



DIRECTORS' REVIEW TO THE SHAREHOLDERS

The Board of Directors of East West Life Assurance Company Limited are pleased to present the un-audited accounts for the first quarter ended March 31st, 2011.

The after tax profit for the period ended March 31, 2011 amounts to Rs.2,130,614 compared to loss of (Rs.7,528,340) during the corresponding period of 2010. This after tax profit/(loss) has been calculated after taking into account the results of both Shareholders' Fund and Statutory Funds as detailed hereunder:

	For the Quarter Ended	
	March 31st, 2011	March 31st, 2010
	Rupees	Rupees
OPERATING INCOME		
Premium Less Reinsurances	64,081,830	50,698,591
Net Investment Income	7,239,671	3,849,323
Total Net Income	71,321,501	54,547,914
OPERATING EXPENSES		
Claims, Including Bonuses, Net of Reinsurance Recoveries	29,255,054	23,441,014
Management Expenses Less Recoveries	20,951,975	22,842,426
Total Claims & Expenditure	50,207,029	46,283,440
Excess of Income Over Claims and Expenditure	21,114,472	8,264,474
Movement in Policyholder's Liability	(18,318,177)	(15,237,303)
Profit/(Loss) Before Taxation	2,796,295	(6,972,829)
Taxation	(665,681)	(555,511)
Profit/(Loss) After Taxation	2,130,614	(7,528,340)

The above results are beginning to show the impact of the actions that have been taken within the first quarter of 2011 as the figure before movement in policyholders' liabilities shows a profit of more than Rs.21.11 million compared to profit Rs.8.26 million last year. This has been achieved due to the decrease in management expenses of nearly 8.3% alongwith excellent premium income growth of more than 26%. Consequently, the company's overall profit after taxation has reached Rs.2.1 million compared to loss of Rs.7.5 million in 2010. As its ongoing strategy, your company closely monitors the market situation and believes that its business model and prudent risk management practice, coupled with a strong customer based and deep client relationship will give it a sustainable long term competitive advantage. The company always aggressively pursues new opportunities and ensures internal preparedness to take maximum advantage of such opportunities.

We take this opportunity to express our appreciation to Government of Pakistan, Ministry of Commerce and Securities & Exchange Commission of Pakistan (SECP) for their invaluable assistance and guidance. Your directors would also like to place on record their appreciation for the tremendous contribution made by the officers, staff and field force towards the development of the company. Finally, we would like to thank thousand of our policyholders, shareholders and corporate clients for their confidence reposed in our company.

For and on behalf of the Board of Directors,

Maheen Yunus

Maheen Yunus, CPCU
Managing Director and
Chief Executive

Karachi: April 28, 2011




**INTERIM CONDENSED STATEMENT OF INVESTMENT INCOME
FOR THE QUARTER ENDED MARCH 31, 2011 (UNAUDITED)**

Figures in Rupees

	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accidental & Health	March 31, 2011	March 31, 2010
Investment Income					
On Government Securities	317,528	854,090	85,301	1,256,919	974,048
On Other Fixed Income Securities and Deposits	76,546	228,965	33,254	338,765	706,854
Amortization of Premium	-	-	-	-	(4,713)
Amortization of Discount	60,324	141,889	12,568	214,781	190,450
On Policy Loan	-	-	-	-	-
Other Miscellaneous Income	-	-	-	-	-
	454,398	1,224,944	131,123	1,810,465	1,866,639
Dividend Income	-	-	-	-	-
Gain/(Loss) on Sale of Investments	-	-	-	-	-
Total Investment Income	454,398	1,224,944	131,123	1,810,465	1,866,639
Net Investment Income	454,398	1,224,944	131,123	1,810,465	1,866,639

The annexed notes from an integral part of these accounts.


CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD
Chairman


MAHEEN YUNUS, CPCU
Managing Director &
Chief Executive


JAVED YUNUS
Director


A.K.M. SAYEED
Director




**INTERIM CONDENSED STATEMENT OF EXPENSES
FOR THE QUARTER ENDED MARCH 31, 2011 (UNAUDITED)**

Figures in Rupees

	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accidental & Health	March 31, 2011	March 31, 2010
Acquisition Costs					
Remuneration to Insurance Intermediaries on Individual Policies:					
Commission on First Year Premiums	-	3,103,290	1,200	3,104,490	2,734,766
Commission on Second Year Premiums	-	382,562	-	382,562	332,538
Commission on Subsequent Renewal Premiums	-	100,336	-	100,336	173,771
Other Benefits to Insurance Intermediaries	-	1,209,696	-	1,209,696	148,458
Remuneration to Insurance Intermediaries on Group Policies:					
Commission	848,597	-	575,972	1,424,569	1,331,684
	848,597	4,795,884	577,172	6,221,653	4,721,217
Branch Overhead	-	1,957,530	-	1,957,530	5,158,851
Other Acquisition Cost					
Policy Stamps	-	35,700	-	35,700	30,650
Total Acquisition Cost	848,597	6,789,114	577,172	8,214,883	9,910,718
Administration Expenses					
Salaries and Other Benefits	1,951,463	2,074,682	1,096,500	5,122,645	5,446,782
Travelling Expenses	30,548	42,123	105,307	177,978	310,938
Actuary's Fees	195,000	60,000	45,000	300,000	300,000
Medical Fees	106,723	160,085	-	266,808	172,072
Advertisements	84,834	23,137	30,849	138,820	319,922
Printing and Stationary	267,509	181,254	66,460	515,223	440,734
Rental	140,019	35,155	140,620	315,794	362,244
	2,776,096	2,576,436	1,484,736	6,837,268	7,352,692
Other Management Expenses	1,280,148	770,590	801,469	2,852,207	2,476,299
Gross Management Expenses	4,904,841	10,136,140	2,863,377	17,904,358	19,739,709
Commission From Reinsurers	(1,529,424)	(33,501)	-	(1,562,925)	(1,517,549)
Net Management Expenses	3,375,417	10,102,639	2,863,377	16,341,433	18,222,160

The annexed notes from an integral part of these accounts.


CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD
Chairman


MAHEEM YUNUS, CPCU
Managing Director &
Chief Executive


JAVED YUNUS
Director



A.K.M. SAYEED
Director



**INTERIM CONDENSED STATEMENT OF CLAIMS
FOR THE QUARTER ENDED MARCH 31, 2011 (UNAUDITED)**

	Figures in Rupees				
	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accidental & Health	March 31, 2011	March 31, 2010
Gross Claims					
Claims Under Individual Policies					
By Death	-	79,472	-	79,472	246,635
By Insured Event Other Than Death	-	-	-	-	62,300
By Maturity	-	1,293,274	-	1,293,274	605,817
Bonus in Cash	-	-	-	-	4,500
By Surrender	-	597,753	-	597,753	408,408
Total Gross Individual Policy Claims	-	1,970,499	-	1,970,499	1,327,660
Claims Under Group Policies					
By Death	21,051,395	-	-	21,051,395	23,098,265
By Insured Event Other Than Death	147,273	-	21,274,355	21,421,628	15,661,206
Total Gross Group Policy Claims	21,198,668	-	21,274,355	42,473,023	38,759,471
Total Gross Claims	21,198,668	1,970,499	21,274,355	44,443,522	40,087,131
Less: Reinsurance Recoveries					
On Group Life Claims	(15,188,468)	-	-	(15,188,468)	(16,646,117)
Net Claims	6,010,200	1,970,499	21,274,355	29,255,054	23,441,014

The annexed notes from an integral part of these accounts.


CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD
Chairman


MAHEEN YUNUS, CPCU
Managing Director &
Chief Executive


JAVED YUNUS
Director


A.K.M. SAYEED
Director




**INTERIM CONDENSED STATEMENT OF PREMIUMS
FOR THE QUARTER ENDED MARCH 31, 2011 (UNAUDITED)**

Figures in Rupees

	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accidental & Health	March 31, 2011	March 31, 2010
Gross Premiums					
Regular Premium Individual Policies*					
First Year	-	6,069,346	5,000	6,074,346	5,750,459
Second Year Renewal	-	4,627,382	-	4,627,382	2,982,394
Subsequent Year Renewal	-	5,763,548	-	5,763,548	3,373,761
Single Premium Individual Policies	-	920,250	-	920,250	820,000
Group Policies	30,051,877	-	36,902,502	66,954,379	57,354,916
Total Gross Premiums	30,051,877	17,380,526	36,907,502	84,339,905	70,281,530
Less: Reinsurance Premiums Ceded					
On Individual Life First Year Business	-	(63,801)	-	(63,801)	(57,697)
On Individual Life Second Year Business	-	(67,538)	-	(67,538)	(7,216)
On Individual Life Renewal Business	-	(34,419)	-	(34,419)	(46,238)
On Group Policies	(20,092,317)	-	-	(20,092,317)	(19,471,788)
	(20,092,317)	(165,758)	-	(20,258,075)	(19,582,939)
Net Premiums	9,959,560	17,214,768	36,907,502	64,081,830	50,698,591

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

The annexed notes from an integral part of these accounts.


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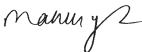
**INTERIM CONDENSED REVENUE ACCOUNT
FOR THE QUARTER ENDED MARCH 31, 2011 (UNAUDITED)**

Figures in Rupees

Note	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accidental & Health	March 31, 2011	March 31, 2010
Income					
Premiums Less Reinsurances	9,959,560	17,214,768	36,907,502	64,081,830	50,698,591
Net Investment Income	454,398	1,224,944	131,123	1,810,465	1,866,639
Total Net Income	10,413,958	18,439,712	37,038,625	65,892,295	52,565,230
Claims and Expenditure					
Claims, Including Bonuses, Net of Reinsurance Recoveries	6,010,200	1,970,499	21,274,355	29,255,054	23,441,014
Management Expenses Less Recoveries	3,375,417	10,102,639	2,863,377	16,341,433	18,222,160
Total Claims and Expenditure	9,385,617	12,073,138	24,137,732	45,596,487	41,663,174
Excess/(Deficit) of Income Over Claims and Expenditure	1,028,341	6,366,574	12,900,893	20,295,808	10,902,056
Add: Policyholder Liabilities at Beginning of Period					
	31,367,057	151,132,060	29,079,792	211,578,909	156,942,312
Less: Policyholder Liabilities at End of Period					
	32,257,566 (890,509)	157,974,416 (6,842,356)	39,665,104 (10,585,312)	229,897,086 (18,318,177)	172,179,615 (15,237,303)
Deficit	137,832	(475,782)	2,315,581	1,977,631	(4,335,247)
Movement in Policyholders' Liabilities	890,509	6,842,356	10,585,312	18,318,177	15,237,303
Transfer To or From Shareholders' Fund					
-Capital Contribution from Shareholders' fund	-	-	-	-	-
-Capital Contribution to Shareholders' fund	-	-	-	-	-
Net Transfer To or From Shareholders' Fund	-	-	-	-	-
Balance of Statutory Fund at Beginning of Period	32,605,918	151,721,525	29,658,223	213,985,666	162,256,110
Balance of Statutory Fund Transfer Due to Conversion	-	-	-	-	-
Balance of Statutory Fund at End of Period	33,634,259	158,088,099	42,559,116	234,281,474	173,158,166
Represented by:					
Capital Contributed by Shareholders' Fund	123,220,426	100,700,000	26,800,000	250,720,426	199,620,426
Accumulated Deficit	(121,843,733)	(100,586,317)	(23,905,988)	(246,336,038)	(198,641,875)
	1,376,693	113,683	2,894,012	4,384,388	978,551
Policyholder Liabilities	32,257,566	157,974,416	39,665,104	229,897,086	172,179,615
BALANCE OF STATUTORY FUND	33,634,259	158,088,099	42,559,116	234,281,474	173,158,166

The annexed notes from an integral part of these accounts.


CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD
Chairman


MAHEEN YUNUS, CPCU
Managing Director &
Chief Executive


JAVED YUNUS
Director


A.K.M. SAYEED
Director



**INTERIM CONDENSED CASH FLOW STATEMENT
FOR THE QUARTER ENDED MARCH 31, 2011 (UNAUDITED)**

Figures in Rupees

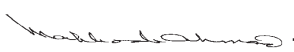
Shareholders' Fund	Statutory Funds			Aggregate		
	Ordinary Life	Universal Life	Accidental & Health	March 31, 2011	March 31, 2010	
Operating Cash Flows						
a) Underwriting Activities						
Premium Received	-	27,798,595	13,480,884	23,744,327	65,023,806	51,148,152
Claims Paid	-	(19,362,514)	(2,292,564)	(21,317,747)	(42,972,825)	(40,524,002)
Surrenders Paid	-	-	(597,753)	-	(597,753)	(408,408)
Commission Paid	-	(1,072,880)	(5,857,986)	(677,521)	(7,608,387)	(6,703,333)
Net Cash Flow Underwriting Activities	-	7,363,201	4,732,581	1,749,059	13,844,841	3,512,409
b) Other Operating Activities						
Income Tax Paid	(93,583)	-	-	-	(93,583)	(205,228)
General Management Expenses Paid	(3,724,860)	(6,180,525)	(7,628,012)	(2,735,468)	(20,268,865)	(24,516,054)
Net Cash Flow From Other Operating Activities	(3,818,443)	(6,180,525)	(7,628,012)	(2,735,468)	(20,362,448)	(24,721,282)
Total Cash Flow From all Operating Activities	(3,818,443)	1,182,676	(2,895,431)	(986,409)	(6,517,607)	(21,208,873)
Investment Activities						
Profit/ Return Received	633,272	28,192	20,358	24,714	706,536	2,251,204
Dividend Received	-	-	-	-	-	8,703
Proceeds From Disposal of Investments	17,782,292	7,000,000	35,800,000	8,300,000	68,882,292	53,057,993
Fixed Capital Expenditure	(101,484)	-	-	-	(101,484)	(132,000)
Total Cash Flow From Investing Activities	18,314,080	7,028,192	35,820,358	8,324,714	69,487,344	55,185,900
Financing Activities						
Share Capital Issued	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
Total Cash Flow From Financing Activities	-	-	-	-	-	-
Net Cash Inflow/Outflow From All Activities	14,495,637	8,210,868	32,924,927	7,338,305	62,969,737	33,977,027



Figures in Rupees

Shareholders' Fund	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accidental & Health	March 31, 2011	March 31, 2010
Cash at the Beginning of the Period	6,112,690	15,088,223	99,112,381	158,313,294	59,770,019
Cash at the End of the Period	20,608,327	23,299,091	132,037,308	199,151,222	93,747,046
Reconciliation to Profit and Loss Account					
Operating Cash Flows				(6,517,607)	(21,208,873)
Depreciation Expense				(1,446,759)	(1,685,605)
Investment Income				3,989,676	3,849,217
Provision for impairment in Value of Available for Sale Investments				3,249,995	-
Increase/(Decrease) in Assets other than Cash				17,937,908	17,221,826
(Increase)/Decrease in Liabilities Other than Running Finance				(15,082,599)	(5,704,906)
Surplus/(Deficit) of Statutory Funds				(1,977,631)	4,335,247
(Loss) After Taxation				152,983	(3,193,094)

The annexed notes from an integral part of these accounts.


CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD
Chairman


MAHEEN YUNUS, CPCU
Managing Director &
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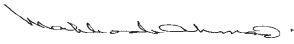


**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2011 (UNAUDITED)**

Figures in Rupees

	Share Capital	Accumulated Surplus/(Deficit)			Total
		Accumulated Surplus/(Loss)	Capital Contributed to Statutory Fund	Sub-Total	
Balance as at January 01, 2010	454,960,000	(105,971,054)	(199,620,426)	(305,591,480)	149,368,520
Net Profit For the Period	-	(3,193,094)	-	(3,193,094)	(3,193,094)
Balance as at March 31 2010	<u>454,960,000</u>	<u>(109,164,148)</u>	<u>(199,620,426)</u>	<u>(308,784,574)</u>	<u>146,175,426</u>
Balance as at 01 January 2011	500,456,000	(102,777,370)	(250,720,426)	(353,497,796)	146,958,204
Net Profit/(Loss) for the Period	-	152,983	-	152,983	152,983
Balance as at March 31 2011	<u>500,456,000</u>	<u>(102,624,387)</u>	<u>(250,720,426)</u>	<u>(353,344,813)</u>	<u>147,111,187</u>

The annexed notes from an integral part of these accounts.


CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD
Chairman


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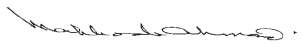


**INTERIM CONDENSED PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED MARCH 31, 2011 (UNAUDITED)**

Figures in Rupees

	March 31st,	
	2011	2010
Investment Income Not Attributable to Statutory Funds		
Return on Government Securities	1,378,872	1,300,364
Return on Other Fixed Income Securities and Deposits	478,165	75,215
Amortization of Discount/Premium Relative to Par	192,089	598,401
Dividend Income	-	8,703
Gain on Sale of Fixed Assets	-	-
Gain on Sale of Investment	130,085	-
	<u>2,179,211</u>	<u>1,982,683</u>
Reversal for impairment in value of investment	3,249,995	-
Net Investment Income	<u>5,429,206</u>	<u>1,982,683</u>
Expenses Not Attributable to Statutory Funds	(4,610,542)	(4,620,266)
Profit Before Tax	<u>818,664</u>	<u>(2,637,583)</u>
Share of Loss in Associate	-	-
Taxation	(665,681)	(555,511)
Profit After Tax	<u>152,983</u>	<u>(3,193,094)</u>
Earnings per Share	0.003	(0.064)

The annexed notes from an integral part of these accounts.


CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD
Chairman


MAHEEN YUNUS, CPCU
Managing Director &
Chief Executive


JAVED YUNUS
Director


A.K.M. SAYEED
Director



**INTERIM CONDENSED BALANCE SHEET
AS AT MARCH 31, 2011 (UNAUDITED)**

Figures in Rupees

Note	Shareholders' Fund	Statutory Funds			Aggregate	
		Ordinary Life	Universal Life	Accidental & Health	March 31, 2011	December 31, 2010
		Un-Audited			Audited	
Share Capital and Reserves						
Authorized Share Capital	600,000,000	-	-	-	600,000,000	600,000,000
Issued, Subscribed and Paid Up Share Capital	500,456,000	-	-	-	500,456,000	500,456,000
Accumulated (Deficit)/Surplus	6 (353,344,813)	-	-	-	(353,344,813)	(353,497,796)
Net Shareholders' Equity	147,111,187	-	-	-	147,111,187	146,958,204
Balance of Statutory Fund (including policy holder liabilities 2011: Rs.229,897,086 2010:Rs.211,578,909)						
	-	33,634,259	158,088,099	42,559,116	234,281,474	213,985,666
Deferred Liabilities						
Outstanding Gratuity	9,055	81,495	-	-	90,550	90,550
Creditors and Accruals						
Outstanding Claims	-	6,950,121	301,157	2,051,064	9,302,342	8,429,398
Premiums Received in Advance	-	-	8,254,709	-	8,254,709	11,171,513
Taxation	1,735,933	-	-	-	1,735,933	1,163,835
Amount Due to Other Insurers / Reinsurers	-	9,890,677	1,945,800	-	11,836,477	8,329,795
Accrued Expenses	911,686	2,915,485	2,866,092	267,177	6,960,440	10,522,196
Agent's Balances	-	-	626,480	-	626,480	2,013,214
Other Creditors and Accruals	130,840	413,584	105,315	124,237	773,976	1,095,985
	2,778,459	20,169,867	14,099,553	2,442,478	39,490,357	42,725,936
Other Liabilities						
Dividend Payable	113,425	-	-	-	113,425	113,425
TOTAL LIABILITIES	2,900,939	53,885,621	172,187,652	45,001,594	273,975,806	256,915,577
TOTAL EQUITY AND LIABILITIES	150,012,126	53,885,621	172,187,652	45,001,594	421,086,993	403,873,781


The annexed notes from an integral part of these accounts.

Karachi: April 28, 2011

Figures in Rupees

Note	Shareholders' Fund	Statutory Funds			Aggregate	
		Ordinary Life	Universal Life	Accidental & Health	March 31, 2011	December 31, 2010
		Un-Audited			Audited	
Cash and Bank Deposits						
Cash in Hand	-	21,340	56,655	-	77,995	24,657
Current and Other Accounts	2,608,327	16,277,751	31,980,653	14,906,496	65,773,227	83,156,828
Deposits Maturing Within 12 Months	18,000,000	7,000,000	100,000,000	8,300,000	133,300,000	53,000,000
	20,608,327	23,299,091	132,037,308	23,206,496	199,151,222	136,181,485
Loans Secured Against Life Insurance Policies						
	-	4,975,195	2,983,576	-	7,958,771	7,548,871
Unsecured Loan to Employees						
	121,441	968,329	-	120,641	1,210,411	1,004,284
Investments						
Government Securities	50,036,473	10,460,296	27,344,571	2,114,581	89,955,921	157,928,759
Other Fixed Income Securities	-	-	4,454,731	-	4,454,731	4,454,731
Listed Equities and Mutual Funds	34,639,947	-	-	-	34,639,947	31,762,452
Investment in Associate	-	-	-	-	-	-
	84,676,420	10,460,296	31,799,302	2,114,581	129,050,599	194,145,942
Current Assets - Other						
Premiums Due But Unpaid	-	12,599,461	1,656,215	18,807,801	33,063,477	17,074,082
Taxation	-	-	-	-	-	-
Prepayments	675,000	-	311,596	-	986,596	815,249
Sundry Receivables	-	1,178,113	2,115,626	650,365	3,944,104	2,801,823
Investment Income Accrued	2,205,137	405,136	1,284,029	101,710	3,996,012	1,249,827
Stationery	499,691	-	-	-	499,691	480,833
	3,379,828	14,182,710	5,367,466	19,559,876	42,489,880	22,421,814
Fixed Assets -Tangible						
Furniture, Fixtures, Office Equipment and Vehicles	40,619,595	-	-	-	40,619,595	41,854,231
Intangible Assets						
Software	606,515	-	-	-	606,515	717,154
	41,226,110	-	-	-	41,226,110	42,571,385
TOTAL ASSETS	150,012,126	53,885,621	172,187,652	45,001,594	421,086,993	403,873,781

The annexed notes from an integral part of these accounts.


CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD
Chairman


MAHEEN YUNUS, CPCU
Managing Director &
Chief Executive


JAVED YUNUS
Director


A.K.M. SAYEED
Director



**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Un-Audited)
FOR THE QUARTER ENDED MARCH 31, 2011**

1. STATUS AND NATURE OF BUSINESS

East West Life Assurance Company Limited (the company) was incorporated in Pakistan on August 18, 1992 as a public limited company under the Companies Ordinance, 1984. Its shares are quoted on Karachi Stock Exchange. The company commenced life insurance operations on February 22, 1993 after registration with Controller of Insurance on February 14, 1993. The address of its registered and principal office is 57 Regal Plaza, M.A. Jinnah Road, Quetta and 310 EFU House, M.A. Jinnah Road Karachi, respectively. The company is engaged in life insurance carrying on participatory and non- participatory business. In accordance with the requirements of Insurance Ordinance, 2000, the company has established shareholders' fund and following statutory funds in respect of its each class of life insurance business:

- Ordinary Life;
- Universal Life; and
- Accident and Health.

2. BASIS OF PRESENTATION

These financial statements have been prepared on the format of financial statements issued by Securities and Exchange Commission of Pakistan (SECP) through Securities and Exchange Commission (Insurance) Rules, 2002 (the Rules).

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Boards as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000 and the Rules. In case the requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000 and the Rules, shall prevail.

SECP through notification vide SRO 15091/2009 dated February 13, 2009 allowed insurance companies to differ from the application of International Accounting Standard-39 (IAS 39) Financial Instruments: Recognition and Measurement in respect of valuation subsequent to initial recognition of investments available for sale. Accordingly, the requirements of IAS 39, to the extent allowed by SECP, as aforesaid, have not been considered for the preparation of these financial statements.

4. BASIS OF MEASUREMENT

The financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair value or amortized cost as applicable.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are in line with the audited annual accounts for the year ended December 31st, 2010.



	March 31, 2011	December 31, 2010
	Rupees (Un-Audited)	Rupees (Audited)
6. ANALYSIS OF ACCUMULATED SURPLUS/(DEFICIT) AS SHOWN IN BALANCE SHEET		
Accumulated surplus in Statement of Changes in Equity Ignoring Effect of Capital Transfers at Start of Period	(102,777,370)	(105,971,054)
Add: (Loss)/Surplus in Profit and Loss Account for this Period	152,983	3,193,684
	(102,624,387)	(102,777,370)
Less: Accumulated net capital transferred in statutory funds	(250,720,426)	(250,720,426)
Total accumulated (deficit)/surplus as shown in balance sheet	(353,344,813)	(353,497,796)

7. MOVEMENTS IN EQUITY

	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accidental & Health	March 31, 2011	March 31, 2010
Policyholders' Liabilities	----- Un-Audited ----- ----- (Rupees) -----				
Balance at the Beginning of the Period	31,367,057	151,132,060	29,079,792	211,578,909	156,942,312
Increase/(decrease) During the Period	890,509	6,842,356	10,585,312	18,318,177	15,237,303
Balance at the End of the Period	32,257,566	157,974,416	39,665,104	229,897,086	172,179,615
Capital Contributed By Shareholders' Fund					
Balance at the Beginning of the Period	123,220,426	100,700,000	26,800,000	250,720,426	199,620,426
Capital Contributed During the Period	-	-	-	-	-
Balance at the End of the Period	123,220,426	100,700,000	26,800,000	250,720,426	199,620,426
Accumulated deficit					
Balance at the Beginning of the Period	(121,981,565)	(100,110,535)	(26,221,569)	(248,313,669)	(194,306,628)
Deficit Allocated in Respect of the Period	137,832	(475,782)	2,315,581	1,977,631	(4,335,247)
Balance at the End of the Period	(121,843,733)	(100,586,317)	(23,905,988)	(246,336,038)	(198,641,875)



8. INVESTMENTS

Note	Shareholders' Fund	Statutory Funds			Aggregate		
		Ordinary Life	Universal Life	Accidental & Health	March 31, 2011	December 31, 2010	
		Un-Audited			Audited		

(Rupees)							

Government Securities	8.1	50,036,473	10,460,296	27,344,571	2,114,581	89,955,921	157,928,759
Other Fixed Income Securities	8.2	-	-	4,454,731	-	4,454,731	4,454,731
Listed Equities and Mutual Fund	8.3	34,639,947	-	-	-	34,639,947	31,762,452
Investment in Associate		-	-	-	-	-	-
		<u>84,676,420</u>	<u>10,460,296</u>	<u>31,799,302</u>	<u>2,114,581</u>	<u>129,050,599</u>	<u>194,145,942</u>

8.1 Government Securities

Held to Maturity

10 Years Pakistan Investment Bonds	5,000,000	-	-	-	5,000,000	5,000,000
10 Years Pakistan Investment Bonds	-	-	2,999,681	-	2,999,681	2,999,656
10 Years Pakistan Investment Bonds	-	-	588,690	-	588,690	587,583
10 Years Pakistan Investment Bonds	17,169,779	-	-	-	17,169,779	17,034,001
10 Years Pakistan Investment Bonds	-	-	-	-	-	-
10 Years Pakistan Investment Bonds	6,426,135	10,460,296	23,756,200	2,114,581	42,757,212	42,505,861
10 Years Pakistan Investment Bonds	15,834,616	-	-	-	15,834,616	15,826,682
10 Years Pakistan Investment Bonds	1,963,564	-	-	-	1,963,564	1,962,353
10 Years Pakistan Investment Bonds	3,642,379	-	-	-	3,642,379	3,632,915
Treasury Bills	-	-	-	-	-	68,379,708
	<u>50,036,473</u>	<u>10,460,296</u>	<u>27,344,571</u>	<u>2,114,581</u>	<u>89,955,921</u>	<u>157,928,759</u>

The particulars of investments are as follows:

	Amount in Rupees	Maturity	Principal Repayment	Coupon	Coupon Payment
Held to Maturity					
10 Years Pakistan Investment Bonds	5,000,000	April 2014	On Maturity	8%	Semi-Annually
10 Years Pakistan Investment Bonds	2,999,681	April 2014	On Maturity	8%	Semi-Annually
10 Years Pakistan Investment Bonds	588,690	October 2013	On Maturity	8%	Semi-Annually
10 Years Pakistan Investment Bonds	33,004,395	May 2016	On Maturity	9.6%	Semi-Annually
10 Years Pakistan Investment Bonds	42,757,212	June 2012	On Maturity	11%	Semi-Annually
10 Years Pakistan Investment Bonds	1,963,564	August 2018	On Maturity	12%	Semi-Annually
10 Years Pakistan Investment Bonds	3,642,379	July 2020	On Maturity	12%	Semi-Annually
Treasury Bills	-	March 2011	On Maturity	12.8%	On Maturity
	<u>89,955,921</u>				

8.2 Other Fixed Income Securities

	Shareholders' Fund	Statutory Funds			Aggregate	
		Ordinary Life	Universal Life	Accidental & Health	March 31, 2011	December 31, 2010
		Un-Audited			Audited	

(Rupees)						

Held to Maturity						
Term Finance Certificate						
Pakistan Mobile Comm.Limited	-	-	4,454,731	-	4,454,731	4,454,731
			<u>4,454,731</u>		<u>4,454,731</u>	<u>4,454,731</u>

The particulars of investments are as follows:

	Number of Certificates	Maturity	Tenor	Rate of Return	Profit Payment
Term Finance Certificate					
Pakistan Mobile Comm.Limited	1,060	2013	7 Years	15.46%	Half Yearly



8.3 Listed Equities And Mutual Funds

Shareholders' Fund	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accidental & Health	March 31, 2011	December 31, 2010
	Un-Audited			Audited	
(Rupees)					
Available for Sale					
Listed Equities	5,622,134	-	-	5,622,134	11,011,731
Mutual Fund	25,767,818	-	-	25,767,818	21,357,110
Add: Reversal for impairment in Value of Investment	3,249,995	-	-	3,249,995	(606,389)
	<u>34,639,947</u>	<u>-</u>	<u>-</u>	<u>34,639,947</u>	<u>31,762,452</u>

9. FIXED ASSETS

The detail of additions and deletions during the first quarter ended March 31, 2011 are as follows:

	Shareholder's Fund	
	Additions	Deletions
Office Equipment	7,500	-
Computers	93,984	-
	<u>101,484</u>	<u>-</u>

10. TRANSACTION WITH RELATED PARTIES



	March 31, 2011			December 31, 2010		
	Directors	Key Management Personnel	Associated Companies & Common Directorship	Directors	Key Management Personnel	Associated Companies & Common Directorship
Balances						
Premium Receivable	-	-	414,786	-	-	564,786
Amount Due From Associate Undertaking	-	-	-	-	-	-
Investment	-	-	2,059,381	-	-	3,781,330
Transactions						
Premium Received	-	-	-	-	-	2,125,120
Premium Paid	-	-	163,392	-	-	730,676
Claims Paid	-	-	319,533	-	-	2,826,423
Dividend Received	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Sales	-	-	-	-	-	11,505,985
Underwriting Commission	-	-	-	-	-	456,960

11. DATE OF ISSUE

These financial statements are authorised for issue on April 28, 2011 by the Board of Directors of the Company.

12. CORRESPONDING FIGURES

Previous figures have been rearranged and reclassified wherever necessary for the purpose of comparison.

			
CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD Chairman	MAHEEN YUNUS, CPCU Managing Director & Chief Executive	JAVED YUNUS Director	A.K.M. SAYEED Director