



### **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
Ehsan Ahmed Nomani Director
Khalid Anis-ur-Rehman Director
Shahid Siddiqui Director
Michel Khalaf Director

**Chartered Accountant** 

**Business Executive** 

**Business Executive** 

Financial Executive

**Business Executive** 

Advocate

Advocate

Actuary

Nurul Islam Director (Alternate Mr. Irfan Amir)
Arif Abdul Aziz Director
Qasim Rabbani Director

**COMPANY SECRETARY** 

Asim Iftikhar Cost and Management Accountant

**APPOINTED ACTUARY** 

Shoaib Soofi FSA, FPSA

**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**

Surridge 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 II and	September 30, 2009	September 30, 2008
Profit/Loss	(Rupee	s 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

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

	Share			STA	TUTORY FUN	DS			AGGREGATE		
Note	Holders'	Life	Life (Non - P	articipating	Investment	Accident	& Health	Pension	September 30,		
	Fund	(Participating)	Individual	Group	Linked	Individual	Group	Business Fund	2009	2008	
					(Rupees	in '000)			(Unaudited)	(Audited)	
Share Capital and Reserves Authorized share capital (50,000,000 ordinary					, ,	,					
shares of Rs. 10 each)	500,000			<u> </u>	<u> </u>		•		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 Premiums received in advance	•	1,809	3,044	544	210	52 1,035	311	70	6,040 18,418	2,734	
Amount due to other insurers/reinsurers	:	824 52	16,559 87	54,982	1,013	5,945			62,079	37,604 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	



		Share			STAT	TUTORY FUN	DS			AGGREGATE		
	Note	Holders'	Life	Life (Non - P	articipating)	Investment	Accident	& Health	Pension	September 30,	December 31,	
		Fund	(Participating)	Individual	Group	Linked	Individual	Group	Business Fund	2009	2008	
						(Rupees	in '000)			(Unaudited)	(Audited)	
						1	,					
Cash and Bank Deposits												
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	
Deposits maturing within 12 months			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		-,	,	,		<b>-,</b>		.,	-,	,	,	
Life Insurance Policies			23,193	39,040	-					62,233	51,335	
Loans secured against other assets												
To employees		246			-				-	246	364	
To agents		1,466			-					1,466	1,924	
Investments	8											
Government securities		342,663	615,201	1,061,949	445,193		37,770	126,235	16,558	2,645,569	1,775,191	
Listed mutual funds			-	'- '		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												
Premiums due but unpaid		.	889	32,208	27,022	28	.	47,243	-	107,390	70,535	
Amount due from other insurers/rein	surers		6,762	11,382	-	.		1,495	-	19,639	14,334	
Prepayments		-	7,628	12,839	2,293	886	220	1,313	296	25,475	20,899	
Inter-fund balances		70,706	-	-	(501)	(2,933)	(8,147)	(57,107)	(2,018		-	
Sundry receivables	9	-	5,674	9,551	1,706	659	163	4,996	220	22,969	503,152	
Amount due from agents			-	-	-	.			-	-	13,006	
Accrued interest		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												
Capital work in progress		-	542	912	163	63	16	93	21	1,810	558	
Leasehold Improvements, Furniture 8	ì											
Fixtures, Office Equipments,	10											
Computers and Vehicles		.	17,618	29,655	5,295	2,046	507	3,033	684	58,838	68,694	
Softwares and licences			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



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

	Nine Mon Sept.		Quarter ended Sept. 30,		
	2009	2008	2009	2008	
		(Rupe	es 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	<u>573</u> 27,528	<u>531</u> 23,347	9,503	<u>17</u> 7,986	
Loss on sale of investments held as	(2.470)		(4 522)		
'available for sale'	(2,178)	(401)	(1,522)	(401)	
Net Investment Income	25,350	22,946	7,981	7,585	
Return on PLS term deposits and saving accounts	1,359	<u>1,500</u> 24,446	453	500 8,085	
Expenses not attributable to statutory funds	26,709	24, <del>44</del> 6	8,434	8,085	
Administration and miscellaneous expenses	2,223	1,747	722	557	
Profit before tax	24,486	22,699	7,712	7,528	
Surplus appropriated to Shareholder's Fund					
from Ledger Account D	31,500	28,893	10,000	6,693	
Profit before tax	55,986	51,592	17,712	14,221	
Tax Expense	20,358	18,057	6,732	4,977	
Profit after tax	35,628	33,535	10,980	9,244	
		(Pupa	es)		
Earnings per share	0.71	0.67	0.22	0.18	

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

Chairman & Chief Executive

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	500,000	258,507	(396,178)	362,329
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	500,000	311,569	(396,178)	415,391

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

Chairman & Chief Executive

Director



### CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009

	Share			STA	TUTORY FUN	IDS			AGGREGATE	
	Holder's	Life		articipating)	Investment	Accident	& Health	Pension	Sept. 30,	Sept. 30,
Note	Fund	(Participating)	marriada	Group	Linked	Individual	Group	Business Fund	2009	2008
Operating Cash Flows					(Rupees	in '000)				
a) Underwriting activities										
Premiums received net of policy transfers	-	33,457	517,762	145,728	105,819	26,256	127,745	7,148	963,915	855,39
Reinsurance premiums paid	-	(810)	(24,071)	(51,545)	(5)	(8,485)	(737)	-	(85,653)	(98,97
Claims paid Surrenders paid	-	(19,150)	(23,475)	(113,177)	(26)	(5,064)	(107,713)	(1,764)	(270,369)	(202,38
Reinsurance recovery received	- :	(4,009) (1,732)	(46,168) 1,324	7,179	. '	1,500	(141)		(50,176) 8,130	(35,59 28,30
Commissions paid	-	(1,732)	(154,717)		(42,225)	(8,112)	(9,560)		(238.075)	(225,23
Commissions received	-	324	9,628	20,618	2	3,394	295	-	34,261	39,59
Net cash flow from underwriting activities	-	9,070	280,283	(15,648)	63,566	9,489	9,889	5,384	362,033	361,09
o) Other operating activities										
Income tax (paid)	(24,796)	-	-	-	-	-	-	-	(24,796)	(10,98
General management expenses and	(4.06.4)	442.040	470.00	45 250	(22 502)	(7,990)	(40.750)	(40.4)	202.204	(402.02
other operating payments Other operating receipts	(1,064) 1,359	112,048 357	179,869 15,312	45,258 1,766	(23,593) 2,984	1,175	(10,758) 5,559	(484)	293,286 28,514	(193,03 (18,95
Loans advanced	576	(3,392)	(7,506)			1,173	-		(10,322)	(10,64
Inter fund transactions	44,693	(27,088)	(47,686)	(5,785)	(1,652)	3,509	34,659	(650)	-	- (,.
Net cash flow from other operating activities	20,768	81,925	139,989	41,239	(22,261)	(3,306)	29,460	(1,132)	286,682	(233,62
Total cash flow from all operating activities	20,768	90,995	420,272	25,591	41,305	6,183	39,349	4,252	648,715	127,47
nvestment activities ,							n			
Profit / return received	19,716	30,346	58,202	21,950	-	2,464	7,031	932	140,642	125,16
(Payments)/Proceeds from short term deposits		100,000				-		-	100,000	125,00
Payments for investments Proceeds from redemption of investments	(63,794)	(296,898)	(563,633) 105,670	(209,613)	(39,245)	.	(24,175)	•	(1,197,359)	(430,45 30,55
Fixed capital expenditure		81,000 (1,320)	(4,156)	119,330 2,964	(1,670)	37	(505)	(200)	306,000 (4,850)	(20,00
Capital work in progress		(374)	(644)	(86)	(55)	(11)	(66)	(16)	(1,252)	7,62
Proceeds from disposal of fixed assets	-	100	316	(225)	127	`(3)	`38´	15	368	1,99
Total cash flow from investing activities	(44,078)	(87,146)	(404,245)	(65,680)	(40,843)	2,487	(17,677)	730	(656,451)	(160,12
Financing activities										
Capital payments received by statutory funds	-		•	.	-	- (0.500)	- (24,000)	-	-	-
Surplus appropriated to Shareholder's fund Proceeds from issue of right shares	31,500	(2,000)			-	(8,500)	(21,000)	•	•	
Dividends paid		[	:	:	_ [	:				:
Total cash flow from financing activities	31,500	(2,000)			-	(8,500)	(21,000)	-	-	-
Net cash inflow / (outflow) from all activities	8,190	1,849	16,027	(40,089)	462	170	672	4,982	(7,737)	(32,65
Cash and cash equivalents at the beginning of the year	38	1,439	3,267	40,406	2,434	52	656	1,464	49,756	69,20
Cash and cash equivalents at the end of the period 11	8,228	3,288	19,294	317	2,896	222	1,328	6,446	42,019	36,55
		3,200	17,277		2,070		1,320	0,770	72,017	
Reconcialiation to Profit and Loss Account Operating cash flows									648,715	127.47
Depreciation expense									(13,937)	(13,2)
Profit/(Loss) on disposal of fixed assets									(608)	2
Increase/(decrease) in assets other than	cash								(436,131)	46,7
(Increase) / decrease in liabilities Net investment income									(271,884) 204,554	(245,94 175,3!
Profit received on bank deposits									(354)	33,81
Deficit/(surplus) of statutory funds									(126, 228)	(119,88
Surplus appropriated to Shareholders' fu	nd								31,500	28,89
Profit for the period		41		Constant					35,628	33,53
The annexed notes from 1 to 14 are an inte	gral part of	tnese conde	nsea interim	rinancial sta	tements.			1		
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Chairman & Chief Executive

Director



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

				AGGREGATE							
Note	Life	Life (Non - Pa	articipating)	Investment	Accident 8	t Health	Pension	Nine months e	nded Sept. 30,	Quarter ende	ed Sept. 30,
Note	(Participating)	Individual	Group	Linked	Individual	Group	Business Fund	2009	2008	2009	2008
					(Ru	pees in '00		2007			2000
Income	24 222	E40.242	444 027	404 404	20.44	4/2 500	7.440	050.054	702.045	2// /00	240.224
Premiums less reinsurances Policy transfers from other statutory funds	31,322 78,915	518,342	116,037	104,181	20,414	162,509	7,148	959,954 78,915	782,845 37,032	361,680 48,167	249,236 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, incuding bonuses, net of reinsurance			22.040				. =	1 Ave 444	0.0 =		<b>=</b> 2 422
recoveries Policy transfers to statutory funds	22,913	52,547 78,915	83,962	25	787	103,467	1,764	265,464 78,915	240,764 37,032	85,591 48,167	79,692 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)		(1,594,385)	(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	-	-	-	-	-	-	-	•	-	•	-
<ul> <li>Capital contributions from Shareholders' Fund</li> <li>Surplus appropriated to Shareholders' Fund</li> </ul>	(2,000)	:	.	.	(8,500)	(21,000)		(31,500)	(28,893)	(10,000)	(6,693)
- surplus appropriated to sitale libitiers. Fullu	(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		. [	. 1		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		'	·	·		.			00.50-		20 50-
(Ledger Account A) Retained earnings on par business attributable to	54,033	•	.	-	·	-		54,033	29,527	54,033	29,527
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



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

					AGGREGATE						
	Life	Life (Non - P	articipating)	Investment	Accident	Accident & Health Pension			nded Sept. 30,	Quarter end	ed Sept. 30,
	(Participating)	Individual	Group	Linked	Individual	Group	Business Fund	2009	2008	2009	2008
					(Ru	pees in '00					
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	7,148	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	7,148	959,954	782,845	361,680	249,236

<sup>\*</sup> 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



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

				AGGREGATE							
	Life	Life (Non - P	articipating	Investment	Accident	& Health	Pension	Nine months e	nded Sept. 30,	Quarter end	ed Sept 30,
	(Participating)	Individual	Group	Linked	Individual	Group	Business Fund	2009	2008	2009	2008
					(Rı	pees in '00	0)				
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		-	-	- 1	-	-	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	1,764	-	(1,381)	-
experience refund			3,692	-	-	2,981		6,673	10,345	5,636	(1,286)
Total gross group claims	-	-	91,141	-	-	103,527	1,764	196,432	177,610	61,329	60,068
Total Gross Claims	22,913	57,243	91,141	25	2,287	103,527	1,764	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	1,764	265,465	240,764	85,591	79,692
	,						-,,,.	200, 100	210,701	**,**	,

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

Chairman & Chief Executive

Director



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

Life   University   Universit					STATUTO	RY FUNDS			AGGREGATE				
Acquisition Costs Remuneration to insurance intermediaries on individual policies: Commission on first year premiums Commission on subsequent renewal premiums Other benefits to insurance intermediaries on group policies: Commission on insurance intermediaries on group policies: Commission on insurance intermediaries on group policies: Commission on insurance intermediaries on group policies: Commission Other benefits to insurance intermediaries on group policies: Commission Other benefits to insurance intermediaries  -		Life		articipating)			& Health		Nine months e	nded Sept. 30,	Quarter end	ed Sept. 30,	
Acquisition Costs Remuneration to insurance intermediaries on individual policies : Commission first year premiums Commission first year premiums Commission first year premiums Commission first year premiums Commission on subsequent resident premiums 247 7,313 - 1,272 - 1,25,444 1,150 Cher berefits to insurance intermediaries 1,034 20,966 - 1,5,044 383 - 2,35,777 26,752 14,249 10,715  There berefits to insurance intermediaries on group policies : Commission Other berefits to insurance intermediaries on group policies : Commission Other berefits to insurance intermediaries on group policies : Commission Other berefits to insurance intermediaries on group policies : Commission Other berefits to insurance intermediaries on group policies : Commission Other berefits to insurance intermediaries on group policies : Commission Other berefits to insurance intermediaries on group policies : Commission Other berefits to insurance intermediaries on group policies : Commission Other berefits to insurance intermediaries - 2,644		(Participating)	Individual	Group	Linked	Individual	Group		2009	2008	2009	2008	
Acquisition Costs Remuneration to insurance intermediaries on individual policies:  Commission on subsequent releval premiums Other benefits on insurance intermediaries on group policies:  In,034 200,611 47,789 8,743 - 258,177 11,954 1,044 4,952 11,050 1							(Rupees in						
on individual policies :  Commission of first, year premiums Commission of conditions on a first, year premiums Commission on story ear premiums Commission on subsequent recent premiums 279 11,086 - 1,272 12,637 11,954 1,044 4,592 Commission on subsequent recent premiums 384 29,966 - 5,044 383 - 35,777 26,752 14,249 10,718  Remuneration to insurance intermediaries on group policies :  Commission Other benefits to insurance intermediaries on group policies :  Commission Other benefits to insurance intermediaries 2,684 16 - 2,200 1 11,777 76,449  Branch Overheads - Salaries and other benefits 2,684 16 - 2,200 1 11,777 9,939 14,615  Branch Overheads - Salaries and other benefits 2,7135 - 9,576 36,711 37,749 9,939 14,615  Branch Overheads - Salaries and other benefits 2,7135 - 9,576 36,711 37,749 9,939 14,615  Cother operational costs - 377, 136,562 4,842 2,419 1,751 724 1,829 75 16,275 16,298 5,351 6,245 - 0,0her operational costs - 307 18,652 4,4642 3,305 1,449 3,661 100 32,276 29,353 10,246 9,885  Policy stamps - (9) 933 262 509 316 89 2,100 3,717 77 1,120  Other acquisition cost Policy stamps - (9) 933 262 509 316 89 2,100 3,717 77 1,120  Travelling expenses - 1,485 229,520 34,658 53,554 11,232 15,155 225 345,839 299,000 137,790 108,314  Administration Expenses - 3alaries a Other benefits	Acquisition Costs						(·	,					
Commission on first year premiums (279 11,086 - 41,473 8,360 - 1202,020 168,665 90,650 59,989 (279 commission on second year premiums (279 11,086 - 1,272 - 1 - 1,272 - 1 - 12,637 11,954 1,044 4,592 (279 commission on second year premiums (274 7,313 - 1 - 1 - 2 - 1 - 1,044 0 - 1,044 4,592 (279 commission on second year premiums (274 7,313 - 1 - 1 - 2 - 1 - 1,044 0 - 1,044 4,592 (279 commission on second year premiums (274 7,313 - 1 - 1 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2	Remuneration to insurance intermediaries												
Commission on second year premiums 279   11,086   -   1,272   -   -   -   1,263   11,954   1,044   4,592   1,000   1,0	on individual policies :												
Commission on subsequent renewal premiums Other benefits to insurance intermediaries and years of the properties of the			152,246	-	41,473	8,360	-	-	202,203	168,665	90,650		
Other benefits to insurance intermediaries   384   29,966   -   5,044   383   -   -   35,777   26,752   14,249   10,718	Commission on second year premiums	279	11,086		1,272		-	-	12,637	11,954	1,044	4,592	
Remuneration to insurance intermediaries on group policies :  Commission Other benefits to insurance intermediaries  - 2,684	Commission on subsequent renewal premiums	247	7,313	-	-	.	-		7,560	4,940	6,234	1,150	
Remuneration to insurance intermediaries on group policies :	Other benefits to insurance intermediaries	384	29,966	-	5,044	383	-	-	35,777	26,752	14,249	10,718	
Order segment Expenses    Commission   Commi		1,034	200,611	•	47,789	8,743	-	-	258,177	212,311	112,177	76,449	
Commission Other benefits to insurance intermediaries	Remuneration to insurance intermediaries												
Commission from Reinsurers   Commission fro	on group policies :												
Branch Overheads - Salaries and other benefits - Salaries and other benefits - Salaries and other benefits - Other operational costs - Other operational costs - Other operational costs - Other operational costs - Other acquisition cost - Policy stamps -	Commission	-	-	24,451	-	.	9,560	-	34,011	35,664	9,459	13,336	
Parach Overheads   153   9,324   2,419   1,751   724   1,829   75   16,275   16,298   5,351   6,245   6,245   6,245   6,246   7,261	Other benefits to insurance intermediaries	-	-		-		16	-	2,700	2,081	480	1,279	
- Salaries and other benefits - Other operational costs - Other operational cost - Other operational cost - Other operational cost - Other operational cost - Other operational costs - Other operational cost - Other operational costs - Other operational cost - Other operational c				27,135			9,576		36,711	37,745	9,939	14,615	
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   13   797   208   150   62   157   -   1,387   1,206   594   658   Addition's remuneration   7   386   100   73   330   76   5   677   756   239   253   Actuary's fees   -   -   -   -   -   -   -   -   1,720   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    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)	Branch Overheads												
Other acquisition cost Policy stamps         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           Administration Expenses         1,485         229,520         34,658         53,554         11,232         15,155         235         345,839         299,606         137,790         108,314           Administration Expenses         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         9         552         165         987         -         7         -         1,720	- Salaries and other benefits		9,324				1,829	75	16,275	16,298			
Other acquisition cost Policy stamps         (9)         933         262         509         316         89         -         2,100         3,717         77         1,120           Administration Expenses Salaries & other benefits         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         -         -         -         -         -         -         -         -         -         -         1         1           Medical fees         9         552         165         987         -         7         -         1,720 <td>- Other operational costs</td> <td>307</td> <td>18,652</td> <td>4,842</td> <td>3,505</td> <td>1,449</td> <td>3,661</td> <td>160</td> <td>32,576</td> <td>29,535</td> <td></td> <td>9,885</td>	- Other operational costs	307	18,652	4,842	3,505	1,449	3,661	160	32,576	29,535		9,885	
Policy stamps		460	27,976	7,261	5,256	2,173	5,490	235	48,851	45,833	15,597	16,130	
Administration Expenses Salaries & other benefits 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 Actuary's 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 Computer expenses 8 469 122 89 37 92 6 823 654 226 Printing & Stationery Depreciation 4,174 7,025 1,254 484 120 718 162 13,937 13,227 4,467 4,578 Rental  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 (18) (1,118) (6,674) (688) (2,621) (147) - (11,266) (21,898) (3,584) (7,768)	Other acquisition cost												
Administration Expenses Salaries & other benefits 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 19 552 165 987 - 7 - 1,720 1,414 1,227 437 Legal and professional expenses (2) (107) (27) (20) (8) (21) (22) (187) 85 (536) 5 Advertisements (24 1,442 376 277 112 284 - 2,510 3,513 264 231 Computer expenses 8 449 122 89 37 92 6 823 654 226 226 Printing & Stationery Depreciation 4,174 7,025 1,254 484 120 718 162 13,937 13,227 4,467 4,578 Rental  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 (18) (1,118) (6,674) (688) (2,621) (147) - (11,266) (21,898) (3,584) (7,768)	Policy stamps	(9)						-		3,717			
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         -         -         -         -         -         -         -         -         -         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		1,485	229,520	34,658	53,554	11,232	15,155	235	345,839	299,606	137,790	108,314	
Travelling expenses Auditors' remuneration 7   386   100   73   30   76   5   677   756   239   253   Actuary's fees	Administration Expenses												
Auditors' remuneration 7   386   100   73   30   76   5   677   756   239   253   Actuary's fees	Salaries & other benefits		38,215		7,219	2,985		531			21,409	16,291	
Actuary's fees	Travelling expenses	13	797				157	-	1,387	1,206			
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	Auditors' remuneration	7	386	100	73	30	76	5	677	756	239	253	
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           Other Management Expenses         131         7,929         1,983         1,709         708         1,786         (85)         14,161         22,367         3,841	Actuary's fees	-	•		.	•	-		-	517		1	
Advertisements	Medical fees		552	165	987	•	7		1,720	1,414	1,227	437	
Computer expenses 8   469   122   89   37   92   6   823   654   226   2	Legal and professional expenses	(2)	(107)	(27)	(20)	(8)	(21)	(2)	(187)	85	(536)		
Printing & Stationery Depreciation 4,174 7,025 1,254 484 120 718 162 13,937 13,227 4,467 4,578 226 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)	Advertisements	24	1,442	376	272	112	284	-	2,510	3,513	264	231	
Depreciation Rental         4,174   7,025   13,684   3,567   2,582   1,068   2,697   - 23,824   13,497   9,367   1,550   1,550   1,550   1,551   66,044   16,673   12,511   4,686   12,256   748   118,069   95,560   38,571   26,079   1,983   1,709   708   1,786   (85)   14,161   22,367   3,841   11,698   1,698   1,799   1,983   1,709   1,983   1,709   1,786	Computer expenses	8	469	122	89	37	92	6		654	226	226	
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)	Printing & Stationery	59	3,581	934	675	280	706	46	6,281	5,308		1,849	
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)	Depreciation	4,174	7,025		484	120	718	162	13,937	13,227		4,578	
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)	Rental	226	13,684	3,567	2,582	1,068	2,697	-	23,824	13,497	9,367	1,550	
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)		5,151	66,044	16,673	12,511	4,686	12,256	748	118,069	95,560	38,571	26,079	
Commission from Reinsurers (18) (1,118) (6,674) (688) (2,621) (147) - (11,266) (21,898) (3,584) (7,768)	Other Management Expenses	131	7,929	1,983	1,709	708	1,786	(85)	14,161	22,367	3,841	11,698	
Commission from Reinsurers (18) (1,118) (6,674) (688) (2,621) (147) - (11,266) (21,898) (3,584) (7,768)													
	Gross Management Expenses	6,767	303,493	53,314	67,774	16,626	29,197	898	478,069	417,533	180,202	146,091	
Net Management Expenses 6,749 302,375 46,640 67,086 14,005 29,050 898 466,803 395,635 176,618 138,323	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



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

					AGGREGATE						
	Life	Life (Non - Pa	articipating)	Investment	Accident	& Health	Pension	Nine months e	nded Sept. 30,	Quarter end	ed Sept. 30,
	(Participating)	Individual	Group	Linked	Individual	Group	Business Fund	2009	2008	2009	2008
					(R	upees in '00	00)				
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



### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) For the nine months period ended September 30, 2009

#### 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

#### **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.

#### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

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 Commision 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.

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.

#### 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

6. MOVEMENT IN EQUITY		STATUTORY FUNDS						AGGREGATE		
	Maka	Life Life (Non - Participating) Investment Accident & Health P			Pension					
	Note	(Participating)	Individual	Group	Linked	Individual	Group	Business Fund	2009	2008
					(l	Rupees in '00	00)		(Unaudited)	(Audited)
Policyholders' Liabilities Balance at the beginning of the period Increase/(decrease) during the period		497,053 88,772	791,571 194,508 986,079	227,716 (51,636) 176,080	22,331 45,701 68,032	16,036 831 16,867	79,084 21,781 100,865	15,829 6,900 22,729	1,649,620 306,857 1,956,477	1,401,793 247,826 1,649,619
Balance at the end of the period		585,825	900,079	170,000	00,032	10,007	100,003		1,930,477	1,049,019
Retained earnings on participating business attributable to participating policyholders' - Ledger Account A										
Balance at the beginning of the period Surplus allocated during the period 6.1		25,576 64,952			-				25,576 64,952	(1,776) 79,724
Surplus Adjustment - 10% transferred to Ledger Account B		(6,495)	-	-	-	-		-	(6,495)	(7,972)
Bonus allocated during the period		(30,000)	<u> </u>	<u> </u>			<u> </u>		(30,000)	(44,400)
Balance at end of the period		54,033		<u> </u>	<u> </u>	<u> </u>			54,033	25,576
Retained earnings on participating business attributable to shareholders but not distributable - Ledger Account B										
Balance at the beginning of the period Surplus Adjustment - 10%		2,678	-	-	-	-	-	-	2,678	4,706
transferred to Ledger Account B		6,495	-	-	-	-		-	6,495	7,972
Transfer to Ledger Account C Balance at end of the period		<u>(2,000)</u> <u>7,173</u>	<u> </u>						(2,000) 7,173	<u>(10,000)</u> <u>2,678</u>
Retained earnings on participating business distributable to shareholders - Ledger Account C										
Balance at the beginning of the period		-	-	-	-	-	-	-	-	-
Transfer from Ledger Account B Surplus appropriated to Shareholders' Fund		2,000 (2,000)	-	-	-	-		-	2,000 (2,000)	10,000 (10,000)
Balance at the end of the period		-	<u> </u>	<u> </u>	-		•	-	-	-
Retained earnings on other than participating business - Ledger Account D										
Balance at the beginning of the period Surplus allocated during the period			(61,055) (14,631)	(48,780) 72,080	(4,089) 3,228	804 8,816 (8,500)	217 22,739 (21,000)	384 (955)	91,276	(205,877) 132,358 (39,000)
Surplus appropriated to Shareholders' Fund Balance at the end of the period			(75,686)	23,300	(861)	1,120	1,956	(571)		(112,519)
·										
Capital contributed by shareholders' fund Balance at beginning of the period		28,916	223,452	143,810	-		-	-	396,178	396,178
Capital contributed during the period Capital withdrawn during the period		-	-	-	- -	-	-	-	-	-
Balance at end of the period		28,916	223,452	143,810				<u> </u>	396,178	396,178

**<sup>6.1</sup>** 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)	
		(Rupe	es 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	(84,609)	(120,237)	

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

		Share STATUTORY FUNDS					AGGREGATE				
	Note		Life	Life (Non - Participating) Investment Accident & Health Pension					Sept. 30,	Dec 31,	
			(Participating)	Individual	Group	Linked	Individual	Group	Business Fund	2009 (Unaudited) (A	2008 (Audited)
						(Rupees ii	า '000)				(Addited)
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		342,663	615,201	1,061,949	445,193	67,722	37,770	126,235	16,558	67,722 2,713,291	26,148



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

#### 11. CASH AND CASH EQUIVALENTS

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



#### 12. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise holding company, associated companies, other companies with common directors, retirement benfit 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-aı	udited ·····
Transactions during the year	(Rupees	in '000)
Reinsurance premium (expense) General insurance premium (expense) Group insurance claim (expense) Group insurance premium charged Charges for administrative services provided Reimbursement of expense received Remuneration paid to key management personnel Contribution made to provident fund	578 1,023 - 531 157 2,967 31,607 5,611	1,013 589 4,852 - 82 1,683 16,575 2,218
	As at September 30, 2009 (Unaudited)	As at December 31, 2008 (Audited)
	(Rupees	in '000)
Balance Outstanding	0.040	0.407
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

#### Bahawalpur

2nd Floor, Qasim Centre, Library Chowk, Circular Road, Bahawalpur. Tel. No. (062) 2877175 Fax No. (062) 2880937

#### Chakwal

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#### 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

#### Gujranwata

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#### Gujrat

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#### Hyderabad

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#### Islamabad

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#### Karachi (Madina City Mall)

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#### 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

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#### Karachi (Mehmood Nisar Agency)

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#### 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)

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#### Karachi (M. Akber Agency)

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#### Karachi (Zaki Ahmed Agency)

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

#### Labore Office

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#### Lahore (Amir Irfan Agency)

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#### Labore (Liaquat Ali Agency)

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#### Lahore (Imran Yasin Agency)

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#### Lahore (Rana Azam Agency)

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#### Mirpur AK (Ashraf Minhas Agency)

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