ended Sept. 30, 2008	
	Individual	Group	Linked	Individual	Group		2009	2008	2009	2008	
(Rupees in '000)											
Gross Premiums											
Regular premium individual policies*											
First year	199	243,260	-	79,226	26,572	-	349,257	307,073	156,462	107,596	
Second year renewal	2,789	110,862	-	26,592	-	7,148	147,391	105,520	21,682	39,702	
Subsequent year renewal	28,699	179,565	-	-	-	-	208,264	172,908	106,105	52,570	
Group policies without cash values	-	-	151,924	22	-	163,098	315,044	268,013	97,339	75,419	
Total Gross Premiums	31,687	533,687	151,924	105,840	26,572	163,098	1,019,956	853,514	381,588	275,287	
Less: Reinsurance Premiums Ceded											
On individual life first year business	2	2,676	-	1,659	-	-	4,337	3,989	1,564	1,711	
On individual life second year business	32	4,836	-	-	-	-	4,868	7,472	(149)	2,877	
On individual life renewal business	330	7,833	-	-	-	-	8,163	12,205	4,426	3,544	
On individual accident and health first year	-	-	-	-	6,158	-	6,158	2,486	4,567	792	
On individual accident and health second year	-	-	-	-	-	-	-	5,137	(2,760)	1,479	
On group policies	-	-	35,887	-	-	589	36,476	39,380	12,260	15,648	
	364	15,345	35,887	1,659	6,158	589	60,002	70,669	19,908	26,051	
Net Premiums	31,323	518,342	116,037	104,181	20,414	162,509	959,954	782,845	361,680	249,236	

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

The annexed notes from 1 to 14 are an integral part of these condensed interim financial statements.

Chairman & Chief Executive

Director

Director

CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009

	STATUTORY FUNDS						AGGREGATE			
	Life (Participating)	Life (Non - Participating)		Investment	Accident & Health		Pension Business Fund	Nine months ended Sept. 30, Quarter ended Sept 30,		
	Individual	Group	Linked	Individual	Group		2009	2008	2009	2008
(Rupees in '000)										
Gross Claims										
Claims under individual policies										
by death	6,863	11,075	-	26	3,971	-	21,935	37,911	3,902	4,076
by insured event other than death	-	-	-	-	(1,684)	-	(1,684)	1,587	(2,619)	93
by maturity	12,041	-	-	-	-	-	12,041	16,369	4,602	3,258
by surrender	4,009	46,168	-	(1)	-	-	50,176	35,593	18,765	15,418
Total gross individual policy claims	22,913	57,243	-	25	2,287	-	82,468	91,460	24,650	22,845
Claims under group policies										
by death	-	-	87,449	-	-	(200)	87,249	83,755	21,696	29,365
by insured event other than death	-	-	-	-	-	100,746	100,746	83,510	35,378	31,989
by surrender	-	-	-	-	-	-	1,764	-	(1,381)	-
experience refund	-	-	3,692	-	-	2,981	6,673	10,345	5,636	(1,286)
Total gross group claims	-	-	91,141	-	-	103,527	196,432	177,610	61,329	60,068
Total Gross Claims	22,913	57,243	91,141	25	2,287	103,527	278,900	269,070	85,979	82,913
Less: Re-insurance Recoveries										
On individual life first year business claims	-	819	-	-	-	-	819	2,311	17	106
On individual life second year business claims	-	1,480	-	-	-	-	1,480	5,562	(822)	292
On individual life renewal business claims	-	2,397	-	-	-	-	2,397	12,874	783	363
On individual accident and health business claims	-	-	-	-	1,500	-	1,500	133	-	-
On group business claims	-	-	7,179	-	-	60	7,239	7,426	410	2,460
	-	4,696	7,179	-	1,500	60	13,435	28,306	388	3,221
Net Claims	22,913	52,547	83,962	25	787	103,467	265,465	240,764	85,591	79,692

The annexed notes from 1 to 14 are an integral part of these condensed interim financial statements.

Chairman & Chief Executive

Director

Director

CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009

	STATUTORY FUNDS							AGGREGATE			
	Life (Participating)	Life (Non - Participating)		Investment Linked	Accident & Health		Pension Business Fund	Nine months ended Sept. 30, 2009		Quarter ended Sept. 30, 2008	
		Individual	Group		Individual	Group		2009	2008	2009	2008
(Rupees in '000)											
Acquisition Costs											
Remuneration to insurance intermediaries on individual policies :											
Commission on first year premiums	124	152,246	-	41,473	8,360	-	-	202,203	168,665	90,650	59,989
Commission on second year premiums	279	11,086	-	1,272	-	-	-	12,637	11,954	1,044	4,592
Commission on subsequent renewal premiums	247	7,313	-	-	-	-	-	7,560	4,940	6,234	1,150
Other benefits to insurance intermediaries	384	29,966	-	5,044	383	-	-	35,777	26,752	14,249	10,718
	1,034	200,611	-	47,789	8,743	-	-	258,177	212,311	112,177	76,449
Remuneration to insurance intermediaries on group policies :											
Commission	-	-	24,451	-	-	9,560	-	34,011	35,664	9,459	13,336
Other benefits to insurance intermediaries	-	-	2,684	-	-	16	-	2,700	2,081	480	1,279
	-	-	27,135	-	-	9,576	-	36,711	37,745	9,939	14,615
Branch Overheads											
- Salaries and other benefits	153	9,324	2,419	1,751	724	1,829	75	16,275	16,298	5,351	6,245
- Other operational costs	307	18,652	4,842	3,505	1,449	3,661	160	32,576	29,535	10,246	9,885
	460	27,976	7,261	5,256	2,173	5,490	235	48,851	45,833	15,597	16,130
Other acquisition cost											
Policy stamps	(9)	933	262	509	316	89	-	2,100	3,717	77	1,120
	1,485	229,520	34,658	53,554	11,232	15,155	235	345,839	299,606	137,790	108,314
Administration Expenses											
Salaries & other benefits	633	38,215	9,974	7,219	2,985	7,540	531	67,097	55,383	21,409	16,291
Travelling expenses	13	797	208	150	62	157	-	1,387	1,206	594	658
Auditors' remuneration	7	386	100	73	30	76	5	677	756	239	253
Actuary's fees	-	-	-	-	-	-	-	-	517	-	1
Medical fees	9	552	165	987	-	7	-	1,720	1,414	1,227	437
Legal and professional expenses	(2)	(107)	(27)	(20)	(8)	(21)	(2)	(187)	85	(536)	5
Advertisements	24	1,442	376	272	112	284	-	2,510	3,513	264	231
Computer expenses	8	469	122	89	37	92	6	823	654	226	226
Printing & Stationery	59	3,581	934	675	280	706	46	6,281	5,308	1,314	1,849
Depreciation	4,174	7,025	1,254	484	120	718	162	13,937	13,227	4,467	4,578
Rental	226	13,684	3,567	2,582	1,068	2,697	-	23,824	13,497	9,367	1,550
	5,151	66,044	16,673	12,511	4,686	12,256	748	118,069	95,560	38,571	26,079
Other Management Expenses	131	7,929	1,983	1,709	708	1,786	(85)	14,161	22,367	3,841	11,698
Gross Management Expenses	6,767	303,493	53,314	67,774	16,626	29,197	898	478,069	417,533	180,202	146,091
Commission from Reinsurers	(18)	(1,118)	(6,674)	(688)	(2,621)	(147)	-	(11,266)	(21,898)	(3,584)	(7,768)
Net Management Expenses	6,749	302,375	46,640	67,086	14,005	29,050	898	466,803	395,635	176,618	138,323

The annexed notes from 1 to 14 are an integral part of these condensed interim financial statements.

Chairman & Chief Executive

Director

Director

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009

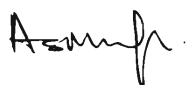
STATUTORY FUNDS							AGGREGATE			
Life (Participating)	Life (Non - Participating) Individual	Investment Group	Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	Nine months ended Sept. 30, 2009		Quarter ended Sept. 30, 2008	
							2009	2008	2009	2008

(Rupees in '000)

Income from Non-Trading
Investments - Held to maturity

Return on Government Securities	44,357	81,413	35,042	-	3,233	9,380	1,457	174,882	158,098	63,265	54,714
Return on Term Finance Certificates	-	-	-	-	-	-	-	-	21	-	-
	44,357	81,413	35,042	-	3,233	9,380	1,457	174,882	158,119	63,265	54,714
Less: Amortisation of premium relative to par	1,272	928	1,589	-	372	370	-	4,531	4,444	572	420
	43,085	80,485	33,453	-	2,861	9,010	1,457	170,351	153,675	62,693	54,294
Return on investments held as 'Available for sale'	-	-	-	8,854	-	-	-	8,854	(1,264)	5,783	(1,313)
Net Investment Income	43,085	80,485	33,453	8,854	2,861	9,010	1,457	179,205	152,411	68,476	52,981

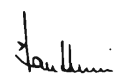
The annexed notes from 1 to 14 are an integral part of these condensed interim financial statements.



Chairman & Chief Executive



Director



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended September 30, 2009

1. STATUS AND NATURE OF BUSINESS

American Life Insurance Company (Pakistan) Limited “the Company” was incorporated in Pakistan on October 9, 1994 as a public limited company under the Companies Ordinance, 1984. Its shares are quoted on the Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at Floor 13 (Level 16), Dolmen City Mall, Block-4, Clifton, Karachi. The Company commenced its operations on May 25, 1995 after registration with the Controller of Insurance on April 30, 1995.

The Company is a subsidiary of American Life Insurance Company (incorporated in the United States of America) that holds 66.46% (December 31, 2008: 66.46%) share capital of the Company.

The Company is engaged in life insurance, carrying on both participating and non-participating business. In accordance with the requirements of the Insurance Ordinance, 2000, the Company established a Shareholders’ Fund and separate Statutory Funds, in respect of each class of life insurance business. The Statutory Funds established by the Company, in accordance with the advice of the Appointed Actuary, are as follows:

- Life (Participating)
- Life (Non-participating) - Individual
- Life (Non-participating) - Group
- Accident & Health - Individual
- Accident & Health - Group
- Pension Business Fund
- Investment Linked

2. BASIS OF PRESENTATION

These condensed interim financial statements are being presented in condensed form in accordance with the approved accounting standard - International Accounting Standard 34 “Interim Financial Reporting” (IAS-34) as applicable in Pakistan and in the format prescribed under Insurance Rules, 2002.

The condensed interim financial statements do not include all of the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2008.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as disclosed below the accounting policies and methods of computation followed in these condensed interim financial statements are the same as compared with the annual financial statements of the Company for the year ended December 31, 2008.

The Company adopts IFRS 4-Insurance Contracts, which became effective for financial periods beginning on or after January 1, 2009. However Securities and Exchange Commission of Pakistan through its circular no. 22/2009 dated June 30, 2009 has deferred the applicability of certain requirements of IFRS 4 for the purpose of the quarterly accounts for 1st, 2nd and 3rd quarters of the year ending 2009. Other related requirements of IFRS 4 have no significant impact on these condensed interim financial statements.

Revised IAS 1 - Presentation of Financial Statements (2007) became effective for financial periods beginning on or after January 1, 2009. There is no comprehensive income to report in these condensed interim financial statements. Hence, profit and loss account is included in these condensed interim financial statements.

IFRS 8 - Operating Segments became effective for financial periods beginning on or after January 1, 2009. The application of this standard does not have any effect in these condensed interim financial statements.

4. ESTIMATES

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual result may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimating uncertainty were the same as those that applied to the annual financial statements as at and for the year ended December 31, 2008.

5. FINANCIAL RISK MANAGEMENT

The Company’s financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended December 31, 2008.

6. MOVEMENT IN EQUITY

Note	STATUTORY FUNDS						AGGREGATE		
	Life (Participating)	Life (Non - Participating)		Investment	Accident & Health		Pension Business Fund	Sept. 30, 2009	December 31, 2008
		Individual	Group	Linked	Individual	Group		(Unaudited)	(Audited)
	(Rupees in '000)								
Policyholders' Liabilities									
	497,053	791,571	227,716	22,331	16,036	79,084	15,829	1,649,620	1,401,793
	88,772	194,508	(51,636)	45,701	831	21,781	6,900	306,857	247,826
	585,825	986,079	176,080	68,032	16,867	100,865	22,729	1,956,477	1,649,619
Retained earnings on participating business attributable to participating policyholders' - Ledger Account A									
	25,576	-	-	-	-	-	-	25,576	(1,776)
6.1	64,952	-	-	-	-	-	-	64,952	79,724
	(6,495)	-	-	-	-	-	-	(6,495)	(7,972)
	(30,000)	-	-	-	-	-	-	(30,000)	(44,400)
	54,033	-	-	-	-	-	-	54,033	25,576
Retained earnings on participating business attributable to shareholders but not distributable - Ledger Account B									
	2,678	-	-	-	-	-	-	2,678	4,706
	6,495	-	-	-	-	-	-	6,495	7,972
	(2,000)	-	-	-	-	-	-	(2,000)	(10,000)
	7,173	-	-	-	-	-	-	7,173	2,678
Retained earnings on participating business distributable to shareholders - Ledger Account C									
	-	-	-	-	-	-	-	-	-
	2,000	-	-	-	-	-	-	2,000	10,000
	(2,000)	-	-	-	-	-	-	(2,000)	(10,000)
	-	-	-	-	-	-	-	-	-
Retained earnings on other than participating business - Ledger Account D									
	-	(61,055)	(48,780)	(4,089)	804	217	384	(112,519)	(205,877)
	-	(14,631)	72,080	3,228	8,816	22,739	(955)	91,276	132,358
	-	-	-	-	(8,500)	(21,000)	-	(29,500)	(39,000)
	-	(75,686)	23,300	(861)	1,120	1,956	(571)	(50,743)	(112,519)
Capital contributed by shareholders' fund									
	28,916	223,452	143,810	-	-	-	-	396,178	396,178
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	28,916	223,452	143,810	-	-	-	-	396,178	396,178

6.1 This represents surplus earned in Life (Participating) Statutory Fund before allocation of bonus. Amount of surplus appearing in the condensed interim revenue account is net off bonus allocated during the period.

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

September 30, 2009
(Unaudited) December 31, 2008
(Audited)
(Rupees in '000)

Accumulated surplus in the statement of changes in equity ignoring effect of capital transfers at beginning of the period/year.	275,941	225,720
Add: Surplus in profit and loss account for the period	35,628	50,221
Accumulated surplus in the statement of changes in equity ignoring effect of capital transfers at end of the period	311,569	275,941
Less: Accumulated Net Capital Transfers in Statutory Funds	(396,178)	(396,178)
Total as shown in the Balance Sheet	<u>(84,609)</u>	<u>(120,237)</u>

7.1 In order to achieve compliance with the requirements of the Insurance Ordinance, 2000 relating to i) solvency; and ii) return of capital from statutory funds to shareholders' fund, the Company as at September 30, 2009 has retained an amount of Rs. 345 million (December 31, 2008: Rs. 283.7 million) in the statutory funds. This has resulted in the shareholders' equity being lower by this amount.

8. INVESTMENTS

Note	Share Holders' Fund	STATUTORY FUNDS						AGGREGATE		
		Life (Participating)	Life (Non - Participating) Individual	Life (Non - Participating) Group	Investment Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	Sept. 30, 2009 (Unaudited)	Dec 31, 2008 (Audited)
(Rupees in '000)										
Government Securities - held to maturity 8.1 & 8.2										
Pakistan Investments Bonds	342,663	615,201	1,061,949	445,193	-	37,770	126,235	16,558	2,645,569	1,775,191
Treasury Bills	-	-	-	-	-	-	-	-	-	-
	342,663	615,201	1,061,949	445,193	-	37,770	126,235	16,558	2,645,569	1,775,191
Units of Mutual Funds - available for sale										
Units of Open-end mutual funds	-	-	-	-	67,722	-	-	-	67,722	26,148
	<u>342,663</u>	<u>615,201</u>	<u>1,061,949</u>	<u>445,193</u>	<u>67,722</u>	<u>37,770</u>	<u>126,235</u>	<u>16,558</u>	<u>2,713,291</u>	<u>1,801,339</u>

- 8.1 The aggregate market value of Pakistan Investment Bonds and Treasury Bills as at September 30, 2009 was Rs. 2,538.143 million (December 31, 2008: Rs. 1,376.103 million)
- 8.2 This includes security placed with State Bank of Pakistan as statutory deposit in accordance with the requirement of Clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.
9. Receivable on account of maturity of Defence Saving Certificate amounting to Rs. 472.5 million as at 31 December 2008 has been received during the nine months period ended September 30, 2009.

10. FIXED ASSETS - tangible and intangible	September 30, 2009 (Unaudited)	December 31, 2008 (Audited)
 (Rupees in '000).....	
Opening writtendown value	72,280	74,557
Add: Additions during the period / year - at cost		
- Leasehold improvements	1,899	1,075
- Furniture and fixtures	1,173	2,744
- Office equipments	65	4,995
- Computer equipments	1,004	3,695
- Motor vehicles	-	10,262
- Softwares and licences	712	3,028
	4,853	25,799
Less: Written down value of deletion	979	2,920
Depreciation / amortisation for the period / year	13,937	17,648
	14,916	20,568
Net Capital work in progress	1,252	(7,508)
Closing written down value	63,469	72,280

11. CASH AND CASH EQUIVALENTS

Share Holders' Fund	STATUTORY FUNDS							AGGREGATE		
	Life (Participating)	Life (Non - Participating) Individual	Life (Non - Participating) Group	Investment Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	Sept. 30, 2009 (Unaudited)	Dec. 31, 2008 (Audited)	
 (Rupees in '000).....									
Cash and others	-	539	907	162	63	16	93	21	1,801	1,368
Current and other accounts	8,228	2,749	18,387	155	2,833	206	1,235	6,425	40,218	48,388
	<u>8,228</u>	<u>3,288</u>	<u>19,294</u>	<u>317</u>	<u>2,896</u>	<u>222</u>	<u>1,328</u>	<u>6,446</u>	<u>42,019</u>	<u>49,756</u>

12. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise holding company, associated companies, other companies with common directors, retirement benefit funds, directors and key management personnel. There are no transactions with key management personnel other than under the terms of employment. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in the financial statements, are as follows:

	September 30, 2009	September 30, 2008
 Un-audited	
	(Rupees in '000)	
Transactions during the year		
Reinsurance premium (expense)	578	1,013
General insurance premium (expense)	1,023	589
Group insurance claim (expense)	-	4,852
Group insurance premium charged	531	-
Charges for administrative services provided	157	82
Reimbursement of expense received	2,967	1,683
Remuneration paid to key management personnel	31,607	16,575
Contribution made to provident fund	5,611	2,218

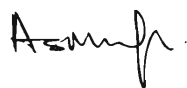
	As at September 30, 2009 (Unaudited)	As at December 31, 2008 (Audited)
	(Rupees in '000)	
Balance Outstanding		
Payable to reinsurers	2,869	2,491
Loan to key management employees	931	467
Other related party receivable balances	201	4,050
Other related party payable balances	249	77

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors on October 27, 2009 of the Company.

14. GENERAL

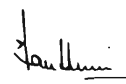
All figures have been rounded off to the nearest of thousand, except otherwise stated.



Chairman & Chief Executive



Director



Director

Bahawalpur

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Tel. No. (062) 2877175
Fax No. (062) 2880937

Chakwal

1st Floor, Al-Mahmood Centre,
Near Islamia High School,
Islamia Chowk, Bhaun Road,
Chakwal.
Tel No. (0543) 600994
Fax No. (0543) 600995

Faisalabad

1st & 2nd Floor, Faisal Complex,
Bilal Road, New Civil Lines,
Faisalabad.
Tel. No. (041) 2619331
Fax No. (041) 2614761

Faisalabad (D-Ground)

2nd Floor, F.M. Plaza, 15-D,
D-Ground, Peoples Colony,
Faisalabad.
Tel. No. (041) 8549540
Fax No. (041) 8549538

Gujranwala

4th Floor, Ghouri Centre,
G.T. Road, Gujranwala.
Tel. No. (055) 3843585
Fax No. (055) 3843583

Gujrat

2nd Floor, Faisal Plaza,
G.T. Road, Gujrat.
Tel. No. (053) 3537091
Fax No. (053) 3523320

Hyderabad

2nd Floor, Badri Manzil,
C.S. No. F-17, Risala Road,
Hyderabad.
Tel. No. (022) 2728312
Fax No. (022) 2783168

Islamabad

4th Floor East, Dhody Building,
Plot No. 52, Jinnah Avenue,
Blue Area, Islamabad.
Tel. No. (051) 2878165
Fax No. (051) 2871243

Karachi (Madina City Mall)

Room No. 512, 5th Floor,
Madina City Mall,
Opp. State Life Building No. 11,
Abdullah Haroon Road, Karachi.
Tel. No. (021) 35223734
Fax No. (021) 35656005

Karachi (Hassan Raza Agency)

Room No. 521, 5th Floor,
Madina City Mall,
Opp. State Life Building No. 11,
Abdullah Haroon Road, Karachi.
Tel. No. (021) 35651540
Fax No. (021) 35651538

Karachi (Zia-ul-Qamar Agency)

Room No. 522, 5th Floor,
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Opp. State Life Building No. 11,
Abdullah Haroon Road, Karachi.
Tel. No. (021) 35651534
Fax No. (021) 35651538

Karachi (Mehmood Nisar Agency)

Mezanine Floor, Falak Naz Tower
& Intl. Shopping Mall,
Opp. Jinnah Terminal,
Shahrah-e-Faisal, Karachi.

Karachi (Babar Mehmood Agency)

C-3/R-1, 3rd Floor,
Al-Burhan Circle C,
Plot No. ST-4, Block-E,
North Nazimabad, Karachi.

Karachi (Saima Barket Agency)

1st Floor, Burney Centre,
Plot No. F1-4/6, Block 5,
KDA Scheme No. 24,
Gulshan-e-Iqbal, Karachi.
Tel. No. (021) 34817899
Fax No. (021) 34819762

Karachi (M. Akber Agency)

Suite No. 701 & 702, 7th Floor,
Park Avenue, Shahrah-e-Faisal,
Block 6, P.E.C.H.S., Karachi.
Tel. No. (021) 34312079
Fax: No. (021) 34312076

Karachi (Zaki Ahmed Agency)

Plot No. 5, Block 10-A,
Rashid Minhas Road,
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Tel. No. (021) 34802494-95
Fax No. (021) 34802496

Lahore Office

3rd Floor, Al Malik Plaza,
19 Davis Road, Lahore.
Tel. No. (042) 111-111-711
Fax No. (042) 36375589

Lahore (Amir Irfan Agency)

2nd Floor, SHC Building, 1/13
Lake Road, Chowk Jain Mandar,
Lahore.
Tel. No. (042) 37238830
Fax No. (042) 37238828

Lahore (Liaquat Ali Agency)

3rd Floor, Emco Tiles Building,
204-Ferozepur Road, Lahore.
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Fax No. (042) 37594934

Lahore (Imran Yasin Agency)

114-G.T. Road, Bhaghbanpura,
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Lahore (Rana Azam Agency)

41 Civic Centre, 1st Floor,
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Fax No. (042) 35941685

Mirpur AK (Ashraf Minhas Agency)

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Fax No. (058274) 37160

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1st Floor, Khawar Centre,
Near SP Chowk,
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Multan.
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Fax No. (061) 4574043

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2nd & 3rd Floor, Umer Plaza,
B-134, Muree Road,
Near Chandni Chowk, Rawalpindi.
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Fax No. (051) 4419395

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Suite # 7 & 8, 1st Floor,
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Mubarak Pura, Sialkot.
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