



Balance Sheet as at December 31, 2009

(Rupees in '000)

	Note	Share	Statutory Funds			Aggregate	
			Holder's Fund	Pakistan Life Fund	Overseas Life Fund	Pension Fund	2009
Share capital and reserves							
Authorised share capital		1,500,000	-	-	-	1,500,000	1,500,000
Issued, subscribed and paid up share capital	5	1,100,000	-	-	-	1,100,000	1,100,000
Accumulated surplus		318,769	-	-	-	318,769	96,216
Net shareholders' equity		1,418,769	-	-	-	1,418,769	1,196,216
Balance of statutory fund - including policy holders' liabilities Rs. 197,039 million (2008: Rs. 174,720 million)							
		-	194,924,804	4,371,951	148,530	199,445,285	177,459,130
Deferred liabilities							
Staff retirement benefits	6	-	1,258,945	10,453	-	1,269,398	1,117,668
Creditors and accruals							
Outstanding claims		-	9,209,643	85,725	-	9,295,368	7,745,006
Premium received in advance		-	2,461,916	60,013	-	2,521,929	2,477,923
Amounts due to other insurers/reinsurers		-	99,183	26,594	-	125,777	72,130
Amount due to agents		-	1,595,588	54,691	-	1,650,279	1,168,152
Accrued expenses		-	969,669	23,939	49	993,657	756,918
Inter - fund balances		-	291,403	33,224	-	324,627	216,923
Others		-	619,098	21,190	6	640,294	907,561
		-	15,246,500	305,376	55	15,551,931	13,344,613
Total liabilities		-	211,430,249	4,687,780	148,585	216,266,614	191,921,411
Total equity and liabilities		1,418,769	211,430,249	4,687,780	148,585	217,685,383	193,117,627
Contingencies and commitments	7						

The annexed notes from 1 to 30 form an integral part of these financial statements.



Balance Sheet

as at December 31, 2009

(Rupees in '000)

Note	Share	Statutory Funds			Aggregate		
		Holder's Fund	Pakistan Life Fund	Overseas Life Fund	Pension Fund	2009	2008
Cash and bank deposits	8						
Cash and others		-	54,038	-	-	54,038	111,326
Current and other accounts		-	2,336,230	212,284	6,692	2,555,206	2,458,967
Deposits maturing within 12 months		282,713	10,238,696	462,955	-	10,984,364	14,335,724
Fixed deposits maturing after 12 months		-	1,810	1,349,074	-	1,350,884	1,270,482
		282,713	12,630,774	2,024,313	6,692	14,944,492	18,176,499
Loans secured against life insurance policies	9	-	15,638,145	407,407	-	16,045,552	13,268,010
Loans secured against other assets							
To employees		196,862	19,488	-	-	216,350	205,721
To agents		8,508	5,889	-	-	14,397	14,030
Others		-	814	-	-	814	2,661
		205,370	26,191	-	-	231,561	222,412
Unsecured loans							
To employees		93,820	-	-	-	93,820	88,592
To agents		29,704	913	-	-	30,617	22,810
		123,524	913	-	-	124,437	111,402
Investment properties	10						
Cost		-	3,940,848	-	-	3,940,848	3,755,612
Less: Provision for impairment in value		-	(603)	-	-	(603)	(603)
Less: Accumulated depreciation		-	(1,401,862)	-	-	(1,401,862)	(1,317,780)
		-	2,538,383	-	-	2,538,383	2,437,229
Investments	11						
Government securities		444,586	144,209,245	902,920	130,161	145,686,912	126,187,660
Other fixed income securities		66,000	3,496,365	1,035,676	-	4,598,041	1,335,470
Listed equities		-	22,770,257	75,914	-	22,846,171	22,343,773
Unlisted equities		-	1,683,795	-	-	1,683,795	1,690,218
Holding in subsidiary companies		-	164,148	-	-	164,148	62,952
Less: Provision for diminution in value		-	(243,606)	-	-	(243,606)	(195,945)
		510,586	172,080,204	2,014,510	130,161	174,735,461	151,424,128
Current assets - others							
Premiums due but unpaid		-	4,194,886	132,839	6,329	4,334,054	4,590,163
Amounts due from other insurers/reinsurers		-	94,458	-	-	94,458	52,287
Agents balances		-	208	-	-	208	208
Investment income due but outstanding		-	100,186	40,453	-	140,639	182,609
Investment income accrued		-	1,991,013	58,422	2,479	2,051,914	1,759,262
Taxation - payments less provision		-	1,041,766	-	-	1,041,766	49,969
Prepayments		-	307,850	3,807	-	311,657	275,714
Inter - fund balances		296,576	25,127	-	2,924	324,627	216,923
Sundry receivables	12	-	588,315	912	-	589,227	210,036
Others		-	18,778	-	-	18,778	16,300
		296,576	8,362,587	236,433	11,732	8,907,328	7,353,471
Fixed assets - tangible	13						
Furniture, fixtures, office equipment, computers and vehicles		-	707,094	12,216	-	719,310	652,778
Less: Accumulated depreciation		-	(554,042)	(7,099)	-	(561,141)	(528,302)
		-	153,052	5,117	-	158,169	124,476
Total assets		1,418,769	211,430,249	4,687,780	148,585	217,685,383	193,117,627

The annexed notes from 1 to 30 form an integral part of these financial statements.

Shahid Aziz Siddiqi
Chairman

Syed Hur Riahi Gardezi
Director

Mrs. Spenta Kandawalla
Director

Allah Rakha Aasi
Executive Director (Finance and Accounts)



Profit and Loss Account

for the year ended December 31, 2009

	Note	(Rupees in '000)	
		2009	2008
Investment income not attributable to statutory funds			
Return on Government Securities		53,085	56,223
Interest income on loans and advances to employees / agents		16,079	13,857
Interest income on bank deposits		39,994	25,694
Net investment income		109,158	95,774
Expenses not attributable to statutory funds		(2,415)	(1,951)
Surplus appropriated to share holders' fund		389,671	352,393
Profit before tax		496,414	446,216
Taxation	14	(177,645)	(150,000)
Profit after tax		318,769	296,216
Earnings per share - basic and diluted	15	28.98	26.93

The annexed notes from 1 to 30 form an integral part of these financial statements.



Statement of Changes in Equity

for the year ended December 31, 2009

	Note	(Rupees in '000)		
		Share capital	Accumulated surplus	Total
Balance as at January 01, 2008		900,000	230,520	1,130,520
Shares issued against surplus	5	200,000	(200,000)	-
Dividend paid during the year		-	(230,520)	(230,520)
Profit for the year ended December 31, 2008		-	296,216	296,216
Balance as at December 31, 2008		1,100,000	96,216	1,196,216
Dividend paid during the year		-	(96,216)	(96,216)
Profit for the year ended December 31, 2009		-	318,769	318,769
Balance as at December 31, 2009		1,100,000	318,769	1,418,769

The annexed notes from 1 to 30 form an integral part of these financial statements.

Shahid Aziz Siddiqi
Chairman

Syed Hur Riahi Gardezi
Director

Mrs. Spenta Kandawalla
Director

Allah Rakha Aasi
Executive Director (Finance and Accounts)



Statement of Cash Flows

for the year ended December 31, 2009

(Rupees in '000)

	Share			Statutory Funds			Aggregate	
	Holder's Fund	Pakistan	Overseas	Pension	2009	2008		
		Life Fund	Life Fund	Fund				
OPERATING ACTIVITIES								
a) Underwriting activities								
Premiums received	-	25,945,234	1,025,017	24,157	26,994,408	22,216,113		
Reinsurance premium paid	-	(133,039)	(28,636)	-	(161,675)	(110,777)		
Claims paid	-	(11,230,645)	(190,046)	(14,873)	(11,435,564)	(9,096,456)		
Surrenders paid	-	(2,680,498)	(151,483)	-	(2,831,981)	(2,454,456)		
Reinsurance and other recoveries received	-	48,092	4,057	-	52,149	6,652		
Commissions paid	-	(7,299,240)	(254,964)	(18)	(7,554,222)	(5,566,552)		
Net cash flow from underwriting activities	-	4,649,904	403,945	9,266	5,063,115	4,994,524		
b) Other operating activities								
Income tax paid	(177,644)	(1,066,809)	-	-	(1,244,453)	(173,161)		
General management expenses paid	(2,415)	(3,059,289)	(68,566)	(142)	(3,130,412)	(1,626,010)		
Loans advanced	(188,974)	(341,024)	(2,643)	-	(532,641)	(685,073)		
Loan repayments received	174,467	417,235	-	-	591,702	525,811		
Other payments on operating assets	(103,034)	(281,782)	-	(2,924)	(387,740)	(597,409)		
Other receipts in respect of operating assets	-	-	6,071	-	6,071	251,781		
Net cash used in other operating activities	(297,600)	(4,331,669)	(65,138)	(3,066)	(4,697,473)	(2,304,061)		
Total cash (used in) / flow from all operating activities	(297,600)	318,235	338,807	6,200	365,642	2,690,463		
INVESTING ACTIVITIES								
Profit received	93,764	15,864,655	361,796	12,265	16,332,480	14,259,327		
Dividends received	-	2,493,293	4,761	-	2,498,054	2,531,267		
Rentals received	-	695,392	-	-	695,392	689,532		
Payments for investments	(85,986)	(22,251,879)	(1,009,705)	(13,793)	(23,361,363)	(19,506,826)		
Proceeds from disposal of investments	-	316,508	188,861	-	505,369	5,898,474		
Fixed capital expenditure	-	(256,236)	(4,443)	-	(260,679)	(271,897)		
Proceeds from disposal of fixed assets	-	7,509	1,403	-	8,912	4,682		
Total cash flow from / (used in) investing activities	7,778	(3,130,758)	(457,327)	(1,528)	(3,581,835)	3,604,559		
FINANCING ACTIVITIES								
Surplus appropriated to shareholders' fund	389,671	(384,498)	(5,173)	-	-	-		
Dividends paid	(96,216)	-	-	-	(96,216)	(230,520)		
Total cash flow from financing activities	293,455	(384,498)	(5,173)	-	(96,216)	(230,520)		
Net cash flow from / (used in) all activities	3,633	(3,197,021)	(123,693)	4,672	(3,312,409)	6,064,502		
Cash and cash equivalents at the beginning of the year	279,080	15,825,985	798,932	2,020	16,906,017	10,841,515		
Cash and cash equivalents at the end of the year	282,713	12,628,964	675,239	6,692	13,593,608	16,906,017		
Reconciliation to profit and loss account								
Operating cash flows	(297,600)	318,235	338,807	6,200	365,642	2,690,463		
Depreciation expense	-	123,929	1,281	-	125,210	106,104		
Provisions	-	736,847	-	-	736,847	331		
Investment income	109,158	20,933,936	490,084	13,932	21,547,110	19,134,610		
Amortization/capitalisation/adjustments	(16,011)	(478,178)	-	-	(494,189)	(394,702)		
Surplus allocation	389,671	(384,498)	(5,173)	-	-	-		
Non-cash adjustment	-	1,112,957	38,131	-	1,151,088	673,392		
Increase in assets other than cash	133,551	1,068,409	28,603	1,701	1,232,264	1,316,482		
(Increase) in liabilities other than running finance	-	(2,269,869)	(89,162)	(17)	(2,359,048)	(2,508,636)		
Profit after tax	318,769	21,161,768	802,571	21,816	22,304,924	21,018,044		

Note : The detail of cash and cash equivalents is disclosed in note 17 to the financial statements.

The annexed notes from 1 to 30 form an integral part of these financial statements.

Shahid Aziz Siddiqi
Chairman

Syed Hur Riahi Gardezi
Director

Mrs. Spenta Kandawalla
Director

Allah Rakha Aasi
Executive Director (Finance and Accounts)



Revenue Account

for the year ended December 31, 2009

(Rupees in '000)

Note	Statutory Funds			Aggregate	
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	2009	2008
Income					
Premium less reinsurances	27,303,133	1,040,837	22,936	28,366,906	22,695,280
Rental income from investment properties	274,152	-	-	274,152	341,924
Net investment income	20,659,784	490,084	13,932	21,163,800	18,696,912
Total net income	48,237,069	1,530,921	36,868	49,804,858	41,734,116
Claims and expenditure					
Claims, including bonuses, net of reinsurance recoveries	15,334,933	373,781	14,874	15,723,588	12,778,765
Management expenses less recoveries	11,280,857	349,396	178	11,630,431	7,998,487
Total claims and expenditure	26,615,790	723,177	15,052	27,354,019	20,777,252
Excess of income over claims and expenditure	21,621,279	807,744	21,816	22,450,839	20,956,864
Add: Policyholder liabilities at beginning of year	171,033,804	3,559,378	126,714	174,719,896	155,416,834
Less: Policyholder liabilities at end of year	192,535,868	4,357,516	145,606	197,038,990	174,719,896
Surplus before tax	119,215	9,606	2,924	131,745	1,653,802
Taxes chargeable to statutory funds					
- Current year	(75,013)	-	-	(75,013)	117,357
Surplus after tax	44,202	9,606	2,924	56,732	1,771,159
Movement in policy holder liabilities	21,502,064	798,138	18,892	22,319,094	19,303,062
Transfer to share holders' fund					
Surplus appropriated to share holders' fund	(384,498)	(5,173)	-	(389,671)	(352,393)
Balance of statutory fund at beginning of year	173,763,036	3,569,380	126,714	177,459,130	156,737,302
Balance of statutory fund at end of year	194,924,804	4,371,951	148,530	199,445,285	177,459,130
Represented by:					
Policyholder liabilities	192,535,868	4,357,516	145,606	197,038,990	174,719,896
Retained earnings attributable to policyholders	2,388,936	14,435	2,924	2,406,295	2,739,234
Balance of statutory fund	194,924,804	4,371,951	148,530	199,445,285	177,459,130

The annexed notes from 1 to 30 form an integral part of these financial statements.

Shahid Aziz Siddiqi
Chairman

Syed Hur Riahi Gardezi
Director

Mrs. Spenta Kandawalla
Director

Allah Rakha Aasi
Executive Director (Finance and Accounts)



Statement of Premiums for the year ended December 31, 2009

(Rupees in '000)

	Statutory Funds			Aggregate	
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	2009	2008
Gross premiums					
Regular premium individual policies * First year Second year renewals Subsequent year renewals	6,974,688 4,329,226 12,606,468	250,453 164,489 674,194	- - 22,936	7,225,141 4,493,715 13,303,598	5,181,032 3,311,935 10,768,998
	23,910,382	1,089,136	22,936	25,022,454	19,261,965
Group policies without cash values	3,559,773	-	-	3,559,773	3,564,149
Total gross premiums	27,470,155	1,089,136	22,936	28,582,227	22,826,114
Less: Reinsurance premiums ceded					
On individual life first year business On individual life second year business On individual life renewal business On group policies	(22,574) (18,554) (56,908) (68,986)	(6,299) - (42,000) -	- - - -	(28,873) (18,554) (98,908) (68,986)	(22,452) (6,357) (70,098) (31,927)
Total reinsurance premiums ceded	(167,022)	(48,299)	-	(215,321)	(130,834)
Net premiums	27,303,133	1,040,837	22,936	28,366,906	22,695,280

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

The annexed notes from 1 to 30 form an integral part of these financial statements.



Statement of Claims

for the year ended December 31, 2009

(Rupees in '000)

	Statutory Funds			Aggregate	
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	2009	2008
Gross claims					
Claims under individual policies					
-by deaths	1,509,065	26,827	-	1,535,892	1,170,275
-by insured event other than deaths	125,241	2,760	-	128,001	85,648
-by maturity	7,274,966	196,768	-	7,471,734	5,714,546
-by surrender	2,680,498	151,483	-	2,831,981	2,454,457
-annuity payment	11,058	-	-	11,058	14,220
Total gross individual policy claims	11,600,828	377,838	-	11,978,666	9,439,146
Claims under group policies					
-by deaths	3,501,525	-	14,874	3,516,399	2,853,644
-by insured event other than deaths	39,192	-	-	39,192	25,660
-by maturity	533	-	-	533	-
-annuity payment	528	-	-	528	979
-experience refund	282,589	-	-	282,589	499,409
Total gross group policy claims	3,824,367	-	14,874	3,839,241	3,379,692
Total gross claims	15,425,195	377,838	14,874	15,817,907	12,818,838
Less: Reinsurance recoveries					
-On individual life first year business claims	(9,584)	-	-	(9,584)	(18,549)
-On individual life second year business claims	2,312	-	-	2,312	(8,580)
-On individual life renewal business claims	(5,018)	(4,057)	-	(9,075)	7,352
-On group life claims	(77,972)	-	-	(77,972)	(20,296)
Total reinsurance recoveries	(90,262)	(4,057)	-	(94,319)	(40,073)
Net claims	15,334,933	373,781	14,874	15,723,588	12,778,765

The annexed notes from 1 to 30 form an integral part of these financial statements.

Shahid Aziz Siddiqi
Chairman

Syed Hur Riahi Gardezi
Director

Mrs. Spenta Kandawalla
Director

Allah Rakha Aasi
Executive Director (Finance and Accounts)



Statement of Expenses

for the year ended December 31, 2009

(Rupees in '000)

Note	Statutory Funds			Aggregate	
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	2009	2008
Acquisition costs					
Remuneration to insurance intermediaries on individual policies:					
- commission on first year premiums	4,804,396	182,633	-	4,987,029	3,583,277
- commission on second year premiums	762,421	21,304	-	783,725	576,770
- commission on subsequent renewal premiums	532,898	31,012	-	563,910	450,956
- other benefits to insurance intermediaries	495,793	6,235	-	502,028	366,052
	6,595,508	241,184	-	6,836,692	4,977,055
Remuneration to insurance intermediaries on group policies:					
- commission	2,999	-	18	3,017	2,528
- other benefits to insurance intermediaries	309	-	-	309	210
	3,308	-	18	3,326	2,738
Branch overheads	819,412	15,780	-	835,192	679,220
Other acquisition cost					
Policy stamps and medical fee	358,840	2,300	-	361,140	250,245
Total acquisition cost	7,777,068	259,264	18	8,036,350	5,909,258
Administration expenses					
Salaries and other benefits	1,890,040	57,773	-	1,947,813	1,395,034
Traveling expenses	112,515	6,220	-	118,735	93,738
Auditors' remuneration	2,182	732	-	2,914	2,828
Legal expenses	20,431	1,372	-	21,803	10,209
Supervision fee	57,439	-	-	57,439	22,669
Advertisements	73,637	324	-	73,961	46,175
Printing and stationery	61,935	953	-	62,888	53,725
Postage and telephone	63,160	5,649	-	68,809	55,386
Utilities	178,697	501	-	179,198	142,812
Training	19,046	488	-	19,534	12,029
Computer expenses	9,729	92	-	9,821	8,349
Rental	126,005	5,747	-	131,752	120,930
Gratuity and pension expenses	70,844	1,703	-	72,547	75,160
Bank charges	14,354	3,357	160	17,871	12,707
Depreciation	40,799	1,281	-	42,080	23,980
Bad and doubtful debts	736,847	-	-	736,847	331
	3,477,660	86,192	160	3,564,012	2,076,062
Other management expenses	70,292	10,051	-	80,343	64,586
Gross management expenses	11,325,020	355,507	178	11,680,705	8,049,906
Commission from reinsurers	(38,986)	(8,873)	-	(47,859)	(49,468)
Management expenses recovered from/allocated to other funds	(5,177)	2,762	-	(2,415)	(1,951)
Net management expenses	11,280,857	349,396	178	11,630,431	7,998,487

The annexed notes from 1 to 30 form an integral part of these financial statements.

Shahid Aziz Siddiqi
Chairman

Syed Hur Riahi Gardezi
Director

Mrs. Spenta Kandawalla
Director

Allah Rakha Aasi
Executive Director (Finance and Accounts)



Statement of Investment Income of Statutory Funds

for the year ended December 31, 2009

(Rupees in '000)

Note	Statutory Funds			Aggregate	
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	2009	2008
Investment income					
-On Government securities	14,122,479	57,538	13,722	14,193,739	13,027,678
-On other fixed income securities and deposits	2,059,730	146,345	210	2,206,285	817,150
-Dividend income	2,414,940	4,761	-	2,419,701	2,521,941
-On loans to policy holders	1,662,022	29,671	-	1,691,693	1,308,039
-On loans to employees	1,066	-	-	1,066	1,083
-Others	392,337	255,041	-	647,378	764,298
Total	20,652,574	493,356	13,932	21,159,862	18,440,189
Gain/(Loss) on sale of investments	78,971	(1,119)	-	77,852	307,090
Provision for impairment in value of investments					
Shares and stocks	(54,743)	-	-	(54,743)	(30,249)
Reversal of provision	5,218	-	-	5,218	3,419
	(49,525)	-	-	(49,525)	(26,830)
Less: Investment related expenses	(22,236)	(2,153)	-	(24,389)	(23,537)
Net investment income	20,659,784	490,084	13,932	21,163,800	18,696,912

The annexed notes from 1 to 30 form an integral part of these financial statements.

Shahid Aziz Siddiqi
Chairman

Syed Hur Riahi Gardezi
Director

Mrs. Spenta Kandawalla
Director

Allah Rakha Aasi
Executive Director (Finance and Accounts)