



## *Vision Statement*

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

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## *Mission Statement*

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

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### COMPANY SECRETARY

Asim Iftikhar Cost and Management Accountant

### 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) 3529-0042

### 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 Board of Directors is pleased to present before you the un-audited financial statements of the Company for the nine months ended September 30, 2010.

The overall performance of the Company during this period has been satisfactory. All lines of insurance have shown good growth in terms of new business as well as renewals.

The recent catastrophic floods have serious implications for macroeconomic stability and growth prospects. However, even before the floods, the macroeconomic conditions and outlook were looking fragile. Losses in agriculture and infrastructure are more direct and visible while the impact on industry and opportunities for the work force is going to be indirect and nuanced.

Overall, the Company has shown modest growth during the third quarter of 2010. The Universal Life and Unit Linked were the most popular plans with market share of 50% and 45% in terms of premium income. The increase in individual life new business was 63% 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 combined all lines gross premium income is Rs. 1,357 million, a growth of 33% over the corresponding period with the major increase in Unit Linked product line.

### Profit / Loss

	2010	2009
	(Rs. in '000)	
Net Surplus of statutory Funds	125,837	126,228
Profit before appropriation of surplus to Shareholders' Fund	25,012	24,486
Taxation	38,854	20,358
Earning per Share (Rupees)	1.44	0.71

The Management is expecting good growth in the last quarter of the year in view of the effective measures being taken to strengthen the field force through training and new recruitment policies on financing basis.

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 deposits 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.

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 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

Date: October 27, 2010



## CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 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	Sept. 30, 2010 (Un-audited)	December 31, 2009 (Audited)
(Rupees in '000)										
<b>Share Capital and Reserves</b>										
	Authorized share capital (50,000,000 ordinary shares of Rs. 10 each)	500,000	-	-	-	-	-	-	500,000	500,000
	Issued, subscribed and paid-up share capital	500,000	-	-	-	-	-	-	500,000	500,000
	Accumulated surplus	410,591	-	-	-	-	-	-	410,591	338,433
	Less: Capital contributed by Shareholders' Fund	(228,452)	-	-	-	-	-	-	(228,452)	(257,368)
7	Net Shareholders' Equity	182,139	-	-	-	-	-	-	182,139	81,065
	Net Shareholders' Equity	682,139	-	-	-	-	-	-	682,139	581,065
<b>Balance of Statutory Fund</b>										
	[including policyholders' liabilities Rs. 2,701.6 million (December 31, 2009: Rs. 2,100 million)]	-	816,006	1,438,675	179,047	325,339	25,011	115,014	31,950	2,931,042
<b>Creditors and Accruals</b>										
	Outstanding claims	-	15,253	45,767	123,915	1,804	8,017	31,238	-	225,994
	Payable to gratuity fund	-	2,693	5,192	539	1,355	91	417	130	10,417
	Premiums received in advance	-	796	32,317	-	-	503	-	-	33,616
	Amount due to other insurers / reinsurers	-	-	-	-	-	-	-	-	-
	Amount due to agents	-	262	506	39,480	2,375	2,960	741	-	46,324
	Accrued expenses	-	8,745	19,859	-	4,035	1,270	-	-	33,909
	Taxation - Provision less payments	-	13,242	25,531	2,652	6,662	447	2,051	638	51,223
	Other creditors and accruals	3,792	11,114	21,428	1,681	4,872	327	7,242	404	50,860
		3,792	52,105	150,600	168,267	21,103	13,615	41,689	1,172	452,343
	436,846									
<b>Other Liabilities</b>										
	Dividend payable	48	-	-	-	-	-	-	-	48
	16,603									
<b>TOTAL LIABILITIES</b>										
		3,840	868,111	1,589,275	347,314	346,442	38,626	156,703	33,122	3,383,433
	2,771,591									
<b>TOTAL EQUITY AND LIABILITIES</b>										
		685,979	868,111	1,589,275	347,314	346,442	38,626	156,703	33,122	4,065,572
	3,352,656									

NOTE	Share Holders' Fund	STATUTORY FUNDS						AGGREGATE		
		Life	Life (Non-participating)		Investment	Accident & Health		Pension Business Fund	Sept. 30, 2010	December 31, 2009
		(Participating)	Individual	Group	Linked	Individual	Group		(Un-audited)	(Audited)
(Rupees in '000)										
<b>Cash and Bank Deposits</b>										
Cash and others	-	513	990	103	258	17	80	25	<b>1,986</b>	835
Current and other accounts	-	22,332	77,574	-	18,173	-	-	2,425	<b>120,504</b>	90,691
Deposits maturing within 12 months	-	22,000	-	-	-	-	-	-	<b>22,000</b>	15,000
	-	44,845	78,564	103	18,431	17	80	2,450	<b>144,490</b>	106,526
<b>Loans Secured Against Life Insurance Policies</b>	-	26,242	50,597	-	-	-	-	-	<b>76,839</b>	66,482
<b>Loans Secured Against Other Assets</b>										
To employees	1,101	-	-	-	-	-	-	-	<b>1,101</b>	205
To agents	2,117	-	-	-	-	-	-	-	<b>2,117</b>	1,619
<b>Investments</b>										
Government securities	339,765	736,450	1,356,124	414,114	113,596	51,363	135,649	33,277	<b>3,180,338</b>	2,759,970
Listed equities and mutual funds	1,471	-	-	-	231,769	-	-	-	<b>233,240</b>	96,099
	341,236	736,450	1,356,124	414,114	345,365	51,363	135,649	33,277	<b>3,413,578</b>	2,856,069
<b>Current Assets - Others</b>										
Premiums due but unpaid	-	4,868	26,003	35,328	55	2,577	61,517	-	<b>130,348</b>	79,062
Amount due from other insurers / reinsurers	-	7,259	13,997	-	-	-	1,713	-	<b>22,969</b>	17,961
Taxation - Provision less payments	2,445	-	-	-	-	-	-	-	<b>2,445</b>	-
Prepayments	-	7,889	15,210	1,580	3,969	267	1,222	380	<b>30,517</b>	21,872
Inter-fund balances	326,126	-	(25,589)	(156,661)	(33,990)	(18,973)	(86,252)	(4,661)	-	-
Sundry receivables	-	3,135	6,045	563	1,580	95	4,545	135	<b>16,098</b>	23,156
Amount due from agents	-	3,902	7,523	-	1,963	618	-	-	<b>14,006</b>	5,664
Accrued interest	12,954	18,123	31,117	21,573	1,321	2,142	3,880	800	<b>91,910</b>	73,898
Experience refund receivable	-	-	-	27,630	-	-	31,964	-	<b>59,594</b>	34,310
	341,525	45,176	74,306	(69,987)	(25,102)	(13,274)	18,589	(3,346)	<b>367,887</b>	255,923
<b>Fixed Assets - tangible and intangible</b>										
Capital work in progress	-	1	2	-	1	-	-	-	<b>4</b>	4,663
Leasehold improvements, furniture & fixtures, office equipment, computers and vehicles	-	14,830	28,592	2,971	7,461	501	2,297	714	<b>57,366</b>	58,665
Software and licences	-	567	1,090	113	286	19	88	27	<b>2,190</b>	2,504
	-	15,398	29,684	3,084	7,748	520	2,385	741	<b>59,560</b>	65,832
<b>TOTAL ASSETS</b>	<b>685,979</b>	<b>868,111</b>	<b>1,589,275</b>	<b>347,314</b>	<b>346,442</b>	<b>38,626</b>	<b>156,703</b>	<b>33,122</b>	<b>4,065,572</b>	<b>3,352,656</b>

The annexed notes from 1 to 13 are an integral part of these condensed interim financial information.

  
Chairman & Chief Executive

  
Director

  
Director



## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2010

	Nine months period ended Sept. 30, 2010		Three months period ended Sept. 30, 2009	
	(Rupees in '000)			
<b>Investment income not attributable to statutory funds</b>				
<b>Income from non-trading investments - held to maturity</b>				
Return on Government securities	28,872	28,101	7,652	9,522
Amortisation of premium relative to par	(520)	(573)	(178)	(19)
	<u>28,352</u>	<u>27,528</u>	<u>7,474</u>	<u>9,503</u>
<b>Loss on sale of investments held as 'available for sale'</b>	<b>(40)</b>	<b>(2,178)</b>	<b>13</b>	<b>(1,522)</b>
<b>Net Investment Income</b>	<b>28,312</b>	<b>25,350</b>	<b>7,487</b>	<b>7,981</b>
Return on PLS term deposits and saving accounts	472	1,359	157	453
<b>Expenses not attributable to statutory funds</b>				
Administration and miscellaneous expenses	(3,772)	(2,223)	(1,020)	(722)
<b>Profit before appropriation of surplus to Shareholders' Fund</b>	<b>25,012</b>	<b>24,486</b>	<b>6,624</b>	<b>7,712</b>
Surplus appropriated to Shareholders' Fund from Ledger Account C & D	86,000	31,500	19,000	10,000
<b>Profit before tax</b>	<b>111,012</b>	<b>55,986</b>	<b>25,624</b>	<b>17,712</b>
Tax expense	(38,854)	(20,358)	(8,968)	(6,732)
<b>Profit after tax for the period</b>	<b><u>72,158</u></b>	<b><u>35,628</u></b>	<b><u>16,656</u></b>	<b><u>10,980</u></b>
<b>Profit and loss appropriation account</b>				
<b>Balance at commencement of the period</b>	<b>338,433</b>	<b>275,941</b>	<b>393,935</b>	<b>300,589</b>
Profit after tax for the period	72,158	35,628	16,656	10,980
<b>Balance of unappropriated profit at the end of nine months period</b>	<b><u>410,591</u></b>	<b><u>311,569</u></b>	<b><u>410,591</u></b>	<b><u>311,569</u></b>
	(Rupees)			
<b>Earnings per share of Rs. 10 each</b>	<b><u>1.44</u></b>	<b><u>0.71</u></b>	<b><u>0.33</u></b>	<b><u>0.22</u></b>

The annexed notes from 1 to 13 are an integral part of these condensed interim financial information.

  
Chairman & Chief Executive

  
Director

  
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2010**

	Share capital	Accumulated surplus	Capital contributed to Statutory Funds	Total
	(Rupees in '000)			
<b>Balance as at January 1, 2009</b>	500,000	275,941	(396,178)	379,763
<i>Changes in equity for the nine months period ended September 30, 2009</i>				
Total comprehensive income for the nine months period ended September 30, 2009	-	35,628	-	35,628
<i>Transactions with owners recorded directly in equity</i>				
Capital contributed during the period	-	-	-	-
Capital withdrawn during the period	-	-	-	-
<b>Balance as at September 30, 2009</b>	<u>500,000</u>	<u>311,569</u>	<u>(396,178)</u>	<u>415,391</u>
<b>Balance as at January 1, 2010</b>	500,000	338,433	(257,368)	581,065
<i>Changes in equity for the nine months period ended September 30, 2010</i>				
Total comprehensive income for the nine months period ended September 30, 2010	-	72,158	-	72,158
<i>Transactions with owners recorded directly in equity</i>				
Capital contributed during the period	-	-	-	-
Capital withdrawn during the period	-	-	28,916	28,916
<b>Balance as at September 30, 2010</b>	<u>500,000</u>	<u>410,591</u>	<u>(228,452)</u>	<u>682,139</u>

The annexed notes from 1 to 13 are an integral part of these condensed interim financial information.

  
Chairman & Chief Executive

  
Director

  
Director



## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2010

NOTE	Share Holders' Fund	STATUTORY FUNDS					AGGREGATE			
		Life (Participating)	Life (Non-participating) Individual Group	Investment Linked	Accident & Health Individual Group	Pension Business Fund	Sept. 30, 2010 (Un-audited)	Dec. 31, 2009 (Audited)		
Operating Cash Flows (Rupees in '000)										
<b>a) Underwriting activities</b>										
Premiums received net of policy transfers	-	53,230	581,500	122,575	371,711	27,183	131,655	7,206	1,295,060	604,303
Reinsurance premiums paid	-	(3,465)	(22,587)	(63,832)	(2,348)	(14,320)	(265)	-	(106,817)	(73,148)
Claims paid	-	(27,727)	(14,913)	(74,809)	(1,320)	(3,305)	(136,647)	-	(258,721)	(167,576)
Surrenders paid	-	(1,442)	(81,488)	-	(3,786)	-	-	(1,689)	(88,405)	(32,448)
Reinsurance recovery received	-	14,382	(2,851)	4,850	1,369	2,351	815	-	20,916	2,832
Commissions paid	-	(5,780)	(150,228)	(6,738)	(88,205)	(7,996)	(8,010)	-	(266,957)	(134,170)
Commissions received	-	1,386	9,035	25,533	940	5,728	106	-	42,728	29,261
<b>Net cash flow from underwriting activities</b>	<b>-</b>	<b>30,584</b>	<b>318,468</b>	<b>7,579</b>	<b>278,361</b>	<b>9,641</b>	<b>(12,346)</b>	<b>5,517</b>	<b>637,804</b>	<b>229,054</b>
<b>b) Other operating activities</b>										
Income tax (paid)	(46,606)	-	-	-	-	-	-	-	(46,606)	(13,471)
General management expenses and other operating payments	(3,448)	(11,100)	(114,432)	(21,686)	(55,683)	(3,981)	(18,085)	(567)	(228,982)	362,490
Other operating receipts	472	(75)	8,141	263	2,890	194	5,942	(5)	17,822	19,739
Loans advanced	(1,394)	(1,599)	(8,758)	-	-	-	-	-	(11,751)	(6,310)
Inter fund transaction	(48,904)	133,621	(192,412)	31,134	30,833	1,281	37,759	6,685	-	-
<b>Net cash flow from other operating activities</b>	<b>(99,880)</b>	<b>120,847</b>	<b>(307,461)</b>	<b>9,711</b>	<b>(21,960)</b>	<b>(2,506)</b>	<b>25,616</b>	<b>6,113</b>	<b>(269,517)</b>	<b>362,448</b>
<b>Total cash flow from all operating activities</b>	<b>(99,880)</b>	<b>151,431</b>	<b>11,007</b>	<b>17,290</b>	<b>256,401</b>	<b>7,135</b>	<b>13,270</b>	<b>11,630</b>	<b>368,287</b>	<b>591,502</b>
<b>Investment activities</b>										
Profit / return received (Payments) / proceeds from short term deposits	21,316	48,929	126,330	25,084	2,115	3,087	10,810	2,458	240,129	86,519
Payments for investments	(14,736)	(198,201)	(76,924)	-	(244,229)	-	-	(11,549)	(545,639)	(928,187)
Proceeds from redemption of investments	-	-	-	-	-	-	-	-	-	206,000
Fixed capital expenditure	-	(1,003)	(6,114)	951	(6,721)	(23)	144	(176)	(12,945)	(4,502)
Capital work-in-progress	-	1,383	2,348	365	221	48	237	57	4,659	558
Proceeds from disposal of fixed assets	-	2	13	(2)	15	-	-	-	28	198
<b>Total cash flow from investing activities</b>	<b>6,580</b>	<b>(155,890)</b>	<b>45,653</b>	<b>26,398</b>	<b>(248,599)</b>	<b>3,112</b>	<b>11,191</b>	<b>(9,210)</b>	<b>(320,768)</b>	<b>(589,414)</b>
<b>Financing activities</b>										
Surplus appropriated to shareholder's fund	86,000	-	-	(50,000)	-	(11,000)	(25,000)	-	-	-
Dividends paid	(16,555)	-	-	-	-	-	-	-	(16,555)	-
<b>Total cash flow from financing activities</b>	<b>69,445</b>	<b>-</b>	<b>-</b>	<b>(50,000)</b>	<b>-</b>	<b>(11,000)</b>	<b>(25,000)</b>	<b>-</b>	<b>(16,555)</b>	<b>-</b>
<b>Net cash inflow / (outflow) from all activities</b>	<b>(23,855)</b>	<b>(4,459)</b>	<b>56,660</b>	<b>(6,312)</b>	<b>7,802</b>	<b>(753)</b>	<b>(539)</b>	<b>2,420</b>	<b>30,964</b>	<b>2,088</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>23,855</b>	<b>27,304</b>	<b>21,904</b>	<b>6,415</b>	<b>10,629</b>	<b>770</b>	<b>619</b>	<b>30</b>	<b>91,526</b>	<b>49,756</b>
<b>Cash and cash equivalents at end of the period</b>	<b>-</b>	<b>22,845</b>	<b>78,564</b>	<b>103</b>	<b>18,431</b>	<b>17</b>	<b>80</b>	<b>2,450</b>	<b>122,490</b>	<b>51,844</b>
<b>Reconciliation to Profit and Loss Account</b>										
Operating cash flows									368,287	591,502
Depreciation expense									(14,532)	(9,470)
Profit / (loss) on disposal of fixed assets									-	(196)
Increase / (decrease) in assets other than cash									105,704	(449,904)
Increase in liabilities									(617,475)	(184,921)
Net investment income									268,099	128,098
Profit received on bank deposits									1,912	2,351
Surplus of statutory funds									(125,837)	(74,312)
Surplus appropriated to Shareholders' fund									86,000	21,500
<b>Profit after tax for the period</b>									<b>72,158</b>	<b>24,648</b>

The annexed notes from 1 to 13 are an integral part of these condensed interim financial information.

  
Chairman & Chief Executive

  
Director

  
Director

**CONDENSED INTERIM REVENUE ACCOUNT (UNAUDITED)  
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2010**

NOTE	STATUTORY FUNDS						AGGREGATE					
	Life	Life (Non-participating)		Investment	Accident & Health		Pension	Nine months period		Three months period		
	(Participating)	Individual	Group	Linked	Individual	Group	Business Fund	ended Sept. 30, 2010	2009	ended Sept. 30, 2010	2009	
	(Rupees in '000)											
<b>Income</b>												
Premiums less reinsurances	56,369	572,365	108,337	368,576	24,210	159,549	7,206	1,296,612	959,954	576,569	361,680	
Policy transfers from other statutory funds	59,986	-	-	-	-	-	-	59,986	78,915	18,039	48,167	
Net investment income	54,586	120,585	37,587	9,487	3,969	10,816	2,757	239,787	179,205	93,070	68,476	
Other income - net	418	9,093	360	3,146	211	6,018	20	19,266	26,195	6,160	5,204	
Total Net Income	171,359	702,043	146,284	381,209	28,390	176,383	9,983	1,615,651	1,244,269	693,838	483,527	
<b>Claims and Expenditure</b>												
Claims, including bonuses, net of reinsurance recoveries	17,792	97,517	65,669	5,541	2,335	116,021	1,689	306,564	265,465	101,760	85,591	
Policy transfers to other statutory funds	-	59,986	-	-	-	-	-	59,986	78,915	18,039	48,167	
Management expenses less recoveries	23,351	279,382	28,307	151,622	10,032	27,648	943	521,285	466,803	186,762	176,618	
Total claims and expenditure	41,143	436,885	93,976	157,163	12,367	143,669	2,632	887,835	811,183	306,561	310,376	
<b>Excess of Income over Claims and Expenditure</b>	130,216	265,158	52,308	224,046	16,023	32,714	7,351	727,816	433,086	387,277	173,151	
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	1,649,619	2,373,343	1,835,242	
Policyholders' liabilities at end of the period	(698,386)	(1,346,539)	(139,896)	(351,366)	(23,596)	(108,190)	(33,631)	(2,701,604)	(1,956,477)	(2,701,604)	(1,956,477)	
Movement in policyholders' liabilities	(75,119)	(288,394)	24,478	(251,312)	(2,199)	(1,402)	(8,031)	(601,979)	(306,858)	(328,261)	(121,235)	
<b>Surplus / (deficit)</b>	55,097	(23,236)	76,786	(27,266)	13,824	31,312	(680)	125,837	126,228	59,016	51,916	
Movement in policyholders' liabilities	75,119	288,394	(24,478)	251,312	2,199	1,402	8,031	601,979	306,858	328,261	121,235	
<b>Transfers (to) or from Shareholders' Fund</b>												
- Capital returned to Shareholders' Fund	(28,916)	-	-	-	-	-	-	(28,916)	-	-	-	
- Capital contributions from Shareholders' Fund	-	-	-	-	-	-	-	-	-	-	-	
- Surplus appropriated to Shareholders' Fund	-	-	(50,000)	-	(11,000)	(25,000)	-	(86,000)	(31,500)	(19,000)	(10,000)	
	(28,916)	-	(50,000)	-	(11,000)	(25,000)	-	(114,916)	(31,500)	(19,000)	(10,000)	
<b>Balance of Statutory Fund at beginning of the period</b>	714,706	1,173,517	176,739	101,293	19,988	107,300	24,599	2,318,142	1,961,532	2,562,765	2,199,967	
<b>Balance of Statutory Fund at end of the period</b>	816,006	1,438,675	179,047	325,339	25,011	115,014	31,950	2,931,042	2,363,118	2,931,042	2,363,118	
<b>Represented by:</b>												
Capital contributed by Shareholders' Fund	-	223,452	-	5,000	-	-	-	228,452	396,178	228,452	396,178	
Policyholders' liabilities	698,386	1,346,539	139,896	351,366	23,596	108,190	33,631	2,701,604	1,956,477	2,701,604	1,956,477	
Retained earnings attributable to policyholders (Ledger Account A)	92,636	-	-	-	-	-	-	92,636	54,033	92,636	54,033	
Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B)	24,984	-	-	-	-	-	-	24,984	7,173	24,984	7,173	
Retained earnings on other than participating business (Ledger Account D)	-	(131,316)	39,151	(31,027)	1,415	6,824	(1,681)	(116,634)	(50,743)	(116,634)	(50,743)	
<b>Balance of Statutory Fund</b>	816,006	1,438,675	179,047	325,339	25,011	115,014	31,950	2,931,042	2,363,118	2,931,042	2,363,118	

The annexed notes from 1 to 13 are an integral part of these condensed interim financial information.

Chairman & Chief Executive

Director

Director



**CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED)  
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2010**

	STATUTORY FUNDS						AGGREGATE				
	Life (Participating)	Life (Non-participating) Individual	Investment Group	Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	Nine months period ended Sept. 30,		Three months period ended Sept. 30,	
								2010	2009	2010	2009
(Rupees in '000)											
<b>Gross Premiums</b>											
Regular premium individual policies*											
First year	-	219,148	-	307,507	30,549	-	-	557,204	349,257	286,277	156,462
Second year renewal	93	186,537	-	58,242	-	-	-	244,872	147,391	120,137	21,682
Subsequent year renewal	58,503	181,333	-	5,964	-	-	-	245,800	208,264	68,265	106,105
Group policies without cash values	-	-	141,903	-	-	160,549	7,206	309,658	315,044	122,886	97,339
<b>Total Gross Premiums</b>	<b>58,596</b>	<b>587,018</b>	<b>141,903</b>	<b>371,713</b>	<b>30,549</b>	<b>160,549</b>	<b>7,206</b>	<b>1,357,534</b>	<b>1,019,956</b>	<b>597,565</b>	<b>381,588</b>
<b>Less: Reinsurance Premiums Ceded</b>											
On individual life first year business	-	3,312	-	1,849	-	-	-	5,161	4,337	1,827	1,564
On individual life second year business	4	5,751	-	1,168	-	-	-	6,923	4,868	3,307	(149)
On individual life renewal business	2,223	5,590	-	120	-	-	-	7,933	8,163	2,084	4,426
On individual accident and health first year	-	-	-	-	6,339	-	-	6,339	6,158	2,076	4,567
On individual accident and health second year	-	-	-	-	-	-	-	-	-	-	(2,760)
On group policies	-	-	33,566	-	-	1,000	-	34,566	36,476	11,702	12,260
	2,227	14,653	33,566	3,137	6,339	1,000	-	60,922	60,002	20,996	19,908
<b>Net Premiums</b>	<b>56,369</b>	<b>572,365</b>	<b>108,337</b>	<b>368,576</b>	<b>24,210</b>	<b>159,549</b>	<b>7,206</b>	<b>1,296,612</b>	<b>959,954</b>	<b>576,569</b>	<b>361,680</b>

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

The annexed notes from 1 to 13 are an integral part of these condensed interim financial information.

  
Chairman & Chief Executive

  
Director

  
Director

## CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED) FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2010

	STATUTORY FUNDS						AGGREGATE				
	Life (Participating)	Life (Non-participating) Individual	Investment Group	Linked	Accident & Health		Pension Business Fund	Three months period ended Sept. 30,		Nine months period ended Sept. 30,	
				Individual	Group			2010	2009	2010	2009

(Rupees in '000)

### Gross Claims

#### Claims under individual policies

by death	19,930	17,090	-	3,124	1,650	-	-	41,794	21,935	8,641	3,902
by insured event other than death	-	-	-	-	3,036	-	-	3,036	(1,684)	1,481	(2,619)
by maturity	12,122	-	-	-	-	-	-	12,122	12,041	3,672	4,602
by surrender	1,442	81,488	-	3,786	-	-	-	86,716	50,176	35,353	18,765
<b>Total gross individual policy claims</b>	<b>33,494</b>	<b>98,578</b>	<b>-</b>	<b>6,910</b>	<b>4,686</b>	<b>-</b>	<b>-</b>	<b>143,668</b>	<b>82,468</b>	<b>49,147</b>	<b>24,650</b>

#### Claims under group policies

by death	-	-	51,510	-	-	-	-	51,510	87,249	17,969	21,696
by insured event other than death	-	-	2,000	-	-	131,778	-	133,778	100,746	47,532	35,378
experience refund	-	-	17,009	-	-	(15,166)	-	1,843	1,764	592	(1,381)
by surrender	-	-	-	-	-	-	1,689	1,689	6,673	(5,934)	5,636
<b>Total gross group claims</b>	<b>-</b>	<b>-</b>	<b>70,519</b>	<b>-</b>	<b>-</b>	<b>116,612</b>	<b>1,689</b>	<b>188,820</b>	<b>196,432</b>	<b>60,159</b>	<b>61,329</b>

### Total Gross Claims

	33,494	98,578	70,519	6,910	4,686	116,612	1,689	332,488	278,900	109,306	85,979
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#### Less: Re-insurance recoveries

On individual life first year business claims	-	240	-	1,369	-	-	-	1,609	819	1,653	17
On individual life second year business claims	25	416	-	-	-	-	-	441	1,480	1,185	(822)
On individual life renewal business claims	15,677	405	-	-	-	-	-	16,082	2,397	1,608	783
On individual accident and health business claims	-	-	-	-	2,351	-	-	2,351	1,500	1,450	-
On group business claims	-	-	4,850	-	-	591	-	5,441	7,239	1,650	410
	15,702	1,061	4,850	1,369	2,351	591	-	25,924	13,435	7,546	388
<b>Net Claims</b>	<b>17,792</b>	<b>97,517</b>	<b>65,669</b>	<b>5,541</b>	<b>2,335</b>	<b>116,021</b>	<b>1,689</b>	<b>306,564</b>	<b>265,465</b>	<b>101,760</b>	<b>85,591</b>

The annexed notes from 1 to 13 are an integral part of these condensed interim financial information.

  
Chairman & Chief Executive

  
Director

  
Director



## CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED) FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2010

	STATUTORY FUNDS						AGGREGATE				
	Life (Participating)	Life (Non-participating) Individual	Investment Group	Linked	Accident & Health Individual	Health Group	Pension Business Fund	Nine months period ended Sept. 30,		Three months period ended Sept. 30,	
							2010	2009	2010	2009	
(Rupees in '000)											
<b>Acquisition Costs</b>											
Remuneration to insurance intermediaries on individual policies:											
Commission on first year premiums	-	128,938	-	85,345	7,996	-	-	222,279	202,203	85,353	90,650
Commission on second year premiums	9	18,654	-	3,660	-	-	-	22,323	12,637	11,028	1,044
Commission on subsequent renewal premiums	4,937	1,182	-	375	-	-	-	6,494	7,560	135	6,234
Other benefits to insurance intermediaries	3,848	32,901	-	1,521	776	-	-	39,046	35,777	14,469	14,249
	8,794	181,675	-	90,901	8,772	-	-	290,142	258,177	110,985	112,177
Remuneration to insurance intermediaries on group policies:											
Commission	-	-	12,402	-	-	8,010	-	20,412	34,011	4,546	9,459
Other benefits to insurance intermediaries	-	-	2,224	-	-	-	-	2,224	2,700	1,122	480
	-	-	14,626	-	-	8,010	-	22,636	36,711	5,668	9,939
Branch Overheads											
- Salaries and other benefits	650	5,365	1,142	3,467	193	1,138	67	12,022	16,275	4,088	5,351
- Other operational cost	1,469	12,135	2,584	7,843	436	2,575	-	27,042	32,576	9,950	10,246
	2,119	17,500	3,726	11,310	629	3,713	67	39,064	48,851	14,038	15,597
Other acquisition cost											
Policy stamps	(24)	881	142	1,507	106	146	-	2,758	2,100	1,165	77
	10,889	200,056	18,494	103,718	9,507	11,869	67	354,600	345,839	131,856	137,790
<b>Administration Expenses</b>											
Salaries and other benefits	5,501	45,436	9,675	29,366	1,631	9,640	570	101,819	67,097	33,469	21,409
Travelling expenses	96	796	169	514	29	169	-	1,773	1,387	542	594
Auditors' remuneration	40	331	70	214	12	70	4	741	677	246	239
Medical fees	50	416	214	264	-	-	-	944	1,720	247	1,227
Legal and professional expenses	16	135	29	87	5	29	2	303	(187)	179	(536)
Advertisements	131	1,082	230	699	39	229	-	2,410	2,510	406	264
Computer expenses	64	531	113	343	19	113	7	1,190	823	424	226
Printing and stationery	416	3,432	731	2,219	123	728	42	7,691	6,281	2,172	1,314
Depreciation	3,756	7,245	752	1,889	127	581	181	14,531	13,937	4,815	4,467
Rental	949	7,844	1,670	5,070	281	1,665	-	17,479	23,824	3,722	9,367
	11,019	67,248	13,653	40,665	2,266	13,224	806	148,881	118,069	46,222	38,571
Other Management Expenses	1,564	13,074	2,663	8,087	449	2,655	70	28,562	14,161	12,251	3,841
<b>Gross Management Expenses</b>	<b>23,472</b>	<b>280,378</b>	<b>34,810</b>	<b>152,470</b>	<b>12,222</b>	<b>27,748</b>	<b>943</b>	<b>532,043</b>	<b>478,069</b>	<b>190,329</b>	<b>180,202</b>
<b>Commission from Reinsurers</b>	<b>(121)</b>	<b>(996)</b>	<b>(6,503)</b>	<b>(848)</b>	<b>(2,190)</b>	<b>(100)</b>	<b>-</b>	<b>(10,758)</b>	<b>(11,266)</b>	<b>(3,567)</b>	<b>(3,584)</b>
<b>Net Management Expenses</b>	<b>23,351</b>	<b>279,382</b>	<b>28,307</b>	<b>151,622</b>	<b>10,032</b>	<b>27,648</b>	<b>943</b>	<b>521,285</b>	<b>466,803</b>	<b>186,762</b>	<b>176,618</b>

The annexed notes from 1 to 13 are an integral part of these condensed interim financial information.

  
Chairman & Chief Executive

  
Director

  
Director

**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)  
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2010**

	STATUTORY FUNDS						AGGREGATE					
	Life (Participating)	Life (Non-participating) Individual	Investment Group	Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	Nine months period ended Sept. 30,		Three months period ended Sept. 30,		
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
(Rupees in '000)												
<b>Income from Non-Trading Investments - Held to maturity</b>												
Return on Government Securities	55,484	122,225	40,026	3,330	4,879	12,002	2,760	240,706	174,882	92,117	63,265	
Return on Term Finance Certificates	-	-	-	-	-	-	-	-	-	-	-	-
	55,484	122,225	40,026	3,330	4,879	12,002	2,760	240,706	174,882	92,117	63,265	
Less: Amortisation of premium relative to par	898	1,640	2,439	-	910	1,186	3	7,076	4,531	2,403	572	
	54,586	120,585	37,587	3,330	3,969	10,816	2,757	233,630	170,351	89,714	62,693	
Return on investments held as 'Available for sale'	-	-	-	(10,428)	-	-	-	(10,428)	8,854	(10,700)	5,783	
Dividend Income	-	-	-	16,585	-	-	-	16,585	-	14,056	-	
<b>Net Investment Income</b>	<b>54,586</b>	<b>120,585</b>	<b>37,587</b>	<b>9,487</b>	<b>3,969</b>	<b>10,816</b>	<b>2,757</b>	<b>239,787</b>	<b>179,205</b>	<b>93,070</b>	<b>68,476</b>	

The annexed notes from 1 to 13 are an integral part of these condensed interim financial information.

  
Chairman & Chief Executive

  
Director

  
Director



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 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 registered office of the Company is situated at Floor 13 (Level 16), Dolmen City Mall, Block - 4, Scheme - 5 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, 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. incorporated in United States of America 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) – Individual
- Life (non-participating) – Individual
- Life (non-participating) – Group
- Investment Linked
- Accident & Health – Individual
- Accident & Health – Group
- Pension Business Fund

### 2. BASIS OF PRESENTATION

These condensed interim financial information are unaudited and are being submitted to shareholders as required under section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi and Lahore Stock Exchanges. These condensed interim financial information have been prepared in accordance with the Approved Accounting Standards as applicable in Pakistan for Interim Financial Reporting and in the format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003. The condensed interim financial information do not include all 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. The statement of comprehensive income is not included in these condensed interim financial information as there is no item to report therein.

These condensed interim financial information have been presented in Pakistani Rupees, which is also the functional currency of the Company.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in these condensed interim financial information are same as compared with the annual financial statements of the Company for the year ended December 31, 2009.

### 4. ESTIMATES

The preparation of condensed interim financial information 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 results may differ from these estimates.

In preparing these condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2009.

## 5. INSURANCE AND FINANCIAL RISK MANAGEMENT

The Company's insurance and 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, 2009.

## 6. MOVEMENT IN EQUITY

	STATUTORY FUNDS						AGGREGATE		
	Life (Participating)	Life (Non-participating)		Investment	Accident & Health		Pension Business Fund	Sept. 30, 2010 (Un-audited)	December 31, 2009 (Audited)
	Individual	Group	Linked	Individual	Group				
(Rupees in '000)									
<b>Policyholders' liabilities</b>									
Balance at beginning of the period	623,267	1,058,145	164,374	100,054	21,397	106,788	25,600	<b>2,099,625</b>	1,649,619
Increase / decrease during the period	75,119	288,394	(24,478)	251,312	2,199	1,402	8,031	<b>601,979</b>	450,006
Balance at end of the period	<b>698,386</b>	<b>1,346,539</b>	<b>139,896</b>	<b>351,366</b>	<b>23,596</b>	<b>108,190</b>	<b>33,631</b>	<b>2,701,604</b>	2,099,625
<b>Retained earnings on participating business attributable to participating policyholders - Ledger Account A</b>									
Balance at beginning of the period	49,049	-	-	-	-	-	-	<b>49,049</b>	25,576
Surplus allocated during the period	115,097	-	-	-	-	-	-	<b>115,097</b>	107,959
Surplus adjustment - 10% transferred to Ledger Account B	(11,510)	-	-	-	-	-	-	<b>(11,510)</b>	(10,796)
Bonus allocated during the period	(60,000)	-	-	-	-	-	-	<b>(60,000)</b>	(73,690)
Balance at end of the period	<b>92,636</b>	-	-	-	-	-	-	<b>92,636</b>	49,049
<b>Retained earnings on participating business attributable to shareholders but not distributable - Ledger Account B</b>									
Balance at beginning of the period	13,474	-	-	-	-	-	-	<b>13,474</b>	2,678
Surplus adjustment 10% - transferred to Ledger Account B	11,510	-	-	-	-	-	-	<b>11,510</b>	10,796
Transfer to Ledger Account C	-	-	-	-	-	-	-	-	-
Balance at end of the period	<b>24,984</b>	-	-	-	-	-	-	<b>24,984</b>	13,474
<b>Retained earnings on participating business distributable to shareholders - Ledger Account C</b>									
Balance at beginning of the period	-	-	-	-	-	-	-	-	-
Transfer from Ledger Account B	-	-	-	-	-	-	-	-	-
Surplus appropriated to Shareholders' Fund	-	-	-	-	-	-	-	-	-
Balance at end of the period	-	-	-	-	-	-	-	-	-
<b>Retained earnings on other than participating business - Ledger Account D</b>									
Balance at beginning of the period	-	(108,080)	12,365	(3,761)	(1,409)	512	(1,001)	<b>(101,374)</b>	(112,519)
Surplus allocated during the period	-	(23,236)	76,786	(27,266)	13,824	31,312	(680)	<b>70,740</b>	70,345
Surplus appropriated to Shareholders' Fund	-	-	(50,000)	-	(11,000)	(25,000)	-	<b>(86,000)</b>	(59,200)
Balance at end of the period	-	<b>(131,316)</b>	<b>39,151</b>	<b>(31,027)</b>	<b>1,415</b>	<b>6,824</b>	<b>(1,681)</b>	<b>(116,634)</b>	(101,374)

	STATUTORY FUNDS						AGGREGATE		
	Life (Participating)	Life (Non-participating) Individual	Life (Non-participating) Group	Investment Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	Sept. 30, 2010 (Un-audited)	December 31, 2009 (Audited)
(Rupees in '000)									
<b>Capital contributed by shareholders' fund</b>									
Balance at beginning of period	28,916	223,452	-	5,000	-	-	-	257,368	396,178
Capital contributed during the period	-	-	-	-	-	-	-	-	5,000
Capital withdrawn during the period 6.2	(28,916)	-	-	-	-	-	-	(28,916)	(143,810)
	(28,916)	-	-	-	-	-	-	(28,916)	(138,810)
Balance at end of the period	-	223,452	-	5,000	-	-	-	228,452	257,368

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

6.2 In accordance with the advised by Securities and Exchange Commission of Pakistan (SECP) vide letter No. 46/52/ ALICO/2004 dated October 12, 2004, capital contributed amounted to Rs. 28.916 million in earlier years for the purpose of bonus, or contributed for solvency and later diverted to bonus allocation had been considered as permanent money of the Life (Participating) Statutory Fund instead of as capital (i.e. loan from shareholder). During the six months period ended June 30, 2010, the Company approached SECP to take permission of return of capital contribution of Rs. 28.916 million to shareholder fund from participating fund. The SECP through its letter dated July 7, 2010 informed that the Company may repatriate the requisite capital provided that all ledger accounts are positive and solvency conditions as per 35(3) and 35(4) are not breached.

The Company after ensuring the compliance of required conditions and with the consultation of appointed actuary has returned capital contribution of Rs. 28.916 million to shareholder fund from participating fund.

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

	Sept. 30, 2010 (Un-audited)	Dec. 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/year.	338,433	275,941
Add: Total comprehensive income for the period / year	72,158	62,492
Accumulated surplus in statement of changes in equity ignoring effect of capital transfers at end of the period	410,591	338,433
Less: Accumulated net capital transfers in statutory funds	(228,452)	(257,368)
Total as shown in the Balance Sheet	182,139	81,065

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, 2010 has retained an amount of Rs. 112 million (December 31, 2009: Rs. 156 million) in the statutory funds. This has resulted in the shareholders' equity being lower by this amount.

## 8. INVESTMENTS

Share Holders' Fund	STATUTORY FUNDS						AGGREGATE			
	Life (Participating)	Life (Non-participating) Individual	Investment Group	Investment Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	Sept. 30, 2010 (Un-audited)	Dec. 31, 2009 (Audited)	
.....(Rupees in '000).....										
<b>Government Securities - 8.1 held to maturity &amp; 8.2</b>										
Pakistan Investment Bonds	339,765	736,450	1,356,124	414,114	113,596	51,363	135,649	33,277	3,180,338	2,759,970
<b>Units of Mutual funds - available for sale</b>										
Units of Open-end mutual funds	1,471	-	-	-	231,769	-	-	-	233,240	96,099
	<u>341,236</u>	<u>736,450</u>	<u>1,356,124</u>	<u>414,114</u>	<u>345,365</u>	<u>51,363</u>	<u>135,649</u>	<u>33,277</u>	<u>3,413,578</u>	<u>2,856,069</u>

8.1 The aggregate market value of government securities as at September 30, 2010 was Rs. 2,950.254 million (December 31, 2009: Rs. 2,643.789 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. FIXED ASSETS - tangible and intangible

	Sept. 30, 2010 (Un-audited)	Dec. 31, 2009 (Audited)
(Rupees in '000)		
<b>Opening written down value</b>	61,169	71,722
Add: Additions during the period / year - at cost		
- Leasehold improvements	220	2,175
- Furniture and fixtures	2,556	1,507
- Office equipments	1,563	352
- Computer equipments	5,602	2,106
- Motor vehicles	3,288	1,831
- Software and licences	-	713
	13,229	8,684
Less: Written down value of deletion	310	976
Depreciation / amortization for the period / year	14,532	18,261
	14,842	19,237
<b>Closing written down value</b>	<u>59,556</u>	<u>61,169</u>
Add: Net Capital work in progress	4	4,663
<b>Fixed Assets - tangibles and intangibles</b>	<u>59,560</u>	<u>65,832</u>

## 10. CASH AND CASH EQUIVALENTS

Share Holders' Fund	STATUTORY FUNDS						AGGREGATE			
	Life (Participating)	Life (Non-participating) Individual	Investment Group	Accident & Health Linked	Accident & Health Individual	Pension Business Group	Sept. 30, 2010 (Un-audited)	Sept. 30, 2009 (Audited)		
(Rupees in '000)										
Cash and others	-	513	990	103	258	17	80	25	1,986	785
Current and other accounts	-	22,332	77,574	-	18,173	-	-	2,425	120,504	51,059
	-	<u>22,845</u>	<u>78,564</u>	<u>103</u>	<u>18,431</u>	<u>17</u>	<u>80</u>	<u>2,450</u>	<u>122,490</u>	<u>51,844</u>

## 11. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, companies under common control, companies with common directors, major shareholders, employees' retirement benefit plans, directors and key management personnel. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements. Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes and actuarial advice. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial information, are as follows:

Transactions during the year	Sept. 30, 2010 (Un-audited) (Rupees in '000)	Sept. 30, 2009 (Audited) (Rupees in '000)
Reinsurance premium (expense)	<u>540</u>	<u>578</u>
General insurance premium (expense)	<u>-</u>	<u>1,023</u>
Group insurance claim (expense)	<u>-</u>	<u>-</u>
Group insurance premium charged	<u>-</u>	<u>531</u>
Charges for administrative services provided	<u>-</u>	<u>157</u>
Reimbursement of expense received	<u>-</u>	<u>2,967</u>
Remuneration paid to key management personnel	<u>45,325</u>	<u>31,607</u>
Contribution made to provident fund	<u>7,054</u>	<u>5,611</u>
<b>Balance Outstanding</b>	<b>As at Sept. 30, 2010 (Un-audited) (Rupees in '000)</b>	<b>As at December 31, 2009 (Audited) (Rupees in '000)</b>
Payable to reinsurers	<u>3,958</u>	<u>1,214</u>
Loan to key management employees	<u>1,443</u>	<u>361</u>

## 12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors on October 27, 2010.

## 13. GENERAL

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

  
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Director

  
Director

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