

Jubilee Life Insurance Company Limited
(formerly New Jubilee Life Insurance Company Limited)

ANNUAL REPORT 2011

Vision

Enabling people to overcome uncertainty

Mission

**To provide solutions that protect the
future of our customers**

Our Values

Teamwork

Integrity

Excellence

Passion

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COMPANY INFORMATION

BOARD OF DIRECTORS

Masood Noorani
Chairman

Shahid Mahmood Loan
Director

Javed Ahmed
Managing Director & Chief Executive Officer

Sultan Ali Akbar Allana
Director

Aly Noor Mahomed Rattansey
Director

Towfiq Habib Chinoy
Director

John Joseph Metcalf
Director

COMPANY SECRETARY

Manzoor Ahmed

MANAGEMENT

Javed Ahmed
Managing Director & Chief Executive Officer

Faisal Qasim
Faisal Shahzad Abbasi
Farhan Akhtar Faridi
Manzoor Ahmed

Muhammad Sohail Fakhar
Muhammad Munawar Khalil
Nurallah Merchant
Zahid Barki

APPOINTED ACTUARY

Nauman Associates,
7-B, Block F,
Gulberg III, Lahore

AUDITORS

A. F. Ferguson & Co.
Chartered Accountants
Engagement Partner: Farrukh Rehman
State Life Building No. 1-C,
I. I. Chundrigar Road, P. O. Box 4716
Karachi - 74000, Pakistan.

REGISTERED OFFICE

26-D, 3rd Floor, Kashmir Plaza,
Jinnah Avenue, Blue Area, Islamabad
Tel: (0092)(51) 2206930-6 Fax: (0092)(51) 2825372
Web: www.jubileelife.com E-mail: info@jubileelife.com

HEAD OFFICE

74/1-A, Lalazar, M. T. Khan Road, Karachi -74000
Ph:(0092)(21) 35611071-75, 35611802-08
Fax:(0092)(21) 35610959
Web: www.jubileelife.com E-mail: info@jubileelife.com

BANKERS

Habib Bank Limited
Standard Chartered Bank (Pakistan) Limited

REGISTRAR & SHARE TRANSFER OFFICE

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block-B, S.M.C.H.S. Main
Shahra-e-Faisal Karachi-74400

LEGAL ADVISORS

Kabraji & Talibuddin
Advocates & Legal Counsellors
64-A/I, Gulshan-e-Faisal, Bath Island,
Karachi-75530

COMPANY INFORMATION

BOARD COMMITTEES

Audit

Aly Noor Mahomed Rattansey	Chairman
John Joseph Metcalf	Member
Shahid Mahmood Loan	Member
Adeel Ahmed Khan	Secretary / CIA

Finance & Investment

Masood Noorani	Chairman
Javed Ahmed	Member
John Joseph Metcalf	Member
Shahid Mahmood Loan	Member
Nurallah Merchant	Member
Manzoor Ahmed	Secretary

Human Resource

Towfiq Habib Chinoy	Chairman
Masood Noorani	Member
John Joseph Metcalf	Member
Javed Ahmed	Member
Muhammad Munawar Khalil	Secretary

Technical

John Joseph Metcalf	Chairman
Javed Ahmed	Member
Nurallah Merchant	Secretary

MANAGEMENT COMMITTEES

Claims

Javed Ahmed	Chairman
Nurallah Merchant	Member
Manzoor Ahmed	Member
Zahid Barki	Member
Muhammad Junaid Ahmed	Secretary

Underwriting

Javed Ahmed	Chairman
Nurallah Merchant	Member
Faisal Shahzad Abbasi	Member
Zahid Barki	Member
Muhammad Adnan Qadir	Secretary

Procurement & Disposal

Nurallah Merchant	Chairman
Manzoor Ahmed	Member
Faisal Qasim	Member
Muhammad Munawar Khalil	Member

Reinsurance

Javed Ahmed	Chairman
Nurallah Merchant	Member
Zahid Barki	Member
Muhammad Sohail Fakhar	Member
Shan Rabbani	Secretary

Compliance

Javed Ahmed	Chairman
Nurallah Merchant	Member
Manzoor Ahmed	Member
Adeel Ahmed Khan	Member
Zahid Barki	Member/Secretary

BOARD OF DIRECTORS



Masood Noorani
Chairman



Javed Ahmed
Managing Director & CEO



Towfiq Habib Chinoy
Director



Sultan Ali Akbar Allana
Director



John Joseph Metcalf
Director



Aly Noor Mahomed Rattansey
Director



Shahid Mahmood Loan
Director

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors are pleased to present the Annual Report and the Audited Financial Statements of the Company for the year ended December 31, 2011.

Achievements:

2011 has been another year of significant achievements by the company, the highlights of which are as follows:

- The gross written premium amounted to Rs. 8,215 million, an increase of 42% over the previous year (2010: Rs. 5,802 million).
- Life insurance business has generated a surplus of Rs. 627 million, which is 22% higher than the previous year (2010: Rs. 516 million).
- A record surplus transfer of Rs. 530 million (2010: Rs. 200 million) from the Revenue Account has been made to the Profit & Loss account, which comprises of Rs. 360 million from Individual Life Unit Linked fund and Rs. 170 million from Conventional business fund.
- The Company has achieved the distinction of becoming undisputed leader in Bancassurance business by writing individual life premium of Rs.4,430million (2010: Rs. 2,623 million), an increase of 69%.The Company has the largest Bancassurance distribution net-work in the Country.
- The Company has been able to establish to the satisfaction of the Appointed Actuary, the stand alone solvency of the Individual Life Unit Linked, Conventional business and Accident & Health funds.
- The Shareholders' equity has now reached the all times high level of Rs. 1,430 million compared with last year of Rs. 1,150 million in 2010, an increase of 24%.
- In this context, we would like to remind the Shareholders that the Company was incorporated in Pakistan in June 1995 under the name of Commercial Union Life Assurance Company (Pakistan) Limited (CULAP), as a subsidiary of CGU International Insurance Plc of U.K. With effect from January 1, 2003, the Aga Khan Fund for Economic Development S.A. Switzerland (AKFED) acquired the majority shareholding in CULAP from CGU International Insurance Plc. At that time, the Shareholders' equity of CULAP stood at Rs. 32 million against the paid up capital of Rs. 402 million.
- During the year, the Company underwent the process of rebranding as a result of which the name of the Company has been changed from New Jubilee Life Insurance Company Limited to Jubilee Life Insurance Company Limited with effect from October 17, 2011.

The objective of this exercise is to create a more powerful brand identity. The change of name has been accompanied with a publicity campaign designed to convey our vision and commitment to offer a unique combination of products to meet the needs of the market.

- JCR-VIS has maintained the Insurer Financial Strength (IFS) rating of the Company to "AA-"(Double A minus) with stable outlook vide letter dated December 29, 2011.

Business Performance and Operating Results

The performance of each statutory fund and the overall operating results are summarized below:

- Individual Life Unit Linked Fund has performed very satisfactorily in 2011, generating a gross premium of Rs. 6,646 million (2010: 4,525 million), an increase of 47%. The fund has generated a surplus of Rs. 391 million during the year as compared to Rs. 363 million in 2010, an increase of 8%.
- The Conventional Business Fund comprising mainly of Group Life Insurance business also performed well despite tough competition during the year. The gross premium of the fund was Rs. 1,163 million (2010: Rs. 976 million), an increase of 19%. It has generated a surplus of Rs. 183 million (2010: Rs. 125 million), an increase of 46%.

- The Accident & Health Fund comprising mainly of Group Health business has performed well. The gross premium of the fund was Rs. 406 million (2010: Rs. 302 million), an increase of 34%. It has generated a surplus of Rs. 54 million (2010: Rs. 27 million), an increase of 100%.
- The total surplus generated by the statutory funds is Rs. 627 million in 2011 as compared to Rs. 516 million in 2010, an increase of 22%.
- A record amount of Rs. 530 million has been transferred in 2011 from the Revenue Account to the Profit & Loss Account as compared with Rs. 200 million in 2010, an increase of 165%.

Investment Performance

The Company continued its prudent policy for managing the investment portfolios of statutory funds. The total net investment income during 2011 was Rs. 1,258 million (2010: Rs. 1,303 million). The drop in investment income of 2011 was due to unrealized losses on investment in equities amounting to Rs. 166 million (2010: unrealized gain of Rs. 357 million). The income from fixed income securities, dividends and return from bank deposits increased to Rs. 1,424 million in 2011 as compared to Rs. 946 million in 2010, an increase of 51%.

Except for the Capital Growth Fund, the return to the policyholders on their investment in the unit linked policies has been quite satisfactory, as may be seen from the following chart:

Sr. No.	Name of Fund	Bid price effective 31.12.2011 (PKR)	Bid price effective 31.12.2010 (PKR)	± %
1.	Managed Growth	581.90	527.24	10.37 %
2.	Capital Growth	235.67	265.56	(11.26)%
3.	Meesaq	557.11	508.94	9.46 %
4.	Yaqeen Growth	609.15	548.80	11.00 %

The return on Capital Growth Fund suffered due to the negative performance of the equities quoted on the Karachi Stock Exchange.

Profit & Loss Account

The Profit & Loss Account shows a pre-tax profit of Rs. 582 million compared with Rs. 217 million in 2010, an increase of 168%. The after tax profit of the year is Rs. 375 million compared to Rs. 147 million in 2010, an increase of 155%.

Earnings per Share

The earning per share for the year is Rs.5.97 (2010: Rs.2.34), an increase of 155%.

Dividend

In view of the higher profits earned during the year, the Directors are pleased to recommend the payment of a cash dividend of Rs3.00(30%) per share for the year ended 31 December 2011 (2010: Rs.1.50 per share), subject to the approval of the members at the Annual General Meeting to be held on April 23, 2012.

Human Resource

The Company accords top priority to the training and development of its employees at all levels. Suitable training programs are arranged to upgrade the knowledge, skills and attitudes of all categories of employees to ensure increased productivity and better service to the policyholders and corporate clients.

Expansion of Branch Network

During the year, the Company opened 14 new branches thereby increasing the total network to 89 branches from which the Company's sales force operates.

Board of Directors

Five (5) meetings of the Board of Directors were held in the year 2011. The attendance of each Director was as follows:

Name of Directors	No. of meetings attended
Mr. Masood Noorani	5
Mr. Javed Ahmed	5
Mr. Towfiq Habib Chinoy	4
Mr. Sultan Ali Akbar Allana	2
Mr. Shahid Mahmood Loan	5
Mr. John Joseph Metcalf	5
Mr. Aly Noor Mahomed Rattansey	5

All the above Directors were elected in the Annual General Meeting held on March 30, 2011 upon expiry of their term of directorship.

Our following Directors have attended the "Board Leadership and Corporate Governance Training Program" conducted by the Institute of Directors, UK which is acknowledged as one of the eminent institutions on Corporate Governance:

Mr. Masood Noorani
Mr. Javed Ahmed
Mr. Towfiq Habib Chinoy
Mr. Sultan Ali Akbar Allana
Mr. Shahid Mahmood Loan
Mr. John Joseph Metcalf

Audit Committee

The Board Audit Committee comprises of three (3) non-executive Directors. During the year 2011, five (5) meetings of the Board Audit Committee were held. The attendance of each director was as follows:

Mr. Aly Noor Mahomed Rattansey	(Chairman)	5
Mr. John Joseph Metcalf	(Member)	5
Mr. Shahid Mahmood Loan	(Member)	4

The Committee's terms of reference have been determined by the Board in accordance with the guidelines provided in the Code of Corporate Governance.

Internal Audit Function

With a view to further strengthen the internal audit functions and introduce a full-fledged Risk Based Audit, the company has strengthened its existing in-house Internal Audit Department. The Chief Internal Auditor (CIA) reports to the Board Audit Committee.

Compliance with Listing Regulations

The Statement of Compliance with the best corporate practices is annexed on page 19 of this report.

The Directors are pleased to confirm the following:

- The Financial Statements prepared by the management of the Company present a true and fair view of the state of its affairs, operational results, cash flows and changes in equity.
- Proper books of accounts of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, Insurance Ordinance and Rules have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is in place and is being continuously reviewed by internal audit. The process of review will continue and weakness in controls, if any, will be removed.
- There are no doubts about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations of the Karachi Stock Exchange.
- Information regarding outstanding taxes is given in the notes to the audited financial statements.
- The pattern of shareholding and the information regarding trading in the shares of the company by Directors, CEO, CFO, Company Secretary, Appointed Actuary, Executives and their spouses and minor children is shown on page 84.

The Key Operating and Financial Information

A summary of the Key operating and financial information of the last six years is shown on page 12 of this report.

Statement of Ethics and Business Practices

The Statement of Ethics and Business Practices adopted by the Board has been signed by all the Directors, Executives and the employees of the Company.

Retirement Benefits

The value of investments made by the employees retirement funds, operated by the Company, as per their respective un-audited financial statements as at 31 December, 2011 are as follows:

Employees' Provident Fund	Rs. 98 million
Employees' Gratuity Fund	Rs. 75 million

Material Changes

There have been no material changes since December 31, 2011 to the date of this report. The Company has entered into an agreement with a Malaysian software company, AETINS, for supply and installation of business system for life insurance. The commitment amount is approximately Rs. 118 million and the project is expected to be completed within 24 months.

Statutory Auditors

The present Auditors, A. F. Ferguson & Co. Chartered Accountants, retire and being eligible, offer themselves for appointment.

The external auditors have been given satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP). The external auditors have confirmed that their firm is in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP. The external auditors have not been appointed to provide other services except in accordance with the listing regulations and they have confirmed that they have observed IFAC guidelines in this respect.

The Audit Committee has recommended their appointment at a remuneration to be decided by the Board of Directors for the year ending December 31, 2012 and the Board endorses this recommendation.

Holding Company

The Company is a subsidiary of the Aga Khan Fund for Economic Development S.A. Switzerland, who holds 57.87% shares of the Company.

Corporate Social Responsibility

The Company recognizes that it has a role to play in the uplift and betterment of the less advantaged members of the society. Besides financial contribution for the victims of natural disasters and other unforeseen events, the Company encourages its employees to participate directly by contributing their time and knowledge towards social causes.

Being a socially responsible organization, the Company is actively pursuing development of Micro-insurance as one of its core strategic objectives. Contributing towards the uplift and welfare of the less-privileged segments of the society is the key theme in Micro-insurance product design and distribution strategy. Micro-insurance initiatives at Jubilee Life revolve around providing life and health insurance benefits to the underprivileged sector of our population who would not otherwise afford such facilities. Through Micro-insurance, the Company provides insurance benefits to over a million persons.

Future Outlook

The global and domestic economic outlook for 2012 is unfavorable. However, the low penetration of life insurance coverage in Pakistan and the expanding base of potential customers offer a unique opportunity for the growth of the business; and we look forward to be able to grow our business in the coming years.

Acknowledgements

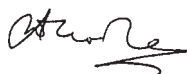
We thank our valued policyholders and business partners for their confidence and patronage and reiterate our commitment to serve them in the best possible manner.

The tremendous growth and financial strength achieved by the Company since 2003 has been made possible with the dedication and hard work of the top management team who have been ably supported by their colleagues both in the offices and sales force of the Company. We thank all of them for their contribution.

The Directors also wish to acknowledge the contribution of their colleagues who have served on the Audit, Finance & Investment, Human Resource and Technical Committees.

We would also like to record our appreciation of the positive regulatory role adopted by the Securities & Exchange Commission of Pakistan for promoting the growth and functioning of the Life Insurance business on a sound basis.

On behalf of the Board of Directors



MASOOD NOORANI
(Chairman)



JAVED AHMED
(Managing Director)

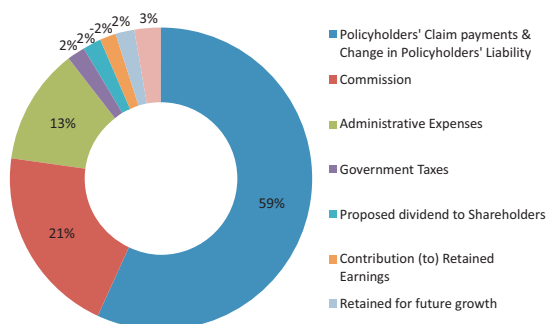
Karachi, 15 February, 2012

STATEMENT OF VALUE ADDITIONS

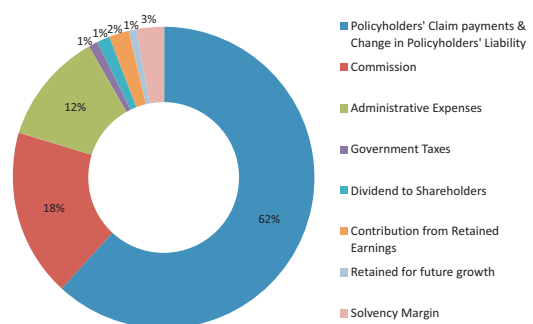
For The Year Ended December 31, 2011

	2011		2010	
	Amount (Rupees in '000)	%	Amount (Rupees in '000)	%
Wealth Generated				
Net premium	7,756,624	85.25	5,451,804	80.19
Investment income	1,327,143	14.59	1,341,130	19.73
Other income	14,277	0.16	5,632	0.08
	9,098,044	100.00	6,798,566	100.00
Distribution of Wealth				
Claims and surrenders	1,770,426	19.46	1,661,786	24.44
Change in Policyholders liabilities	3,602,488	39.60	2,559,705	37.65
Commission expense	1,909,137	20.98	1,250,293	18.39
Administrative expense	1,136,270	12.49	793,966	11.68
Government Taxes	207,763	2.28	70,516	1.04
Proposed dividend to Shareholders	188,136	2.07	94,068	1.38
Contribution (to) / from opening Retained Earnings	(167,796)	(1.84)	147,752	2.17
Retained for future growth	186,457	2.05	52,684	0.77
Solvency Margin	265,163	2.91	167,796	2.48
	9,098,044	100.00	6,798,566	100.00

Distribution of Wealth 2011



Distribution of Wealth 2010



KEY OPERATING AND FINANCIAL DATA

Six Years Summary	(Rupees in '000)					
	2011	2010	2009	2008	2007	2006
Gross Premium	8,215,262	5,802,439	4,363,155	3,435,119	2,978,851	2,291,224
Revenue and P&L Account						
Premium - net of reinsurance	7,756,624	5,451,804	4,054,739	3,127,200	2,777,076	2,077,593
Net Investment income / (loss)	1,257,908	1,302,972	1,302,883	(700,714)	697,987	282,182
Total inflow	9,014,532	6,754,776	5,357,622	2,426,486	3,475,063	2,359,775
Total outflow	8,387,165	6,239,228	5,040,102	2,267,786	3,348,463	2,298,310
Surplus in Revenue Account	627,367	515,548	317,520	158,700	126,600	61,465
Surplus transfer to P&L	530,000	200,000	100,000	66,633	106,000	40,000
Profit / (loss) before tax per P&L Account	582,356	217,268	160,744	(49,972)	150,028	94,798
Income Tax (expense) / credit	(207,763)	(70,516)	(30,801)	(5,000)	(24,572)	(12,143)
Profit / (loss) after tax per P&L Account	374,593	146,752	129,943	(54,972)	125,456	82,655
Balance Sheet						
Investments including bank deposits	14,780,198	10,347,115	7,279,564	5,031,512	5,238,067	3,552,733
Other assets	799,823	840,598	926,301	516,786	531,719	415,207
Fixed assets	207,587	160,869	118,115	94,579	82,029	73,780
Total assets	15,787,608	11,348,582	8,323,980	5,642,877	5,851,815	4,041,720
Issued, subscribed and Paid up capital	627,120	627,120	627,120	627,120	627,120	627,120
Accumulated surplus /(deficit)	803,278	522,753	(80,615)	(210,558)	(145,892)	(270,348)
Statutory funds	12,844,091	9,144,236	6,788,311	4,629,457	4,967,990	3,318,280
Other liabilities	1,513,119	1,054,473	989,164	596,858	402,597	366,668
Total equity & liabilities	15,787,608	11,348,582	8,323,980	5,642,877	5,851,815	4,041,720

Six Years Summary**Financial Ratios****Profitability**

	2011	2010	2009	2008	2007	2006
Profit / (loss) Before Tax / Gross Premium	7%	4%	4%	-1%	5%	4%
Profit / (loss) Before Tax / Net Premium	8%	4%	4%	-2%	5%	5%
Profit / (loss) After Tax / Gross Premium	5%	3%	3%	-2%	4%	4%
Profit / (loss) After Tax / Net Premium	5%	3%	3%	-2%	5%	4%
Net claims / Net premium	23%	30%	34%	50%	36%	30%
Commission / Net premium	25%	23%	25%	19%	13%	11%
Administration Expenses / Net premium	15%	14%	17%	17%	13%	12%
Change in PHL / Net Inflow	40%	38%	36%	-17%	47%	51%
Net investment income / Net premium	16%	24%	32%	-22%	25%	14%

Return to Shareholders

Return on equity	26%	13%	24%	-13%	26%	23%
Earnings / (loss) per share (pre-tax)	9.29	3.46	2.56	-0.80	2.39	1.51
Earnings / (loss) per share (after-tax)	5.97	2.34	2.07	-0.88	2.00	1.32
Price Earning Ratio - PAT	10	20	21	-51	35	14
Net Assets per share	22.81	18.34	8.71	6.64	7.67	5.69
Return on assets	2%	1%	2%	-1%	2%	2%

Market Value

Face value per share (Rs.)	10	10	10	10	10	10
Break up value per share (Rs.)	22.81	18.34	8.71	6.64	7.67	5.69
Market price per share at the end of the year (Rs.)	62.39	46.09	44.21	45.13	70.55	18.50
Cash dividend per share	3.00	1.50	1.00	-	0.50	0.50
Cash dividend	30%	15%	10%	0%	5%	5%
Dividend yield	5%	3%	2%	0%	1%	3%
Dividend payout	50%	64%	48%	0%	25%	38%
Dividend cover - (Times)	1.99	1.56	2.07	Nil	4.00	2.64

Performance Liquidity

Current Ratio - (Times)	1.09	1.10	1.06	1.06	1.07	1.08
Total Liabilities / Equity - (Times)	10	9	14	13	11	10
Return on Capital employed	41%	19%	29%	-12%	31%	27%
Paid up capital / Total Assets	4%	6%	8%	11%	11%	16%
Equity / Total Assets	9%	10%	7%	7%	8%	9%

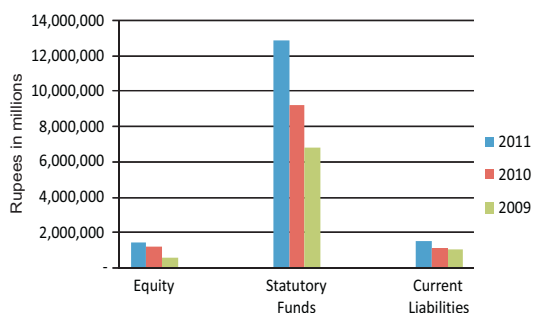
Cash Flows

Net cash flow from operating activities	3,304,453	1,829,289	1,150,556	591,271	1,091,360	987,887
Net cash flow from investing activities	(3,845,494)	(2,720,233)	(2,370,526)	557,661	(489,251)	(561,173)
Net cash flow from financing activities	(93,470)	(62,419)	-	-	-	-
Net change in cash and cash equivalent	(634,511)	(953,363)	(1,219,970)	1,148,932	602,109	426,714

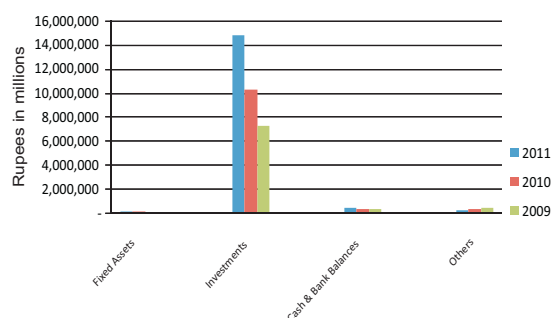
VERTICAL ANALYSIS

	2011		2010	
	(Rupees in '000)	%	(Rupees in '000)	%
Balance Sheet				
Net equity	1,430,398	9.06	1,149,873	10.13
Statutory funds	12,844,091	81.36	9,144,236	80.58
Current liabilities	1,513,119	9.58	1,054,473	9.29
Total equity and Liabilities	15,787,608	100.00	11,348,582	100.00
Total non-current assets	209,996	1.33	165,151	1.46
Investments	14,780,198	93.62	10,347,115	91.17
Current assets	797,414	5.05	836,316	7.37
Total assets	15,787,608	100.00	11,348,582	100.00
Revenue and Profit & Loss Account				
Net Income	9,098,044	100.00	6,798,566	100.00
Claims, Expenditures and PHL	(8,418,321)	(92.53)	(6,265,750)	(92.16)
Contribution (to) / from opening Retained Earnings	167,796	1.84	(147,752)	(2.17)
Solvency Margin	(265,163)	(2.91)	(167,796)	(2.47)
Profit / (loss) before tax	582,356	6.40	217,268	3.20
Income tax expense	(207,763)	(2.28)	(70,516)	(1.04)
Profit / (loss) for the year	374,593	4.12	146,752	2.16

Total Equity & Liabilities



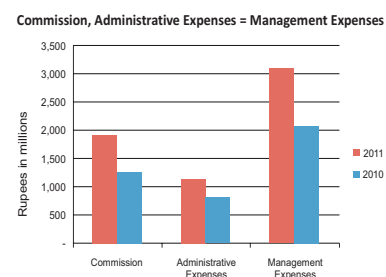
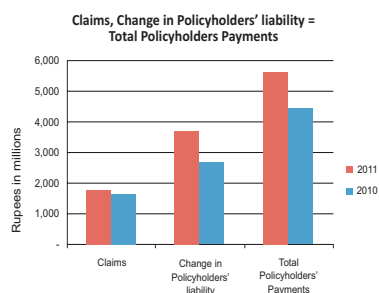
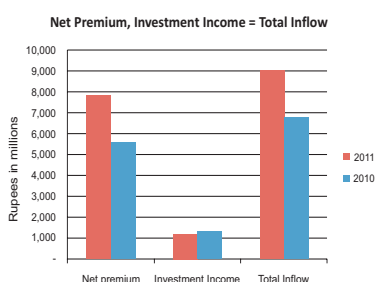
Total Assets



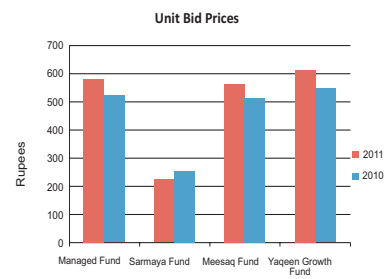
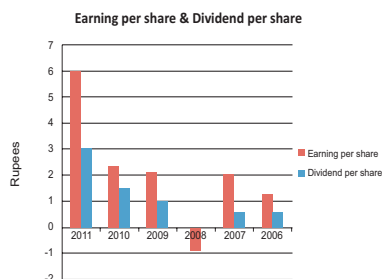
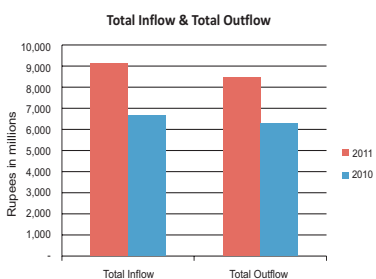
2009		2008		2007		2006	
(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%
546,505	6.57	416,562	7.38	481,228	8.22	356,772	8.83
6,788,311	81.55	4,629,457	82.04	4,967,990	84.90	3,318,280	82.10
989,164	11.88	596,858	10.58	402,597	6.88	366,668	9.07
<u>8,323,980</u>	<u>100.00</u>	<u>5,642,877</u>	<u>100.00</u>	<u>5,851,815</u>	<u>100.00</u>	<u>4,041,720</u>	<u>100.00</u>
125,435	1.51	100,579	1.78	82,029	1.40	73,780	1.83
7,279,564	87.45	5,031,512	89.17	5,238,067	89.51	3,552,733	87.90
918,981	11.04	510,786	9.05	531,719	9.09	415,207	10.27
<u>8,323,980</u>	<u>100.00</u>	<u>5,642,877</u>	<u>100.00</u>	<u>5,851,815</u>	<u>100.00</u>	<u>4,041,720</u>	<u>100.00</u>
5,437,735	100.00	2,320,820	100.00	3,526,239	100.00	2,419,550	100.00
(5,059,471)	(93.04)	(2,278,725)	(98.19)	(3,355,611)	(95.16)	(2,303,287)	(95.19)
(217,520)	(4.00)	(92,067)	(3.97)	(20,600)	(0.58)	(21,465)	(0.89)
-	-	-	-	-	-	-	-
160,744	2.96	(49,972)	(2.15)	150,028	4.25	94,798	3.92
(30,801)	(0.57)	(5,000)	(0.22)	(24,572)	(0.70)	(12,143)	(0.50)
<u>129,943</u>	<u>2.39</u>	<u>(54,972)</u>	<u>(2.37)</u>	<u>125,456</u>	<u>3.56</u>	<u>82,655</u>	<u>3.42</u>

HORIZONTAL ANALYSIS

	2011 (Rupees in '000)	2010 (Rupees in '000)	2009 (Rupees in '000)	2008 (Rupees in '000)
Balance Sheet				
Net equity	1,430,398	1,149,873	546,505	416,562
Statutory funds	12,844,091	9,144,236	6,788,311	4,629,457
Current liabilities	1,513,119	1,054,473	989,164	596,858
Total equity and Liabilities	15,787,608	11,348,582	8,323,980	5,642,877
Total non-current assets	209,996	165,151	125,435	100,579
Investments	14,780,198	10,347,115	7,279,564	5,031,512
Current assets	797,414	836,316	918,981	510,786
Total assets	15,787,608	11,348,582	8,323,980	5,642,877
Revenue and Profit & Loss Account				
Net Income	9,098,044	6,798,566	5,437,735	2,320,820
Claims, Expenditures and PHL	(8,418,321)	(6,265,750)	(5,059,471)	(2,278,725)
Contribution (to) / from opening Retained Earnings	167,796	(147,752)	(217,520)	(92,067)
Solvency Margin	(265,163)	(167,796)	-	-
Profit / (loss) before tax	582,356	217,268	160,744	(49,972)
Income tax expense	(207,763)	(70,516)	(30,801)	(5,000)
Profit / (loss) for the year	374,593	146,752	129,943	(54,972)



2007 (Rupees in '000)	2006 (Rupees in '000)		% increase / (decrease) over preceeding year				
		2011	2010	2009	2008	2007	2006
481,228	356,772	24.40	110.40	31.19	(13.44)	34.88	18.64
4,967,990	3,318,280	40.46	34.71	46.63	(6.81)	49.72	57.73
402,597	366,668	43.50	6.60	65.73	48.25	9.80	13.65
<u>5,851,815</u>	<u>4,041,720</u>	39.12	<u>36.34</u>	<u>47.51</u>	<u>(3.57)</u>	<u>44.79</u>	<u>48.20</u>
82,029	73,780	27.15	31.66	24.71	22.61	11.18	(9.10)
5,238,067	3,552,733	42.84	42.14	44.68	(3.94)	47.44	47.38
531,719	415,207	(4.65)	(9.00)	79.92	(3.94)	28.06	76.39
<u>5,851,815</u>	<u>4,041,720</u>	39.12	<u>36.34</u>	<u>47.51</u>	<u>(3.57)</u>	<u>44.79</u>	<u>48.20</u>
3,526,239	2,419,550	33.82	25.03	134.30	(34.18)	45.74	55.16
(3,355,611)	(2,303,287)	34.35	23.84	122.03	(32.09)	45.69	53.39
(20,600)	(21,465)	(213.57)	(32.07)	136.26	346.93	(4.03)	1,965.93
-	-	58.03	-	-	-	-	-
150,028	94,798	168.04	35.16	(421.67)	(133.31)	58.26	66.82
(24,572)	(12,143)	194.63	128.94	516.02	(79.65)	102.36	(17.70)
<u>125,456</u>	<u>82,655</u>	155.26	<u>12.94</u>	<u>(336.38)</u>	<u>(143.82)</u>	<u>51.78</u>	<u>96.46</u>





A.F . FERGUSON & CO.

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance for the year ended December 31, 2011 prepared by the Board of Directors of Jubilee Life Insurance Company Limited (formerly New Jubilee Life Insurance Company Limited) to comply with the Listing Regulation No. 35 of the Karachi Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal controls covers all controls and the effectiveness of such internal controls.

Further, sub-regulation (xiii a) Listing Regulation No. 35 of the Karachi Stock Exchange require the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended December 31, 2011.

Chartered Accountants

Karachi

Dated: February 23, 2012

Name of the engagement partner: Farrukh Rehman

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

For The Year Ended December 31, 2011

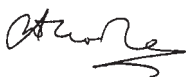
This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of the Listing Regulations of Karachi Stock Exchange and Code of Corporate Governance applicable to listed insurance companies as issued by the SECP, for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes six non-executive Directors.
2. Three (3) years term of office of all the Directors expired on March 30, 2011. The Board fixed the number of directors as seven (7) for election at its meeting held on February 23, 2011. The election was held at the Shareholders' Annual General Meeting held on March 30, 2011. Mr. Aly Noor Mahomed Rattansey, Mr. Javed Ahmed, Mr. John Joseph Metcalf, Mr. Masood Noorani, Mr. Shahid Mahmood Loan, Mr. Sultan Ali Akbar Allana and Mr. Towfiq Habib Chinoy were elected for a fresh term of three (3) years commencing from March 31, 2011.
3. The Board has re-appointed Mr. Javed Ahmed as Chief Executive Officer of the Company for a further term of three (3) years with effect from March 31, 2011.
4. The Directors have confirmed that none of them is serving as a director in more than ten listed companies, including this company.
5. All the resident Directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIL.
6. None of the Directors or their spouses is engaged in business of stock brokerage.
7. No casual vacancy occurred during the year 2011.
8. The company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the Directors and employees of the company.
9. The Board has developed a vision and mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
10. All the powers of the Board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board.
11. The meetings of the Board were presided over by the Chairman and in his absence by a director elected by the Board for this purpose and the Board meets at-least once in every quarter. Written notice of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
12. The Company arranges orientation courses / meetings for its directors.
13. Directors are well conversant with the listing regulations, legal requirements and operational imperatives of the company and as such are fully aware of their duties and responsibilities. Regular update on corporate requirements is taken care of.
14. The Board has approved appointment of CFO, Company Secretary, and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.

15. The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
 16. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
 17. The Directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
 18. The company has complied with all the corporate and financial reporting requirements of the Code.
 19. The Board has formed an Audit Committee. It comprises of three members; all of whom are non-executive Directors including the Chairman of the committee.
 20. The meetings of the Audit Committee were held at least once every quarter, prior to the approval of the interim and final results of the company, as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
 21. The company has an internal audit function in place. The internal auditor is suitably qualified and experienced for the purpose.
 22. The related party transactions have been placed before the audit committee and approved by the Board of Directors along with pricing methods for transactions carried out on terms equivalent to those that prevail in the arm's length transactions.
 23. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
 24. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
 25. The company has established Underwriting Committee, Claims Settlement Committee and Reinsurance Committee in line with the Code of Corporate Governance for Insurance Companies.
 26. The actuary appointed by the company has confirmed that neither he nor his spouse and minor children hold shares of the company.
 27. The Board ensures that the appointed actuary complies with the requirements set for him in the Code.
- We confirm that all other material principles contained in the Code have been complied with.

On behalf of the Board



Masood Noorani
(Chairman)



Javed Ahmed
(Managing Director & CEO)



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed financial statements comprising of:

- i. balance sheet;
- ii. profit and loss account;
- iii. statement of changes in equity;
- iv. cash flows statement;
- v. revenue account;
- vi. statement of premiums;
- vii. statement of claims;
- viii. statement of expenses; and
- ix. statement of investment income

of Jubilee Life Insurance Company Limited (formerly New Jubilee Life Insurance Company Limited) as at December 31, 2011 together with the notes forming part thereof for the year then ended.

It is the responsibility of the Company's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000;
- (b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied;
- (c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at December 31, 2011 in accordance with the approved accounting standards as applicable in Pakistan and the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- (d) the apportionment of assets, liabilities, revenue and expenses between two or more funds has been performed in accordance with the advice of the appointed actuary; and
- (e) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Chartered Accountants
Karachi

Dated: February 23, 2012

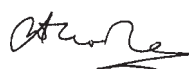
Name of the engagement partner: Farrukh Rehman

BALANCE SHEET

As at December 31, 2011

	Note	Share holders' Fund	Statutory Funds			Aggregate	
			Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010
(Rupees in '000)							
Share capital and reserves							
Authorised share capital							
100,000,000 ordinary shares of Rs. 10 each		1,000,000	-	-	-	1,000,000	1,000,000
Issued, subscribed and paid-up share capital							
62,712,000 ordinary shares of Rs. 10 each	6	627,120	-	-	-	627,120	627,120
Accumulated surplus	7	803,278	-	-	-	803,278	522,753
Net shareholders' equity		1,430,398	-	-	-	1,430,398	1,149,873
Balance of statutory fund [including policyholders' liabilities Rs. 12.58 billion (2010: Rs. 8.98 billion)]							
	8	-	12,271,068	319,729	253,294	12,844,091	9,144,236
Creditors and accruals							
Outstanding claims	10	-	126,639	365,913	90,433	582,985	502,887
Premiums received in advance		-	127,804	35,579	26,018	189,401	164,851
Amounts due to insurers / reinsurers		-	-	15,175	-	15,175	15,206
Amounts due to agents		-	297,523	47,689	2,031	347,243	201,613
Taxation - provision less payments		34,610	-	-	-	34,610	-
Accrued expenses		46,935	217,615	20,111	811	285,472	128,879
Other creditors and accruals	12	17,907	6,105	4,633	1,419	30,064	20,715
Inter-fund payable		-	26,527	-	-	26,527	19,278
		99,452	802,213	489,100	120,712	1,511,477	1,053,429
Other liabilities							
Unclaimed dividend		1,642	-	-	-	1,642	1,044
Total liabilities		101,094	13,073,281	808,829	374,006	14,357,210	10,198,709
Commitments							
	13						
Total equity and liabilities		1,531,492	13,073,281	808,829	374,006	15,787,608	11,348,582

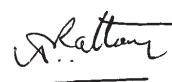
The annexed notes 1 to 38 form an integral part of these financial statements.



Masood Noorani
Chairman



Shahid M. Loan
Director



Aly Noor Mahomed Rattanse
Director



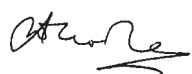
Javed Ahmed
Managing Director &
Chief Executive Officer

BALANCE SHEET

As at December 31, 2011

Note	Share holders' Fund	Statutory Funds			Aggregate			
		Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010		
← (Rupees in '000) →								
Cash and bank deposits								
	318	3,571	209	22	4,120	3,627		
	244,225	135,141	19,649	47,018	446,033	407,037		
	-	1,700,000	75,000	25,000	1,800,000	674,000		
	244,543	1,838,712	94,858	72,040	2,250,153	1,084,664		
	Unsecured advances to employees	8,981	-	-	8,981	4,560		
	Investments	14						
	Government securities	572,350	8,773,345	561,082	228,202	10,134,979	6,893,271	
	Other fixed income securities	-	316,704	-	-	316,704	444,694	
	Listed equities and closed-ended mutual funds	167,156	2,022,718	-	-	2,189,874	2,248,600	
	Open-ended mutual funds	300,000	38,641	-	-	338,641	86,550	
		1,039,506	11,151,408	561,082	228,202	12,980,198	9,673,115	
	Deferred taxation	15	2,409	-	-	2,409	4,282	
	Other assets - current							
	Premiums due but unpaid	16	-	82,143	33,428	115,571	73,840	
	Investment income due but outstanding	-	103	-	-	103	897	
	Investment income accrued	1,745	31,442	3,338	1,112	37,637	71,502	
	Amounts due from other insurers / reinsurers	17	-	29,421	62,458	20,019	111,898	150,786
	Taxation - payments less provision	-	-	-	-	-	63,131	
	Prepayments	11,818	13,323	-	-	25,141	23,782	
	Retirement benefit - prepayments	18	2,149	-	-	2,149	2,109	
	Sundry receivable	2,397	8,872	364	7,621	19,254	15,767	
	Inter-fund receivable	10,357	-	4,586	11,584	26,527	19,278	
		28,466	83,161	152,889	73,764	338,280	421,092	
	Fixed assets	19						
	Tangible assets							
	Capital work-in-progress	12,408	-	-	-	12,408	14,209	
	Furniture, fixtures, office equipments, computers and vehicles	182,748	-	-	-	182,748	132,830	
	Intangible assets							
	Computer softwares	12,431	-	-	-	12,431	13,830	
		207,587	-	-	-	207,587	160,869	
	Total assets	1,531,492	13,073,281	808,829	374,006	15,787,608	11,348,582	

The annexed notes 1 to 38 form an integral part of these financial statements.



Masood Noorani
Chairman



Shahid M. Loan
Director



Aly Noor Mahomed Rattansey
Director



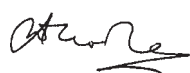
Javed Ahmed
Managing Director &
Chief Executive Officer

PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2011

	Note	2011	2010
		← (Rupees in '000) →	
Investment income not attributable to statutory funds			
Return on Government securities		64,054	20,643
Return on other fixed income securities		8,703	3,164
Amortisation of discount relative to par		5	4
Dividend income		15,333	7,180
		88,095	30,991
Gain on disposal of investments		750	545
(Provision) / reversal for impairment in value of investment			
Government securities		1,125	341
Listed equities		(15,129)	9,122
		(14,004)	9,463
Total investment income		74,841	40,999
Investment related expenses		(103)	(1)
Net investment income		74,738	40,998
Other revenues			
Gain on disposal of fixed assets		5,155	1,807
Others		3,619	985
		8,774	2,792
Total investment income and other revenues		83,512	43,790
Expenses not attributable to statutory funds	20	(31,156)	(26,522)
Profit before appropriation of surplus to shareholders' fund		52,356	17,268
Surplus appropriated to shareholders' fund from ledger account D	8	530,000	200,000
Profit before tax		582,356	217,268
Taxation	21	(207,763)	(70,516)
Net profit for the year		374,593	146,752
		(Rupees)	
Earnings per share	22	5.97	2.34

The annexed notes 1 to 38 form an integral part of these financial statements.



Masood Noorani
Chairman



Shahid M. Loan
Director



Aly Noor Mahomed Rattansey
Director




Javed Ahmed
Managing Director &
Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2011

	Share Capital	Net accumulated surplus / (deficit)			Total
		Accumulated surplus	Capital contribution to statutory funds	Net accumulated Surplus / (Deficit)	
	← (Rupees in '000) →				
Balance as at January 1, 2010	627,120	438,713	(519,328)	(80,615)	546,505
Dividend for the year ended December 31, 2009 (Rs. 1 per share)	-	(62,712)	-	(62,712)	(62,712)
Capital withdrawn from statutory fund - note 8	-	-	519,328	519,328	519,328
Profit for the year ended December 31, 2010	-	146,752	-	146,752	146,752
Balance as at December 31, 2010	627,120	522,753	-	522,753	1,149,873
Dividend for the year ended December 31, 2010 (Rs. 1.5 per share)	-	(94,068)	-	(94,068)	(94,068)
Profit for the year ended December 31, 2011	-	374,593	-	374,593	374,593
Balance as at December 31, 2011	627,120	803,278	-	803,278	1,430,398

The annexed notes 1 to 38 form an integral part of these financial statements.



Masood Noorani
Chairman



Shahid M. Loan
Director



Aly Noor Mahomed Rattansey
Director



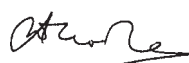
Javed Ahmed
Managing Director &
Chief Executive Officer

CASH FLOW STATEMENT

For the year ended December 31, 2011

Note	Share holders' Fund	Statutory Funds			Aggregate	
		Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010
← (Rupees in '000) →						
Operating cash flows						
a) Underwriting activities						
Premiums received	-	6,659,684	1,128,651	410,098	8,198,433	5,816,018
Reinsurance premiums paid	-	(138,415)	(319,804)	(450)	(458,669)	(373,754)
Claims paid	-	(111,903)	(760,260)	(274,385)	(1,146,548)	(997,864)
Surrenders paid	-	(912,928)	-	-	(912,928)	(985,267)
Reinsurance and other recoveries received	-	76,901	317,718	13,417	408,036	329,024
Commissions paid	-	(1,590,764)	(157,008)	(15,876)	(1,763,648)	(1,168,487)
Commissions received	-	39,206	-	-	39,206	27,549
Net cash inflow from underwriting activities	-	4,021,781	209,297	132,804	4,363,882	2,647,219
b) Other operating activities						
Income tax paid	(108,149)	-	-	-	(108,149)	(58,348)
General management expenses paid	-	(866,824)	(86,694)	(53,024)	(1,006,542)	(788,680)
Other operating payments	-	(3,289)	-	-	(3,289)	(15,379)
Other operating receipts	55,337	-	7,629	6	62,972	45,161
Loans advanced	(4,421)	-	-	-	(4,421)	(684)
Inter-fund transactions	7,746	7,807	(3,411)	(12,142)	-	-
Net cash inflow / (outflow) from other operating activities	(49,487)	(862,306)	(82,476)	(65,160)	(1,059,429)	(817,930)
Total cash inflow / (outflow) from all operating activities	(49,487)	3,159,475	126,821	67,644	3,304,453	1,829,289
Investment activities						
Profit / return received	73,980	1,111,630	83,716	30,968	1,300,294	822,717
Dividends received	15,333	204,934	-	-	220,267	158,327
Payments for investments	(1,059,698)	(18,445,010)	(1,309,340)	(515,142)	(21,329,190)	(10,344,640)
Proceeds from disposal of investments	311,278	14,023,502	1,286,213	443,129	16,064,122	6,733,711
Fixed capital expenditure	(115,347)	-	-	-	(115,347)	(94,176)
Proceeds from disposal of fixed assets	14,360	-	-	-	14,360	3,828
Total cash inflow / (outflow) from investing activities	(760,094)	(3,104,944)	60,589	(41,045)	(3,845,494)	(2,720,233)
Financing activities						
Final dividend paid	(93,470)	-	-	-	(93,470)	(62,419)
Surplus appropriated to shareholders' fund	530,000	(360,000)	(170,000)	-	-	-
Total cash inflow / (outflow) from financing activities	436,530	(360,000)	(170,000)	-	(93,470)	(62,419)
Net cash inflow / (outflow) from all activities	(373,051)	(305,469)	17,410	26,599	(634,511)	(953,363)
Cash and cash equivalents at the beginning of the year	617,594	444,181	2,448	20,441	1,084,664	2,038,027
Cash and cash equivalents at the end of the year	244,543	138,712	19,858	47,040	450,153	1,084,664
Reconciliation to profit and loss account						
Operating cash flows					3,304,453	1,829,289
Depreciation expense					(51,404)	(42,131)
Amortisation expense					(8,020)	(7,270)
Profit on disposal of fixed assets					5,155	1,807
Decrease in assets other than cash					(45,605)	(38,264)
Increase in liabilities					(4,157,903)	(2,418,832)
Profit on sale of investments					17,651	32,750
Revaluation (loss) / gain on investments					(175,636)	364,872
Investment income					1,485,902	943,859
Capital returned to Shareholders' fund					-	(519,328)
Profit after taxation					374,593	146,752

The annexed notes 1 to 38 form an integral part of these financial statements.



Masood Noorani
Chairman



Shahid M. Loan
Director



Aly Noor Mahomed Rattanse
Director



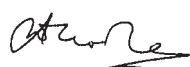
Javed Ahmed
Managing Director &
Chief Executive Officer

REVENUE ACCOUNT

For the year ended December 31, 2011

Note	Statutory Funds			Aggregate	
	Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010
	← (Rupees in '000) →				
Income					
Premiums less reinsurances	6,507,710	843,416	405,498	7,756,624	5,451,804
Net investment income	1,131,921	88,803	37,184	1,257,908	1,302,972
Total net income	7,639,631	932,219	442,682	9,014,532	6,754,776
Claims and expenditures					
Claims net of reinsurance recoveries	1,009,835	472,443	288,148	1,770,426	1,661,786
Management expenses less recoveries	2,657,126	290,209	66,916	3,014,251	2,017,737
Total claims and expenditures	3,666,961	762,652	355,064	4,784,677	3,679,523
Excess of income over claims and expenditures	3,972,670	169,567	87,618	4,229,855	3,075,253
Add : Policyholders' liabilities at beginning of the year	8,625,172	233,695	117,573	8,976,440	6,416,735
Less : Policyholders' liabilities at end of the year	12,207,185	220,653	151,090	12,578,928	8,976,440
Surplus	390,657	182,609	54,101	627,367	515,548
Movement in policyholders' liabilities	3,582,013	(13,042)	33,517	3,602,488	2,559,705
Transfers (to) / from shareholders' fund					
- Surplus appropriated to shareholders' fund	(360,000)	(170,000)	-	(530,000)	(200,000)
- Capital returned to shareholders' fund	-	-	-	-	(519,328)
Net transfer to shareholders' fund	(360,000)	(170,000)	-	(530,000)	(719,328)
Balance of statutory funds at beginning of the year	8,658,398	320,162	165,676	9,144,236	6,788,311
Balance of statutory funds at end of the year	12,271,068	319,729	253,294	12,844,091	9,144,236
Represented by:	8				
Policyholders' liabilities	12,207,185	220,653	151,090	12,578,928	8,976,440
Retained earnings on other than participating business	63,883	99,076	102,204	265,163	167,796
Balance of statutory funds	12,271,068	319,729	253,294	12,844,091	9,144,236

The annexed notes 1 to 38 form an integral part of these financial statements.


Masood Noorani
Chairman


Shahid M. Loan
Director


Aly Noor Mahomed Rattansej
Director


Javed Ahmed
Managing Director &
Chief Executive Officer

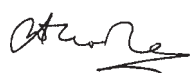
STATEMENT OF PREMIUMS

For the year ended December 31, 2011

	Statutory Funds			Aggregate	
	Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010
	← (Rupees in '000) →				
Gross premiums					
Regular premium individual policies *					
First year	2,718,817	556	95	2,719,468	1,771,501
Second year renewal	1,495,274	468	57	1,495,799	1,223,943
Subsequent years renewal	2,270,540	1,657	108	2,272,305	1,366,817
Single premium individual policies	161,494	8	244	161,746	166,602
Group policies without cash values	-	1,160,500	405,444	1,565,944	1,273,576
Total gross premiums	6,646,125	1,163,189	405,948	8,215,262	5,802,439
Less: Reinsurance premiums ceded					
On individual life first year business	(44,534)	(82)	(9)	(44,625)	(29,439)
On individual life second year business	(26,095)	(171)	-	(26,266)	(18,754)
On individual life subsequent renewal business	(67,786)	(273)	(28)	(68,087)	(49,439)
On single premium individual policies	-	(2)	(14)	(16)	(20)
On group policies	-	(319,245)	(399)	(319,644)	(252,983)
	(138,415)	(319,773)	(450)	(458,638)	(350,635)
Net premiums	6,507,710	843,416	405,498	7,756,624	5,451,804

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

The annexed notes 1 to 38 form an integral part of these financial statements.



Masood Noorani
Chairman



Shahid M. Loan
Director



Aly Noor Mahomed Rattansey
Director



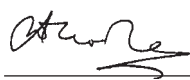
Javed Ahmed
Managing Director &
Chief Executive Officer

STATEMENT OF CLAIMS

For the year ended December 31, 2011

	Statutory Funds			Aggregate	
	Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010
	(Rupees in '000)				
Gross claims					
Claims under individual policies					
by death	116,618	-	-	116,618	102,191
by insured event other than death	255	-	(110)	145	(218)
by surrender	912,928	-	-	912,928	985,267
by maturity	20,411	-	-	20,411	-
Total gross individual policy claims	1,050,212	-	(110)	1,050,102	1,087,240
Claims under group policies					
by death	-	647,760	-	647,760	620,722
by insured event other than death	-	12,952	304,514	317,466	263,006
bonus in cash	-	7,317	-	7,317	-
experience refund	-	109,495	7,434	116,929	78,954
Total gross group policy claims	-	777,524	311,948	1,089,472	962,682
Total gross claims	1,050,212	777,524	311,838	2,139,574	2,049,922
Less: reinsurance recoveries					
On individual life first year business claims	(3,705)	-	-	(3,705)	(34,404)
On individual life second year business claims	(8,999)	-	-	(8,999)	(8,091)
On individual life renewal business claims	(27,673)	-	-	(27,673)	(18,471)
On group claims	-	(254,901)	(23,690)	(278,591)	(306,327)
On experience refund of premiums	-	(50,180)	-	(50,180)	(20,843)
	(40,377)	(305,081)	(23,690)	(369,148)	(388,136)
Net claims	1,009,835	472,443	288,148	1,770,426	1,661,786

The annexed notes 1 to 38 form an integral part of these financial statements.



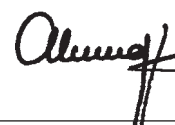
Masood Noorani
Chairman



Shahid M. Loan
Director



Aly Noor Mahomed Rattansej
Director



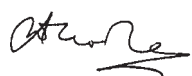
Javed Ahmed
Managing Director &
Chief Executive Officer

STATEMENT OF EXPENSES

For the year ended December 31, 2011

Note	Statutory Funds			Aggregate	
	Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010
(Rupees in '000)					
Acquisition costs					
Remuneration to insurance intermediaries on individual policies:					
	1,473,908	84	69	1,474,061	934,350
- Commission on first year premiums	91,695	47	11	91,753	85,440
- Commission on second year premiums	51,638	83	21	51,742	33,191
- Commission on subsequent renewal premiums	3,289	-	-	3,289	2,434
- Commission on single premiums	1,620,530	214	101	1,620,845	1,055,415
Remuneration to insurance intermediaries on group policies:					
- Commission	-	193,523	13,706	207,229	130,321
Branch overheads	24	645,388	29,973	693,837	460,655
Other acquisition costs:					
- Policy stamps	51,382	291	300	51,973	34,333
	2,317,300	224,001	32,583	2,573,884	1,680,724
Administration expenses					
Salaries, allowances and other benefits	190,109	37,425	17,413	244,947	173,724
Charge for defined benefit plan	4,363	857	390	5,610	6,552
Contribution to defined contribution plan	6,989	1,347	612	8,948	8,046
Travelling expenses	8,348	1,728	1,074	11,150	7,147
Auditors' remuneration	25	1,813	229	2,180	2,113
Actuary's fees	5,400	635	318	6,353	4,513
Medical fees	2,059	578	248	2,885	3,563
Advertisements	22,650	4,062	1,708	28,420	4,260
Printing and stationery	14,842	2,464	1,944	19,250	15,212
Depreciation	19.2	18,616	2,784	22,514	18,040
Amortisation	19.4	6,002	703	7,030	6,295
Rental	16,107	4,379	4,201	24,687	23,296
Legal and professional charges	6,676	539	325	7,540	7,502
Supervision fees	13,299	2,321	811	16,431	11,603
Utilities	8,823	1,181	774	10,778	13,371
Entertainment	1,635	161	104	1,900	1,004
Vehicle running	5,358	1,029	350	6,737	4,204
Repairs and maintenance	14,677	1,420	737	16,834	17,873
Bank charges and brokerage	4,623	473	535	5,631	5,165
Training expenses	2,164	362	173	2,699	1,986
Postages, telegrams and telephone	17,303	1,213	721	19,237	14,856
Staff welfare	3,493	446	248	4,187	3,341
General insurance	2,112	326	116	2,554	3,230
Doubtful debts	447	(704)	(95)	(352)	6,264
Miscellaneous expenses	1,124	109	49	1,282	1,402
	379,032	66,067	34,333	479,432	364,562
Gross management expenses	2,696,332	290,068	66,916	3,053,316	2,045,286
Commission from reinsurers	(39,206)	141	-	(39,065)	(27,549)
Net management expenses	2,657,126	290,209	66,916	3,014,251	2,017,737

The annexed notes 1 to 38 form an integral part of these financial statements.


Masood Noorani
Chairman


Shahid M. Loan
Director


Aly Noor Mahomed Rattansej
Director

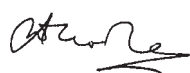

Javed Ahmed
Managing Director &
Chief Executive Officer

STATEMENT OF INVESTMENT INCOME

For the year ended December 31, 2011

	Statutory Funds			Aggregate	
	Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010
	← (Rupees in '000) →				
Investment income					
- Government securities	906,417	78,344	26,214	1,010,975	573,080
- Other fixed income securities and deposits	173,167	5,817	3,713	182,697	196,411
- Dividends	204,140	-	-	204,140	143,381
- Gain on sale of investments	14,769	1,365	767	16,901	32,205
- Amortisation of premium	-	(818)	(423)	(1,241)	(1,364)
- Unrealised (loss) / gain on investments	(166,164)	-	-	(166,164)	357,121
- Other income	-	-	5,503	5,503	2,840
Total	1,132,329	84,708	35,774	1,252,811	1,303,674
Reversal / (provision) for impairment in value of investments					
- Government securities	219	4,113	1,436	5,768	(352)
Less: Investment related expenses	(627)	(18)	(26)	(671)	(350)
Net investment income	1,131,921	88,803	37,184	1,257,908	1,302,972

The annexed notes 1 to 38 form an integral part of these financial statements.



Masood Noorani
Chairman



Shahid M. Loan
Director



Aly Noor Mahomed Rattansey
Director



Javed Ahmed
Managing Director &
Chief Executive Officer

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2011

1. STATUS AND NATURE OF BUSINESS

- 1.1** Jubilee Life Insurance Company Limited (formerly New Jubilee Life Insurance Company Limited) (the company) was incorporated in Pakistan on June 29, 1995 as a public limited company under the Companies Ordinance, 1984. Its shares are quoted on the Karachi Stock Exchange. The company started its business on June 20, 1996. The addresses of its registered and principal office are 26-D, 3rd floor, Kashmir Plaza, Jinnah Avenue, Blue Area, Islamabad and Jubilee Life Insurance Building, 74/1-A, Lalazar, M.T Khan Road, Karachi, respectively.

The company is engaged in life insurance, carrying on non-participating business. In accordance with the requirements of the Insurance Ordinance, 2000 the company has established a shareholders' fund and following statutory funds in respect of each class of its life insurance business:

- Individual life unit linked
- Conventional business
- Accident & health

- 1.2** The company has been granted permission to open a foreign currency fund titled as "Overseas Group Life and Health Business fund" vide Securities and Exchange Commission of Pakistan (SECP) letter dated March 31, 2011 and State Bank of Pakistan (SBP) letter dated November 23, 2011. The fund has become operative effective from January 01, 2012.

- 1.3** The company is a subsidiary of Aga Khan Fund For Economic Development, S.A, Switzerland.

2. BASIS OF PRESENTATION

These financial statements have been prepared on the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through the Securities and Exchange Commission (Insurance) Rules, 2002 [SEC (Insurance) Rules, 2002] vide S.R.O. 938 (1)/2002 dated December 12, 2002.

3. STATEMENT OF COMPLIANCE

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

3.1 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

- i) IAS 24 (Revised), 'Related Party Disclosures', is effective for the accounting periods beginning on or after January 01, 2011. It amends the definition of a related party and modifies certain related party disclosure requirements for government related entities. The revised standard does not have a material impact on the company's financial statements.
- ii) IFRS 7 (Amendment), 'Financial Instruments: Disclosures', is effective for the accounting periods beginning on or after January 01, 2011. This amendment emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. The new amendment does not have a material impact on the company's financial statements.

iii) IFRIC 14 (Amendment), 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction', is effective for the accounting periods beginning on or after January 01, 2011. It removes the unidentified consequences of the existing standard that restricted the recognition of some voluntary prepayments for minimum funding contributions as an asset. The new amendment does not have a material impact on the company's financial statements.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant "

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 01, 2011 are considered not to be relevant for the company's financial statements and hence have not been detailed here.

c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

Amendment to IAS 19, 'Employee benefits' - effective for annual periods beginning on or after January 01, 2012. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. The new amendment is not expected to materially affect the financial instrument disclosures in the company's financial statements.

4. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except as disclosed in accounting policies relating to investments.

The preparation of financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 36 to the financial statements.

4.1 Functional and presentation currency

These financial statements have been presented in Pak Rupee, which is the company's functional and presentation currency. Amounts presented have been rounded off to the nearest thousand.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements which have been consistently applied during the year are set out below:

5.1 Insurance contracts

a) Individual life unit linked

Individual life contracts are mainly regular premium unit linked policies, where policy value is determined as per the underlying assets' value. Various types of riders (Accidental Death, Family Income Benefit, etc.) are also sold along with the basic policies. Some of these riders are charged through deductions from policyholders' fund value, while others are conventional i.e. additional premium is charged thereagainst. Policies are sold to a wide cross-section of population with different income levels. The risk underwritten is mainly death and sometimes disability and/or critical illness. This business is written through two distribution channels, namely, the direct sales force and bancassurance.

Individual life single premium policies are also issued and their value is determined as per underlying assets' value of the fund.

Revenue recognition

Premium received is recognised as follows:

First year, renewal and single premiums are recognised once the related policies are issued / renewed against receipt and realisation of premium.

Recognition of policyholders' liabilities

Policyholders' liabilities included in the statutory fund are determined based on appointed actuary's valuation conducted as at the balance sheet date, in accordance with section 50 of the Insurance Ordinance, 2000.

Claim expense

Claim expenses are recognised earlier of the date the policy ceases to participate in the earnings of the fund and the date insured event is intimated.

Surrenders are recognised after these have been approved in accordance with the company's policy.

Liability for outstanding claims is recognised in respect of all claims intimated up to the balance sheet date. Claims liability includes amounts in relation to unpaid reported claims.

Liability for claims "Incurred But Not Reported" (IBNR) is included in policyholders' liabilities.

b) Conventional business

i) Individual life conventional business

Individual life conventional contracts are mainly protection policies sold to a wide cross-section of population with different income levels. The risk underwritten is mainly death and sometimes critical illness. This business is written through direct sales force.

Revenue recognition

Individual life conventional first year and renewal premiums are recognised once the related policies are issued / renewed against receipt and realisation of premium.

Recognition of policyholders' liabilities

Policyholders' liabilities included in the statutory fund are determined based on appointed actuary's valuation conducted as at the balance sheet date, in accordance with section 50 of the Insurance Ordinance, 2000.

Claim expense

Claim expenses are recognised on the date the insured event is intimated.

Liability for outstanding claims is recognised in respect of all claims incurred up to the balance sheet date. Claims liability includes amounts in relation to unpaid reported claims.

Liability for claims "Incurred But Not Reported" (IBNR) is included in policyholders' liabilities.

ii) Group life

Group life contracts are mainly issued to employers to insure their commitments to their employees as required under The West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance, 1968. The company also writes business for consumer banking related schemes and micro-insurance schemes. The risk underwritten is mainly death and sometimes disability. This business is written through direct sales force and bancassurance.

Revenue recognition

Group life premiums are recognised as and when due. In respect of certain group policies the company continues to provide insurance cover even if the premium is received after the grace period.

Recognition of policyholders' liabilities

Policyholders' liabilities included in the statutory fund are determined based on appointed actuary's valuation conducted as at the balance sheet date, in accordance with section 50 of the Insurance Ordinance, 2000.

Claim expense

Claim expenses are recognised on the date the insured event is intimated.

Liability for outstanding claims is recognised in respect of all claims incurred up to the balance sheet date. Claims liability includes amounts in relation to unpaid reported claims.

Liability for claims "Incurred But Not Reported" (IBNR) is included in policyholders' liabilities.

Experience refund of premium

Experience refund of premium payable to policyholders is included in outstanding claims.

c) Accident & health

Group health contracts are mainly issued to employers to insure their commitments to their employees. The company also writes business for micro-insurance schemes in northern areas of Pakistan. The risk underwritten is medical expenses related to hospitalisation. This business is written through direct sales force.

Revenue recognition

Health premiums are recognised as and when due. In respect of certain group policies the company continues to provide cover even if the premium is received after the grace period.

Recognition of policyholders' liabilities

Policyholders' liabilities included in the statutory fund are determined based on appointed actuary's valuation conducted as at the balance sheet date, in accordance with section 50 of the Insurance Ordinance, 2000.

Claim expense

Claim expenses are recognised on the date the insured event is intimated.

Liability for outstanding claims is recognised in respect of all claims incurred up to the balance sheet date. Claims liability includes amounts in relation to unpaid reported claims.

Liability for claims "Incurred But Not Reported" (IBNR) is included in policyholders' liabilities.

Experience refund of premium

Experience refund of premium payable to policyholders is included in outstanding claims.

5.2 Policyholders' liabilities

a) Individual life unit linked

Policyholders' liabilities constitute the fund value of unit linked contracts as well as non-unit reserves of these linked contracts. Non-linked reserves constitute liability kept to account for risks such as death, disability, critical illness, etc., Incurred But Not Reported (IBNR) claims and non-linked riders (Accidental Death and Disability, Waiver of Premium, etc.).

Reserves for risks such as death, disability, etc. are kept on the basis of risk charges deducted for these risks.

- Incurred But Not Reported (IBNR) claims

For IBNR, the company uses statistical methods to incorporate assumptions made in order to estimate the ultimate cost of claims. The claims experience for this line of business has not developed sufficiently to attach full credibility to the experience. Hence, IBNR reserves are being kept as a percentage of risk charges. A lag study has been conducted at various points of time to attach greater credibility to the experience in order to determine the amount of IBNR claims.

The method involves the analysis of historical claims and the lags are estimated based on this historical pattern. Actual IBNR claims experience at various points of time is compared to the IBNR reserves kept at these time periods, to determine the adequacy of IBNR reserves. This validates the factor that is applied to risk charges in order to arrive at IBNR reserves. Adequate margins are also built-in to compensate for any adverse deviations in claims experience. In view of grossly insufficient claims experience, IBNR reserves for non-linked riders have been held in proportion to the premium earned in the valuation year.

- Unearned premium and premium deficiency reserve

Unearned premium reserve is not applicable to main policies. The rider premium proportionate to the unexpired duration of the period for which the respective premiums have been received are held as unearned premium reserves. Liabilities for claims in course of payment for Family Income Benefit rider and Waiver of Premium rider are held in accordance with the advice of the appointed actuary.

The Premium Deficiency Reserve (PDR) is not applicable to these policies. For riders, there is no need to hold a PDR since these maintain very reasonable claim ratios.

b) Conventional business

i) Individual life conventional

Policyholders' liabilities constitute the reserves for base plans, riders attached to the base plans and reserves for IBNR claims.

For base plans, policyholders' liabilities are determined as per the minimum criteria given in Insurance Rules, 2002. Discount rate used in this calculation is 3.75% and the mortality rates assumed are those according to EFU (61-66) table. For critical illness policies, the future incidence of critical illness is according to a percentage of reinsurer's risk premium rates for this coverage.

- Incurred But Not Reported (IBNR) claims

IBNR reserves for riders are held as a percentage of rider premium earned in the valuation year in view of grossly insufficient claims experience.

- Unearned premium and premium deficiency reserve

Unearned Premium Reserves (UPR) methodology is applied to rider premium to arrive at riders' reserves. The rider premium proportionate to the unexpired duration of the period for which the respective premiums have been received are held as unearned premium reserves.

Tests are conducted periodically on the basis of gross premium valuation to confirm the adequacy of reserves kept on modified net premium basis. For riders, there is no requirement to hold premium deficiency reserves since these maintain very reasonable claims ratios.

ii) Group life

Policyholders' liabilities comprise of Unearned Premium Reserves (UPR), reserves for Incurred But Not Reported (IBNR) claims and pay-continuation reserves.

- Incurred But Not Reported (IBNR) claims

For purposes of estimation, the business has been split into two categories, namely, normal and other than normal schemes (including consumer banking schemes, large groups and micro-insurance). IBNR reserves is calculated on separate basis for these two categories. IBNR is based upon reported claims for normal schemes and on earned premium for other than normal schemes due to lack of fully credible experience. For IBNR reserves based on reported claims, the company uses the chain-ladder method (a statistical technique) to estimate the ultimate cost of claims.

- Unearned premium and premium deficiency reserve

Gross premium proportionate to the unexpired duration of the period for which the respective premiums have been billed are held as unearned premium reserves.

The unearned premium reserve can deem to become insufficient if either there is gross deterioration in mortality, there is an occurrence of a catastrophic event, or there is a reduction in asset value on potential encashment of assets. No requirement for holding premium deficiency reserve was found since the company has a good combined ratio and it is unlikely that there will be a sudden, significant worsening of mortality due to good dispersion of risk across various geographical and income stratas. Also, the company holds a catastrophe reinsurance cover which reduces its exposure to large number of claims arising from any one incident.

Liabilities for claims in course of payment (pay continuation reserves) are held in accordance with the advice of the appointed actuary.

c) Accident & health

Policy holder liability comprises of Unearned Premium Reserves (UPR) and reserves for Incurred But Not Reported (IBNR) claims.

- Incurred But Not Reported (IBNR) claims

For purposes of estimation, the business has been split into two categories, namely, normal and micro-insurance schemes. IBNR is calculated on separate basis for these two categories. IBNR is based upon reported claims for normal schemes and in proportion to the premium earned in the valuation year for micro-insurance schemes due to lack of fully credible experience in these schemes. For IBNR reserves based on reported claims, the company uses the chain-ladder method (a statistical technique) to estimate the ultimate cost of claims.

- Unearned premium and premium deficiency reserve

Gross premium proportionate to the unexpired duration of the period for which the respective premiums have been billed are held as unearned premium reserves.

The unearned premium reserve can deem to become insufficient if either there is sudden worsening of morbidity or inflationary increase in claims. No requirement for holding premium deficiency reserve was found at present since the portfolio has a combined ratio of less than 100% and the average claims have been low inspite of overall inflation.

5.3 Reinsurance contracts held

Reinsurance premiums

Reinsurance premium is recognised at the same time when the premium income is recognised. It is measured in line with the terms and conditions of the reinsurance treaties.

Claim recoveries

Claim recoveries from reinsurers are recognised at the same time as the claims are intimated and recorded in the books of accounts of the company.

Experience refund of premium

Experience refund receivable from reinsurers is included in the reinsurance recoveries of claims.

Individual life unit linked and conventional policies are reinsured under an individual life reinsurance agreement whereas group life policies are reinsured under a group life reinsurance agreement.

All receivables (reinsurer's share in claims, inward commission and experience refund) and payables (reinsurance premium) under reinsurance agreements are recognised net in the company's financial statements, under the circumstances only that there is a clear legal right of off-set of the amounts. Furthermore, credit is taken on account of reinsurer's share in policyholders' liabilities as advised by the appointed actuary.

5.4 Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents and policyholders.

5.5 Staff retirement benefits

Defined benefit plan

The company operates an approved funded gratuity scheme for all permanent employees who have completed minimum qualifying eligible service of 5 years. Contribution to the fund is made and expense is recognised on the basis of actuarial valuation carried out as at each year end using the projected unit credit method. Actuarial gains or losses in excess of 10% of the actuarial liability or plan assets are recognised over the average life of the employees.

Defined contribution plan

The company operates an approved contributory provident fund for all its permanent employees. Equal monthly contributions are made by both the company and the employees to the fund at the rate of 10% of basic salary. Contributions made by the company are recognised as expense.

5.6 Accumulated compensated absences

The company makes provision in the financial statements for its liabilities towards vested compensated absences accumulated by its employees on the basis of anticipated utilisation of such leaves based on past trends.

5.7 Statutory funds

The company maintains statutory funds in respect of each class of life insurance business. Assets, liabilities, revenues and expenses of the company are referable to respective statutory funds, however, where these are not referable to statutory funds, these are allocated to the shareholders' fund.

Apportionment of assets, liabilities, revenues and expenses, wherever required, between funds are made on a fair and equitable basis in accordance with the written advice of the appointed actuary.

5.8 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to the items recognised directly in equity, in which case it is recognised in equity.

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation on income. Charge for the current tax is calculated using tax rates enacted or substantively enacted at the balance sheet date and includes adjustments, where considered necessary, relating to prior years.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available and the credits can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

5.9 Investments

Classification

Investments with fixed or determinable payments and fixed maturity, where the company has positive intent and ability to hold to maturity, are classified as Held - to - Maturity. Investments which are intended to be held for an indefinite period but may be sold in response to the need for liquidity or change in mark-up / interest rates are classified as available for sale.

Initial recognition

All investments, classified as above, are initially recognised at fair value including acquisition charges associated with the investments.

Subsequent measurement

Investments classified as held-to-maturity are subsequently measured at amortised cost, taking into account any discount or premium on acquisition, using the effective interest method.

Investments classified as available-for-sale are subsequently measured at lower of cost or market value (market value being taken as lower if the reduction is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002 and is recognised as a provision for impairment in value of investment. Any change in the provision for impairment in value of an investment is recognised in the profit and loss account or revenue account of the respective non-linked fund. However, investments classified as available-for-sale, which are linked to the units of the unit linked fund, are marked to their market values. Any gain or loss on such available-for-sale investments is recognised in revenue account of the respective linked fund.

Fair / market value measurements

For investments in Government securities, fair / market value is determined by reference to quotations obtained from Reuters page (PKRV) where applicable. For investments in quoted marketable securities, other than term finance certificates, fair / market value is determined by reference to Stock Exchange quoted market price at the close of business on balance sheet date. The fair market value of term finance certificates is as per the rates issued by the Mutual Funds Association of Pakistan (MUFAP).

5.10 Fixed assets

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and impairment losses, if any, except for capital work in progress which is stated at cost. Depreciation is charged using the straight line method at the rates specified in note 19.2 on all assets available for use at the end of each month. When parts of an item of asset have different useful lives, they are accounted for as separate fixed assets items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other expenses are charged to income during the year in which they are incurred.

The assets' residual value and useful lives are reviewed at each balance sheet date and adjusted if appropriate.

Gains and losses on disposal of fixed assets are taken to profit and loss account.

Intangible assets

These represent assets with finite lives and are stated at cost less accumulated amortisation and impairment losses (if any). Amortisation is charged over the estimated useful life of the asset applying the straight line method at the rates specified in note 19.4 to the financial statements.

Software development costs are only capitalised to the extent that future economic benefits are expected to be derived by the company.

5.11 Other revenue recognition

Mark-up / Interest

- Mark-up / interest income on bank deposits is recognised on time proportion basis.
- Interest on fixed income securities is recognised on time proportion basis using effective interest rate method.

Dividends

- Dividend income is recognised when company's right to receive dividend is established.

5.12 Acquisition cost

These are costs incurred in acquiring insurance policies, maintaining such policies, and include without limitation all forms of remuneration paid to insurance agents.

Commission and other expenses are recognised as expense in the earlier of the financial year in which they are paid and financial year in which they become due and payable, except that commission and other expenses which are directly referable to the acquisition or renewal of specific contracts are recognised not later than the period in which the premium to which they refer is recognised as revenue.

5.13 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date. Foreign currency transactions are recorded using the rates of exchange prevailing at the date of transaction. Exchange gains and losses on translation are included in income currently.

5.14 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include the following:

- Cash at bank in current and saving accounts
- Cash and stamps in hand
- Term deposits with original maturity upto three months

5.15 Impairment

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss account / revenue account, as appropriate.

5.16 Provisions

Provisions are recognised when the company has a legal or constructive obligation as a result of a past event, and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

5.17 Segment reporting

Operating segments are reported in a manner consistent with that provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

The company has three operating segments for reporting purposes namely; Individual life unit linked, Conventional business and Accident & health.

- The Individual life - unit linked segment provides life insurance coverage to individuals under unit based policies issued by the company.

- The Conventional business segment includes 'Individual life - conventional' and 'Group life'. The Individual Life - conventional business segment provides life insurance coverage to individuals under conventional policies issued by the company. The group life business segment provides life insurance coverage to members of business enterprises, corporate entities in common interest groups under group life insurance schemes issued by the company.
- Accident & health business segment provides personal accident coverage to individuals and inpatient / outpatient health coverage to member enterprises, corporate entities and common interest groups under group health insurance schemes issued by the company.

5.18 Off-setting

Assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognised amount and the company intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

5.19 Financial assets and liabilities

All financial assets and liabilities are initially measured at fair value. These financial assets and liabilities are subsequently measured at fair / market value or amortised cost as the case may be.

5.20 Dividend and appropriation to reserves

Dividend and appropriation to reserves except appropriations required by the law or determined by the appointed actuary or allowed by the Insurance Ordinance, 2000 are recognised in the year in which these are approved.

6. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2011 (Number of shares in '000)	2010		2011 (Rupees in '000)	2010
<u>62,712</u>	<u>62,712</u>	Ordinary shares of Rs. 10 each fully paid in cash	<u>627,120</u>	<u>627,120</u>

- 6.1 As at December 31, 2011 and 2010 Aga Khan Fund for Economic Development S.A Switzerland and its nominees held 36,294,894 ordinary shares of Rs. 10 each.

7. ANALYSIS OF ACCUMULATED SURPLUS AS SHOWN IN BALANCE SHEET

	2011 (Rupees in '000)	2010
Accumulated surplus in statement of changes in equity at beginning of the year	522,753	438,713
Add: Surplus in profit and loss account for the year	374,593	146,752
Less: Dividend	(94,068)	(62,712)
Accumulated surplus	<u>803,278</u>	<u>522,753</u>

8. MOVEMENT IN EQUITY OF STATUTORY FUND

	Statutory Funds			Aggregate	
	Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010
(Rupees in '000)					
Policyholders' liabilities					
Balance at beginning of the year	8,625,172	233,695	117,573	8,976,440	6,416,735
Increase / (decrease) during the year	3,582,013	(13,042)	33,517	3,602,488	2,559,705
Balance at end of the year - note 9	12,207,185	220,653	151,090	12,578,928	8,976,440
Retained earnings on other than participating business					
Balance at beginning of the year	33,226	86,467	48,103	167,796	(147,752)
Surplus for the year	390,657	182,609	54,101	627,367	515,548
Surplus appropriated to shareholders' fund	(360,000)	(170,000)	-	(530,000)	(200,000)
Balance at end of the year	63,883	99,076	102,204	265,163	167,796
Capital contributed by shareholders' fund					
Balance at beginning of the year	-	-	-	-	519,328
Capital withdrawn during the year	-	-	-	-	(519,328)
Balance at end of the year	-	-	-	-	-
Balance of statutory fund at end of the year	12,271,068	319,729	253,294	12,844,091	9,144,236

9. POLICYHOLDERS' LIABILITIES

	Statutory Funds			Aggregate	
	Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010
(Rupees in '000)					
Gross of reinsurance					
Actuarial liability relating to future events	12,127,367	167,133	114,683	12,409,183	8,823,845
Provision for outstanding reported claims payable over a period exceeding twelve months	65,616	48,252	-	113,868	87,734
Provision for incurred but not reported claims	85,559	111,018	36,449	233,026	225,408
	12,278,542	326,403	151,132	12,756,077	9,136,987
Net of reinsurance					
Actuarial liability relating to future events	12,112,091	97,888	114,643	12,324,622	8,751,269
Provision for outstanding reported claims payable over a period exceeding twelve months	65,616	48,252	-	113,868	87,734
Provision for incurred but not reported claims	29,478	74,513	36,447	140,438	137,437
	12,207,185	220,653	151,090	12,578,928	8,976,440

10. OUTSTANDING CLAIMS

	2011			2010		
	Gross	Re-insurance	Net	Gross	Re-insurance	Net
	← (Rupees in '000) →					
Individual life unit linked						
Notified claims at beginning of the year	101,258	(57,698)	43,560	101,724	(36,081)	65,643
Cash paid for claims settled in the year	(1,024,831)	76,901	(947,930)	(1,086,875)	38,749	(1,048,126)
Increase / (decrease) in liabilities:						
Arising from current year claims	1,059,509	(48,753)	1,010,756	1,128,447	(92,330)	1,036,117
Arising from prior year claims	(9,297)	8,376	(921)	(42,038)	31,964	(10,074)
Notified claims at end of the year	126,639	(21,174)	105,465	101,258	(57,698)	43,560
Conventional business						
Notified claims at beginning of the year	348,649	(120,509)	228,140	293,804	(43,993)	249,811
Cash paid for claims settled in the year	(760,260)	317,718	(442,542)	(654,443)	235,204	(419,239)
Increase / (decrease) in liabilities:						
Arising from current year claims	787,365	(305,821)	481,544	719,157	(316,994)	402,163
Arising from prior year claims	(9,841)	740	(9,101)	(9,869)	5,274	(4,595)
Notified claims at end of the year	365,913	(107,872)	258,041	348,649	(120,509)	228,140
Accident & health						
Notified claims at beginning of the year	52,980	(9,978)	43,002	40,568	(11,600)	28,968
Cash paid for claims settled in the year	(274,385)	-	(274,385)	(241,813)	17,672	(224,141)
Increase / (decrease) in liabilities:						
Arising from current year claims	317,102	(23,690)	293,412	254,725	(16,050)	238,675
Arising from prior year claims	(5,264)	-	(5,264)	(500)		
					-	(500)
Notified claims at end of the year	90,433	(33,668)	56,765	52,980	(9,978)	43,002

10.1 As the company settles its claim obligations within a year therefore, the claim development table has not been presented.

11. STATUTORY DEPOSITS

The company has deposited 10 & 20 years Pakistan Investment Bonds amounting to Rs. 70 million (2010: Rs. 70 million) with the State Bank of Pakistan under section 29 of the Insurance Ordinance, 2000.

12. OTHER CREDITORS AND ACCRUALS

	Share holders' Fund	Statutory Funds			Aggregate	
		Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010
← (Rupees in '000) →						
Sundry creditors	358	1,272	4,331	1,403	7,364	8,666
Payable to related parties						
Commercial Union Life Assurance Company (Pakistan) Limited Employees' Provident Fund	-	-	-	-	-	2,109
Jubilee General Insurance Company Limited	-	-	-	-	-	49
Withholding tax payable	1,230	4,718	302	16	6,266	5,385
Payable to Workers' Welfare Fund	16,319	-	-	-	16,319	4,434
Zakat payable	-	115	-	-	115	72
	17,907	6,105	4,633	1,419	30,064	20,715

13. COMMITMENTS

	2011	2010
	(Rupees in '000)	
In respect of :		
- Capital expenditure		
Not later than one year	118,099	3,570

14. INVESTMENTS

14.1 Government securities

Share holders' Fund	Statutory Funds			Aggregate	
	Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010
← (Rupees in '000) →					
Held-to-maturity					
20 years Pakistan Investment Bonds	-	50,192	9,948	60,140	60,146
15 years Pakistan Investment Bonds	9,952	-	-	9,952	9,947
10 years Pakistan Investment Bonds	-	-	-	-	31,274
5 years Pakistan Investment Bonds	-	-	-	-	24,961
	9,952	50,192	9,948	70,092	126,328
Available-for-sale					
20 years Pakistan Investment Bonds	-	40,681	-	40,681	36,969
10 years Pakistan Investment Bonds	22,597	-	70,523	114,241	114,241
5 years Pakistan Investment Bonds	22,695	23,862	14,571	70,842	71,855
3 years Pakistan Investment Bonds	-	220,161	-	220,161	1,081,257
3 years Ijara Sukuk Bonds	-	1,054,405	-	1,054,405	401,612
1 year Treasury Bills	426,272	3,598,471	96,716	4,263,883	1,725,504
6 months Treasury Bills	95,390	3,835,765	345,072	4,323,945	1,727,555
3 months Treasury Bills	-	-	-	-	1,638,114
	566,954	8,773,345	526,882	10,088,158	6,797,107
	576,906	8,773,345	577,074	10,158,250	6,923,435
Provision for impairment in value of investments - note 14.1.1	(4,556)	-	(15,992)	(23,271)	(30,164)
	572,350	8,773,345	561,082	10,134,979	6,893,271

14.1.1 Reconciliation of provision

Balance at the beginning of the year (Reversal) / provision for impairment in value of investments	5,681	219	20,105	4,159	30,164	30,153
	(1,125)	(219)	(4,113)	(1,436)	(6,893)	11
Balance at the end of the year	4,556	-	15,992	2,723	23,271	30,164

14.1.2 Particulars of government securities

Name of the investments	Maturity	Tenor (Years)	Principal payment	Coupon rate p.a. (%)	Coupon payment
Held-to-maturity					
Pakistan Investment Bonds	January 2019 to June 2024	15 - 20 years	On maturity	9-10	Half-yearly
Available-for-sale					
Ijara Sukuk Bonds	December 2013 - 2014	3 years	On maturity	11.67 - 11.94	Half-yearly
Pakistan Investment Bonds	September 2012 to June 2024	3 - 20 years	On maturity	8 - 11.5	Half-yearly
Treasury Bills	May 2012 to November 2012	1 year	On maturity	11.86 - 13.91	On maturity
Treasury Bills	January 2012 to May 2012	6 months	On maturity	11.67 - 13.76	On maturity

14.2 Other fixed income securities

	Share holders' Fund	Statutory Funds			Aggregate	
		Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010
← (Rupees in '000) →						
Available-for-sale						
Term Finance Certificates (TFCs) - note 14.2.1	-	316,704	-	-	316,704	351,246
Commercial paper - Engro Fertilizers Limited	-	-	-	-	-	93,448
	-	316,704	-	-	316,704	444,694

14.2.1 Available-for-sale - Term finance certificates

	Market value as at		Maturity year	Tenor (Years)	Current Rate of profit p.a. (%)	Profit payment
	December 31, 2011	December 31, 2010				
Individual Life (Unit Linked)	(Rupees in '000)					
Allied Bank Limited	50,012	49,036	2014	8 years	13.86	Half-yearly
Bank Al Habib Limited	51,305	49,685	2015	8 years	15.33	Half-yearly
Engro Chemicals Pakistan Limited (First Issue)	58,711	58,741	2015	8 years	13.46	Half-yearly
Faysal Bank Limited	24,792	24,215	2014	7 years	13.30	Half-yearly
Jahangir Siddiqui & Company Limited (Fourth Issue)	12,555	25,074	2012	5 years	14.42	Half-yearly
Orix Leasing Company Limited	4,837	14,869	2012	5 years	13.42	Half-yearly
Pakistan Mobile Communication (Private) Limited	15,017	24,956	2013	7 years	14.76	Half-yearly
Standard Chartered Bank (Pakistan) Limited - (Second Issue)	-	4,993	2011	7 years	10.75	Half-yearly
United Bank Limited	99,475	99,677	2014	8 years	15.08	Half-yearly
	316,704	351,246				

The aggregate cost of the above investments as at December 31, 2011 was Rs. 315.19 million (2010: Rs. 352.77 million).

14.3 Listed equities and closed-ended mutual funds

	Share holders' Fund	Statutory Funds			Aggregate	
		Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010
← (Rupees in '000) →						
Available-for-sale						
Ordinary shares and units of closed-ended mutual funds - note 14.3.2	241,545	2,022,718	-	-	2,264,263	2,307,860
Less : Provision for impairment in value of investments - note 14.3.1	(74,389)	-	-	-	(74,389)	(59,260)
	167,156	2,022,718	-	-	2,189,874	2,248,600
14.3.1 Reconciliation of provision						
Balance at the beginning of the year	59,260	-	-	-	59,260	68,382
Provision / (reversal) for impairment in value of investments	15,129	-	-	-	15,129	(9,122)
Balance at the end of the year	74,389	-	-	-	74,389	59,260

14.3.2 Particulars of listed equities and closed-ended mutual funds

The face value of ordinary shares are between Rs. 5 to Rs. 50 per share.

Shareholders' fund	31 December, 2011			31 December, 2010		
	Number of shares	Cost (Rupees in '000)	Market Value	Number of shares	Cost (Rupees in '000)	Market Value
Allied Bank Limited	115,985	7,141	6,248	-	-	-
Fauji Fertilizer Company Limited	250,000	21,024	37,385	200,000	21,024	25,172
Habib Bank Limited	592,458	109,703	62,848	538,599	109,703	65,676
Hub Power Company Limited	650,000	24,332	22,230	-	-	-
International Industries Limited	610,672	35,155	23,212	210,672	14,106	12,608
Jubilee General Insurance Company Limited	469,996	35,942	25,055	375,997	35,942	22,308
Pakistan State Oil Limited	10,000	3,054	2,272	10,000	3,054	2,952
United Bank Limited	81,441	5,194	4,267	-	-	-
		<u>241,545</u>	<u>183,517</u>		<u>183,829</u>	<u>128,716</u>
Individual life unit linked						
Allied Bank Limited	33,275	1,869	1,793	133,100	9,532	9,337
Askari Bank Limited	3,728,628	102,222	37,398	3,435,117	103,626	60,767
Bank Al-Habib Limited	1,931,186	39,397	55,097	1,317,655	29,496	47,778
Century Paper & Board Mills Limited	200,000	16,019	2,600	200,000	16,019	3,370
Cherat Cement Company Limited	457,457	22,759	3,298	558,475	27,333	6,004
D.G. Khan Cement Company Limited	246,240	14,215	4,686	234,000	15,303	7,060
Engro Corporation Limited	120,000	17,117	11,124	-	-	-
Fauji Fertilizer Bin Qasim Limited	550,000	11,719	23,337	550,000	11,719	19,651
Fauji Fertilizer Company Limited	3,272,475	223,069	489,366	2,566,730	207,555	323,049
Faysal Bank Limited	2,936,205	72,260	23,871	2,945,764	84,631	45,924
First Habib Modaraba Limited	1,843,815	13,773	13,386	1,843,815	13,773	12,354
Glaxo SmithKline Pakistan Limited	179,687	16,526	12,053	156,250	16,526	13,780
Hinopak Motors Limited	33,300	19,801	2,333	33,300	19,801	4,392
Honda Atlas Cars Company Limited	52,500	1,314	454	52,500	1,314	609
Hub Power Company Limited	6,647,135	220,738	227,332	4,922,135	155,301	184,138
ICI Pakistan Limited	50,000	2,903	6,014	50,000	2,903	7,212
Indus Motor Company Limited	278,414	45,021	57,083	300,839	50,028	75,953
International Industries Limited	2,072,857	129,739	78,789	1,757,429	114,168	105,182
JS Growth Fund	796,117	11,831	3,742	796,117	11,831	4,418
Kot Addu Power Company Limited	2,447,173	96,879	101,117	2,229,415	87,725	90,693
Lotte Pakistan PTA Limited	500,000	7,474	4,635	-	-	-
Lucky Cement Company Limited	55,000	5,801	4,127	125,000	14,182	9,474
MCB Bank Limited	14,081	503	1,895	12,801	503	2,926
Meezan Bank Limited	867,505	5,629	15,077	754,353	5,629	12,749
Millat Tractors Limited	419,158	61,107	153,081	441,077	64,011	220,441
National Bank of Pakistan	2,188,201	121,981	89,826	1,750,561	121,981	134,478
NIB Bank Limited	2,067,000	45,083	3,576	2,716,500	58,526	8,014
Nishat Mills Limited	1,024,411	46,555	41,437	924,411	40,538	59,319
Oil and Gas Development Company Limited	68,987	5,995	10,460	572,888	49,787	97,865
Orix Leasing Company Limited	530,127	17,738	3,366	530,127	17,738	3,642
Packages Limited	199,401	22,569	16,494	99,401	12,051	12,784
Pak Suzuki Motors Company Limited	228,125	43,541	13,466	228,125	43,541	15,928
Pakistan Oilfields Limited	445,500	115,532	154,343	484,000	123,709	143,246
Pakistan Petroleum Limited	964,407	124,740	162,329	721,418	91,467	156,656
Pakistan Refinery Limited	29,669	5,500	2,009	87,383	16,198	9,413
Pakistan State Oil Limited	216,158	63,820	49,113	171,158	50,644	50,522
Pakistan Telecommunication Company Limited	2,705,000	43,172	28,105	1,705,000	31,416	33,111
Pakistan Tobacco Company Limited	156,700	19,948	8,697	156,700	19,948	17,273
PICIC Growth Fund	284,000	10,288	3,539	284,000	10,288	3,763
PICIC Investment Fund	150,500	2,663	820	150,500	2,663	965
Soneri Bank Limited	164,700	5,294	643	292,800	10,587	2,433
Standard Chartered Modaraba Limited	45,477	1,439	472	45,477	1,439	423
Thal Limited	381,482	21,861	31,205	317,902	21,861	41,407
The Bank of Punjab	-	-	-	432,414	28,775	4,242
Unilever Pakistan Limited	6,000	8,995	33,395	6,000	8,995	26,161
United Bank Limited	647,937	31,528	33,945	461,450	21,004	31,485
Wateen Telecom Limited	1,000,000	6,620	1,790	1,000,000	6,620	3,640
		<u>1,924,547</u>	<u>2,022,718</u>		<u>1,852,685</u>	<u>2,124,031</u>

14.4 Open-ended mutual funds

	Share holders' Fund	Statutory Funds			Aggregate	
		Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010
(Rupees in '000)						
Available-for-sale						
Units of open-ended mutual funds - note 14.4.1	300,000	38,641	-	-	338,641	86,550

14.4.1 Shareholders' fund - note 14.4.1.1

	2011	2010
(Rupees in '000)		
ABL Cash Fund	50,000	-
Askari Sovereign Cash Fund	50,000	-
IGI Money Market Fund	50,000	-
NAFA Government Securities Liquid Fund	50,000	-
Pakistan Cash Management Fund	50,000	-
UBL Government Securities Fund	50,000	-
	300,000	-

Individual life unit linked - note 14.4.1.2

	2011	2010
ABL Income Fund	-	60,633
Atlas Money Market Fund	-	11,012
JS Large Capital Fund	6,393	6,515
Pakistan Strategic Allocation Fund	8,211	8,390
Meezan Islamic Fund	24,037	-
	38,641	86,550

14.4.1.1 The aggregate market value of the above mutual funds as at December 31, 2011 was Rs. 321.2 million (2010: Nil).

14.4.1.2 The aggregate cost of the above mutual funds as at December 31, 2011 was Rs. 45 million (2010: Rs. 80.362 million).

14.5 International Accounting Standard IAS-39 "Financial Instruments - Recognition and Measurement" was revised effective from January 1, 2005. In the revised IAS-39 the option of taking the revaluation gain / (loss) on the available-for-sale securities to income / revenue account has been deleted and all such gain / (loss) is to be taken directly into equity. However, the Securities and Exchange Commission of Pakistan (SECP) through Insurance Rules, 2002 had prescribed the format of presentation and disclosure of financial statements, according to which the statutory funds have no equity accounts, resultantly the changes in IAS-39 were not implemented.

14.6 Movement in investments

	Statutory funds								Total
	Shareholders' fund		Individual life unit linked		Conventional business		Accident & health		
	Held to maturity	Available for sale	Held to maturity	Available for sale	Held to maturity	Available for sale	Held to maturity	Available for sale	
	← (Rupees in '000) →								
As at January 01, 2010	9,943	278,990	6,012	4,739,379	96,897	325,134	20,848	102,361	5,579,564
Movement during the year:									
Additions	-	194,065	-	8,907,342	-	1,061,053	-	273,192	10,435,652
Disposals (sale and redemptions)	-	(188,130)	(6,012)	(5,422,547)	-	(874,362)	-	(215,922)	(6,706,973)
Amortisation of discount / (premium)	4	-	-	-	(887)	-	(477)	-	(1,360)
Impairment reversal / (losses)	-	9,463	-	(219)	-	460	-	(593)	9,111
Unrealised gain	-	-	-	357,121	-	-	-	-	357,121
As at December 31, 2010	9,947	294,388	-	8,581,076	96,010	512,285	20,371	159,038	9,673,115
Movement during the year:									
Additions	-	1,059,698	-	16,745,010	-	1,234,340	-	490,142	19,529,190
Disposals (sale and redemptions)	-	(310,528)	-	(14,008,733)	(45,000)	(1,239,848)	(10,000)	(432,362)	(16,046,471)
Amortisation of discount / (premium)	5	-	-	-	(818)	-	(423)	-	(1,236)
Impairment (losses) / reversal	-	(14,004)	-	219	-	4,113	-	1,436	(8,236)
Unrealised loss	-	-	-	(166,164)	-	-	-	-	(166,164)
As at December 31, 2011	9,952	1,029,554	-	11,151,408	50,192	510,890	9,948	218,254	12,980,198

15. DEFERRED TAXATION

Debit balances arising in respect of tax depreciation allowance

2011 2010
(Rupees in '000)

2,409 **4,282**

16. PREMIUMS DUE BUT UNPAID

	2011			2010
	Conventional business	Accident & health	Total	
	← (Rupees in '000) →			
Considered good				
Due from related parties - associates	9,087	29	9,116	6,069
Due from others	73,056	33,399	106,455	67,771
Considered doubtful	2,297	2,477	4,774	8,544
	84,440	35,905	120,345	82,384
Provision for bad & doubtful receivables - note 16.1	(2,297)	(2,477)	(4,774)	(8,544)
Net premium due but unpaid	82,143	33,428	115,571	73,840

16.1 Reconciliation of provision

Balance at the beginning of the year	3,749	4,795	8,544	6,338
Provision for bad & doubtful receivables	(704)	(95)	(799)	2,206
Receivables written off during the year	(748)	(2,223)	(2,971)	-
Balance at the end of the year	2,297	2,477	4,774	8,544

17. AMOUNTS DUE FROM OTHER INSURERS / REINSURERS

	Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010
	(Rupees in '000)				
Reinsurance recoveries against outstanding claims	25,396	12,367	20,019	57,782	138,383
Other reinsurance assets	4,025	50,091	-	54,116	12,403
	<u>29,421</u>	<u>62,458</u>	<u>20,019</u>	<u>111,898</u>	<u>150,786</u>

18. RETIREMENT BENEFIT - PREPAYMENTS

18.1 Defined benefit plan

The latest actuarial valuation of the defined benefit plan based on Projected Unit Credit Method was carried out as at December 31, 2011. Following are the significant assumptions used in the valuation:

	2011	2010
	(Rupees in '000)	
Discount factor used (% per annum)	12.5	13
Expected long term rate of return on plan assets (% per annum)	13	12
Expected rate of increase in salary (% per annum)	12.5	13
Normal retirement age (years)	60	60
Average remaining working life of employees (years)	14	14

Expected contribution to the benefit plan for the year ending December 31, 2012 is Rs. 10 million (2011: Rs. 10 million).

18.1.1 Balance sheet reconciliation

	2011	2010
	(Rupees in '000)	
Present value of defined benefit obligation - note 18.1.2	69,336	60,526
Fair value of plan assets - note 18.1.3	(72,862)	(59,858)
Unrecognised net actuarial gain / (loss)	1,377	(2,777)
	<u>(2,149)</u>	<u>(2,109)</u>

18.1.2 Movement in present value of defined benefit obligation

	2011	2010
Opening balance	60,526	49,718
Current service cost	9,773	9,447
Interest cost	7,868	5,966
Actuarial (gain) / loss on defined benefit obligation	(3,378)	169
Actual benefit paid during the year	(5,453)	(4,774)
Closing balance	<u>69,336</u>	<u>60,526</u>

	2011	2010
	(Rupees in '000)	
18.1.3 Movement in fair value of plan assets		
Opening balance	59,858	45,892
Expected return on plan assets	7,782	5,507
Contributions made	9,900	12,016
Benefit paid by the fund	(5,454)	(4,774)
Actuarial gain on plan assets	776	1,217
Closing balance - note 18.1.5	<u>72,862</u>	<u>59,858</u>
18.1.4 Actual return on plan assets	<u>8,558</u>	<u>6,724</u>

18.1.5 Plan assets comprise of the following:

	2011		2010	
	(Rupees in '000)	%	(Rupees in '000)	%
Bonds	69,543	95%	53,818	90%
Others	3,319	5%	6,040	10%
	<u>72,862</u>	<u>100%</u>	<u>59,858</u>	<u>100%</u>

	2011	2010
	(Rupees in '000)	
18.1.6 Charge for the year		
Current service cost	9,773	9,447
Interest cost	7,868	5,966
Expected return on plan assets	(7,782)	(5,507)
	<u>9,859</u>	<u>9,906</u>

18.1.7 Historical information

	2011	2010	2009	2008	2007
	(Rupees in '000)				
Defined benefit obligation	69,336	60,526	49,718	40,313	20,715
Fair value of plan assets	(72,862)	(59,858)	(45,892)	(32,560)	(17,313)
Surplus / (Deficit)	<u>3,526</u>	<u>(668)</u>	<u>(3,826)</u>	<u>(7,753)</u>	<u>(3,402)</u>
Experience adjustment on plan liabilities	(3,378)	169	(2,599)	680	2,963
Experience adjustment on plan assets	776	1,217	1,062	(3,577)	632

	2011	2010
	(Rupees in '000)	
19. FIXED ASSETS		
19.1 Capital work-in-progress		
Opening balance	14,209	22,988
Additions	76,879	74,144
Transfer to tangible operating assets	(78,680)	(82,923)
Closing balance	<u>12,408</u>	<u>14,209</u>

19.2 Tangible operating assets

	Leasehold Improve- ments	Furniture, fixture and fittings	Office equipments	Computers	Motor Vehicles	Total
	(Rupees in '000)					
Net carrying value basis						
Year ended December 31, 2011						
Opening net book value (NBV)	9,649	16,417	20,050	15,469	71,245	132,830
Additions	25,295	19,491	14,825	11,812	38,688	110,111
Disposals at NBV - note 19.3	-	(491)	(677)	(660)	(6,961)	(8,789)
Depreciation charge	(4,127)	(10,423)	(8,603)	(9,559)	(18,692)	(51,404)
Closing NBV	<u>30,817</u>	<u>24,994</u>	<u>25,595</u>	<u>17,062</u>	<u>84,280</u>	<u>182,748</u>
Gross carrying value basis						
At December 31, 2011						
Cost	46,761	84,076	71,233	58,959	134,115	395,144
Accumulated depreciation	(15,944)	(59,082)	(45,424)	(41,897)	(49,835)	(212,182)
NBV	<u>30,817</u>	<u>24,994</u>	<u>25,809</u>	<u>17,062</u>	<u>84,280</u>	<u>182,962</u>
Net carrying value basis						
Year ended December 31, 2010						
Opening net book value (NBV)	-	12,045	16,038	13,291	44,693	86,067
Additions	10,494	12,056	12,044	11,390	44,922	90,906
Disposals at NBV	-	(74)	(228)	(51)	(1,659)	(2,012)
Depreciation charge	(845)	(7,610)	(7,804)	(9,161)	(16,711)	(42,131)
Closing NBV	<u>9,649</u>	<u>16,417</u>	<u>20,050</u>	<u>15,469</u>	<u>71,245</u>	<u>132,830</u>
Gross carrying value basis						
At December 31, 2010						
Cost	21,466	68,052	59,516	49,652	119,562	318,248
Accumulated depreciation	(11,817)	(51,635)	(39,466)	(34,183)	(48,317)	(185,418)
NBV	<u>9,649</u>	<u>16,417</u>	<u>20,050</u>	<u>15,469</u>	<u>71,245</u>	<u>132,830</u>
Depreciation rate % per annum	<u>20</u>	<u>20</u>	<u>20</u>	<u>30</u>	<u>20</u>	

19.3 Details of disposals of fixed assets

Disposal of fixed assets during the year having net book value (NBV) of Rs. 50,000 and above are as follows:

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of buyers
	← (Rupees in '000) →					
Motor vehicles	1,426	214	1,212	1,426	Insurance Claim	Jubilee General Insurance Company Limited
	1,414	259	1,155	1,414	Insurance Claim	Jubilee General Insurance Company Limited
	1,200	300	900	982	Insurance Claim	Jubilee General Insurance Company Limited
	534	125	409	409	Insurance Claim	Jubilee General Insurance Company Limited
	1,750	671	1,079	1,079	Company Policy	Mr. Khursheed Ahmad House No. A-46 Decent Houses, Block-7 Gulistan-e-Jauhar Karachi
	1,500	600	900	875	Company Policy	Mr. Pervaiz Kausar Kayani House No. 102/B Garden Town Multan Cantt, Multan
	654	273	381	512	Company Policy	Mr. Adnan Qadir House No. 21-C, Q street Khayaban-e-Seher Phase VI, D.H.A, Karachi
	1,900	1,615	285	570	Company Policy	Mr. Muhammad Munawar Khalil House No. 11-C, 7th Street, Defence Phase-1, Karachi
	631	347	284	474	Company Policy	Mr. Shehzad Adnan Salim Durrani House No. SD-70, Army Defence Colony Cantt, Peshawar
	1,000	767	233	350	Company Policy	Mr. Malik Shahid Abbas Awan House No. 4-S / 62, Block -A , Al Faisal Town Ghazi Road, Lahore
	474	403	71	162	Company Policy	Ms. Nausheen Amin House No. 08 / A1 Block 1-D/2, Sawana City Gulshan-e-Iqbal, Karachi
	12,483	5,574	6,909	8,253		
Office equipments	458	244	214	214	Insurance Claim	Jubilee General Insurance Company Limited
Net book value not exceeding Rs. 50,000 each						
Motor Vehicles	11,652	11,600	52	3,773		
Office equipments	3,108	2,645	463	433		
Furniture and Fixtures	3,467	2,976	491	614		
Computers	2,505	1,845	660	662		
	<u>33,673</u>	<u>24,884</u>	<u>8,789</u>	<u>13,949</u>		

	2011	2010
	(Rupees in '000)	
19.4 Intangible assets - computer software		
Net carrying value basis		
Year ended December 31, 2011		
Opening net book value (NBV)	13,830	9,060
Additions	7,037	12,049
Amortisation charge	(8,020)	(7,270)
Disposals at NBV	(416)	(9)
Closing NBV	<u>12,431</u>	<u>13,830</u>
Gross carrying value basis		
At December 31, 2011		
Cost	40,118	34,205
Accumulated amortisation	(27,687)	(20,375)
Closing NBV	<u>12,431</u>	<u>13,830</u>
Amortisation rate per annum	30%	30%

20. EXPENSES NOT ATTRIBUTABLE TO STATUTORY FUNDS

Salaries, allowances and other benefits	6,074	11,523
Travelling expenses	1,691	1,011
Legal and professional charges	1,625	2,120
Workers' Welfare Fund	11,885	4,001
Donations - Note 20.1	62	1,061
Miscellaneous	9,819	6,806
	<u>31,156</u>	<u>26,522</u>

The above expenses represent allocation in accordance with the advice of appointed actuary as approved by the Board of Directors.

20.1 None of the directors or their spouses had any interest in the donees.

	2011	2010
	(Rupees in '000)	
21. TAXATION		
Current		
- for the year	205,890	69,864
- prior years	-	(2,386)
Deferred	1,873	3,038
	<u>207,763</u>	<u>70,516</u>

	2011	2010
	(Rupees in '000)	
21.1 Relationship between tax expense and accounting profit		
Profit before tax	582,356	217,268
Tax at the applicable rate of 35% (2010: 35%)	203,825	76,044
Tax effect of dividend income being taxable at lower rate	(3,833)	(1,795)
Prior years adjustment	-	(2,386)
Tax effect of capital loss / (gain) being exempt	4,902	(3,503)
Effect of surcharge on tax payable	3,086	-
Others	(217)	2,156
Tax expense for the year	207,763	70,516

22. EARNINGS PER SHARE

There is no dilutive effect on the basic earnings per share of the company, which is based on:

	2011	2010
	(Rupees in '000)	
Profit after tax	374,593	146,752
	(Number of shares in '000)	
Weighted average number of ordinary shares outstanding as at year end	62,712	62,712
	(Rupees)	
Earnings per share - basic	5.97	2.34

23. CASH AND CASH EQUIVALENTS

	Statutory Funds				Aggregate	
	Share holders' Fund	Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010
	(Rupees in '000)					
Cash at banks						
- in current accounts	1,644	13,753	71	-	15,468	4,823
- in savings accounts	242,581	121,388	19,578	47,018	430,565	402,214
	244,225	135,141	19,649	47,018	446,033	407,037
Term deposits having maturity of three months	-	-	-	-	-	674,000
Cash and stamps in hand	318	3,571	209	22	4,120	3,627
	244,543	138,712	19,858	47,040	450,153	1,084,664

24. BRANCH OVERHEADS

	Statutory Funds			Aggregate	
	Individual Life Unit Linked	Conventional business	Accident & Health	2011	2010
	← (Rupees in '000) →				
Salaries, allowances and other benefits	353,767	16,291	9,201	379,259	231,854
Charge for defined benefit plan	3,386	502	215	4,103	2,961
Contribution to defined contribution plan	5,169	769	329	6,267	5,445
Overriding commission	81,063	-	-	81,063	64,557
Travelling expenses	10,668	1,496	1,251	13,415	9,421
Advertisements	10,658	1,026	497	12,181	6,245
Printing and stationery	21,814	1,375	2,522	25,711	7,059
Depreciation	25,750	1,960	842	28,552	23,627
Amortisation	829	75	32	936	863
Rental	38,922	1,143	610	40,675	32,304
Legal and professional charges	1,090	150	97	1,337	2,999
Utilities	16,091	570	267	16,928	14,579
Entertainment	2,806	112	69	2,987	2,466
Vehicle running	22,250	1,875	1,196	25,321	18,946
Repairs and maintenance	6,849	564	363	7,776	6,621
Postage, telegram and telephone	35,832	1,095	533	37,460	23,682
Staff welfare	5,520	294	146	5,960	5,046
Miscellaneous expenses	2,924	676	306	3,906	1,980
	<u>645,388</u>	<u>29,973</u>	<u>18,476</u>	<u>693,837</u>	<u>460,655</u>

25. AUDITORS' REMUNERATION

	2011	2010
	(Rupees in '000)	
Audit fee	1,300	1,300
Fee for review of half yearly financial information and other reportings	800	800
Out of pocket expenses	261	248
	<u>2,361</u>	<u>2,348</u>

26. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

26.1 The aggregate amount charged in the financial statements for remuneration including all benefits to the Chief Executive, Directors and Executives of the company are as follows:

	2011		2010	
	Chief Executive	Executive	Chief Executive	Executive
	← (Rupees in '000) →			
Managerial remuneration	8,227	89,378	7,479	73,318
Performance bonus	4,000	35,523	3,000	28,095
Retirement benefits	1,372	13,991	1,311	12,729
House rent allowance	3,702	40,220	3,365	32,093
Utilities	823	8,938	748	7,331
Medical	23	2,169	7	743
Leave passage	500	248	500	-
Others	-	5,105	-	2,047
	<u>18,647</u>	<u>195,572</u>	<u>16,410</u>	<u>156,356</u>
Number of persons	<u>1</u>	<u>64</u>	<u>1</u>	<u>42</u>

In addition to the above, fee paid to four non-executive directors during the year amounted to Rs. 920 thousand (2010: Rs. 1,060 thousand).

The Chief Executive is provided with company maintained cars whereas the executives are provided with in accordance with company policy.

27. INFORMATION ABOUT MAJOR CUSTOMERS

The company considers its external customers to be individuals and group policyholders. However, premium against individual life unit linked policies from one of the bancassurance arrangements constitutes 55% (2010: 47%) of the company's premium from such policies, premium against group life policies from the same bank amounts to 18% (2010: 14%) and premium against group life policies from other two banks amounts to 12% and 11% respectively of the gross premium income of the Conventional Business.

28. TRANSACTIONS WITH RELATED PARTIES

The company is controlled by Aga Khan Fund for Economic Development, S.A Switzerland, which owns 57.87% (2010: 57.87%) of the company's shares. Associated undertakings include Habib Bank Limited being under common control of the parent company. Other associated undertakings are classified due to common directorship.

The related parties comprise related group companies, local associated companies, directors of the company, companies where directors also hold directorship, key management employees, staff retirement funds and statutory funds.

The details of transactions with related parties, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

Relationship with the Company	Nature of transaction	2011	2010
		(Rupees in '000)	
i. Parent	Dividend paid	54,442	36,295
ii. Associated companies	Group insurance premium	223,251	144,672
	Incurred claims against insurance cover	197,460	179,231
	Rent of building	21,045	17,423
	Payment for premium against general insurance	6,181	4,240
	Claims lodged	7,296	35
	Investment advisory services	3,000	3,000
	Individual life unit linked insurance policy premium	13,533	12,310
	Agency commission	895,843	524,825
	Interest income on term deposits	86,820	45,869
	Dividend received	14,219	10,311
	Dividend paid	23,592	4,033

Investment in associated companies during the year amounts to Rs. 47.14 million (2010: Rs. 22.7 million).

iii. Staff retirement funds	Expense charged for retirement benefit plans	25,297	24,007
	Payments to retirement benefit plans	25,337	21,898
iv. Key management personnel	Salaries and other short-term employee benefits	90,334	78,191
	Post-employment benefits	6,485	6,542
	Consideration received for vehicle sold	-	150

Relationship with the Company	Receivable / (Payable)		
i. Associated companies	Bank account balance	358,804	331,491
	Short term deposits	1,700,000	674,000
	Investment in shares	243,797	279,327
	Interest accrued on term deposits	9,381	6,414
	Agency commission	(177,861)	(100,952)
	Claims against general policy	426	233
	Group life premium	9,116	6,064
	Claims lodged & outstanding	(36,118)	(34,589)
	Prepaid insurance	500	-
	Prepaid rent	9,015	-

These are settled in the ordinary course of business. The receivables and payables are mainly unsecured in nature and bear no interest.

29. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

29.1 Insurance Risk

29.1.1 Individual life unit linked

The risk underwritten is mainly death and sometimes disability and/or critical illness. The risk of death and disability will vary from region to region. The company may get exposed to poor risks due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The company may also face the risk of poor investment return, inflation of business expenses and liquidity issues on monies invested in the fund. The company faces the risk of underpricing particularly due to the fact that these contracts are long term. Additionally, the risk of poor persistency may result in the company being unable to recover expenses incurred at policy acquisition.

The company manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The company has a well defined medical under-writing policy and avoids selling policies to high risk individuals. This puts a check on anti-selection. Profit testing is conducted on an annual basis to ensure reasonableness of premiums charged. Reinsurance contracts have been purchased by the company to limit the maximum exposure on any one policyholder. The company has a good spread of business throughout the country thereby ensuring diversification of geographical risks. To avoid poor persistency the company applies quality controls on the standard of service provided to policyholders and has placed checks to curb mis-selling and improvement in standard of service provided to the policyholders. For this, a regular branch wise monitoring of lapsation rates is conducted. On the claims handling side, the company has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, Claims Committees with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. The company maintains adequate liquidity in each unit fund to cater for potentially sudden and high cash requirement. The company reserves the right to review the charges deductible under the contracts, thus limiting the risk of underpricing.

a) Frequency and severity of claims

The company measures concentration of risk by geographical area. Concentration of risk is not a factor of concern due to spread of risks across various parts of the country.

However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The company charges for mortality risk on a monthly basis for all insurance contracts without a fixed term. It has the right to alter these charges based on its mortality experience and hence minimises its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may reduce its mitigating effect. The company manages these risks through its underwriting strategy and reinsurance arrangements.

The table below presents the concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above. At year-end, none of these insurance contracts had triggered a recovery under the reinsurance held by the company.

The amounts presented are showing total exposure of the company including exposure in respect of riders attached to the main policies.

Benefits assured per life**Assured at the end of 2011**

Rupees	Total benefits assured			
	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	804,059	0.50%	774,148	0.86%
200,001 - 400,000	6,052,418	3.82%	5,970,433	6.52%
400,001 - 800,000	15,840,046	10.00%	13,555,539	14.81%
800,001 - 1,000,000	9,876,697	6.24%	7,580,384	8.28%
More than 1,000,000	125,833,637	79.44%	63,622,693	69.53%
Total	158,406,857	100.00%	91,503,197	100.00%

Assured at the end of 2010

Rupees	Total benefits assured			
	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	536,869	0.41%	511,616	0.63%
200,001 - 400,000	2,908,394	2.20%	2,848,393	3.52%
400,001 - 800,000	8,909,424	6.72%	7,978,943	9.88%
800,001 - 1,000,000	6,616,893	4.99%	5,457,810	6.75%
More than 1,000,000	113,552,246	85.68%	64,040,500	79.22%
Total	132,523,826	100.00%	80,837,262	100.00%

b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long – term unit linked insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in policyholder's behaviour.

Factors impacting future benefit payments and premium receipts are as follows:

- Mortality: The company assumes the expected mortality at 95% of LIC (94-96) since the current experience for this line of business is not credible.
- Persistency: The company conducts a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

c) Process used to decide on assumptions

For long-term unit linked insurance contracts, assumptions are made in two stages. At inception of the contract, the company determines assumptions on future mortality, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on main policies. Assumptions used for profit testing of the main policies are as follows:

- Mortality: The expected mortality is assumed at 95% of LIC (94-96) since the current experience for this line of business is not credible.

- Persistency: A periodic analysis of the company's recent and historic experience is performed and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.
- Expense levels and inflation: A periodic study is conducted on the company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.
- Investment returns: The investment returns are based on the historic performance of the fund.

d) Changes in assumptions

The valuation conducted as at December 31, 2011, contains no change in the reserving basis for the reserves maintained for individual life unit linked Incurred But Not Reported (IBNR) claims.

The current basis still has significant margin to cater to adverse deviations and also reflects the fact that the past experience can only be attached part credibility due to relatively few claims.

e) Sensitivity analysis

The table below indicates the level of the respective variable that will trigger an adjustment and then indicates the liability adjustment required as a result of a further deterioration in the variable:

Variables	Trigger level	Change in variable	Increase in liability 2011	Increase in liability 2010
			Rupees '000	
Worsening of mortality rates for risk policies	253%	+10% p.a.	41,100	12,800
Worsening of persistency rates for long term individual policies *	-	-	-	-
Increase in expense levels and inflation	254%	+10% p.a.	14,200	8,700
Decrease in investment returns *	-	-	-	-

* Due to sufficient margins, liability adequacy test does not trigger at any value.

The above analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated – for example, change in interest rate and change in market values; and change in lapses and future mortality.

29.1.2 Conventional business

29.1.2.1 Individual life conventional business

The risk underwritten, i.e. the risk of death and critical illness will vary from region to region. The company may be exposed to the risk of unexpected claim severity or frequency. This can be as a result of anti-selection and fraudulent claims. The company also faces a risk of under-pricing due to long-term nature of the contract.

The company manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The company has a well defined medical under-writing policy and avoids selling policies to high risk individuals, while critical illness policies are rarely offered with effective screening of pre-existing conditions. This puts a check on anti-selection. Profit testing is conducted on an annual basis to ensure adequacy of premiums charged. Reinsurance contracts have been purchased by the company to limit the maximum exposure of any policyholder. The company has a good spread of business throughout the country thereby ensuring diversification of geographical risks. On the claims handling side, the company ensures that payment of any fraudulent claims is avoided. For this, a claims committee reviews all large claims for verification and conducts detailed investigation of all apparently doubtful claims.

a) Frequency and severity of claims

The company measures concentration of risk in terms of exposure by geographical area and by its exposure to catastrophic events. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country. To mitigate risk accumulation resulting from catastrophic events, the company maintains a catastrophe excess of loss reinsurance cover which ensures that the company's liability in respect of catastrophic events remains within reasonable limits.

The table below presents the concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above. At year-end, none of these insurance contracts had triggered a recovery under the reinsurance held by the company.

The amounts presented are showing total exposure of the company including exposure in respect of riders attached to the main policies.

Benefits assured per life

Rupees	Assured at the end of 2011			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	107,559	3.71%	30,998	3.86%
200,001 - 400,000	532,199	18.34%	154,029	19.17%
400,001 - 800,000	727,824	25.05%	210,233	26.16%
800,001 - 1,000,000	205,947	7.10%	97,238	12.10%
More than 1,000,000	1,328,900	45.80%	311,112	38.71%
Total	<u>2,902,429</u>	<u>100.00%</u>	<u>803,610</u>	<u>100.00%</u>

Rupees	Assured at the end of 2010			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	8,572	2.67%	2,893	3.71%
200,001 - 400,000	51,047	15.88%	17,161	22.02%
400,001 - 800,000	74,359	23.14%	26,089	33.48%
800,001 - 1,000,000	19,490	6.06%	7,356	9.44%
More than 1,000,000	167,888	52.25%	24,427	31.35%
Total	<u>321,356</u>	<u>100.00%</u>	<u>77,926</u>	<u>100.00%</u>

b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long – term conventional insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and critical illness incidence rates.

Mortality rates are assumed as EFU (61-66). Critical Illness (CI) incidence rates are taken as a percentage of reinsurer's risk premium rate.

c) Process used to decide on assumptions

For long-term conventional insurance contracts, the company determines assumptions on future mortality and morbidity. At regular intervals, tests are conducted on main policies. Assumptions used to profit test the main policies are as follows:

Mortality rates are assumed as EFU (61-66). Critical Illness (CI) incidence rates are taken as a percentage of reinsurer's risk premium rate.

d) Changes in assumptions

There has been no change in assumptions.

e) Sensitivity analysis

The overall liability for this business stands at less than 2% of the total policyholder liability held in the fund. Due to its immateriality, sensitivity analysis has not been conducted.

29.1.2.2 Group life

The main risk written by the company is mortality. The company may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality (such as mining or other hazardous industries), writing high cover amounts without adequate underwriting, difficulty of verification of claims, fraudulent claims or a catastrophe. The company also faces risk such as that of underpricing to acquire business in a competitive environment and of non-receipt of premium in due time. There also exists a potential risk of asset liability term mismatch due to liabilities being very short term in nature.

The company manages these risks through underwriting, reinsurance, effective claims handling and other related controls. The company has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done in line with the actual experience of the company. The premium charged takes into account the actual experience of the client and the nature of mortality exposure the group faces. The rates are certified by the appointed actuary for large groups. The company also maintains an MIS to track the adequacy of the premium charged. Reinsurance contracts have been purchased by the company to limit the maximum exposure of any life. The company also has a catastrophe excess of loss cover with respect to group life. The intent of the cover is to limit the liability of the company in a single happening that results in multiple claims. At the same time, due caution is applied in writing business in areas of high probability of terrorism. The company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor exposure. Writing business of known hazardous groups is also avoided. On the claims handling side, the company ensures that payment of any fraudulent claims is avoided. For this, a claims committee reviews all large claims for verification. Strict monitoring is in place at the Board of Directors level in order to keep the outstanding balances of premium at a minimum, especially the ones that are due for more than 90 days. The bulk of the assets held against liabilities of this line of business have a short duration, thus mitigating the risk of asset value deterioration.

a) Frequency and severity of claims

The company measures concentration of risk in terms of exposure by geographical area and by its exposure to catastrophic events. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country. To mitigate risk accumulation resulting from catastrophic events, the company maintains a catastrophe excess of loss reinsurance cover which ensures that the company's liability in respect of catastrophic events remains within reasonable limits.

The following table presents the concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above. At year-end, none of these insurance contracts had triggered a recovery under the reinsurance held by the company.

The amounts presented are showing total exposure of the company including exposure in respect of riders attached to the main policies.

Benefits assured per life

Rupees	Assured at the end of 2011			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	108,807,373	23.60%	45,122,672	24.55%
200,001 - 400,000	41,061,627	8.91%	19,785,941	10.76%
400,001 - 800,000	59,542,349	12.91%	25,530,407	13.89%
800,001 - 1,000,000	23,109,829	5.01%	23,163,501	12.61%
More than 1,000,000	228,539,317	49.57%	70,199,358	38.19%
Total	<u>461,060,495</u>	<u>100.00%</u>	<u>183,801,879</u>	<u>100.00%</u>

Rupees	Assured at the end of 2010			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	106,916,613	23.27%	65,052,235	30.08%
200,001 - 400,000	40,738,918	8.86%	22,876,717	10.58%
400,001 - 800,000	49,084,677	10.68%	27,392,450	12.66%
800,001 - 1,000,000	23,910,761	5.20%	12,756,209	5.90%
More than 1,000,000	238,899,893	51.99%	88,187,362	40.78%
Total	<u>459,550,862</u>	<u>100.00%</u>	<u>216,264,973</u>	<u>100.00%</u>

b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate mortality for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

An investigation into group's experience over the last ten years was performed, and statistical methods are used to adjust the rates to a best estimate of mortality. For this purpose, the crude rates were adjusted to reflect the slope in mortality as per India's mortality table of LIC (94-96). Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the group's experience.

d) Changes in assumptions

The valuation as at December 31, 2011, contains change in reserving basis for the reserves maintained for group life Incurred But Not Reported (IBNR) claims.

A study was conducted to test the adequacy for IBNRs held for premium based and claims based schemes. Gross and net IBNRs were found to be in excess of actual claims. The IBNR bases for claims based and premium based schemes have been appropriately decreased so as to target adequacy of 130% on net basis.

The above change in valuation bases has resulted in decrease in policyholder's liability by Rs. 8.3 million with corresponding impact on revenue account of the respective statutory fund.

e) Sensitivity analysis

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

Variables	Change in variable	Increase in liability 2011	Increase in liability 2010
Rupees '000			
Worsening of mortality rates for risk policies	+10% p.a.	2,200	3,200
Increase in reporting lag	+10% p.a.	2,200	3,200

The above analyses are based on a change in an assumption while holding all other assumptions constant.

29.1.3 Accident & Health

The main risk written by the company is morbidity. The company may be exposed to the risk of unexpected claim severity or frequency. This can be a result of high exposure in a particular geographical area (Micro-Insurance in Northern Areas), medical expense inflation, fraudulent claims and catastrophic event. The company potentially faces the risk of lack of adequate claims control (such as for very large groups). The company also faces a risk of under-pricing to acquire business in a competitive environment and of non-receipt of premium in due time.

The company manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The company has a well defined medical under-writing policy and avoids writing business for groups with potentially high health related risk exposure such as Government Schemes. Any pre-existing conditions are screened at this stage. Pricing is done as per actual experience of the company's portfolio. The premium charged takes into account the actual experience of the client and an MIS is maintained to track the adequacy of the premium charged. The company has pre-determined charges for certain illnesses with its panel hospitals, and to keep a check on medical inflation, it continues to negotiate these rates. The portfolio has a spread across various geographical regions and to mitigate the concentration of Micro-Insurance policies in northern areas, a stop loss reinsurance cover is in place. On the claims handling side, the company ensures that payment of any fraudulent claims is avoided. For this, the claims are reviewed and managed by technical staff and doctors while an on-site monitoring and checking is performed. Strict monitoring is in place at the Board of Directors level in order to keep the outstanding balances of premium at a minimum, especially the ones that are due for more than 90 days.

a) Frequency and severity of claims

Company measures risk accumulation in terms of potentially high exposure concentration in a particular geographical area (such as micro-insurance policy in northern areas). For this purpose, it has a stop-loss reinsurance policy of micro-insurance policies which covers all claims (subject to a limit) in excess of a pre-defined aggregate claims ratio.

The table below presents the concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above. At year-end, none of these insurance contracts had triggered a recovery under the reinsurance held by the company.

The amounts presented are showing total exposure of the company including exposure in respect of riders attached to the main policies.

Benefits assured per life

Rupees	Assured at the end of 2011			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	9,458,233	28.37%	9,458,233	28.37%
200,001 - 400,000	12,224,791	36.66%	12,224,791	36.66%
400,001 - 800,000	10,745,351	32.23%	10,745,351	32.23%
800,001 - 1,000,000	70,582	0.21%	70,582	0.21%
More than 1,000,000	845,470	2.53%	845,470	2.53%
Total	<u>33,344,427</u>	<u>100.00%</u>	<u>33,344,427</u>	<u>100.00%</u>

Rupees	Assured at the end of 2010			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	8,763,381	27.72%	8,763,381	27.72%
200,001 - 400,000	12,742,318	40.31%	12,742,318	40.31%
400,001 - 800,000	8,246,916	26.09%	8,246,916	26.09%
800,001 - 1,000,000	646,500	2.05%	646,500	2.05%
More than 1,000,000	1,212,350	3.83%	1,212,350	3.83%
Total	<u>31,611,465</u>	<u>100.00%</u>	<u>31,611,465</u>	<u>100.00%</u>

b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate morbidity for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

An investigation into group's experience is performed periodically, and statistical methods are used to adjust the rates to a best estimate of morbidity. For this purpose, the experience is adjusted as per the international experience studies such as HIPE. Where data is sufficient to be statistically credible, the statistics generated by the data are assigned appropriate credibility factors to account for the group's experience.

d) Changes in assumptions

The valuation conducted as at December 31, 2011, contains change in the reserving basis for the reserves maintained for group health Incurred But Not Reported (IBNR) claims.

A study was conducted to test the adequacy of IBNR held as at December 31, 2010 and subsequently on September 30, 2011 for normal schemes. The IBNRs were found to be inadequate as at September 30, 2011 mainly because of change in claims development pattern. As such the IBNRs have been appropriately increased.

For micro-insurance schemes, the IBNR basis at December 31, 2011 has been increased so as to target an ultimate claims ratio of 180% on the earned premium of complete indemnity period of the scheme.

The above change in valuation bases has resulted in decrease in policyholder's liability by Rs. 2.4 million with corresponding impact on revenue account of the respective statutory fund.

e) Sensitivity analysis

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

Variables	Change in variable	Increase in liability 2011	Increase in liability 2010
Rupees '000			
Worsening of morbidity rates for risk policies	+10% p.a.	3,600	3,300
Increase in reporting lag	+10% p.a.	3,600	3,300
Increase in average claim amount	+10% p.a.	3,600	3,300

29.2 Financial risk

Liquidity risk

Liquidity risk is the risk that the company will be unable to meet its funding requirements. To guard against the risk, the company has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure that adequate liquidity is maintained.

Interest rate risk

The company invests in securities and has deposits that are subject to interest rate risk. Interest rate risk to the company is the risk of changes in market interest rates reducing the overall return on its interest bearing securities. The company limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and investments are denominated. The company's interest rate sensitivity and liquidity positions based on maturities is given in note 29.2.1

29.2.1 Mismatch of interest rate sensitive assets and liabilities / yield / interest rate risk

		2011									
Effective Yield/ Interest rate %	Total	Exposed to Yield/ Interest rate risk								Non-interest bearing financial instruments	
		Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years		Over ten years
← (Rupees in '000) →											
On-balance sheet financial instruments											
Financial assets											
Cash and others	4,120	-	-	-	-	-	-	-	-	-	4,120
Current and other accounts	7 446,033	430,565	-	-	-	-	-	-	-	-	15,468
Deposits maturing within 12 months	11.5-12.5 1,800,000	-	-	-	1,800,000	-	-	-	-	-	-
Unsecured advances to employees	8,981	-	-	-	-	-	-	-	-	-	8,981
Investments - net of provision	8-15.33 12,980,197	521,477	1,866,910	2,259,948	4,030,371	135,889	1,392,434	133,879	9,952	100,822	2,528,515
Premiums due but unpaid	115,571	-	-	-	-	-	-	-	-	-	115,571
Investment income due but outstanding	103	-	-	-	-	-	-	-	-	-	103
Investment income accrued	37,637	-	-	-	-	-	-	-	-	-	37,637
Amounts due from other insurers / reinsurers	111,898	-	-	-	-	-	-	-	-	-	111,898
Inter-fund receivable	26,527	-	-	-	-	-	-	-	-	-	26,527
Sundry receivable	19,254	-	-	-	-	-	-	-	-	-	19,254
	15,550,321	952,042	1,866,910	2,259,948	5,830,371	135,889	1,392,434	133,879	9,952	100,822	2,868,074
Financial liabilities											
Outstanding claims	582,985	-	-	-	-	-	-	-	-	-	582,985
Amounts due to other insurers / reinsurers	15,175	-	-	-	-	-	-	-	-	-	15,175
Amounts due to agents	347,243	-	-	-	-	-	-	-	-	-	347,243
Accrued expenses	285,472	-	-	-	-	-	-	-	-	-	285,472
Other creditors and accruals	30,064	-	-	-	-	-	-	-	-	-	30,064
Unclaimed dividend	1,642	-	-	-	-	-	-	-	-	-	1,642
Inter-fund payable	26,527	-	-	-	-	-	-	-	-	-	26,527
	1,289,108	-	-	-	-	-	-	-	-	-	1,289,108
On-balance sheet gap	14,261,213	952,042	1,866,910	2,259,948	5,830,371	135,889	1,392,434	133,879	9,952	100,822	1,578,966
Off-balance sheet financial instruments											
Commitments	(118,099)	-	-	-	-	-	-	-	-	-	(118,099)
Off-balance sheet gap	(118,099)	-	-	-	-	-	-	-	-	-	(118,099)
Total yield / interest rate risk sensitivity gap		952,042	1,866,910	2,259,948	5,830,371	135,889	1,392,434	133,879	9,952	100,822	1,460,867
Cumulative yield / interest rate risk sensitivity gap		952,042	2,818,952	5,078,900	10,909,271	11,045,160	12,437,594	12,571,473	12,581,425	12,682,247	1,460,867

2010

	Effective Yield/ Interest rate %	Total	Exposed to Yield/ Interest rate risk							Non-interest bearing financial instruments		
			Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years		Over five years to ten years	Over ten years
← (Rupees in '000) →												
On-balance sheet financial instruments												
Financial assets												
Cash and others		3,627	-	-	-	-	-	-	-	-	3,627	
Current and other accounts	7	407,037	402,214	-	-	-	-	-	-	-	4,823	
Deposits maturing within 12 months	10.2 -13.4	674,000	174,000	500,000	-	-	-	-	-	-	-	
Unsecured advances to employees		4,560	-	-	-	-	-	-	-	-	4,560	
Investments - net of provision	8-16.26	9,673,115	1,002,231	1,593,591	1,649,045	2,034,004	112,074	509,334	340,569	9,947	87,170	2,335,150
Premiums due but unpaid		73,840	-	-	-	-	-	-	-	-	-	73,840
Investment income due but outstanding		897	-	-	-	-	-	-	-	-	-	897
Investment income accrued		71,502	-	-	-	-	-	-	-	-	-	71,502
Amounts due from other insurers / reinsurers		150,786	-	-	-	-	-	-	-	-	-	150,786
Inter-fund receivable		19,278	-	-	-	-	-	-	-	-	-	19,278
Sundry receivable		15,767	-	-	-	-	-	-	-	-	-	15,767
		11,094,409	1,578,445	2,093,591	1,649,045	2,034,004	112,074	509,334	340,569	9,947	87,170	2,680,230
Financial liabilities												
Outstanding claims		502,887	-	-	-	-	-	-	-	-	-	502,887
Amounts due to other insurers / reinsurers		15,206	-	-	-	-	-	-	-	-	-	15,206
Amounts due to agents		201,613	-	-	-	-	-	-	-	-	-	201,613
Accrued expenses		128,879	-	-	-	-	-	-	-	-	-	128,879
Other creditors and accruals		20,715	-	-	-	-	-	-	-	-	-	20,715
Unclaimed dividend		1,044	-	-	-	-	-	-	-	-	-	1,044
Inter-fund payable		19,278	-	-	-	-	-	-	-	-	-	19,278
		889,622	-	-	-	-	-	-	-	-	-	889,622
On-balance sheet gap		<u>10,204,787</u>	<u>1,578,445</u>	<u>2,093,591</u>	<u>1,649,045</u>	<u>2,034,004</u>	<u>112,074</u>	<u>509,334</u>	<u>340,569</u>	<u>9,947</u>	<u>87,170</u>	<u>1,790,608</u>
Off-balance sheet financial instruments												
Commitments		(3,570)	-	-	-	-	-	-	-	-	-	(3,570)
Off-balance sheet gap		<u>(3,570)</u>	-	-	-	-	-	-	-	-	-	<u>(3,570)</u>
Total yield / interest rate risk sensitivity gap			<u>1,578,445</u>	<u>2,093,591</u>	<u>1,649,045</u>	<u>2,034,004</u>	<u>112,074</u>	<u>509,334</u>	<u>340,569</u>	<u>9,947</u>	<u>87,170</u>	<u>1,787,038</u>
Cumulative yield / interest rate risk sensitivity gap			<u>1,578,445</u>	<u>3,672,036</u>	<u>5,321,081</u>	<u>7,355,085</u>	<u>7,467,159</u>	<u>7,976,493</u>	<u>8,317,062</u>	<u>8,327,009</u>	<u>8,414,179</u>	<u>1,787,038</u>

a) Sensitivity analysis - interest rate risk

The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date.

Debt securities held to maturity are accounted for at amortised cost and their carrying amounts are not sensitive to changes in the level of interest rates.

Management monitors the sensitivity of reported interest rate movements periodically by assessing the expected changes in the different portfolios due to parallel movements of 100 basis points in all yield curves.

An increase in 100 basis points in interest yields would result in a loss of Rs. 42.53 million (2010: Rs. 36.93 million). The portion of this loss that would be recognised directly in profit and loss account is Rs. 2.8 million (2010: Rs. 0.90 million)

A decrease in 100 basis points in interest yields would result in a gain of Rs. 45.83 million (2010: Rs. 15.22 million). The portion of this gain that would be recognised directly in profit and loss account is Rs. 4.07 million (2010: Rs. 0.74 million)

b) Sensitivity analysis - currency risk

The company underwrites insurance contracts in Pak Rupees and invests in assets denominated in the same currency, which eliminates the foreign currency exchange rate risk for these operations.

30. FOREIGN CURRENCY RISK

As at balance sheet date, there are no financial instruments denominated in foreign currency. Therefore, the company is not exposed to risk from foreign currency exchange rate fluctuation.

31. MARKET RISK

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market.

The company is exposed to market risk with respect to its investments.

The company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in Government securities, equity, open-end and closed-end mutual funds and term finance certificates markets. In addition, the company actively monitors the key factors that affect the underlying value of these securities.

32. CREDIT RISK AND CONCENTRATION OF CREDIT RISK

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

Concentration of credit risk arises when a number of counterparties have similar types of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in a similar manner.

Major credit risk is in premiums receivable, reinsurance receivables, bank balances and investments. The management monitors exposure to credit risk through regular review of credit exposure and assessing credit worthiness of counter parties.

	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB-	Not rated	Total
December 31, 2011	(Rupees in '000)										
Debt securities	-	4,836	222,047	74,804	15,017	-	-	-	-	10,134,979	10,451,683
Open-end mutual funds	100,000	150,000	-	-	-	24,037	-	-	-	64,604	338,641
Loans and receivables	-	-	-	19,637	38,481	53,780	-	-	-	162,115	274,013
Cash and cash equivalents	-	-	-	-	445,872	161	-	-	-	4,120	450,153
	100,000	154,836	222,047	94,441	499,370	77,978	-	-	-	10,365,818	11,514,490
December 31, 2010											
Debt securities	129,744	14,869	108,426	73,252	24,955	-	-	-	-	6,893,271	7,244,517
Open-end mutual funds	-	11,012	-	-	60,633	-	-	-	-	14,905	86,550
Loans and receivables	-	-	-	94,827	9,265	46,694	-	-	-	113,389	264,175
Cash and cash equivalents	28,089	1,027,537	25,952	2,937	-	47	17	-	-	85	1,084,664
	157,833	1,053,418	134,378	171,016	94,853	46,741	17	-	-	7,021,650	8,679,906

Due to the nature of its business the company is not exposed to concentration of credit risk.

The carrying values of financial assets which are neither past due nor impaired are as under:

	2011	2010
	(Rupees in '000)	
Cash and bank deposits	2,250,153	1,084,664
Unsecured advances to employees	8,981	4,560
Premiums due but unpaid	63,693	47,490
Investment income due but outstanding	103	897
Investment income accrued	37,637	71,502
Sundry receivable	19,254	15,767

The carrying values of financial assets which are past due but not impaired are as under:

	2011	2010
	(Rupees in '000)	
Premiums due but unpaid	33,898	13,475

The carrying values of financial assets which are past due and impaired are as under:

	2011	2010
	(Rupees in '000)	
Premiums due but unpaid	17,980	12,875

33. REINSURANCE RISK

In order to minimise the financial exposure arising from large claims, the company, in the normal course of business, enters into agreement with other reinsurers.

Reinsurance ceded does not relieve the company from its obligation to policy holders and as a result the company remains liable for the portion of outstanding claims reinsured to the extent that reinsurer fails to meet the obligation under the reinsurance agreements.

In order to manage this risk, the company obtains reinsurance cover only from companies with sound financial health.

34. CAPITAL MANAGEMENT

The company's goals and objectives when managing capital are:

- to comply with the minimum paid-up capital requirements as prescribed by SECP which in respect of the current and next year is Rs. 500 million (2010: Rs 500 million);
- to safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for the other stakeholders';
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk;
- maintain strong ratings and to protect the company against unexpected events / losses; and
- to ensure a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

As prescribed by SECP, company is required to maintain the minimum capital and to comply with the solvency requirements both for shareholders' and statutory funds in accordance with the Insurance Ordinance, 2000, with which the company is in compliance.

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

As at December 31, 2011, the carrying value of all financial instruments is estimated to approximate their fair value, except for investments referable to non-linked funds, the market value of which exceeded the cost by Rs. 40.71 million (2010: Rs. 8.49 million) on an aggregate portfolio basis.

36. ACCOUNTING ESTIMATES AND JUDGMENTS

The company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates relating to insurance contracts are based on the advice of the appointed actuary. Some of the critical accounting estimates and judgments are as follows:

36.1 Policyholders' liabilities

36.1.1 Valuation discount rate

The valuation of policyholders' liabilities has been based on a discount rate of 3.75%, which is in line with the requirements under the repealed Insurance Act, 1938 and is considerably lower than the actual investment return the company is managing on its conventional portfolio. The difference each year between the above and the actual investment return is intended to be available to the company for meeting administration expense and provide margins for adverse deviation.

36.1.2 Mortality assumption

For the purpose of valuing the insurance contracts, the mortality assumption used is based on EFU (61-66) table. This table is constructed on the basis of EFU (61-66) table, adjusted to reflect the mortality expectation in Pakistan. In the opinion of appointed actuary the adjusted table gives the closest match to the underlying mortality of the covered population.

36.1.3 Claims provision

The calculation of Incurred But Not Reported Claims Reserve for both Group Life under Conventional Business and Accident and Health lines has been based on the assumption that the claims lag pattern would follow the trend experienced over the past 3 years.

The reserving basis has been formulated on the recent claims lag pattern and experience of the company for each line of business separately. Appropriate margins have been added to ensure that the reserve set aside is resilient to changes in the experience.

36.1.4 Surrenders

For the purpose of valuation of conventional business, no provision has been made for lapses and surrenders. This gives prudence to the value placed on the liability by not taking any credits for the profits made on surrenders.

36.2 Income taxes

In making the estimates for income taxes currently payable by the company, the management looks at the current income tax law and the decisions of appellate authorities on disputed issues in the past. However, the company has made adequate provision in this respect. Therefore, no amount is shown as a contingent liability of the company.

36.3 Impairment in respect of listed securities

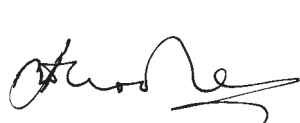
The company determines that listed available-for-sale securities are impaired when there has been a significant decline in fair value below its cost. In making this judgment, the company evaluates among other factors volatility in share prices in normal course.

37. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on February 15, 2012 proposed a final cash dividend of Rs. 3 per share (2010: Rs. 1.50 per share) for the year ended December 31, 2011 amounting to Rs. 188.14 (2010: Rs. 94.07 million) for approval of the members at the forthcoming Annual General Meeting. These financial statements do not recognise this appropriation which will be accounted for in the financial statements for the year ending December 31, 2012.

38. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on February 15, 2012 by the Board of Directors of the company.



Masood Noorani
Chairman



Tawfiq H. Chinoy
Director



Shahid M. Loan
Director



Javed Ahmed
Managing Director &
Chief Executive Officer

STATEMENT OF DIRECTORS

(As per the requirement of section 46(6) and section 52(2)(c) of the Insurance Ordinance, 2000)

Section 46(6)

- a) In our opinion the annual statutory accounts of the Jubilee Life Insurance Company Limited (formerly New Jubilee Life Insurance Company Limited) set out in the forms attached to the statement have been drawn up in accordance with the Ordinance and any rules made thereunder;
- b) Jubilee Life Insurance Company Limited (formerly New Jubilee Life Insurance Company Limited) has at all the times in the period complied with the provisions of the Ordinance and the rules made thereunder relating to paid-up capital, solvency and reinsurance arrangements; and
- c) As at December 31, 2011 Jubilee Life Insurance Company Limited (formerly New Jubilee Life Insurance Company Limited) continues to be in compliance with the provisions of the Ordinance and the rules made thereunder relating to paid-up capital, solvency and reinsurance arrangements.

Section 52(2)(c)

- d) In our opinion, each statutory fund of Jubilee Life Insurance Company Limited (formerly New Jubilee Life Insurance Company Limited) complies with the solvency requirements of the Insurance Ordinance, 2000 and the Insurance Rules, 2002.



Masood Noorani
Chairman



Shahid M. Loan
Director



Aly Noor Mahomed Rattansey
Director



Javed Ahmed
Managing Director &
Chief Executive Officer

Statement of Appointed Actuary

As per the requirement of section 52(2)(a) and (b) of the Insurance Ordinance, 2000

In my opinion:

- a) The policyholders' liabilities in the balance sheet of Jubilee Life Insurance Company Limited (formerly New Jubilee Life Insurance Company Limited) as at December 31, 2011 have been determined in accordance with the provisions of the Insurance Ordinance, 2000; and
- b) Each statutory fund of Jubilee Life Insurance Company Limited (formerly New Jubilee Life Insurance Company Limited) complies with the solvency requirements of the Insurance Ordinance, 2000.



Nauman A. Cheema
Appointed Actuary of the Company
Fellow of Society of Actuaries (USA)
Fellow of Pakistan Society of Actuaries

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 17th Annual General Meeting of the Shareholders of Jubilee Life Insurance Company Limited will be held as per below mentioned schedule:

Day, date and time: April 23, 2012 (Monday) at 11.00 a.m.
Venue Auditorium, Habib Bank Tower, Jinnah Avenue, Islamabad

Agenda

Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2011 and the Directors and Auditors Reports.
2. To approve payment of Cash Dividend of Rs. 3.00 per share (30%) to the Shareholders as recommended by the Directors.
3. To consider the appointment of Auditors for the year ending December 31, 2012 and to fix their remuneration. The retiring Auditors Messrs. A.F. Ferguson & Co. Chartered Accountants being eligible offer themselves for re-appointment.

Special Business

4. To consider and, if thought fit, to pass the following Resolution with or without modification(s) as a special resolution ratifying the investment of Rs. 10,518,270 in 100,000 ordinary shares of Packages Limited which is an associated company.

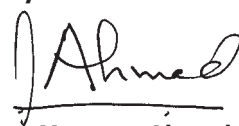
RESOLVED that:

- (a) The approval of the shareholders be and is hereby accorded in terms of Section 208 of the Companies Ordinance, 1984 for investment of Rs. 10,518,270 in the purchase of ordinary shares of Packages Limited.

FURTHER RESOLVED that the Special Resolution be and is hereby passed for the purpose of Section 208 of the Companies Ordinance, 1984.

5. To transact any other ordinary business as may be placed before the meeting with the permission of the Chair.

By order of the Board



Manzoor Ahmed
Company Secretary

February 15, 2012
Karachi

Statement Pursuant to clause (b) of sub-section (1) of section 160 of the Companies Ordinance, 1984:

A statement under Section 160 (i) (b) of the Companies Ordinance, 1984, pertaining to the special business is being sent to the Shareholders along with the notice of AGM.

I. Investment in associated companies:

This statement sets out the material facts pertaining to the Special business to be transacted at the Annual General Meeting of the Company to be held on April 23, 2012.

An investment of Rs. 10,518,270 in the purchase of 100,000 ordinary shares of Packages Limited was made on 03.08.2011 by the company without seeking the approval of the shareholders. In order to rectify this situation, approval of the shareholders is now sought by way of the above Special Resolution.

The information required under SRO 27(1)/2012 dated January 16, 2012 is as under:

(i) Name of the associated company along with criteria based on which relationship is established:

Packages Limited.

Mr. Towfiq Habib Chinoy, Director of Jubilee Life Insurance Company Limited is also a Director of Packages Limited since May 21, 2008.

(ii) Purpose, benefits and period of investment;

To ratify the investment already made in ordinary shares of Packages Limited.

To earn dividend income and to benefit from future capital appreciation

Period of investment is not applicable being long term investment

(iii) Maximum amount of investment;

Rs. 10,518,270

(iv) Maximum price at which securities will be acquired;

Not applicable as the ordinary shares have already been acquired at a price of Rs. 105.18 on August 03, 2011

(v) Maximum number of securities to be acquired;

Not applicable as 100,000 ordinary shares have already been acquired on August 03, 2011

(vi) Number of securities and percentage thereof held before and after the proposed investment;

99,401 shares being 0.12% holding prior to becoming an associated company

199,401 shares being 0.24% holding after the investment of August 03, 2011

(vii) Average of the preceding twelve weekly average price (January 2012 to March 2012) of the security intended to be acquired;

Rs. 81.93 per ordinary share.

(viii) Break-up value of securities intended to be acquired on the basis of the latest audited financial statements;

Rs. 319.15 per ordinary share. (2010)

(ix) Earning (loss) per share of the associated company for the last three years;

2008	Rs. (2.32)
2009	Rs. 48.16
2010	Rs. (3.94)

(x) Source of funds from where the shares will be purchased

Statutory funds

(xi) Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company;

Has no direct or indirect interest in Packages Limited except to the extent of shareholding in the associated company.

(xii) Necessary due diligence for the proposed investment;

Not applicable as the investment is already made

II. Status of Investment in associated companies:

As required under the clause 4(2) of the SRO No. 27(1)/2012 dated January 16, 2012, the status of the following investments in associated companies against approvals held by the company in the Annual General Meeting of April 26, 2007 is as under:

a. International Industries Limited.

International Industries Limited ceases to be an associated company with effect from August 11, 2011 due to resignation of the common director from the Board of International Industries Limited.

Sr. No.	Description	Status
a)	Total investment approved	Rs. 150.0 million
b)	Amount of investment made to date	Rs. 130.4 million
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time; and	Uncertainty in the stock market.
d)	Material changes in financial statements of associated company since date of the resolution passed for approval in investment in such company.	1. Earnings (basic & diluted) per share are: 2007 Rs. 7.36 2008 Rs. 7.06 2009 Rs. 3.75 2010 Rs. 8.40 2011 Rs. 8.59 2. Break-up value of shares on the basis of last published statements (2011) is Rs. 35.56 3. Average market price of the shares during preceding twelve weeks (January 2012 to March 2012) is Rs. 32.88

b. Habib Bank Limited

Sr. No.	Description	Status
a)	Total investment approved	Rs. 150.0 million
b)	Amount of investment made to date	Rs. 115.7 million
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time; and	Uncertainty in the stock market.
d)	Material changes in financial statements of associated company since date of the resolution passed for approval in investment in such company.	1. Earnings (basic & diluted) per share are: 2007 Rs. 13.18 2008 Rs. 11.83 2009 Rs. 13.36 2010 Rs. 15.26 2011 Rs. 20.13 2. Break-up value of shares on the basis of last published statements (2011) is Rs. 91.99 3. Average market price of the shares during preceding twelve weeks (January 2012 to March 2012) is Rs. 113.71

**c. Jubilee General Insurance Company Limited
(formerly New Jubilee Insurance Company Limited)**

Sr. No.	Description	Status										
a)	Total investment approved	Rs. 150.0 million										
b)	Amount of investment made to date	Rs. 35.9 million										
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time; and	Uncertainty in the stock market.										
d)	Material changes in financial statements of associated company since date of the resolution passed for approval in investment in such company.	<ol style="list-style-type: none"> 1. Earnings (basic & diluted) per share are: <table style="margin-left: 20px;"> <tr><td>2007</td><td>Rs. 8.93</td></tr> <tr><td>2008</td><td>Rs. (4.05)</td></tr> <tr><td>2009</td><td>Rs. 8.30</td></tr> <tr><td>2010</td><td>Rs. 4.55</td></tr> <tr><td>2011</td><td>Rs. 8.06</td></tr> </table> 2. Break-up value of shares on the basis of last published statements (2011) is Rs. 35.83 3. Average market price of the shares during preceding twelve weeks (January 2012 to March 2012) is Rs. 59.16 	2007	Rs. 8.93	2008	Rs. (4.05)	2009	Rs. 8.30	2010	Rs. 4.55	2011	Rs. 8.06
2007	Rs. 8.93											
2008	Rs. (4.05)											
2009	Rs. 8.30											
2010	Rs. 4.55											
2011	Rs. 8.06											

III. The statement under section 160(1)(b) of the Companies Ordinance, 1984 is being sent to all members.

Notes:

1. The Share transfer books of the Company shall remain closed from April 17, 2012 to April 23, 2012 (both days inclusive). Transfers received in order by our registrar, M/s Central Depository Company of Pakistan, CDC Share Registrar Service, CDC House, 99-B, Block-B, SMCHS, Main Shara-e-Faisal, Karachi-74400, at the close of business on April 16, 2012 will be treated in time for the purpose of attending the meeting.
2. A Member of the company entitled to attend and vote at this Meeting shall be entitled to appoint another member, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to a member.
3. A Member shall not be entitled to appoint more than one proxy to attend any one meeting. If any Member appoints more than one proxy for any one meeting and more than one instruments of proxy are deposited with the Company, all such instruments of proxy shall be rendered invalid.
4. Proxies, in order to be effective, must be received by / lodged with the Company at its Registered Office 26-D, 3rd floor, Kashmir Plaza, Jinnah Avenue, Blue Area, Islamabad not less than 48 hours before the Meeting.
5. Members are requested to immediately notify any change in their addresses.
6. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A). FOR ATTENDING THE MEETING:

- i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his / her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

The shareholders registered on CDC are also requested to bring their particulars, I.D. numbers and account numbers in CDS.

- ii) In case of corporate entity, the Board of Directors' resolution/power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

B). FOR APPOINTMENT OF PROXIES:

- i) In case of individual, the account holder or sub account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per requirement notified by the company.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- v) In case of corporate entity being a Member, the Board of Directors' resolution / power of attorney with specimen signature of the nominee / attorney shall have to be submitted (unless it has been provided earlier) along with the proxy form to the Company.

PATTERN OF SHAREHOLDING

As at 31 December 2011

Number of Shareholders	Shareholding' Slab		Total Shares held
	From	To	
114	1	to 100	3,446
570	101	to 500	245,295
216	501	to 1,000	186,581
359	1,001	to 5,000	1,024,573
87	5,001	to 10,000	681,545
20	10,001	to 15,000	246,507
22	15,001	to 20,000	393,192
15	20,001	to 25,000	349,720
4	25,001	to 30,000	106,734
6	30,001	to 35,000	195,680
1	35,001	to 40,000	40,000
5	40,001	to 45,000	205,360
3	45,001	to 50,000	143,000
3	50,001	to 55,000	157,447
1	55,001	to 60,000	60,000
1	60,001	to 65,000	61,500
2	75,001	to 80,000	157,500
1	80,001	to 85,000	81,500
1	85,001	to 90,000	87,500
4	95,001	to 100,500	400,500
1	110,001	to 115,000	115,000
2	120,001	to 125,000	247,500
1	220,001	to 225,000	221,435
1	245,001	to 250,000	246,000
1	315,001	to 320,000	319,728
1	400,001	to 405,000	401,290
1	490,001	to 495,000	492,340
1	675,001	to 680,000	675,002
1	920,001	to 925,000	921,465
1	2,660,001	to 2,665,000	2,664,500
1	4,030,001	to 4,035,000	4,032,766
1	11,250,001	to 1,1255,000	11,255,000
1	36,290,001	to 3,6295,000	36,292,394
1,449			62,712,000

CATEGORIES OF SHAREHOLDING

As at 31 December 2011

Categories of Shareholders	Number of Shareholders	Shares held	Percentage
1. Directors, Chief Executive Officer and their Spouses and Minor Children:	8	344,715	0.55%
Masood Noorani		221,435	
Towfiq Habib Chinoy		100,500	
Hina Javed		20,000	
Javed Ahmed		780	
Sultan Ali Akbar Allana		500	
Shahid Mahmood Loan		500	
John Joseph Metcalf		500	
Aly Noor Mahomed Rattansey		500	
2. Associated Companies, Undertaking and Related Parties:	4	52,072,500	83.03%
Aga Khan Fund for Economic Development Fund S.A. Switzerland		36,292,394	
Habib Bank Limited - Treasury Division		11,255,000	
Jubilee General Insurance Company Limited		4,032,766	
The Aga Kahn University Foundation		492,340	
3. NIT and ICP	1	500	0.00%
Investment Corporation of Pakistan		500	
4. Public Sector Companies & Corporations			
5. Banks, Development Financial Institutions, Non Banking Financial Institutions	1	16,000	0.03%
MCB Bank Limited		16,000	
6. Insurance Companies	2	921,965	1.47%
EFU General Insurance Limited		921,465	
The Premier Insurance Company of Pakistan		500	
7. Modarbas and Mutual Funds	4	823,502	1.31%
CDC-Trustee First Dawood Mutual Fund		675,002	
CDC- Trustee HBL - Stock Fund		122,500	
CDC - Trustee JS Pension Savings Fund - Equity Account		23,000	
First Equity Modarba		3,000	
8. Others	34	650,221	1.04%
9. Executives	5	24,521	0.04%
Mohammad Sohail Fakhar		15,000	
Manzoor Ahmed		5,621	
Zahid Burki		2,000	
Muhammad Munawar Khalil		1,400	
Faisal Qasim		500	
10. General Public - Local	1,388	5,191,076	8.28%
Foreign	2	2,667,000	4.25%
The Bank of New York Mellon SA/NV		2,664,500	
Mohammad Ishaq		2,500	
TOTAL	1,449	62,712,000	100.00%
* Excluding 2,500 shares held by Nominee Directors			

CATEGORIES OF SHAREHOLDING

As at 31 December 2011

	Designation	Transaction	No. of Shares
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11. Trading in shares by the Directors, CEO & Spouse and Executive during the year 2011

Masood Noorani	Director	Purchased	154,248
Hina Javed (spouse of the CEO)	Director	Purchased	13,000
Manzoor Ahmed	Company Secretary	Purchased	4,621
Muhammad Sohail Fakhar	Executive	Purchased	14,220
Muhammad Munawar Khalil	Executive	Purchased	1,400
Zahid Barki	Executive	Purchased	1,000

	No. of Shareholders	Shares Held	Percentage
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12. Categories of Shareholders as at December 31, 2011

Individuals	1,401	5,560,312	9
Insurance Companies	3	4,954,731	8
Joint Stock Companies	34	650,221	1
Financial Institutions	4	47,563,894	76
Modarbas & Mutual Funds	4	823,502	1
Non Residential Shareholders	2	2,667,000	4
Others	1	492,340	1

TOTAL	1,449	62,712,000	100
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Jubilee Life Insurance Company Limited

(formerly New Jubilee Life Insurance Company Limited)

**Head Office: 74/1-A, Lalazar, M.T. Khan Road, Karachi-74000,
Tel: (021) 35611071-5, 35611802-8 Fax:(021) 35610959**

BRANCH NETWORK SOUTH REGION

BADIN

Badin (Sub Office)
Shop # 33-34, Naseem City Centre, Badin
Tel: (0297) 861260
Fax: (0222) 786191

GHOTKI

Station Road Branch
Green Hotel Building, Main Chowk,
Station Road, Ghotki.
Tel: (0723) 600612 - 13

Mirpur Mathelo Branch

Green Hotel Building, Main Chowk,
Station Road, Ghotki.
Tel: (0723) 600612 - 13

Kandhkot Branch

Green Hotel Building, Main Chowk,
Station Road, Ghotki.
Tel: (0723) 600612 - 13

HYDERABAD

Hyderabad Cant Branch
1st Floor, Block - CC 1, Civic Center,
Thandi Serak, Hyderabad.
Tel: (0222) 2729112, 2786193-4
Fax: (0222) 2786191

Hyderabad Indus Branch

1st Floor, Block - CC 1, Civic Center,
Thandi Serak, Hyderabad.
Tel: (0222) 2729112, 2786193-4
Fax: (0222) 2786191

Hyderabad Metro Branch

Shop No. 1 & 2, Ground Floor Sambara Tower,
Behind KFC, Near State Life Building,
Thandi Sarak, Hyderabad.
Tel: (0222) 2730141-42

Thandi Sarak Branch

1st Floor, Block - CC 1, Civic Center,
Thandi Sarak, Hyderabad.
Tel: (0222) 2729112, 2786193-4
Fax: (0222) 2786191

Jacobabad (Sub Office)

Quaid-e-Azam Road
Opp. Old Municipal Committee,
Quaid-e-Azam Road, Jaccobabad.
Tel: (0722) 655085, 651237

Khipro Branch

Sanghar Road,
Opposite Forest Office,
Khipro.
Tel: (0235)879969

Khipro Lucky Branch

Sanghar Road,
Opposite Forest Office,
Khipro.
Tel: (0235)879969

KARACHI

Alpha Branch

1st Floor, Office No. 109,
Asia Pacific Trade Center, Opp. Millenuim Mall,
Main Rashid Minhas Road, Karachi.
Tel : (021)-34663183-84

Ayesha Manzil Branch

B-1 & B-2, Anar Kali Apartment,
F.B. Area, Block - 7,
Karachi.
Tel: (021) 36321452-7 & 36320612-3

Civic Branch

1st Floor, Office No. 109,
Asia Pacific Trade Center, Opp. Millenuim Mall,
Main Rashid Minhas Road, Karachi.
Tel : (021)-34663183-84

Defence Branch

20-C, Lane-12, Off Khayaban-e-Ittehad,
Phase-II, Extension, DHA, Karachi.
PABX: (021) 35391586-8

Garden East Branch

G-5, Adenwalla Apartment,
GRE 325/2,
Garden East, Karachi.
Tel: (021) 32259552-3

Lavish City Branch

Office No. 601, 6th Floor,
Block-06, P.E.C.H.S., Progressive Centre,
Shahrah-e-Faisal, Karachi.
PABX: 021-34392853-4-5

Jauhar Branch

Plot No. 6/FL-6, 2nd Floor,
Block-06, KDA Scheme 24,
Gulshan-e-Iqbal, Karachi.
PABX : 021-34834214-5

Karachi Central Branch

1st Floor, Office # 601, 6th Floor,
Progressive Centre, Block 6, PECHS,
Main Shahr-e-Faisal, Karachi
Tel : (021) 34392853-55
Fax : (021) 34322170
Tel: (021) 34325387

Liberty Branch

1st Floor, Office No. 105-A & 106,
Asia Pacific Trade Center,
Opp. Drive-In-Cinema,
Main Rashid Minhas Road, Karachi.
Tel: (021) 34017415

Karachi Mehran Branch

1st Floor, Office No. 105-A, 106
Asia Pacific Trade Centre,
Main Rashid Minhas Road, Karachi.
PABX : 021-34663183-4

Gulshan-e-Iqbal Branch

Plot No. 6/FL-6, 2nd Floor,
Block-06, KDA Scheme 24,
Gulshan-e-Iqbal, Karachi.
PABX : 021-34834214-5

Pioneer Branch

1st Floor, Office No. 105-A, 106,
Asia Pacific Trade Centre,
Main Rashid Minhas Road, Karachi.
PABX : 021-34663183-4

Platinum Branch

G-5, Adenwala Apartment,
GRE 325/2, Garden East, Karachi.
Tel: (021) 32259552-3

Royal Branch

Flat No. 9, Afzal Apartment,
KDA Scheme No. I-A, Stadium Road, Karachi.
Tel: (021) 34131346 - 50
Fax: (021) 34947252

Shaheen - 1, Branch

1st Floor, Office No. 105-A, 106 Asia Pacific
Trade Centre, Main Rashid Minhas Road, Karachi.
PABX : 021-34663183-4

Nobel Branch

Mezzanine Floor, Farhan Towers,
Rashid Menhas Road, Block - 20,
Gulistan-e-Jauhar, Karachi
Tel: (021)-34663270-79

Zamzama Branch

20-C, Lane 12, Off. Khayaban-e-Ittehad,
Phase-II, Extension, DHA, Karachi.
PABX : 021-35391586-8

KHAIRPUR

Civic Center Branch

Near Ghareeb Nawaz Hotel,
Opp. Circuit House, Khairpur.
Tel: (0243) 714872

LARKANA

Larkana Central Branch

1364/2, Block C, Nawatak Mohallah, Larkana.
Tel: (074) 4057483-4, 4057486-7
Fax: (074) 4057482

Larkana City Branch

1364/2, Block C, Nawatak Mohallah, Larkana.
Tel: (074) 4057483-4, 4057486-7
Fax: (074) 4057482

Shikarpur (Sub Office)

Near Modern Public School,
Station Road, Old Saddar,
Shikarpur.

Larkana Indus Branch

1364/2, Block C,
Nawatak Mohallah, Larkana.
Tel: (074) 4057483-4, 4057486-7
Fax: (074) 4057482

Larkana Royal Branch

1364/2, Block C, Nawatak Mohallah, Larkana.
Tel: (074) 4057483-4, 4057486-7
Fax: (074) 4057482

Station Road Branch

1st Floor, Asad Shopping Centre,
Near Ali-Manzar Cinema, Station Road, Larkana.
Tel: (074) 4057483-4 4057486-7
Fax: (074) 4057482

Mehar City Branch

Eri Building, Girls School Road,
Near UBL Bank, Mehar.
Tel: (025) 4730406

Shahbaz Branch, Mehar

Eri Building, Girls School Road,
Near UBL Bank, Mehar.
Tel: (025) 4730406

Daharki Branch

Near First Mircro Finance Bank,
G.T. Road, Daharki.
Tel : (0723) 644317 - 18

CORPORATE DISTRIBUTION

Karachi : Jubilee Life Building, 74/1-A, Lalazar, M.T. Khan Road, Karachi-74000 Tel: (021) 35611071-5, Ext. 2263 Fax: (021) 35612314
Lahore : 21-L, Gulberg III, Main Ferozepur Road, Lahore. Tel : (042) 5841915, Fax : (042) 5841913
Faisalabad : Satiana Road Branch, 1st Floor-721, Batala Colony, Satiana Road, Faisalabad. Tel: (041) 8712008, 8733179, 8717337, 8720984, 8714256, 8720487 Fax: (041) 8710101
Rawalpindi : DD-79, Asad Plaza, Shamsabad, Muree Road, Rawalpindi. Tel: (051) 4575243, 111-116-554

Jubilee Life Insurance Company Limited

(formerly New Jubilee Life Insurance Company Limited)

**Head Office: 74/1-A, Lalazar, M.T. Khan Road, Karachi-74000,
Tel: (021) 35611071-5, 35611802-8 Fax:(021) 35610959**

MIRPURKHAS

Mirpurkhas City Branch
Umar Kot Road , Mirpurkhas.
Tel: (0233) 873106

NAUSHERO FER OZ

Nausheroferoz City Branch
Near Rahil Clinic, Main Road,
Nausheroferoz.
Tel: (0242) 448424, 481222

Mehrabpur (Sub Office)

Shop No. 2, 3, 4, 5, S. # 243/2A, Unit # 1,
Masood Abad Colony, Link Road.

Panu Aqil Branch

Opposite Caltex Petrol Pump,
Baiji Chowk, Panu Aqil.
Tel: (071) 5691717 - 18

Rohri Branch

Office No. 01, 1st Floor,
Building No. 2181/8, Main G.T. Road,
Near Bab-e-Qarbala, Rohri.
Tel: (071) 5644792-3

QUETTA

Quetta City Branch
Suite # 11 & 12, 2nd Floor,
Institute of Engineering,
Zargoan Road, Quetta.
Tel: (081) 2829822, 2823913

SUKKUR

Sukkur City Branch
1st Floor, Lala Azam Plaza,
Opp. Excise Office,
Station Road, Sukkur.
Tel: (071) 5612056, 5614515, 5614261
Fax: (071) 5613375

NORTH REGION

ABBOTABAD

Mansehra Road Branch
Civic Shopping Center, Near Muqadas Tower,
Mansehra Road, Mandian,
Abbotabad.
Tel # : (0992)383257, 383249

ISLAMABAD

Jinnah Avenue Branch
D-26, 3rd Floor, Kashmir Plaza, Jinnah Avenue,
Islamabad.
Tel: (051) 2206930-3
Fax: (051) 2825372

Chakwal (Sub Office)

Office # C-7 & C-8, City Trade Centre,
Tehsil Chawk, Chakwal.
Tel : (0543) 555146 - 47

Karakuram 1 Branch

D-26, 3rd Floor, Kashmir Plaza, Jinnah Avenue,
Islamabad.
Tel: (051) 2206930-3
Fax: (051) 2825372

Karakuram 2 Branch

D-26, 3rd Floor, Kashmir Plaza, Jinnah Avenue,
Islamabad.
Tel: (051) 2206930-3
Fax: (051) 2825372

Margala Hill Branch

D-26, 3rd Floor, Kashmir Plaza, Jinnah Avenue,
Islamabad.
Tel: (051) 2206930-3
Fax: (051) 2825372

Rawal Branch

D-26, 3rd Floor, Kashmir Plaza,
Jinnah Avenue, Islamabad.
Tel: (051) 2206930-3
Fax: (051) 2825372

KOTLI

Pindi Road Branch
2nd Floor, Gulistan Plaza, Pindi Road,
Kotli.
Tel: (058660) 44475
Fax: (058660) 46897

MIRPUR AZAD KASHMIR

Allama Iqbal Road Branch
Plot No.629, 1st Floor, Sector B-1,
Bank Square, Allama Iqbal Road,
Mirpur AJK.
Tel : (058610) 45802-5

Jehlum (Sub Office)

1st Floor, Flat No. 9, Soilder Plaza,
Civil Lines, Jehlum.
Tel: (0544) 614582
Fax: (0544) 614582

Muzaffarabad (Sub Office)

7 to 11 Building, 2nd Floor
Mir Waize Kashmir Road,
Opp. C.M.H., Muzaffarabad.
Tel: (058) 81045041

PESHAWAR

Cantt. Branch- 1
UG-Office # 422, 424, 426, 440, 442,
Main Deans Trade Centre, Peshawar Cantt.
Tel: (091) 5270388, 5250395, 5270566

Cantt. Branch- 2

UG-Office # 422, 424, 426, 440, 442,
Main Deans Trade Centre, Peshawar Cantt.
Tel: (091) 5270388, 5250395, 5270566

Khyber Branch

UG-Office # 422, 424, 426, 440, 442,
Main Deans Trade Centre, Peshawar Cantt.
Tel: (091) 5270388, 5250395, 5270566

Chitral (Sub Office)

Ground Floor, Terichmir View Hotel,
Shahi Qilla Road, Main Bazar, Chitral.
Tel: (0943) 412207 - 413649

Lucky Marwat Branch

B - 501 - 502, City Tower,
University Road, Peshawar.
Tel: (091) 5850520-22
Fax: (091) 5842449

University Road Branch

B - 501 - 502, City Tower,
University Road, Peshawar.
Tel: (091) 5850520-22
Fax: (091) 5842449

Kohat (Sub Office)

Al-Madina Plaza, Pehzati Chikarkot,
Bannu Road, Kohat.
Tel: (092) 2519789

RAWALPINDI

Capital Branch

DD-83, 1st Floor,
Minhas Shopping Plaza Shamsabad,
Murree Road, Rawalpindi.
UAN: (051) 111-11-6554
Tel: (051) 4575201 - 4
Fax: (051) 4575209

Haider Road Branch

2nd Floor, Hall No. 3, Bilal Plaza,
Grindlay's Market, Haider Road,
Rawalpindi Cantt.
Tel: (051)-5111335, 5112581 - 4
Fax : (051)-5111336

Saddar Branch

DD-83, 1st Floor,
Minhas Shopping Plaza Shamsabad,
Murree Road, Rawalpindi.
UAN: (051) 111-11-6554
Tel: (051) 4575201 - 4
Fax: (051) 4575209

Shamsabad 1 Branch

DD-83, 1st Floor,
Minhas Shopping Plaza Shamsabad,
Murree Road, Rawalpindi.
UAN: (051) 111-11-6554
Tel: (051) 4575201 - 4
Fax: (051) 4575209

Twin City Branch

DD-83, 1st Floor,
Minhas Shopping Plaza Shamsabad,
Murree Road, Rawalpindi.
UAN: (051) 111-11-6554
Tel: (051) 4575201 - 4
Fax: (051) 4575209

MULTAN REGION

BAHAWALPUR

Bahawalpur Branch
1st Floor, Adil Complex, Opp. Circuit House,
Ahmed Pur Road, Bahawalpur.
Tel (062) 2877326

MULTAN

Abdali Road Branch - 1
NIPCO House, 63-A, Abdali Road, Multan.
Tel: (061) 4573301- 02
Fax: (061) 4573397

Sahiwal Branch

NIPCO House, 63-A, Abdali Road, Multan.
Tel : (061) 4573301-02
Fax : (061) 4573397

Royal Branch

NIPCO House, 63-A, Abdali Road, Multan.
Tel: (061) 4573301- 02
Fax: (061) 4573397

Rahim Yar Khan City

NIPCO House, 63-A, Abdali Road, Multan.
Tel: (061) 4573301- 02
Fax: (061) 4573397

CORPORATE DISTRIBUTION

Karachi : Jubilee Life Building, 74/1-A, Lalazar, M.T. Khan Road, Karachi-74000 Tel: (021) 35611071-5, Ext. 2263 Fax: (021) 35612314
Lahore : 21-L, Gulberg III, Main Ferozepur Road, Lahore. Tel : (042) 5841915, Fax : (042) 5841913
Faisalabad : Satiانا Road Branch, 1st Floor-721, Batala Colony, Satiانا Road, Faisalabad. Tel: (041) 8712008, 8733179, 8717337, 8720984, 8714256, 8720487 Fax: (041) 8710101
Rawalpindi : DD-79, Asad Plaza, Shamsabad, Muree Road, Rawalpindi. Tel: (051) 4575243, 111-116-554

Jubilee Life Insurance Company Limited

(formerly New Jubilee Life Insurance Company Limited)

Head Office: 74/1-A, Lalazar, M.T. Khan Road, Karachi-74000,

Tel: (021) 35611071-5, 35611802-8 Fax:(021) 35610959

RAHIM YAR KHAN

Shahi Road Branch
White Palace Hotel,
1st Floor, City Centre,
Shahi Road, Rahim Yar Khan.
Tel: (068) 5887601
Fax: (068) 5887602

City Center Branch

White Palace Hotel,
1st Floor, City Centre,
Shahi Road, Rahim Yar Khan.
Tel: (068) 5887601
Fax: (068) 5887602

Sadiqabad Branch

White Palace Hotel,
1st Floor, City Centre,
Shahi Road, Rahim Yar Khan.
Tel: (068) 5887601
Fax: (068) 5887602

CENTRAL REGION

FAISALABAD

Layalpur Branch - 1

721-B, 1st Floor, Batala Colony,
Satiana Road, Faisalabad.
Tel: (041) 8733179, 8720984, 8714256,
8733435
Fax: (041) 8710101

Satiana Road Branch

721-B, 1st Floor, Batala Colony,
Satiana Road, Faisalabad.
Tel: (041) 8733179, 8720984, 8714256,
8733435
Fax: (041) 8710101

GUJRANWALA

G. T. Road Branch 1

Chughtai Centre, G.T. Road,
Shaheenabad, Gujranwala.
Tel: (055) 3824730 - 5

G.T. Road Branch 2

3rd Floor Zaheer Plaza,
G.T. Road, Gujranwala.
Tel: (055) 3736611 - 13

GUJRAT

Chanab Branch

Ground Floor, Ittefaq Plaza,
Jinnah Road, Gujrat.
Tel: (0533) 3525115, 3535115, 3536115

Jalalpur Jattan Branch

Ground Floor, Ittefaq Plaza, Jinnah Road, Gujrat.
Tel: (0533) 3525115, 3535115, 3536115

Buraq Branch

Ground Floor, Ittefaq Plaza, Jinnah Road, Gujrat.
Tel: (0533) 3525115, 3535115, 3536115

Lalamusa Branch

Ground Floor, Ittefaq Plaza, Jinnah Road, Gujrat.
Tel: (0533) 3525115, 3535115, 3536115

LAHORE

Model Town Branch

Plot No. 217-218, BP GESH Lahore
1st Floor on Punjab Bank
Model Town, Link Road, Lahore.
PABX : (042) 35970127-133 (7 lines)

Depalpur Branch

16/2, 2nd Floor, KSB Pumps Building,
Sir Aga Khan Road, Lahore.
UAN : (042) 111-11-6554
Tel : (042) 36308956 - 59
Fax : (042) 36308963

Dawn Branch

16/2, 2nd Floor, KSB Pumps Building,
Sir Aga Khan Road, Lahore.
UAN: (042) 111-11-6554
Tel: (042) 36308956 - 59
Fax: (042) 36308963

Champs Branch

16/2, 2nd Floor, KSB Pumps Building,
Sir Aga Khan Road, Lahore.
UAN: (042) 111-11-6554
Tel: (042) 36308956 - 59
Fax: (042) 36308963

Mentor Branch

16/2, 2nd Floor, KSB Pumps Building,
Sir Aga Khan Road, Lahore.
UAN: (042) 111-11-6554
Tel: (042) 36308956 - 59
Fax: (042) 36308963

Tycoon Branch

16/2, 2nd Floor, KSB Pumps Building,
Sir Aga Khan Road, Lahore.
UAN: (042) 111-11-6554
Tel: (042) 36308956 - 59
Fax: (042) 36308963

Ravi Branch

175 Gen. Sarfraz Khan Road,
Shadman Colony 2, Lahore.
UAN: (042) 111-11-6554
Tel: (042) 37562705-6
Fax: (042) 37232246

Shadman Branch

175 Gen. Sarfaraz Khan Road,
Shadman Colony 2, Lahore.
Tel: (042) 37562705 - 6
Fax: (042) 37232246

SARGODHA

Club Road Branch

405 Club Road, Opp. Cantonment Board,
Sargodha.
Tel: (048) 3725467-69

Hafizabad Branch

405 Club Road, Opp.. Cantonment Board,
Sargodha.
Tel : (048) 3725467-69

SIALKOT

Paris Road Branch

2nd Floor, Al-Amin Centre,
Opp. Sialkot Chamber of Commerce
& Industry, Paris Road, Sialkot.
Tel: (052) 4264687-8
Fax: (052) 4265041

BANCASSURANCE

Karachi Bancassurance

Karachi RBC, Banglow # 245/6/2/O,
Block -6 P.E.C.H.S, Karachi.
Tel : (021) 34322411 - 495 - 497

Faisalabad Bancassurance

Office # 5, 1st Floor, Ghorri Arcade,
Saleemi Chowk, Satayana Road,
Faisalabad.
Tel : (041) 8500556 & 8500558

Sialkot Bancassurance

Office # 3, BASF Building, Defence Road,
Near Sublime Chowk, Sialkot.
Tel : (052) 3550510,3550520,3551234

Gujranwala Bancassurance

Office # 12, 1st Floor, Trust Plaza,
Near DMK Cargo.
Tel: (055)3822422,3822622 & 3822722

Lahore Bancassurance

21-L, Gulberg III, Ferozepur Road, Lahore.
Tel : (042) 35843612 - 19,
UAN: 042-111-116-554

Bahawalpur Bancassurance

Shop # 108, 109 & 110, 1st Floor, Awan Plaza,
Andron-e-Ahmed Puri Gate, Bahawalpur.
Tel : (062) 2882237-39

Multan Bancassurance

10-A, 1st Floor, Twin Towers, Tehsil Chowk,
Near Silk Bank, Bosan Road, Multan.
Tel : (061) 6511925, 6511927 & 6511937

Sahiwal Bancassurance

128 C, Gulistan Road Near
Ali Masjid/ Kutchery Road, Sahiwal.
Tel : (040) 4464442

Rawalpindi Bancassurance

DD-79, Asad Plaza
Shamsabad Murree Road, Rawalpindi.
Tel: (051) 111-116-554

Sargodha Bancassurance

Office # 55, 2nd Floor, Al-Rehman Trade Center,
University Road.
Tel: (048) 3768646-47

Gujrat Bancassurance

Ist Floor, Nayyer Carpet, Prince Chowk,
Khajgan Road, Near Bahaya Pizza Shop.
Tel: (053) 3533020

Hyderabad Bancassurance

Bungalow # 97, Mezzanine Floor,
Opp. Bank Al-Habib, Doctor's Line,
Saddar Bazar.
Tel: (0222)786084

CORPORATE DISTRIBUTION

Karachi : Jubilee Life Building, 74/1-A, Lalazar, M.T. Khan Road, Karachi-74000 Tel: (021) 35611071-5, Ext. 2263 Fax: (021) 35612314
Lahore : 21-L, Gulberg III, Main Ferozepur Road, Lahore. Tel : (042) 5841915, Fax : (042) 5841913
Faisalabad : Satiana Road Branch, 1st Floor-721, Batala Colony, Satiana Road, Faisalabad. Tel: (041) 8712008, 8733179, 8717337, 8720984, 8714256, 8720487 Fax: (041) 8710101
Rawalpindi : DD-79, Asad Plaza, Shamsabad, Muree Road, Rawalpindi. Tel: (051) 4575243, 111-116-554

PROXY FORM

I/We _____ of _____ (full address)

being member(s) of Jubilee Life Insurance Company Limited and holder of _____

ordinary shares as per shares register folio No. _____ CDC Participant ID _____

CDC Account No. _____ hereby appoint Mr./Mrs./Miss _____

of _____ (full address)

or failing him/her _____ of _____ or failing him / her _____

of _____ as my proxy to attend, speak and vote for me and on my behalf at the

Annual General Meeting of the Company to be held on April 23, 2012 (Monday) at 11.00 a.m. at Auditorium, Habib Bank tower, Jinnah Avenue Islamabad and at any adjournment thereof.

In witness whereof, I have placed my/our hand(s) this _____ day of April 2012.

Signed by _____

In presence of _____

Signature

Name:

Addressee:

Passport / NIC No.

Please affix
Revenue Stamp

Signature of Member(s)

A member entitled to attend and vote at the Annual General Meeting may appoint another member as proxy to attend, speak and vote instead of him.

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, if the appointer is a corporation, under its common seal or the hand of an officer or attorney duly authorized.

The instrument appointing a proxy, together with the power of attorney if any under which it is signed or a notarial certified copy thereof, should be deposited at the Registered Office not less than 48 hours before the time of holding the meeting.



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