



Balance Sheet

as at December 31, 2012


(Rupees in '000)

Note	Shareholders' Fund	Statutory Funds				Aggregate		
		Pakistan Life Fund	Overseas Life Fund	Pension Fund	Health Insurance Fund*	2012	2011	
Share capital and reserves								
Authorised share capital	1,500,000	-	-	-	-	1,500,000	1,500,000	
Issued, subscribed and paid up share capital	4	1,100,000	-	-	-	1,100,000	1,100,000	
Accumulated surplus		808,902	-	-	-	808,902	520,223	
Reserve for issue of share capital		457,796	-	-	-	457,796	-	
Net shareholders' equity		2,366,698	-	-	-	2,366,698	1,620,223	
Balance of statutory funds-including policyholders' liabilities Rs. 301,260 million (2011: Rs. 265,170 million)								
		-	308,979,307	7,268,794	223,033	458,854	316,929,988	268,579,591
Deferred liabilities								
Staff retirement benefits	5	-	1,536,859	14,428	-	-	1,551,287	1,466,351
Government grant for health insurance fund	6	-	-	-	-	-	-	362,056
		-	1,536,859	14,428	-	-	1,551,287	1,828,407
Creditors and accruals								
Outstanding claims	7	-	12,801,657	193,913	-	-	12,995,570	10,351,610
Premium received in advance		-	5,877,207	66,821	-	28,338	5,972,366	4,119,512
Amounts due to other insurers/reinsurers		-	179,340	26,658	-	-	205,998	230,458
Amount due to agents		-	3,474,121	72,507	-	-	3,546,628	2,904,371
Accrued expenses		-	1,861,694	46,380	291	44	1,908,409	1,692,396
Inter - fund balances		458	947,658	92,706	30,791	9,387	1,081,000	265,199
Others	8	111,252	2,480,079	19,258	1,770	-	2,612,359	2,115,396
		111,710	27,621,756	518,243	32,852	37,769	28,322,330	21,678,942
Total liabilities		111,710	338,137,922	7,801,465	255,885	496,623	346,803,605	292,086,940
Total equity and liabilities		2,478,408	338,137,922	7,801,465	255,885	496,623	349,170,303	293,707,163
Contingencies and commitments	9							


*Refer note 6 to the financial statements

The annexed notes from 1 to 33 form and integral part of these financial statements.


Nargis Ghaloo
Chairman


Saeed Ahmad
Director


Saad Amanullah
Director


Muhammad Rashid
Executive Director/CFO
(Finance and Accounts)



Balance Sheet


as at December 31, 2012

(Rupees in '000)

Note	Statutory Funds					Aggregate	
	Shareholders' Fund	Pakistan Life Fund	Overseas Life Fund	Pension Fund	Health Insurance Fund	2012	2011
Cash and bank deposits	10						
Cash and others	-	83,693	-	-	-	83,693	203,081
Current and other accounts	-	6,949,055	482,353	-	842	7,432,250	4,524,719
Deposits maturing within 12 months	25,673	21,443,564	280,304	-	-	21,749,541	24,622,204
Fixed deposits maturing after 12 months	-	1,800	1,300,600	-	154,000	1,456,400	1,075,679
	25,673	28,478,112	2,063,257	-	154,842	30,721,884	30,425,683
Loans secured against life insurance policies	11						
	-	26,467,333	627,867	-	-	27,095,200	22,595,916
Loans secured against other assets							
To employees		240,090	6,512	-	-	246,602	248,325
To agents		16,700	6,080	-	-	22,780	18,913
Others		-	2,161	-	-	2,161	954
		256,790	14,753	-	-	271,543	268,192
Unsecured loans							
To employees		114,706	-	-	-	114,706	115,647
To agents		42,979	813	-	-	43,792	38,545
		157,685	813	-	-	158,498	154,192
Investment properties	12						
Cost		-	4,606,093	-	-	4,606,093	4,430,699
Less: Provision for impairment in value		-	(597)	-	-	(597)	(600)
Less: Accumulated depreciation		-	(1,576,971)	-	-	(1,576,971)	(1,512,660)
		-	3,028,525	-	-	3,028,525	2,917,439
Investments	13						
Government securities		1,066,290	225,715,063	3,860,273	194,191	329,208	231,165,025
Other fixed income securities		-	2,297,845	886,569	-	-	3,184,414
Listed equities and mutual fund		-	27,429,570	-	-	-	27,429,570
Unlisted equities and mutual fund		-	1,155,833	-	-	-	1,155,833
Holding in subsidiary companies		-	241,609	-	-	-	241,609
Less: Provision for diminution in value		-	(292,443)	-	-	-	(292,443)
		1,066,290	256,547,477	4,746,842	194,191	329,208	262,884,008
218,151,728							
Current assets - others							
Premiums due but unpaid		-	7,748,501	210,985	61,515	-	8,021,001
Amounts due from other insurers/reinsurers		-	208,239	-	-	-	208,239
Agents balances		-	208	-	-	-	208
Investment income due but outstanding		-	317,331	74,114	-	-	391,445
Investment income accrued		12,591	12,053,095	53,985	175	10,116	12,129,962
Taxation - payments less provision		-	2,426,730	-	-	-	2,426,730
Prepayments		-	355,494	11,288	-	-	366,782
Inter - fund balances		959,379	117,757	3,864	-	-	1,081,000
Sundry receivables	14	-	37,918	2,394	4	-	40,316
Others		-	37,960	-	-	-	37,960
		971,970	23,303,233	356,630	61,694	10,116	24,703,643
18,943,814							
Fixed assets - tangible	15						
Furniture, fixtures, office equipment, computers and vehicles		-	1,007,721	23,584	-	3,001	1,034,306
Less: Accumulated depreciation		-	(710,045)	(16,715)	-	(544)	(727,304)
		-	297,676	6,869	-	2,457	307,002
250,199							
Total assets		2,478,408	338,137,922	7,801,465	255,885	496,623	349,170,303
293,707,163							

The annexed notes from 1 to 33 form an integral part of these financial statements.


Nargis Ghaloo
Chairman


Saeed Ahmad
Director


Saad Amanullah
Director


Muhammad Rashid
Executive Director/CFO
(Finance and Accounts)



Profit and Loss Account

for the year ended December 31, 2012


		(Rupees in '000)	
	Note	2012	2011
Investment income not attributable to statutory funds			
Return on Government securities		116,076	98,354
Interest income on loans and advances to employees/agents		20,095	19,169
Interest income on bank deposits		1,744	10,335
Net investment income		137,915	127,858
Expenses not attributable to statutory funds		(2,481)	(2,923)
Surplus appropriated to shareholders' fund	21.4	1,082,063	660,646
Profit before tax		1,217,497	785,581
Taxation	16	(408,595)	(265,358)
Profit after tax		808,902	520,223
Earnings per share - basic and diluted	17	73.54	47.29

The annexed notes from 1 to 33 form an integral part of these financial statements.


Nargis Ghaloo
Chairman


Saeed Ahmad
Director


Saad Amanullah
Director


Muhammad Rashid
Executive Director/CFO
(Finance and Accounts)



Statement of Changes in Equity


for the year ended December 31, 2012

(Rupees in '000)

	Issued, subscribed and paid up share capital	Accumulated surplus	Reserve for issue of share capital	Net shareholders' equity
Balance as at January 01, 2011	1,100,000	406,878	-	1,506,878
Dividend for the year ended December 31, 2010	-	(406,878)	-	(406,878)
Profit for the year ended December 31, 2011	-	520,223	-	520,223
Balance as at December 31, 2011	1,100,000	520,223	-	1,620,223
Dividend for the year ended December 31, 2011 (Refer note 3.25)	-	(62,427)	-	(62,427)
Transfer to reserve for issue of share capital (Refer note 3.25 and 28)	-	(457,796)	457,796	-
Profit for the year ended December 31, 2012	-	808,902	-	808,902
Balance as at December 31, 2012	1,100,000	808,902	457,796	2,366,698

The annexed notes from 1 to 33 form an integral part of these financial statements.


Nargis Ghaloo
Chairman


Saeed Ahmad
Director


Saad Amanullah
Director


Muhammad Rashid
Executive Director/CFO
(Finance and Accounts)



Statement of Cash Flows

for the year ended December 31, 2012

(Rupees in '000)


Note	Shareholders' Fund	Statutory Funds				Aggregate	
		Pakistan Life Fund	Overseas Life Fund	Pension Fund	Health Insurance Fund	2012	2011
OPERATING ACTIVITIES							
a) Underwriting Activities							
	-	53,389,311	1,553,626	16,980	98,509	55,058,426	42,973,043
	-	(199,317)	(38,873)	-	-	(238,190)	(119,907)
	-	(15,011,454)	(257,832)	(37,576)	(3,640)	(15,310,502)	(13,531,614)
	-	(6,035,829)	(266,479)	-	-	(6,302,308)	(4,829,613)
	-	135,783	6,596	-	-	142,379	14,968
	-	(14,848,797)	(461,878)	(152)	(744)	(15,311,571)	(12,996,080)
	-	17,429,697	535,160	(20,748)	94,125	18,038,234	11,510,797
b) Other operating activities							
	(408,595)	(932,943)	-	1	-	(1,341,537)	(248,156)
	(2,481)	(4,195,429)	(205,685)	6	(10,512)	(4,414,101)	(3,757,135)
	(230,655)	(1,158,043)	(5,905)	-	-	(1,394,603)	(3,435,097)
	241,534	1,852,303	-	-	-	2,093,837	4,351,348
	(706,311)	808,776	24,251	17,921	9,387	154,024	393,070
	(1,106,508)	(3,625,336)	(187,339)	17,928	(1,125)	(4,902,380)	(2,695,970)
	(1,106,508)	13,804,361	347,821	(2,820)	93,000	13,135,854	8,814,827
INVESTING ACTIVITIES							
	60,204	24,479,937	530,689	18,783	24,809	25,114,422	19,865,953
	-	4,808,375	3,696	-	-	4,812,071	4,119,545
	-	775,194	-	-	-	775,194	699,279
	(718,060)	(66,086,037)	(852,572)	(19,700)	(805,230)	(68,481,599)	(86,013,403)
	995,436	23,535,470	-	-	329,207	24,860,113	58,025,530
	-	(301,314)	(2,195)	-	(3,000)	(306,509)	(345,302)
	-	5,934	-	-	-	5,934	17,081
	337,580	(12,782,441)	(320,382)	(917)	(454,214)	(13,220,374)	(3,631,317)
FINANCING ACTIVITIES							
	1,082,063	(1,070,344)	(11,719)	-	-	-	-
	-	-	-	-	-	-	(358,053)
	(362,056)	-	-	-	-	(362,056)	-
	-	-	-	-	362,056	362,056	-
	720,007	(1,070,344)	(11,719)	-	362,056	-	(358,053)
	(48,921)	(48,424)	15,720	(3,737)	842	(84,520)	4,825,457
	74,594	28,524,736	746,937	3,737	-	29,350,004	24,524,547
	25,673	28,476,312	762,657	-	842	29,265,484	29,350,004
Reconciliation to profit and loss account							
	(1,106,508)	13,804,361	347,821	(2,820)	93,000	13,135,854	8,814,827
	-	(133,802)	(2,717)	-	(543)	(137,062)	(129,198)
	137,915	36,818,895	961,179	15,650	42,110	37,975,749	31,177,994
	(20,096)	499,127	2,513	-	-	481,544	375,633
	1,082,063	(1,070,344)	(11,719)	-	362,056	362,056	-
	-	(3,264,408)	(50,423)	-	-	(3,314,831)	(2,866,603)
	715,986	6,410,795	159,489	36,776	-	7,323,046	5,231,091
	(458)	(6,539,292)	(69,144)	(19,236)	(37,769)	(6,665,899)	(3,910,136)
	-	-	-	-	-	-	(15,323)
	-	-	(1,158)	-	-	(1,158)	-
	808,902	46,525,332	1,335,841	30,370	458,854	49,159,299	38,678,285

The annexed notes from 1 to 33 form an integral part of these financial statements.


Nargis Ghaloo
Chairman


Saeed Ahmad
Director


Saad Amanullah
Director


Muhammad Rashid
Executive Director/CFO
(Finance and Accounts)



Revenue Account


for the year ended December 31, 2012

(Rupees in '000)

	Note	Statutory Funds				Aggregate	
		Pakistan Life Fund	Overseas Life Fund	Pension Fund	Health Insurance Fund	2012	2011
Income							
Premium less reinsurance		54,248,607	1,645,807	53,753	70,171	56,018,338	44,812,492
Rental income from investment properties	20	356,857	-	-	-	356,857	313,684
Net investment income		36,461,304	965,856	15,650	42,110	37,484,920	30,736,453
Total net income		91,066,768	2,611,663	69,403	112,281	93,860,115	75,862,629
Claims and expenditure							
Claims, including bonuses, net of reinsurance recoveries		23,442,761	583,064	37,576	3,640	24,067,041	19,420,003
Management expenses less recoveries		20,028,331	681,039	1,457	11,843	20,722,670	17,698,931
Total claims and expenditure		43,471,092	1,264,103	39,033	15,483	44,789,711	37,118,934
Excess of income over claims and expenditure		47,595,676	1,347,560	30,370	96,798	49,070,404	38,743,695
Add: Policyholders' liabilities at the beginning of year	21	259,363,992	5,652,088	154,068	-	265,170,148	228,032,655
Less: Policyholders' liabilities at the end of year	22	294,172,266	6,861,982	170,297	55,843	301,260,388	265,170,148
Surplus before tax		12,787,402	137,666	14,141	40,955	12,980,164	1,606,202
Tax chargeable to statutory funds							
Prior year- reversal of provision		-	-	-	-	-	75,013
Surplus after tax		12,787,402	137,666	14,141	40,955	12,980,164	1,681,215
Movement in policyholders' liabilities	21.1	34,808,274	1,209,894	16,229	55,843	36,090,240	37,137,493
Transfer from/(to) shareholders' fund							
Transfer from shareholders' fund		-	-	-	362,056	362,056	-
Surplus appropriated to shareholders' fund	21.4	(1,070,344)	(11,719)	-	-	(1,082,063)	(660,646)
Balance of statutory fund at the beginning of year		262,453,975	5,932,953	192,663	-	268,579,591	230,421,529
Balance of statutory fund at the end of year		308,979,307	7,268,794	223,033	458,854	316,929,988	268,579,591
Represented by:							
Policyholders' liabilities	22	294,172,266	6,861,982	170,297	55,843	301,260,388	265,170,148
Retained earnings attributable to policyholders	21.2	14,807,041	406,812	-	-	15,213,853	3,370,848
Retained earnings on other than participating business	21.5	-	-	52,736	403,011	455,747	38,595
Balance of statutory fund		308,979,307	7,268,794	223,033	458,854	316,929,988	268,579,591

The annexed notes from 1 to 33 form an integral part of these financial statements.


Nargis Ghaloo
Chairman


Saeed Ahmad
Director


Saad Amanullah
Director


Muhammad Rashid
Executive Director/CFO
(Finance and Accounts)



Statement of Premiums

for the year ended December 31, 2012

(Rupees in '000)

	Statutory Funds				Aggregate	
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	Health Insurance Fund	2012	2011
Gross premiums						
Regular premium individual policies *						
First year	13,523,527	448,009	-	-	13,971,536	12,008,705
Second year renewals	9,569,282	292,151	-	-	9,861,433	8,259,297
Subsequent year renewals	24,461,684	926,601	-	-	25,388,285	19,994,856
	47,554,493	1,666,761	-	-	49,221,254	40,262,858
Group policies with cash values	-	-	53,753	-	53,753	33,233
Group policies without cash values	6,886,890	-	-	70,171	6,957,061	4,738,721
Total gross premiums	54,441,383	1,666,761	53,753	70,171	56,232,068	45,034,812
Less: Reinsurance premiums ceded						
On individual life first year business	(17,189)	(7,097)	-	-	(24,286)	(18,693)
On individual life second year business	(10,933)	-	-	-	(10,933)	(16,741)
On individual life renewal business	(80,213)	(13,857)	-	-	(94,070)	(93,012)
On group policies	(84,441)	-	-	-	(84,441)	(93,874)
Total reinsurance premiums ceded	(192,776)	(20,954)	-	-	(213,730)	(222,320)
Net premiums	54,248,607	1,645,807	53,753	70,171	56,018,338	44,812,492


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

The annexed notes from 1 to 33 form an integral part of these financial statements.


Nargis Ghaloo
Chairman


Saeed Ahmad
Director


Saad Amanullah
Director


Muhammad Rashid
Executive Director/CFO
(Finance and Accounts)



Statement of Claims

for the year ended December 31, 2012

(Rupees in '000)


	Statutory Funds				Aggregate	
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	Health Insurance Fund	2012	2011
Gross claims						
Claims under individual policies						
-by death	2,570,721	51,981	-	-	2,622,702	2,061,320
-by insured event other than death	215,279	2,475	-	-	217,754	146,782
-by maturity	9,010,207	268,725	-	-	9,278,932	8,163,593
-by surrender	6,035,829	266,479	-	-	6,302,308	4,829,613
-annuity payment	11,201	-	-	-	11,201	11,552
Total gross individual policy claims	17,843,237	589,660	-	-	18,432,897	15,212,860
Claims under group policies						
-by death	5,152,196	-	37,576	-	5,189,772	4,081,961
-by insured event other than death	51,870	-	-	3,640	55,510	46,966
-by maturity	219	-	-	-	219	249
-by surrender	-	-	-	-	-	12
-annuity payment	1,245	-	-	-	1,245	1,252
-experience refund	581,804	-	-	-	581,804	149,472
Total gross group policy claims	5,787,334	-	37,576	3,640	5,828,550	4,279,912
Total gross claims	23,630,571	589,660	37,576	3,640	24,261,447	19,492,772
Less: Reinsurance recoveries						
-On individual life first year business claims	5,418	-	-	-	5,418	(4,580)
-On individual life second year business claims	(1,464)	-	-	-	(1,464)	(1,313)
-On individual life renewal business claims	(41,227)	(6,596)	-	-	(47,823)	(9,556)
-On group life claims	(150,537)	-	-	-	(150,537)	(57,320)
Total reinsurance recoveries	(187,810)	(6,596)	-	-	(194,406)	(72,769)
Net claims	23,442,761	583,064	37,576	3,640	24,067,041	19,420,003

The annexed notes from 1 to 33 form an integral part of these financial statements.


Nargis Ghaloo
Chairman


Saeed Ahmad
Director


Saad Amanullah
Director


Muhammad Rashid
Executive Director/CFO
(Finance and Accounts)



Statement of Expenses

for the year ended December 31, 2012

(Rupees in '000)

Note	Statutory Funds				Aggregate		
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	Health Insurance Fund	2012	2011	
Acquisition costs							
Remuneration to insurance intermediaries on individual policies:							
- commission on first year premiums	9,253,119	298,611	-	-	9,551,730	8,230,399	
- commission on second year premiums	1,643,891	30,320	-	-	1,674,211	1,423,935	
- commission on subsequent renewal premiums	1,110,552	48,772	-	-	1,159,324	902,194	
- other benefits to insurance intermediaries	1,111,464	6,610	-	743	1,118,817	897,941	
	13,119,026	384,313	-	743	13,504,082	11,454,469	
Remuneration to insurance intermediaries on group policies:							
- commission	2,914	-	152	-	3,066	3,894	
- other benefits to insurance intermediaries	1,636	-	-	-	1,636	931	
	4,550	-	152	-	4,702	4,825	
Branch overheads	23	1,657,393	72,043	-	-	1,729,436	1,508,604
Other acquisition cost							
Policy stamps and medical fee		711,578	4,030	-	1	715,609	602,239
Total acquisition cost		15,492,547	460,386	152	744	15,953,829	13,570,137
Administration expenses							
Salaries and other benefits		2,694,961	125,091	798	5,607	2,826,457	2,517,492
Traveling expenses		183,241	11,588	160	2,760	197,749	169,674
Auditors' remuneration	24	2,980	1,264	-	-	4,244	3,972
Legal expenses		19,825	1,915	-	2	21,742	21,961
Supervision fee		56,920	-	-	-	56,920	54,379
Advertisements		66,187	903	-	2	67,092	64,816
Printing and stationery		112,969	1,734	-	877	115,580	98,751
Postage and telephone		151,923	9,751	-	267	161,941	97,735
Utilities		371,494	1,634	111	168	373,407	239,944
Training		20,068	1,002	-	26	21,096	19,817
Computer expenses		12,397	219	-	369	12,985	9,793
Rental		164,084	8,200	-	52	172,336	151,105
Gratuity and pension expenses		500,513	3,558	-	76	504,147	544,287
Bank charges		16,782	13,911	29	1	30,723	30,571
Depreciation		75,079	2,717	-	543	78,339	71,838
Bad and doubtful debts		734	-	-	-	734	-
		4,450,157	183,487	1,098	10,750	4,645,492	4,096,135
Other management expenses		117,810	24,453	-	349	142,612	115,468
Gross management expenses		20,060,514	668,326	1,250	11,843	20,741,933	17,781,740
Commission from reinsurers		(22,128)	5,346	-	-	(16,782)	(79,886)
Management expenses recovered from / allocated to other funds		(10,055)	7,367	207	-	(2,481)	(2,923)
Net management expenses		20,028,331	681,039	1,457	11,843	20,722,670	17,698,931

The annexed notes from 1 to 33 form an integral part of these financial statements.


Nargis Ghaloo
Chairman


Saeed Ahmad
Director


Saad Amanullah
Director


Muhammad Rashid
Executive Director/CFO
(Finance and Accounts)



Statement of Investment Income of Statutory Funds


for the year ended December 31, 2012

(Rupees in '000)

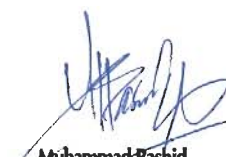
	Note	Statutory Funds				Aggregate	
		Pakistan Life Fund	Overseas Life Fund	Pension Fund	Health Insurance Fund	2012	2011
Investment income							
-On Government securities		25,239,183	323,132	15,438	38,680	25,616,433	20,687,314
-On other fixed income securities and deposits		2,711,783	87,299	212	3,430	2,802,724	2,696,079
-Dividend income		4,809,416	3,696	-	-	4,813,112	4,121,216
-On loans to policyholders		3,264,408	50,423	-	-	3,314,831	2,867,142
-On loans to employees		381	-	-	-	381	907
-Others	25	80,492	524,010	-	-	604,502	393,320
Total		36,105,663	988,560	15,650	42,110	37,151,983	30,765,978
Gain/(loss) on sale of investments		397,945	(20,190)	-	-	377,755	48,371
(Provision)/reversal of impairment in value of investments and receivables							
Provision for impairment in shares	26	(45,202)	-	-	-	(45,202)	(1,445)
Provision for fixed income securities		-	-	-	-	-	(50,000)
Reversal of provision in receivables and shares		33,382	-	-	-	33,382	1,373
Investment related expenses		(30,484)	(2,514)	-	-	(32,998)	(27,824)
Net investment income		36,461,304	965,856	15,650	42,110	37,484,920	30,736,453

The annexed notes from 1 to 33 form an integral part of these financial statements.


Nargis Ghaloo
Chairman


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Director


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(Finance and Accounts)