

American Life Insurance Company (Pakistan) Limited



Report for the First Quarter Ended
March 31, 2010

Alico

Vision Statement

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

Mission Statement

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Asim Iftikhar Cost and Management Accountant

APPOINTED ACTUARY

Shoaib Soofi FSA, FPSA

AUDIT COMMITTEE

Arif Abdul Aziz	Chairman
Khalid Anis-ur-Rehman	Member
Shahid Siddiqui	Member
Shahid Hussain	Secretary & Internal Auditor

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
Arif Habib Bank Limited

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

P.O. Box No. 10528, Floor 13 (Level 16)
Dolmen City Mall, Block - 4, Clifton, Karachi.
Phone: + 92 (21) 111-111-711 Fax: + 92 (21) 3529-0042

DIRECTORS' REPORT

The Directors of the Company are pleased to place before you the un-audited financial statements for the first quarter ended March 31, 2010.

First quarter of 2010 has shown some sign of relief to the economy. The overall performance of the company is very encouraging despite the unfavorable economic, political and the security situation which is prevailing in the country. Your management is hopeful of the significant upward turn and has full focus for sustainable growth aligned with its strategic objectives.

For the quarter Company has shown modest growth. The individual life products sold under the Saving plans continue to register significant growth.

The various versions of our individual unit linked vision products have also shown reasonable growth. The return provided to our clients over the last year was quite attractive in line with the improved behavior of the stock market. We hope this would continue over a long term.

Your Company is also aggressively working to penetrate the banc-assurance market segment. We are confident that the banc-assurance business would continue to show respectable growth in the future years.

The combined all lines net premium income during the first quarter was Rs. 351 million, registering a growth of 18% over the corresponding quarter last year. The major increase was in individual life business mainly contributed by the Savings and the Unit Linked products cited above. The individual accident and health product business also shows healthy growth.

Profit / Loss

	2010 (Rupees in '000)	2009
Net Surplus of Statutory Funds	48,372	35,700
Profit before appropriation of surplus to Shareholders' Fund	9,423	8,311
Taxation	15,548	7,966
Earning per Share (Rupees)	0.58	0.30
Break-up value of shares (including amount retained in the Statutory Fund to meet the requirements of Insurance Ordinance)	15.37	13.90

With the innovative selling methods underway, the business is expected to show good growth in the coming quarters. We also expect to achieve good investment returns with our strict adherence to prudent investment policy. In view of the nature of our non-linked individual life products, we invest only in Government securities having 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.

We thank our valued policyholders for their confidence and patronage and reiterate our commitment to serve them in the best possible manner.

The Board of Directors would like to express their sincere thanks and wish to record their appreciation for the untiring efforts made by the Company's officers, field force, sales consultants and staff, which has enabled the Company to achieve the remarkable results during the first quarter of the year.



ARIF S. MUFTI
Chairman & CEO
Date: April 30, 2010

CONDENSED INTERIM BALANCE SHEET (UNAUDITED) AS AT MARCH 31, 2010

Note	SHARE HOLDERS' FUND	STATUTORY FUNDS						AGGREGATE		
		Life (Participating)	Life (Non-participating) Individual	Life (Non-participating) Group	Investment Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	March 31, 2010 (Unaudited)	December 31, 2009 (Audited)
----- (Rupees in '000) -----										
Share Capital and Reserves										
	Authorized share capital (50,000,000 ordinary shares of Rs. 10 each)	500,000	-	-	-	-	-	-	500,000	500,000
	Issued, subscribed and paid-up share capital (50,000,000 ordinary shares of Rs. 10 each)	500,000	-	-	-	-	-	-	500,000	500,000
	Accumulated surplus	367,308	-	-	-	-	-	-	367,308	338,433
	Less: Capital Contributed by Shareholders' Fund	(257,368)	-	-	-	-	-	-	(257,368)	(257,368)
6		109,940	-	-	-	-	-	-	109,940	81,065
	Net Shareholders' Equity	609,940	-	-	-	-	-	-	609,940	581,065
Balance of Statutory Fund										
	[including policyholders' liabilities Rs. 2,222.38 million (2009: Rs. 2,100 million)]	-	746,808	1,250,035	175,454	125,875	23,153	106,538	26,309	2,454,272
Creditors and Accruals										
	Outstanding claims	-	20,050	49,782	96,532	1,969	5,895	31,754	-	205,982
	Payable to gratuity fund	-	2,099	3,696	507	437	71	335	90	7,235
	Premiums received in advance	-	747	27,645	-	-	1,146	-	-	29,538
	Amount due to other insurers/reinsurers	-	246	434	57,184	1,519	8,344	-	-	67,727
	Amount due to agents	-	8,382	19,119	-	1,740	652	-	-	29,893
	Accrued expenses	-	16,778	29,546	4,050	3,492	568	2,678	716	57,828
	Taxation - provisions less payments	12,867	-	-	-	-	-	-	-	12,867
	Other creditors and accruals	4,574	12,506	22,020	1,970	1,929	303	7,586	386	51,274
		17,441	60,808	152,242	160,243	11,086	16,979	42,353	1,192	462,344
	Dividend	16,603	-	-	-	-	-	-	-	16,603
	TOTAL LIABILITIES	34,044	807,616	1,402,277	335,697	137,061	40,132	148,891	27,501	2,933,219
	TOTAL EQUITY AND LIABILITIES	643,984	807,616	1,402,277	335,697	137,061	40,132	148,891	27,501	3,543,159

The annexed notes from 1 to 11 are an integral part of these condensed interim financial statements.

Note	SHARE HOLDERS' FUND	STATUTORY FUNDS						AGGREGATE	
		Life (Participating)	Life (Non-participating) Individual	Life (Non-participating) Group	Investment Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	March 31, 2010 (Unaudited)

(Rupees in '000)

Cash and Bank Deposits

Cash and others	-	565	996	20	63	19	90	24	1,777	835
Current and other accounts	-	21,030	23,922	-	14,714	441	-	1,278	61,385	90,691
Deposits maturing within 12 months	-	34,000	4,000	-	-	-	-	-	38,000	15,000
	-	55,595	28,918	20	14,777	460	90	1,302	101,162	106,526

Loans secured against

Life Insurance Policies	-	24,816	43,700	-	-	-	-	-	68,516	66,482
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Loans secured against other assets

To employees	177	-	-	-	-	-	-	-	177	205
To agents	1,583	-	-	-	-	-	-	-	1,583	1,619

Investments

Government securities	372,155	673,071	1,206,901	443,717	247	37,775	126,858	26,465	2,887,189	2,759,970
Listed mutual funds	938	-	-	-	128,164	-	-	-	129,102	96,099
	373,093	673,071	1,206,901	443,717	128,411	37,775	126,858	26,465	3,016,291	2,856,069

Current Assets - Others

Premiums due but unpaid	-	150	28,317	22,468	52	237	63,057	-	114,281	79,062
Amount due from other insurers/reinsurers	-	8,846	15,577	-	-	-	2,037	-	26,460	17,961
Prepayments	-	4,924	8,671	1,188	1,025	167	796	210	16,971	21,872
Inter-fund balances	256,479	-	-	(170,157)	(12,049)	(676)	(71,049)	(2,548)	-	-
Sundry receivables	-	3,802	6,695	918	791	129	4,349	373	17,057	23,156
Amount due from agent	-	-	-	-	-	-	-	-	-	5,664
Accrued interest	12,652	17,347	29,926	14,445	86	1,395	3,676	886	80,413	73,898
Experience refund receivable	-	-	-	18,497	-	-	16,044	-	34,541	34,310
	269,131	35,069	89,186	(112,641)	(10,095)	1,252	18,900	(1,079)	289,723	255,923

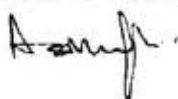
Fixed Assets - tangible & intangible

Capital work in progress	-	287	505	69	60	10	46	12	989	4,663
Leasehold improvements, furniture & fixtures, office equipments, computers and vehicles	-	18,143	31,949	4,379	3,776	614	2,896	774	62,531	58,665
Softwares & licences	-	635	1,118	153	132	21	101	27	2,187	2,504
	-	19,065	33,572	4,601	3,968	645	3,043	813	65,707	65,832

TOTAL ASSETS

	643,984	807,616	1,402,277	335,697	137,061	40,132	148,891	27,501	3,543,159	3,352,656
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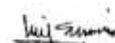
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Chairman & Chief Executive



Director



Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE FIRST QUARTER ENDED MARCH 31, 2010

	Quarter Ended March 31, 2010 2009 (Rupees in '000)	
Investment income not attributable to statutory funds		
Return on Government Securities	10,844	8,299
Less: Amortisation of premium relative to par	<u>295</u>	<u>18</u>
	10,549	8,281
Gain / (loss) on sale of investment held as "available for sale"	<u>(13)</u>	<u>52</u>
Net Investment Income	10,536	8,333
Return on PLS term deposits and saving accounts	<u>298</u>	<u>819</u>
	10,834	9,152
Expenses not attributable to statutory funds		
Administration and miscellaneous expenses	<u>1,411</u>	<u>841</u>
Profit before tax	9,423	8,311
Surplus appropriated to Shareholders' Fund from Ledger Account D	<u>35,000</u>	<u>14,500</u>
Profit before tax	44,423	22,811
Tax Expense	<u>15,548</u>	<u>7,966</u>
Profit after tax	28,875	14,845
Profit and loss appropriation account		
Balance at commencement of the year	338,433	275,941
Profit after tax for the period	<u>28,875</u>	<u>14,845</u>
Balance at the end of the quarter	367,308	290,786
	(Rupees)	
Earnings per share - basic and diluted	0.58	0.30

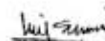
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Chairman & Chief Executive



Director



Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2010**

	Share Capital	Accumulated Surplus	Capital Contributed to Statutory Funds	Total
----- (Rupees in '000) -----				
Balance as at January 1, 2009	500,000	275,941	(396,178)	379,763
Profit for the period	-	14,845	-	14,845
Unrealised profit on revaluation of investments in mutual fund	-	229	-	229
Capital contributed during the period	-	-	-	-
Capital withdrawn during the period	-	-	-	-
	-	-	-	-
Balance as at March 31, 2009	500,000	291,015	(396,178)	394,837
Balance as at January 1, 2010	500,000	338,433	(257,368)	581,065
Profit for the period	-	28,875	-	28,875
Unrealised profit on revaluation of investments in mutual fund	-	-	-	-
Capital contributed during the period	-	-	-	-
Capital withdrawn during the period	-	-	-	-
	-	-	-	-
Balance as at March 31, 2010	500,000	367,308	(257,368)	609,940

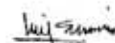
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Chairman & Chief Executive



Director

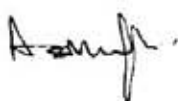


Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE FIRST QUARTER ENDED MARCH 31, 2010

Note	SHARE HOLDERS' FUND	STATUTORY FUNDS					AGGREGATE		March 31, 2010 (Unaudited)	December 31, 2009 (Audited)
		Life (Participating)	Life (Non-participating) Individual	Group	Investment Linked	Accident & Health Individual	Group	Pension Business Fund		
----- (Rupees in '000) -----										
Operating cash flows										
a) Underwriting activities										
	-	2,129	165,133	50,716	64,144	9,574	26,187	2,367	320,250	275,819
	-	(22)	(8,193)	(4,242)	(947)	(502)	(172)	-	(14,078)	(9,270)
	-	(11,366)	1,411	(61,579)	13,560	(2,142)	(64,886)	20,750	(104,752)	(72,105)
	-	(860)	(23,361)	-	(287)	-	-	(1,148)	(25,656)	(14,764)
	-	10,213	(5,284)	2,720	569	300	(25)	-	8,433	5,558
	-	2,665	(33,312)	(1,617)	(23,484)	(2,566)	(1,881)	-	(60,195)	(54,408)
	-	9	3,277	1,697	379	201	69	-	5,632	3,708
Net cash flow from underwriting activities	-	2,768	99,671	(12,705)	53,934	4,865	(40,808)	21,969	129,634	134,538
b) Other operating activities										
	(7,988)	-	-	-	-	-	-	-	(7,988)	(3,811)
	(305)	10,120	(25,886)	(8,723)	(12,881)	(2,807)	(2,125)	(187)	(42,594)	423,103
	298	(278)	1,809	86	560	82	1,587	(13)	4,131	8,015
	64	(172)	(1,852)	-	-	-	-	-	(1,970)	(1,943)
	(58,201)	22,174	(16,506)	27,701	(4,658)	(2,651)	53,141	(21,000)	-	-
Net cash flow from other operating activities	(66,132)	31,844	(42,245)	19,064	(16,979)	(5,376)	52,603	(21,200)	(48,421)	425,364
Total cash flow from all operating activities	(66,132)	34,612	57,426	6,359	36,955	(511)	11,795	769	81,273	569,902
Investment activities										
	6,961	19,435	37,756	7,022	(1)	220	2,589	570	74,552	13,324
	-	(20,579)	(2,421)	-	-	-	-	-	(23,000)	(74,999)
	316	(38,289)	(86,953)	-	(31,692)	-	-	-	(156,618)	(482,324)
	-	(1,384)	(4,639)	(72)	(1,276)	(57)	(104)	(112)	(8,244)	(2,172)
	-	1,097	1,845	296	162	38	191	45	3,674	(226)
	-	-	-	-	-	-	-	-	-	-
Total cash flow from investing activities	7,277	(40,320)	(54,412)	7,246	(32,807)	201	2,576	503	(109,636)	(546,397)
Financing activities										
	-	-	-	-	-	-	-	-	-	-
	35,000	-	-	(20,000)	-	-	(15,000)	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Total cash flow from financing activities	35,000	-	-	(20,000)	-	-	(15,000)	-	-	-
Net cash inflow/(outflow) from all activities	(23,855)	(5,708)	3,014	(6,395)	4,148	(310)	(529)	1,272	(28,363)	13,505
Cash and cash equivalents at the beginning of the year	23,855	27,304	21,904	6,415	10,629	770	619	30	91,526	49,756
Cash and cash equivalent at the end of the period	-	21,596	24,918	20	14,777	460	90	1,302	63,162	63,261
Reconciliation to Profit and Loss Account										
									81,273	569,902
									(4,695)	(4,637)
									-	-
									29,255	(470,249)
									(148,258)	(113,103)
									83,348	59,164
									1,324	4,968
									(48,372)	(35,700)
									35,000	14,500
Profit or loss after taxation									29,875	14,845

The annexed notes from 1 to 11 are an integral part of these condensed interim financial statements.



Chairman & Chief Executive



Director



Director

CONDENSED INTERIM REVENUE ACCOUNT (UNAUDITED) FOR THE FIRST QUARTER ENDED MARCH 31, 2010

Note	STATUTORY FUNDS						AGGREGATE		
	Life (Participating)	Life (Non-participating) Individual	Group	Investment Linked	Accident & Health Individual	Group	Pension Business Fund	March 31, 2010	March 31, 2009
	----- (Rupees in '000) -----								
Income									
Premiums less reinsurances	2,801	172,350	46,036	63,320	8,020	56,484	2,367	351,378	297,712
Policy transfers from other statutory funds	20,593	-	-	-	-	-	-	20,593	28,104
Net investment income	18,414	35,524	11,521	1,888	1,137	3,451	878	72,813	50,831
Other income - net	106	2,485	178	641	95	1,648	4	5,157	12,164
Total Net Income	41,914	210,359	57,735	65,849	9,252	61,583	3,249	449,941	388,811
Claims and Expenditure									
Claims, including bonuses, net of reinsurance recoveries	8,229	27,933	23,159	1,687	1,101	40,562	1,148	103,819	80,609
Policy transfers to other statutory funds	-	20,593	-	-	-	-	-	20,593	28,104
Management expenses less recoveries	1,583	85,315	15,861	39,480	4,986	6,783	391	154,399	137,516
Total Claims and Expenditure	9,812	133,841	39,020	41,167	6,087	47,345	1,539	278,811	246,229
Excess of Income over Claims and Expenditure	32,102	76,518	18,715	24,682	3,165	14,238	1,710	171,130	142,582
Add: Policyholders' liabilities at beginning of the period	623,267	1,058,145	164,374	100,054	21,397	106,788	25,600	2,099,625	1,649,620
Less: Policyholders' liabilities at end of the period	(644,798)	(1,135,491)	(155,634)	(134,211)	(21,826)	(102,914)	(27,509)	(2,222,383)	(1,756,502)
Movement in policyholders' liabilities	(21,531)	(77,346)	8,740	(34,157)	(429)	3,874	(1,909)	(122,758)	(106,882)
(Deficit) / Surplus	10,571	(828)	27,455	(9,475)	2,736	18,112	(199)	48,372	35,700
Movement in policyholders' liabilities	21,531	77,346	(8,740)	34,157	429	(3,874)	1,909	122,758	106,882
Transfers (to) or from Shareholders' Fund	-	-	-	-	-	-	-	-	-
- Capital returned to Shareholders' Fund	-	-	-	-	-	-	-	-	-
- Capital contributions from Shareholders' Fund	-	-	(20,000)	-	-	(15,000)	-	(35,000)	(14,500)
- Surplus appropriated to Shareholders' Fund	-	-	(20,000)	-	-	(15,000)	-	(35,000)	(14,500)
Balance of Statutory Fund at beginning of the period	714,706	1,173,517	176,739	101,293	19,988	107,300	24,599	2,318,142	1,961,532
Balance of Statutory Fund at end of the period	746,808	1,250,035	175,454	125,975	23,153	106,538	26,309	2,454,272	2,089,614
Represented by:									
Capital contributed by Shareholders' Fund	28,916	223,452	-	5,000	-	-	-	257,368	396,178
Policyholders' liabilities	644,798	1,135,491	155,634	134,211	21,826	102,914	27,509	2,222,383	1,756,502
Retained earnings attributable to policyholders (Ledger Account A)	56,563	-	-	-	-	-	-	56,563	30,655
Retained earnings on par business attributable to shareholders-undistributable (Ledger Account B)	16,531	-	-	-	-	-	-	16,531	2,354
Retained earnings on par business (Ledger Account C)	-	-	-	-	-	-	-	-	-
Retained earnings on other than participating business (Ledger Account D)	-	(108,908)	19,820	(13,236)	1,327	3,624	(1,200)	(98,573)	(96,075)
BALANCE OF STATUTORY FUND	746,808	1,250,035	175,454	125,975	23,153	106,538	26,309	2,454,272	2,089,614

The annexed notes from 1 to 11 are an integral part of these condensed interim financial statements.

Chairman & Chief Executive

Director

Director

CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED) FOR THE FIRST QUARTER ENDED MARCH 31, 2010

	STATUTORY FUNDS						AGGREGATE		
	Life (Participating)	Life (Non-participating) Individual	Life (Non-participating) Group	Investment Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	March 31, 2010	March 31, 2009
----- (Rupees in '000) -----									
Gross Premiums									
Regular premium individual policies*									
First year	-	52,668	-	47,396	9,957	-	-	110,021	88,946
Second year renewal	86	46,815	-	16,748	-	-	-	63,629	54,864
Subsequent year renewal	2,760	78,154	-	-	-	-	-	80,914	53,389
Group policies without cash values	-	-	57,184	-	-	56,621	2,367	116,172	120,831
Total Gross Premiums	2,826	177,637	57,184	64,144	9,957	56,621	2,367	370,736	318,030
Less: Reinsurance Premiums Ceded									
On individual life first year business	-	808	-	466	-	-	-	1,274	1,327
On individual life second year business	1	1,678	-	358	-	-	-	2,037	2,510
On individual life renewal business	24	2,901	-	-	-	-	-	2,825	2,551
On individual accident and health first year	-	-	-	-	1,937	-	-	1,937	782
On individual accident and health second year	-	-	-	-	-	-	-	-	1,548
On group policies	-	-	11,148	-	-	137	-	11,285	11,600
	25	5,287	11,148	824	1,937	137	-	19,358	20,318
Net Premiums	2,801	172,350	46,036	63,320	8,020	56,484	2,367	351,378	297,712

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

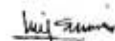
The annexed notes from 1 to 11 are an integral part of these condensed interim financial statements.



Chairman & Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED) FOR THE FIRST QUARTER ENDED MARCH 31, 2010

	STATUTORY FUNDS						AGGREGATE		
	Life	Life (Non-participating)		Investment	Accident & Health		Pension	March 31,	March 31,
	(Participating)	Individual	Group	Linked	Individual	Group	Business Fund	2010	2009
----- (Rupees in '000) -----									
Gross Claims									
Claims under individual policies									
by death	16,510	4,781	-	1,969	500	-	-	23,760	7,272
by insured event other than death	-	-	-	-	901	-	-	901	366
by maturity	3,978	-	-	-	-	-	-	3,978	2,896
by surrender	860	23,361	-	287	-	-	-	24,508	14,764
Total gross individual policy claims	21,348	28,142	-	2,256	1,401	-	-	53,147	25,298
Claims under group policies									
by death	-	-	19,193	-	-	-	-	19,193	32,636
by insured event other than death	-	-	-	-	-	43,676	-	43,676	26,883
experience refund	-	-	6,686	-	-	(3,039)	-	3,647	(2,865)
by surrender	-	-	-	-	-	-	1,148	1,148	362
Total gross group claims	-	-	25,879	-	-	40,637	1,148	67,664	57,016
Total Gross Claims	21,348	28,142	25,879	2,256	1,401	40,637	1,148	120,811	82,314
Less: Re-insurance Recoveries									
On individual life first year business claims	-	32	-	569	-	-	-	601	241
On individual life second year business claims	525	66	-	-	-	-	-	591	714
On individual life renewal business claims	12,594	111	-	-	-	-	-	12,705	725
On individual accident and health business claims	-	-	-	-	300	-	-	300	(1,200)
On group business claims	-	-	2,720	-	-	75	-	2,795	1,225
	13,119	209	2,720	569	300	75	-	16,992	1,705
Net Claims	8,229	27,933	23,159	1,687	1,101	40,562	1,148	103,819	80,609

The annexed notes from 1 to 11 are an integral part of these condensed interim financial statements.

Chairman & Chief Executive

Director

Director

CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED) THE FIRST QUARTER ENDED MARCH 31, 2010

	STATUTORY FUNDS						AGGREGATE		
	Life (Participating)	Life (Non-participating) Individual	Life (Non-participating) Group	Investment Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	March 31, 2010	March 31, 2009
----- (Rupees in '000) -----									
Acquisition Costs									
Remuneration to insurance intermediaries									
on individual policies:									
Commission on first year premiums	-	31,326	-	23,252	2,566	-	-	57,144	51,534
Commission on second year premiums	7	4,682	-	1,075	-	-	-	5,764	5,254
Commission on subsequent renewal premiums	33	2,634	-	-	-	-	-	2,667	1,299
Other benefits to insurance intermediaries	42	7,686	-	1,521	403	-	-	9,652	9,990
	82	46,328	-	25,848	2,969	-	-	75,227	68,077
Remuneration to insurance intermediaries									
on group policies:									
Commission	-	-	7,281	-	-	1,881	-	9,162	12,746
Other benefits to insurance intermediaries	-	-	-	-	-	-	-	-	1,076
	-	-	7,281	-	-	1,881	-	9,162	13,822
Branch Overheads									
- Salaries and other benefits	5	1,278	356	451	91	162	17	2,360	5,447
- Other Operational Cost	23	5,882	1,639	2,077	418	745	-	10,784	9,696
	28	7,160	1,995	2,528	509	907	17	13,144	15,143
Other acquisition cost									
Policy stamps	(1)	124	82	330	49	59	-	643	894
	109	53,612	9,358	28,706	3,527	2,847	17	98,176	97,936
Administration Expenses									
Salaries & other benefits	68	17,701	4,931	6,249	1,258	2,241	230	32,678	23,926
Travelling expenses	1	338	94	119	24	43	-	619	207
Auditors' remuneration	1	134	37	47	10	17	2	248	202
Medical fees	1	176	49	254	-	-	-	480	252
Legal & professional fees	-	-	-	-	-	-	-	-	318
Advertisements	1	163	45	57	12	21	-	299	1,517
Computer expenses	1	185	51	65	13	23	2	340	293
Printing & Stationery	8	1,996	556	705	142	253	25	3,685	1,688
Depreciation	1,363	2,399	329	283	46	218	57	4,695	4,637
Rental	9	2,315	645	817	165	293	-	4,244	5,322
	22	6,635	1,901	2,410	484	861	58	12,371	5,091
Other Management Expenses									
	1,584	85,654	17,996	39,712	5,681	6,817	391	157,835	141,389
Gross Management Expenses									
Commission from Reinsurers	(1)	(339)	(2,135)	(232)	(695)	(34)	-	(3,436)	(3,873)
Net Management Expenses									
	1,583	85,315	15,861	39,480	4,986	6,783	391	154,399	137,516

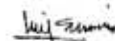
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Chairman & Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED) FOR THE FIRST QUARTER ENDED MARCH 31, 2010

	STATUTORY FUNDS						AGGREGATE	
	Life (Participating)	Life (Non-participating) Individual	Investment Group	Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	March 31, 2010

----- (Rupees in '000) -----

Investment Income

Return on Government Securities	19,051	35,880	12,355	1	1,309	3,601	878	73,075	49,072
Return on Term Finance Certificates	-	-	-	-	-	-	-	-	-
	19,051	35,880	12,355	1	1,309	3,601	878	73,075	49,072
Less : Amortisation of premium relative to par	637	356	834	-	172	150	-	2,149	441
	18,414	35,524	11,521	1	1,137	3,451	878	70,926	48,631
Return on investment held as "available for sale"	-	-	-	(642)	-	-	-	(642)	2,200
Dividend Income	-	-	-	2,529	-	-	-	2,529	-
Net Investment Income	18,414	35,524	11,521	1,888	1,137	3,451	878	72,813	50,831

The annexed notes from 1 to 11 are an integral part of these condensed interim financial statements.

Chairman & Chief Executive

Director

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE FIRST QUARTER ENDED MARCH 31, 2010

1. STATUS AND NATURE OF BUSINESS

American Life Insurance Company (Pakistan) Limited ("the Company") was incorporated in Pakistan on the 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 Company commenced its operations on May 25, 1995 after registration with the Controller of Insurance on April 30, 1995. The registered office of the Company is situated at Floor 13, Level 16 Dolmen City, Block - 4, Scheme - 5, Clifton, Karachi.

The Company is a subsidiary of American Life Insurance Company (incorporated in the United States of America) that holds 66.46% (Dec 31, 2009 : 66.46%) share capital of the Company. The ultimate parent of the Company American International Group (AIG) has announced on a definitive agreement for the sale of American Life Insurance Company (ALICO) to MetLife, Inc. on March 8, 2010.

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

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

2. BASIS OF PRESENTATION

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

These 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, 2009.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2009.

4. ESTIMATES

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

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and 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, 2009.

5. MOVEMENTS IN EQUITY

	STATUTORY FUNDS						AGGREGATE		
	Life (Participating)	Life (Non-participating)		Investment	Accident & Health		Pension	March 31, 2010	March 31, 2009
	Individual	Group	Linked	Individual	Group	Business Fund			
----- (Rupees in '000) -----									
Policyholders' liabilities									
Balance at the beginning of the period	623,267	1,058,145	164,374	100,054	21,397	106,788	25,600	2,099,625	1,649,619
Increase/(decrease) during the period	21,531	77,346	(8,740)	34,157	429	(3,874)	1,909	122,758	450,006
Balance at end of the period	644,798	1,135,491	155,634	134,211	21,826	102,914	27,509	2,222,383	2,099,625
Retained earnings on participating business attributable to participating policyholders - Ledger Account A									
Balance at the beginning of the period	49,049	-	-	-	-	-	-	49,049	25,576
Surplus allocated during the period (note 5.1)	30,571	-	-	-	-	-	-	30,571	107,959
Surplus Adjustment - 10% transferred to Ledger Account B	(3,057)	-	-	-	-	-	-	(3,057)	(10,796)
Bonus allocated during the period	(20,000)	-	-	-	-	-	-	(20,000)	(73,690)
Closing balance at the end of the period	56,563	-	-	-	-	-	-	56,563	49,049
Retained earnings on participating business attributable to shareholder but not distributable - Ledger Account B									
Balance at the beginning of the period	13,474	-	-	-	-	-	-	13,474	2,678
Surplus Adjustment - 10% transferred from Ledger Account A	3,057	-	-	-	-	-	-	3,057	10,796
Transfer to Ledger Account C	-	-	-	-	-	-	-	-	-
Closing balance at the end of the period	16,531	-	-	-	-	-	-	16,531	13,474
Retained earnings on participating business distributable to shareholder Ledger Account C									
Balance at the beginning of the period	-	-	-	-	-	-	-	-	-
Transfer from Ledger Account B	-	-	-	-	-	-	-	-	-
Surplus appropriated to Shareholders' Fund	-	-	-	-	-	-	-	-	-
Closing balance at the end of the period	-	-	-	-	-	-	-	-	-
Retained earnings on other than participating business - Ledger Account D									
Balance at the beginning of the period	-	(108,080)	12,365	(3,761)	(1,409)	512	(1,001)	(101,374)	(112,519)
Surplus/(deficit) allocated during the period	-	(828)	27,455	(9,475)	2,736	18,112	(199)	37,801	70,345
Surplus appropriated to Shareholders' Fund	-	-	(20,000)	-	-	(15,000)	-	(35,000)	(59,200)
Closing balance at the end of the period	-	(108,908)	19,820	(13,236)	1,327	3,624	(1,200)	(98,573)	(101,374)
Capital contributed by Shareholders' Fund									
Balance at the beginning of the period	28,916	223,452	-	5,000	-	-	-	257,368	396,178
Capital contributed during the period	-	-	-	-	-	-	-	-	5,000
Capital withdrawn during the period	-	-	-	-	-	-	-	-	(143,810)
	-	-	-	-	-	-	-	-	(138,810)
Balance at end of the period	28,916	223,452	-	5,000	-	-	-	257,368	257,368

- 5.1 Represents surplus earned in Life (Participating) Statutory Fund before allocation of bonus. Amount of surplus appearing in the Revenue Account is net off bonus allocated during the period.

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

	March 31, 2010 (Unaudited)	December 31, 2009 (Audited)
	(Rupees in '000)	
Accumulated surplus in the statement of changes in equity ignoring effect of capital transfers at beginning of the period	338,433	275,941
Add: Surplus in profit and loss account for the period	28,875	62,492
Accumulated surplus in statement of changes in equity ignoring effect of capital transfers at end of the period	367,308	338,433
Less: Accumulated Net Capital Transfers in Statutory Funds	(257,368)	(257,368)
Total as shown in the Balance Sheet	109,940	81,065

- 6.1 In order to achieve compliance with the requirements for the Insurance Ordinance, 2000 relating to i) solvency; and ii) return of capital from statutory funds to shareholders' fund, the Company as at March 31, 2010 has retained an amount of Rs. 159 million (December 31, 2009: Rs. 156 million) in the statutory funds. This has resulted in the shareholders' equity being lower by this amount.

7. INVESTMENTS

SHARE HOLDERS' FUND	STATUTORY FUNDS							AGGREGATE		
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	March 31, 2010 (Unaudited)	December 31, 2009 (Audited)	
	Individual	Group		Individual	Group					
----- (Rupees in '000) -----										
Government Securities										
- held to maturity (note 7.1)										
Pakistan Investment Bonds	372,155	673,071	1,206,901	443,717	247	37,775	126,858	26,465	2,887,189	2,759,970
Available for sale										
- at market value (note 7.2)										
Open end mutual funds	938	-	-	-	128,164	-	-	-	129,102	96,699
	373,093	673,071	1,206,901	443,717	128,411	37,775	126,858	26,465	3,016,291	2,856,669

- 7.1 The aggregate market value of Pakistan Investment Bonds as at March 31, 2010 was Rs. 2,754,477 million (December 31, 2009: Rs. 2,643,789 million). Market values is determined based on quotations obtained from brokers.
- 7.2 The value of units of open end mutual funds in are valued at market price except shown in Share Holder fund, which are valued at cost.
- 7.3 10% 15-years Pakistan Investment Bonds having a face value of amounting to Rs. 50 million have been deposited with the State Bank of Pakistan under section 29 of the Insurance Ordinance, 2000.

8. CASH AND CASH EQUIVALENTS

SHARE HOLDERS' FUND	STATUTORY FUNDS							AGGREGATE		
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	March 31, 2010 (Unaudited)	December 31, 2009 (Audited)	
	Individual	Group		Individual	Group					
----- (Rupees in '000) -----										
Cash and others	-	565	996	20	63	19	90	24	1,777	835
Current and other accounts	-	21,030	23,922	-	14,714	441	-	1,278	61,385	90,691
	-	21,595	24,918	20	14,777	460	90	1,302	63,162	91,526

9. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

The Company issues contracts that transfer insurance risk or financial risk or both. The policies, assumptions and strategies are consistent with the audited financial statements of the Company for the year ended December 31, 2009.

10 TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

10.1 Related parties comprise holding company, associated companies, other companies with common directors, retirement benefit funds, directors and key management personnel.

10.2 Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in the financial statements, are as follows:

	As at March 31, 2010 (Unaudited)	As at December 31, 2009 (Audited)
	(Rupees in '000)	
Balances outstanding		
Payable to reinsurers	1,307	1,214
Loans / advances to key management employees	349	361
Transactions during the period		
Reinsurance premium (expense)	180	200
General insurance premium (expense)	-	318
Group insurance claim (expense)	-	1,884
Group insurance premium charged	-	2,185
Charges for administrative services provide	-	72
Reimbursement of expense received	-	854
Remuneration paid to key management personnel	15,159	12,379
Contribution made to provident fund	2,277	1,790

10.3 There are no transactions with key management personnel other than under the terms of employment.

10.4 Transactions with related parties are carried out on commercial terms and conditions.

11. DATE OF AUTHORISATION FOR ISSUE

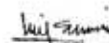
These condensed interim financial statements were authorised for issue on April 30, 2010 by the Board of Directors of the Company.



Chairman & Chief Executive



Director



Director

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