

Report for the Six Months Period Ended
June 30, 2013

MetLife AlicoSM



It's all about
protection
for your family.

American Life Insurance Company (Pakistan) Limited

Vision Statement

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

Mission Statement

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Asim Iftikhar	ACMA
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CHIEF FINANCIAL OFFICER

Hashim Sadiq Ali	FCA
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APPOINTED ACTUARY

Shoaib Soofi	FSA, FPSA
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CONSULTING ACTUARY

Shahid Siddiqui	M.Sc., AIA, ASA
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AUDIT COMMITTEE

Arif Abdul Aziz	Chairman
Khalid Anis-ur-Rehman	Member
Shahid Siddiqui	Member
Asim Iftikhar	Secretary

BANKERS

MCB Bank Limited
 Standard Chartered Bank (Pakistan) Limited
 HSBC Bank Middle East Limited
 National Bank of Pakistan Limited
 Citibank N.A.
 NIB Bank Limited
 Bank Al-Habib Limited
 Barclays Bank PLC, Pakistan
 Summit Bank Limited
 Bank Alfalah Limited
 KASB Bank Limited

LEGAL ADVISOR

Surridge and Beecheno

AUDITOR

M. Yousaf Adil Saleem & Co. - Chartered Accountants, a member firm of Deloitte Touche Tohmatsu

SHARE REGISTRAR

THK Associates (Private) Limited
 Ground Floor, State Life Building - 3
 Ziauddin Ahmed Road, Karachi - 75530 P.O. Box No. 8533
 Phone : +92(21) 111-000-322 Fax: + 92(21) 35655575

REGISTERED OFFICE

P. O. Box No. 10528, Floor 13 (Level 16)
 Dolmen City Mall, Block-4, Clifton, Karachi.
 Phones: +92(21) 111-111-711 Fax: +92(21) 35290042
 E-mail: service-pakistan@metlifealico.com Website: www.metlifealico.com.pk

DIRECTORS' REPORT

The Directors of your Company are pleased to present the Condensed Interim Financial Information (Unaudited) for the six months period ended June 30, 2013.

GENERAL REVIEW OF ECONOMY

There has been a discernible positive change in sentiments post May 2013 elections because of clarity on the political front. Most importantly, there has been considerable improvement in consumer confidence, future economic scenario, and inflation trends. The absence of foreign financial inflows and high fiscal borrowings from the banking system remain formidable challenges for the economy.

In the latest budget the Government announced an increase of 1 percent in the General Sales Tax (GST), from 16 percent to 17 percent, and changes in the tax structure for some goods and services. In addition, the Government is considering a phase-wise upward adjustment in electricity tariff. The exact magnitude and timing of this adjustment is yet to be decided. Beset by energy shortages and law and order conditions, the GDP growth has struggled to ameliorate in the last few years and this year was no exception. However, a reflection of the current declining trend in inflation can be seen in the muted real economic activity, especially private investment expenditures and almost continuous and broad based deceleration in inflation over the last year has had a favorable impact on inflation outlook.

The Company's focus is on business development through multiple distribution channels. Furthermore, its commitment towards maintaining high business persistency through efficient customer services has enabled the Company to achieve significant growth in premium revenues as well as profitability. Despite increasing competition and unstable economic situation the overall performance of your Company is encouraging.

The combined all lines net premium income during the six months was Rs. 2.380 billion, registering a growth of 13% over the corresponding period of last year. The major increase was in individual life business mainly contributed by the Universal Life and the Unit Linked products. The individual accident and health business also showed healthy growth.

We expect to achieve good investment returns with our strict adherence to prudent investment policy. The total value of Investment and bank balances as at June 30, 2013 was Rs. 10.797 Billion.

	June 30, 2013	June 30, 2012
Profit / Loss	(Rupees in '000).....	
Net Surplus of statutory funds	92,694	69,798
Profit before appropriation of surplus to Shareholders' Fund	39,196	31,252
Taxation	26,669	31,938
Earning per share (Rupees)	0.99	1.19
Break-up value of shares (including amount retained in the statutory funds to meet the requirements of the Insurance Ordinance)	19.89	18.73

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

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

Your Directors would also like to thank the Government of Pakistan, Ministry of Commerce and Securities and Exchange Commission of Pakistan for their guidance, cooperation and understanding.



Arif S. Mufti
Chairman & CEO
Dated: August 28, 2013



**INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION
TO THE MEMBERS OF AMERICAN LIFE INSURANCE COMPANY (PAKISTAN) LIMITED**

Introduction

We have reviewed the accompanying:

- (i) condensed interim balance sheet;
- (ii) condensed interim profit and loss account;
- (iii) condensed interim statement of comprehensive income;
- (iv) condensed interim statement of changes in equity;
- (v) condensed interim cash flow statement;
- (vi) condensed interim revenue account;
- (vii) condensed interim statement of premiums;
- (viii) condensed interim statement of claims;
- (ix) condensed interim statement of expenses; and
- (x) condensed interim statement of investment income

of American Life Insurance Company (Pakistan) Limited ("the Company") together with the notes forming part thereof as at and for the six months period ended June 30, 2013 (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the interim financial information for the three months period ended June 30, 2013 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended June 30, 2013.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months period ended June 30, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

**M. Yousuf Adil Saleem & Co.
Chartered Accountants**

**Engagement Partner:
Mushtaq Ali Hirani**

Karachi
Date: August 28, 2013

CONDENSED INTERIM BALANCE SHEET (UNAUDITED) AS AT JUNE 30, 2013

		STATUTORY FUNDS							AGGREGATE		
Note	Share Holders' Fund	Life (Participating)	Life (Non - Participating)		Investment Linked	Accident & Health		Pension Business Fund	June 30, 2013 (Unaudited)	December 31, 2012 (Audited) (Restated)	
			Individual	Group		Individual	Group				
(Rupees in '000)											
Share Capital and Reserves											
Authorized share capital (50,000,000 ordinary shares of Rs. 10 each)	500,000	-	-	-	-	-	-	-	500,000	500,000	
Issued, subscribed and paid-up share capital (50,000,000 ordinary shares of Rs. 10 each)	500,000	-	-	-	-	-	-	-	500,000	500,000	
Accumulated surplus	6	372,825	-	-	-	-	-	-	372,825	326,798	
Net Shareholders' Equity		872,825	-	-	-	-	-	-	872,825	826,798	
Balance of Statutory Fund [including policy holders' liabilities Rs. 9,376.805 million (2012: Rs. 7,831.934 million)]											
	7	-	1,331,735	3,011,016	77,531	5,181,344	20,326	128,732	61,978	9,812,662	8,208,597
Creditors and Accruals											
Outstanding claims	-	28,462	71,434	195,216	6,758	23,513	45,789	-	371,172	313,771	
Staff gratuity	-	1,902	16,386	3,921	14,030	567	6,361	253	43,420	31,828	
Premiums received in advance	-	1,133	59,376	-	239,930	1,040	-	-	301,479	73,895	
Amount due to other insurers/reinsurers	-	-	-	-	1,876	-	-	-	1,876	13,013	
Amount due to agents	-	573	19,386	-	10,748	-	-	-	30,707	30,102	
Accrued expenses	-	2,183	18,815	4,502	16,110	651	7,304	291	49,856	65,156	
Other creditors and accruals	13,770	8,070	32,420	3,575	44,822	536	19,990	391	123,574	94,981	
	13,770	42,323	217,817	207,214	334,274	26,307	79,444	935	922,084	622,746	
Other Liabilities											
Unclaimed dividend	27	-	-	-	-	-	-	-	27	27	
TOTAL LIABILITIES	13,797	1,374,058	3,228,833	284,745	5,515,618	46,633	208,176	62,913	10,734,773	8,831,370	
TOTAL EQUITY AND LIABILITIES	886,622	1,374,058	3,228,833	284,745	5,515,618	46,633	208,176	62,913	11,607,598	9,658,168	

The annexed notes from 1 to 15 are an integral part of these condensed interim financial information.

Chairman & Chief Executive

Director

Director

Note	Share Holders' Fund	STATUTORY FUNDS							AGGREGATE	
		Life (Participating)	Life (Non - Participating)		Investment	Accident & Health		Pension Business Fund	June 30, 2013	December 31, 2012
			Individual	Group	Linked	Individual	Group		(Unaudited)	(Audited)
		(Rupees in '000)								(Restated)
Cash and Bank Deposits										
	794	-	-	-	-	-	-	794	1,333	
Cash and others	19,557	40,502	62,393	-	288,518	-	1,180	421,255	275,935	
Current and other accounts	-	57,591	545	-	115,145	432	-	175,000	175,000	
Deposits maturing within 12 months	20,351	98,093	62,938	-	403,663	432	1,180	597,049	452,268	
Loans secured against Life Insurance Policies										
	-	26,330	75,031	-	-	-	-	101,361	98,606	
Loans secured against other assets										
To employees	472	-	-	-	-	-	-	472	589	
To agents	506	-	-	-	-	-	-	506	768	
Investments										
Government securities	717,322	1,180,833	2,882,235	236,242	4,021,218	21,922	49,510	9,159,107	7,701,530	
Listed mutual funds	21,390	-	-	-	1,019,866	-	-	1,041,256	834,948	
	738,712	1,180,833	2,882,235	236,242	5,041,084	21,922	49,510	10,200,363	8,536,478	
Current Assets - Others										
Premiums due but unpaid	-	-	16,518	18,624	14	3,536	55,652	94,344	68,615	
Amount due from other insurers/reinsurers	-	10,530	30,006	52,542	-	29,147	1,295	123,520	41,005	
Amount due from agents	-	17	799	-	495	-	-	1,311	2,532	
Prepayments	-	1,846	15,912	3,808	13,624	551	6,177	42,164	27,496	
Inter-fund balances	59,208	-	-	(49,468)	-	(9,740)	-	-	-	
Sundry receivables	-	681	2,116	119	4,243	23	6,627	13,860	13,409	
Accrued interest	22,748	48,608	130,450	4,237	50,630	566	1,264	207,9	260,582	
Experience refund receivable	-	-	-	17,156	-	-	85,524	102,680	111,897	
Taxation - payments less provision	13,048	-	-	-	-	-	-	13,048	4,032	
	95,004	61,682	195,801	47,018	69,006	24,083	156,539	651,509	508,496	
Fixed Assets										
Tangible										
Leasehold Improvements, Furniture & Fixtures, Office Equipments, Computers and Vehicles	30,769	7,120	12,828	1,485	1,865	196	947	55,530	58,447	
Capital work in progress	-	-	-	-	-	-	-	-	1,323	
Intangible										
Software and Licences	808	-	-	-	-	-	-	808	1,193	
	31,577	7,120	12,828	1,485	1,865	196	947	56,338	60,963	
TOTAL ASSETS										
	886,622	1,374,058	3,228,833	284,745	5,515,618	46,633	208,176	62,913	11,607,598	9,658,168

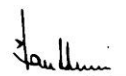
The annexed notes from 1 to 15 are an integral part of these condensed interim financial information.



Chairman & Chief Executive



Director



Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013

	<i>Note</i>	Six months period ended June 30,		Three months period ended June 30,	
		2013	2012	2013	2012
		(Rupees in ‘000)		(Rupees in ‘000)	
Investment income not attributable to statutory funds					
Income from non-trading investments - held to maturity					
Return on Government Securities		42,476	34,368	21,469	16,942
Amortisation of premium relative on Government Securities		(214)	-	(88)	-
		42,262	34,368	21,381	16,942
Realised gain on sale of investments held as ‘available for sale’		3,392	384	4,276	338
Net Investment Income		45,654	34,752	25,657	17,280
Return on saving accounts and term deposits		3,255	971	2,242	802
Interest Income on Loan to Employees / Agents		49	74	24	34
Expenses not attributable to statutory funds	12	(9,762)	(4,545)	(6,941)	(2,603)
Profit before appropriation of surplus to Shareholder’s Fund		39,196	31,252	20,982	15,513
Surplus appropriated to Shareholder’s Fund from Ledger Account D		37,000	60,000	21,000	46,000
Profit before tax		76,196	91,252	41,982	61,513
Taxation		(26,669)	(31,938)	(14,694)	(21,529)
Profit after tax		49,527	59,314	27,288	39,984
		 (Rupees)		 (Rupees)	
Earnings per share - basic and diluted		0.99	1.19	0.55	0.80

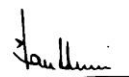
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Chairman & Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013

	Six months period ended June 30,		Three months period ended June 30,	
	2013	2012	2013	2012
..... (Rupees in '000)				
Profit after tax for the period	49,527	59,314	27,288	39,984
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>49,527</u>	<u>59,314</u>	<u>27,288</u>	<u>39,984</u>

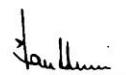
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Chairman & Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013

	Share Capital	Accumulated Surplus	Capital contributed to Statutory Funds	Net accumulated Surplus	Total
	(Rupees in '000)				
Balance as at January 1, 2012	500,000	541,393	(306,452)	234,941	734,941
<i>Total comprehensive income for the period</i>					
Profit for the six months period ended June 30, 2012	-	59,314	-	59,314	59,314
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the six months period ended June 30, 2012	-	59,314	-	59,314	59,314
Transactions with owners recorded directly in equity					
Capital contributed during the period	-	-	(15,840)	(15,840)	(15,840)
Balance as at June 30, 2012	<u>500,000</u>	<u>600,707</u>	<u>(322,292)</u>	<u>278,415</u>	<u>778,415</u>
Balance as at January 1, 2013	500,000	667,750	(340,952)	326,798	826,798
<i>Total comprehensive income for the period</i>					
Profit for the six months period ended June 30, 2013	-	49,527	-	49,527	49,527
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the six months period ended June 30, 2013	-	49,527	-	49,527	49,527
Transactions with owners recorded directly in equity					
Capital contributed during the period	-	-	(3,500)	(3,500)	(3,500)
Balance as at June 30, 2013	<u>500,000</u>	<u>717,277</u>	<u>(344,452)</u>	<u>372,825</u>	<u>872,825</u>

The annexed notes from 1 to 15 are an integral part of these condensed interim financial information.



Chairman & Chief Executive



Director



Director

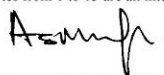
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013

Note	Share Holder's Fund	STATUTORY FUNDS							AGGREGATE	
		Life (Participating)	Life (Non - Participating)		Investment	Accident & Health		Pension Business Fund	Six months period ended June 30,	2012
		Individual	Group	Linked	Individual	Group		2013	(Restated)	
(Rupees in '000)										
Operating Cash Flows										
a) Underwriting activities										
Premiums received net of policy transfers	-	54,675	400,405	97,964	1,849,189	11,147	162,484	6,333	2,582,197	2,123,893
Reinsurance premiums paid	-	(15,427)	(11,546)	(79,702)	(44,406)	(3,350)	(2,445)	-	(156,876)	-
Claims paid	-	(23,011)	5,699	(56,788)	(11,408)	(12,856)	(126,175)	-	(224,539)	(253,373)
Surrenders paid	-	(30,742)	(94,565)	-	(483,849)	-	-	(5,696)	(614,852)	(302,019)
Reinsurance recovery received	-	5,527	8,540	17,076	20,307	670	493	-	52,613	-
Commissions paid	-	(1,489)	(60,733)	(13,395)	(90,744)	(4,217)	(8,633)	-	(179,211)	(193,583)
Commissions received	-	2,772	4,283	8,563	10,184	336	247	-	26,385	-
Net cash flow from underwriting activities	-	(7,695)	252,083	(26,282)	1,249,273	(8,270)	25,971	637	1,485,717	1,374,918
b) Other operating activities										
Income tax paid	(35,685)	-	-	-	-	-	-	-	(35,685)	(32,890)
General management expenses and other operating payments	(471)	(9,405)	(92,478)	(16,653)	(72,690)	(3,839)	(30,125)	(881)	(226,542)	(190,622)
Other operating receipts	3,304	-	1,132	520	7,417	201	7,731	-	20,305	15,101
Loans advanced	379	971	(3,726)	-	-	-	-	-	(2,376)	(3,110)
Inter fund transactions	(58,399)	-	-	49,468	-	9,740	(809)	-	-	-
Net cash flow from other operating activities	(90,872)	(8,434)	(95,072)	33,335	(65,273)	6,102	(23,203)	(881)	(244,298)	(211,521)
Total cash flow from all operating activities	(90,872)	(16,129)	157,011	7,053	1,184,000	(2,168)	2,768	(244)	1,241,419	1,163,397
Investment activities										
Profit / return received	38,176	66,731	140,015	13,955	73,633	1,354	2,412	2,970	339,246	300,591
Payments for short term deposits	-	-	-	-	-	-	-	-	-	-
Payments for investments	(21,562)	(44,973)	(386,934)	-	(1,350,097)	-	-	-	(1,803,566)	(1,489,402)
Proceeds from redemption of investments	16,000	-	-	-	358,525	-	-	-	374,525	97,000
Fixed capital expenditure	(6,864)	-	-	-	-	-	-	-	(6,864)	(10,022)
Proceeds from disposal of fixed assets	-	2	7	-	12	-	-	-	21	999
Total cash flow from investing activities	25,750	21,760	(246,912)	13,955	(917,927)	1,354	2,412	2,970	(1,096,638)	(1,100,834)
Financing activities										
Capital payments received by statutory funds	(3,500)	-	-	-	2,400	-	-	1,100	-	-
Surplus appropriated to Shareholders' fund	37,000	-	-	(28,000)	-	(5,000)	(4,000)	-	-	-
Total cash flow from financing activities	33,500	-	-	(28,000)	2,400	(5,000)	(4,000)	1,100	-	-
Net cash inflow / (outflow) from all activities	(31,622)	5,631	(89,901)	(6,992)	268,473	(5,814)	1,180	3,826	144,781	62,563
Cash and cash equivalents at the beginning of the period	51,973	34,871	152,294	6,992	20,045	5,814	-	5,279	277,268	125,057
Cash and cash equivalents at the end of the period	II	20,351	40,502	62,393	288,518	-	1,180	9,105	422,049	187,620

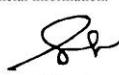
Reconciliation to Profit and Loss Account

Operating cash flows	1,241,420	1,163,397
Depreciation and Amortization expense	(11,489)	(8,994)
Gain on disposal of fixed assets	21	974
Increase/(decrease) in assets other than cash	124,317	(28,393)
Increase in liabilities	(1,844,210)	(1,448,809)
Investment income	585,960	390,816
Profit received on bank deposits	9,203	121
Surplus of statutory funds	(92,694)	(69,798)
Surplus appropriated to Shareholders' fund	37,000	60,000
Profit after taxation	49,527	59,314

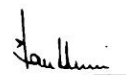
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Chairman & Chief Executive



Director



Director

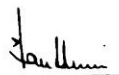
CONDENSED INTERIM REVENUE ACCOUNT (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013

Note	STATUTORY FUNDS							AGGREGATE			
	Life (Participating)	Life (Non - Participating)		Investment	Accident & Health		Pension Business Fund	Six months period ended June 30,		Three months period ended June 30,	
		Individual	Group	Linked	Individual	Group		2013	2012 (Restated)	2013	2012 (Restated)
(Rupees in '000)											
Income											
Premiums less Re-insurances	42,672	403,100	79,812	1,608,359	12,486	180,490	6,333	2,333,252	2,062,146	1,171,047	1,059,315
Policy transfers from other statutory funds	3,539	-	-	-	-	-	-	3,539	50,789	(22,167)	20,540
Net investment income	72,874	166,142	12,955	281,136	1,546	2,493	3,160	540,306	356,064	293,183	180,232
Other income - net	1,492	7,639	674	7,428	236	7,979	5	25,453	15,150	11,953	7,199
Total Net Income	120,577	576,881	93,441	1,896,923	14,268	190,962	9,498	2,902,550	2,484,149	1,454,016	1,267,286
Claims and Expenditure											
Claims, including bonuses, net of reinsurance recoveries	50,029	103,485	46,066	493,066	2,694	152,777	5,696	853,813	504,311	454,604	309,100
Policy transfers to other statutory funds	-	3,539	-	-	-	-	-	3,539	50,789	(22,167)	20,540
Management expenses less recoveries	12,314	150,261	25,236	180,511	5,992	32,509	810	407,633	379,019	203,941	189,315
Total Claims and Expenditure	62,343	257,285	71,302	673,577	8,686	185,286	6,506	1,264,985	934,119	636,378	518,955
Excess of Income over Claims and Expenditure	58,234	319,596	22,139	1,223,346	5,582	5,676	2,992	1,637,565	1,550,030	817,642	748,331
Add: Policyholders' liabilities at beginning of the period	995,556	2,600,226	72,060	3,959,073	18,052	129,390	57,577	7,831,934	4,927,632	8,584,069	5,689,817
Less: Policyholders' liabilities at end of the period	(1,017,756)	(2,900,281)	(73,541)	(5,181,147)	(17,495)	(124,652)	(61,933)	(9,376,805)	(6,407,864)	(9,376,805)	(6,407,864)
Movement in policyholders' liabilities	(22,200)	(300,055)	(1,481)	(1,222,074)	557	4,738	(4,356)	(1,544,871)	(1,480,232)	(792,736)	(718,047)
Surplus / (Deficit)	36,034	19,541	20,658	1,272	6,139	10,414	(1,364)	92,694	69,798	24,902	30,284
Movement in policyholders' liabilities	22,200	300,055	1,481	1,222,074	(557)	(4,738)	4,356	1,544,871	1,480,232	792,736	718,047
Transfers (to) or from Shareholders' Fund											
- Capital contributions from Shareholders' Fund	-	-	-	2,400	-	-	1,100	3,500	15,840	3,500	1,060
- Surplus appropriated to Shareholders' Fund	-	-	(28,000)	-	(5,000)	(4,000)	-	(37,000)	(60,000)	(21,000)	(46,000)
	-	-	(28,000)	2,400	(5,000)	(4,000)	1,100	(33,500)	(44,160)	(17,500)	(44,940)
Balance of Statutory Fund at beginning of the period-Restated	1,273,501	2,691,420	83,392	3,955,598	19,744	127,056	57,886	8,208,597	5,269,066	9,012,524	6,071,545
Balance of Statutory Fund at end of the period	1,331,735	3,011,016	77,531	5,181,344	20,326	128,732	61,978	9,812,662	6,774,936	9,812,662	6,774,936
Represented by:											
Capital contributed by Shareholders' Fund	-	224,452	-	112,900	-	-	7,100	344,452	322,292	344,452	322,292
Policyholders' liabilities	1,017,756	2,900,281	73,541	5,181,147	17,495	124,652	61,933	9,376,805	6,407,864	9,376,805	6,407,864
Retained earnings attributable to policyholders (Ledger Account A)	270,923	-	-	-	-	-	-	270,923	204,685	270,923	204,685
Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B)	43,056	-	-	-	-	-	-	43,056	52,726	43,056	52,726
Retained earnings on par business (Ledger Account C)	-	-	-	-	-	-	-	-	-	-	-
Retained earnings on other than participating business (Ledger Account D)	-	(113,717)	3,990	(112,703)	2,831	4,080	(7,055)	(222,574)	(212,631)	(222,574)	(212,631)
BALANCE OF STATUTORY FUND	1,331,735	3,011,016	77,531	5,181,344	20,326	128,732	61,978	9,812,662	6,774,936	9,812,662	6,774,936

The annexed notes from 1 to 15 are an integral part of these condensed interim financial information.


Chairman & Chief Executive


Director


Director

CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013

	STATUTORY FUNDS							AGGREGATE			
	Life (Participating)	Life (Non - Participating)		Investment Linked	Accident & Health		Pension Business Fund	Six months period ended June 30,		Three months period ended June 30,	
		Individual	Group		Individual	Group		2013	2012	2013	2012
(Rupees in '000)											
Gross Premiums											
Regular premium individual policies*											
First year	-	100,856	-	67,977	14,406	-	-	183,239	198,773	128,429	79,839
Second year renewal	-	88,982	-	34,490	-	-	-	123,472	209,023	81,342	132,668
Subsequent year renewal	47,914	220,719	-	107,290	-	-	-	375,923	297,834	184,712	144,935
Single premium individual policies	-	2,380	-	1,408,123	-	-	-	1,410,503	1,139,799	668,356	618,998
Group policies without cash values	-	-	99,163	-	-	181,709	6,333	287,205	264,556	132,200	105,956
Total Gross Premiums	47,914	412,937	99,163	1,617,880	14,406	181,709	6,333	2,380,342	2,109,985	1,195,039	1,082,396

Less: Reinsurance Premiums Ceded

On individual life first year business	-	2,844	-	5,073	-	-	-	7,917	6,402	4,006	4,565
On individual life second year business	-	2,009	-	1,082	-	-	-	3,091	4,771	1,875	3,489
On individual life subsequent renewal business	5,242	4,984	-	3,366	-	-	-	13,592	10,340	6,509	5,951
On individual accident and health first year	-	-	-	-	1,920	-	-	1,920	2,866	1,049	(2,014)
On group policies	-	-	19,351	-	-	1,219	-	20,570	23,460	10,553	11,090
	5,242	9,837	19,351	9,521	1,920	1,219	-	47,090	47,839	23,992	23,081

Net Premiums	42,672	403,100	79,812	1,608,359	12,486	180,490	6,333	2,333,252	2,062,146	1,171,047	1,059,315
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* Individual policies are those underwritten on an individual basis and includes joint life policies underwritten as such.

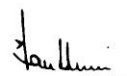
The annexed notes from 1 to 15 are an integral part of these condensed interim financial information.



Chairman & Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013

	STATUTORY FUNDS							AGGREGATE			
	Life (Participating)	Life (Non - Participating)		Investment	Accident & Health		Pension Business Fund	Six months period ended June 30,		Three months period ended June 30,	
	Individual	Group	Linked	Individual	Group			2013	2012	2013	2012
(Rupees in '000)											
Gross Claims											
Claims under individual policies											
by death	16,699	32,085	-	13,660	22,998	-	-	85,442	20,940	57,529	11,142
by insured event other than death	-	-	-	-	547	-	-	547	2,065	174	1,883
by maturity	4,922	-	-	-	-	-	-	4,922	4,304	2,433	2,612
by surrender	30,742	94,565	-	483,849	-	-	-	609,156	294,672	339,595	195,914
Total gross individual policy claims	52,363	126,650	-	497,509	23,545	-	-	700,067	321,981	399,731	211,551
Claims under group policies											
by death	-	-	38,152	-	-	-	-	38,152	35,207	17,454	28,149
by insured event other than death	-	-	63	-	-	147,735	-	147,798	147,169	69,121	79,940
by surrender	-	-	-	-	-	-	5,696	5,696	7,347	1,745	(990)
experience refund	-	-	9,254	-	-	5,042	-	14,296	(640)	12,641	(4,266)
Total gross group claims	-	-	47,469	-	-	152,777	5,696	205,942	189,083	100,961	102,833
Total Gross Claims	52,363	126,650	47,469	497,509	23,545	152,777	5,696	906,009	511,064	500,692	314,384
Less: Re-insurance Recoveries											
On individual life first year business claims	2,334	6,697	-	4,443	-	-	-	13,474	(950)	9,739	8
On individual life second year business claims	-	4,731	-	-	-	-	-	4,731	38	3,411	(36)
On individual life renewal business claims	-	11,737	-	-	-	-	-	11,737	5,234	11,999	4,591
On individual accident and health business claims	-	-	-	-	20,851	-	-	20,851	-	20,788	(250)
On group business claims	-	-	1,403	-	-	-	-	1,403	2,431	151	971
	2,334	23,165	1,403	4,443	20,851	-	-	52,196	6,753	46,088	5,284
Net Claims	50,029	103,485	46,066	493,066	2,694	152,777	5,696	853,813	504,311	454,604	309,100

The annexed notes from 1 to 15 are an integral part of these condensed interim financial information.

Chairman & Chief Executive

Director

Director

CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013

	STATUTORY FUNDS						AGGREGATE				
	Life (Participating)	Life (Non - Participating)		Investment	Accident & Health		Pension Business Fund	Six months period ended June 30, 2013 (Restated)		Three months period ended June 30, 2012 (Restated)	
		Individual	Group	Linked	Individual	Group		2013	2012 (Restated)	2013	2012 (Restated)
----- (Rupees in '000) -----											
Acquisition Costs											
Remuneration to insurance intermediaries on individual policies :											
- Commission on first year premiums	-	52,676	-	32,025	3,565	-	-	88,266	100,209	49,933	39,517
- Commission on second year premiums	-	4,894	-	1,339	-	-	-	6,233	16,228	4,139	9,727
- Commission on subsequent renewal premiums	1,280	3,018	-	4,166	-	-	-	8,464	6,156	2,061	2,100
- Commission on single premiums	-	-	-	56,046	-	-	-	56,046	45,195	26,593	34,732
- Other benefits to insurance intermediaries	2,280	21,068	-	28,856	1,537	-	-	53,741	43,035	28,520	23,400
	3,560	81,656	-	122,432	5,102	-	-	212,750	210,823	111,246	109,476
Remuneration to insurance intermediaries on group policies :											
- Commission	-	-	13,395	-	-	8,633	-	22,028	24,441	8,950	9,347
- Other benefits to insurance intermediaries	-	-	480	-	-	-	-	480	1,345	240	501
	-	-	13,875	-	-	8,633	-	22,508	25,786	9,190	9,848
Branch Overheads											
- Salaries and other benefits	396	3,410	816	2,920	118	1,324	53	9,037	10,341	4,519	5,172
- Other operational costs	544	4,693	1,123	4,018	162	1,822	-	12,362	13,615	6,443	8,454
	940	8,103	1,939	6,938	280	3,146	53	21,399	23,956	10,962	13,626
Other acquisition cost											
- Policy stamps	378	3,257	-	-	-	-	-	3,635	2,871	1,798	1,476
	4,878	93,016	15,814	129,370	5,382	11,779	53	260,292	263,436	133,196	134,426
Administration Expenses											
Salaries & other benefits	4,372	37,689	9,018	32,270	1,304	14,630	583	99,866	75,523	48,557	36,031
Travelling expenses	73	633	151	542	22	246	-	1,667	538	665	309
Auditors' remuneration	31	267	64	228	9	103	4	706	494	354	246
Medical fees	27	235	87	-	-	-	-	349	444	152	304
Legal and professional charges	7	62	15	53	2	24	1	164	379	144	219
Advertisement & publicity	12	101	24	87	3	39	-	266	349	202	286
Computer expenses	67	578	138	495	20	224	9	1,531	1,155	880	627
Printing & stationery	241	2,073	496	1,775	72	805	32	5,494	5,888	1,850	2,017
Depreciation & amortisation	1,247	3,554	90	6,348	21	153	76	11,489	8,994	5,682	4,857
Rental	889	7,659	1,833	6,558	265	2,973	-	20,177	12,959	13,463	6,479
	6,966	52,851	11,916	48,356	1,718	19,197	705	141,709	106,723	71,949	51,375
Other Management Expenses	716	6,511	1,421	5,086	206	2,306	52	16,298	20,560	4,383	8,741
Gross Management Expenses	12,560	152,378	29,151	182,812	7,306	33,282	810	418,299	390,719	209,528	194,543
Commission from Reinsurers	(246)	(2,117)	(3,915)	(2,301)	(1,314)	(773)	-	(10,666)	(11,700)	(5,587)	(5,228)
Net Management Expenses	12,314	150,261	25,236	180,511	5,992	32,509	810	407,633	379,019	203,941	189,315

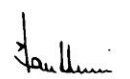
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Chairman & Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013

	STATUTORY FUNDS							AGGREGATE			
	Life (Participating)	Life (Non - Participating)	Investment	Accident & Health		Pension		Six months period		Three months period	
	Individual	Group	Linked	Individual	Group	Business	Fund	ended June 30, 2013	2012	ended June 30, 2013	2012
(Rupees in '000)											
Investment Income											
Return on Government Securities	72,874	166,820	12,955	177,033	1,546	2,502	3,160	436,890	301,913	204,415	153,050
Amortisation of premium	-	(678)	-	-	-	(9)	-	(687)	(693)	(160)	(321)
	72,874	166,142	12,955	177,033	1,546	2,493	3,160	436,203	301,220	204,255	152,729
Gain on sale of investment held as available-for-sale	-	-	-	9,948	-	-	-	9,948	-	9,948	-
Unrealized gain on revaluation of investments	-	-	-	94,155	-	-	-	94,155	54,844	78,980	27,503
Net Investment Income	72,874	166,142	12,955	281,136	1,546	2,493	3,160	540,306	356,064	293,183	180,232

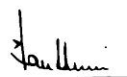
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Chairman & Chief Executive



Director



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013

1. STATUS AND NATURE OF BUSINESS

- 1.1 American Life Insurance Company (Pakistan) Limited (the Company) was incorporated in Pakistan on October 9, 1994 as a public limited company under the Companies Ordinance, 1984. Its shares are quoted on the Karachi and Lahore Stock Exchanges. The Company commenced its operations on May 25, 1995 after registration with the Controller of Insurance on April 30, 1995. The registered office of the Company is situated at Floor 13, Dolmen City, Block-4, Scheme -5, Clifton, Karachi.
- 1.2 The Company is a subsidiary of American Life Insurance Company, Inc. (incorporated in the United States of America - holding company) that holds 81.97% (2012: 81.97%) share capital of the Company. The ultimate parent of the Company is MetLife Inc. USA.
- 1.3 The Company is engaged in life insurance, carrying on both participating and non-participating business. In accordance with the requirements of the Insurance Ordinance, 2000, the Company established a Shareholders' Fund and separate Statutory Funds, in respect of each class of life insurance business. The Statutory Funds established by the Company, in accordance with the advice of the Appointed Actuary, are as follows:
- Life (Participating)
 - Life (Non-participating) – Individual
 - Life (Non-participating) – Group
 - Accident & Health – Individual
 - Accident & Health – Group
 - Pension Business Fund
 - Investment Linked
- 1.4 During the current period, a share purchase agreement dated January 21, 2013 has been entered into between IGI Insurance Limited and the holding company in respect of sale of entire shareholding of the holding company i.e. 40,986,690 ordinary shares of Rs. 10/- each (representing 81.97% of the paid-up capital) to IGI Insurance Limited at Rs. 20/- per share. The successful consummation of this transaction is subject to completion of regulatory requirements pursuant to the Takeover Ordinance, 2002.

In March and April 2013, two suits were filed by some of the employees of the Company seeking protection for their employment from the consequences of the Share Purchase Agreement (SPA). The status quo order passed by the High Court was modified on July 05, 2013 so that the transaction contemplated by the SPA is allowed to be consummated. The final disposal of the legal proceedings is pending. As per the advice of legal advisors of the Company, the chances of adverse financial implication on the Company are remote and based on that advice this matter does not fall under the definition of contingent liability as stated in International Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets".

2. BASIS OF PRESENTATION

This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standards 34 (IAS 34) 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984 and the Insurance Ordinance, 2000. In case where requirements differ, the provisions or directives issued under the Companies Ordinance, 1984 and the Insurance Ordinance, 2000 have been followed.

The condensed interim financial information does not include all the information and disclosures as required in the annual financial statements, and should be read in conjunction with the Company's Annual Financial Statements for the year ended December 31, 2012.

This condensed interim financial information is unaudited and is being submitted to shareholders as required under section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi and Lahore Stock Exchanges.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2012 except for given below:

During the current period, the Company has changed its accounting policy in respect of post retirement defined benefits plans as required under International Accounting Standard (IAS) 19, 'Employee Benefits'. According to new policy actuarial gains and losses are recognized in other comprehensive income (OCI) in the periods in which they occur. Amounts recorded in the

profit and loss account are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit obligation are recognized directly in other comprehensive income with no subsequent recycling through the profit and loss account.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated. The effect of the change in accounting policy on the current and prior periods financial statements have been summarised below:

	STATUTORY FUNDS							AGGREGATE
	Life (Participating)	Life (Non - Participating) Individual	Investment Group	Linked	Accident & Health Individual	Pension Business Fund	Group	
	(Rupees in '000)							
Impact on balance sheet								
As at January 1, 2012								
Increase in defined benefit obligation in statutory funds	1,091	9,732	2,056	4,799	300	3,286	111	21,375
As at December 31, 2012								
Decrease in defined benefit obligation in statutory funds	(138)	(1,289)	(282)	(870)	(38)	(566)	(16)	(3,199)
As at June 30, 2013								
Increase in defined benefit obligation in statutory funds	414	3,572	855	3,059	124	1,387	55	9,466
Impact on revenue account								
For the six months period ended June 30, 2012								
Increase in surplus	69	645	141	435	19	283	8	1,600
For the six months period ended June 30, 2013								
Increase in surplus	414	3,572	855	3,059	124	1,387	55	9,466

As charge to defined benefit obligation is recorded in statutory funds, the change in accounting policy does not have any impact on the profit and loss account, cash flow statement and earnings per share of the Company.

4. ESTIMATES

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

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2012.

5. INSURANCE AND FINANCIAL RISK MANAGEMENT

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2012.

6. ANALYSIS OF ACCUMULATED SURPLUS AS SHOWN IN THE BALANCE SHEET

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
	(Rupees in '000)	
Accumulated surplus in the statement of changes in equity ignoring effect of capital transfers at beginning of the period/year	667,750	541,393
Add: Surplus in profit and loss account for the period/year	49,527	126,357
Accumulated Surplus in the statement of changes in equity ignoring effect of capital transfers at end of the period/year	717,277	667,750
Less: Accumulated net capital transfers in statutory funds (Note 7)	(344,452)	(340,952)
Accumulated Surplus	372,825	326,798

- 6.1 In order to achieve compliance with the requirements of the Insurance Ordinance, 2000 relating to i) solvency; and ii) return of capital from statutory funds to shareholders' fund, the Company as at June 30, 2013 has retained an amount of Rs. 121.88 million (December 31, 2012: Rs. 115.94 million) in the statutory funds. This has resulted in the shareholders' equity being lower by this amount.

7. RECONCILIATION OF STATUTORY FUNDS

	STATUTORY FUNDS						AGGREGATE		
Note	Life (Participating)	Life (Non - Participating)		Investment	Accident & Health		Pension Business Fund	June 30, 2013	December 31, 2012
		Individual	Group	Linked	Individual	Group		(Unaudited)	(Audited)
	(Rupees in '000)								
Policyholders' liabilities									
Balance at the beginning of the period / year	995,556	2,600,226	72,060	3,959,073	18,052	129,390	57,577	7,831,934	4,927,632
Increase/(decrease) during the period / year	22,200	300,055	1,481	1,222,074	(557)	(4,738)	4,356	1,544,871	2,904,302
Balance at end of the period / year	<u>1,017,756</u>	<u>2,900,281</u>	<u>73,541</u>	<u>5,181,147</u>	<u>17,495</u>	<u>124,652</u>	<u>61,933</u>	<u>9,376,805</u>	<u>7,831,934</u>
Retained earnings on participating business attributable to participating policyholders - Ledger Account A									
Balance at the beginning of the period / year	235,842	-	-	-	-	-	-	235,842	167,816
Effect of change in accounting policy - note 3	(953)	-	-	-	-	-	-	(953)	(1,091)
Balance at the beginning of the period / year - restated	234,889	-	-	-	-	-	-	234,889	166,725
Surplus allocated during the period / year (Note 7.1)	85,053	-	-	-	-	-	-	85,053	167,769
Surplus Adjustment	-	-	-	-	-	-	-	-	-
10% surplus transfer to Ledger Account B	-	-	-	-	-	-	-	-	-
Bonus allocated during the period / year	(49,019)	-	-	-	-	-	-	(49,019)	(99,605)
Closing balance at end of the period / year	<u>270,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,923</u>	<u>234,889</u>
Retained earnings on participating business attributable to shareholders but not distributable - Ledger Account B									
Balance at the beginning of the period / year	43,056	-	-	-	-	-	-	43,056	43,056
Surplus adjustment	-	-	-	-	-	-	-	-	-
10% surplus transfer from Ledger Account A	-	-	-	-	-	-	-	-	-
Closing balance at end of the period / year	<u>43,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,056</u>	<u>43,056</u>
Retained earnings on other than participating business - Ledger Account D									
Balance at the beginning of the period / year	-	(124,815)	13,106	(110,046)	1,954	386	(5,596)	(225,011)	(154,515)
Effect of change in accounting policy - note 3	-	(8,443)	(1,774)	(3,929)	(262)	(2,720)	(95)	(17,223)	(20,284)
Balance at the beginning of the period / year - restated	-	(133,258)	11,332	(113,975)	1,692	(2,334)	(5,691)	(242,234)	(174,799)
Surplus/(deficit) allocated during the period / year	-	19,541	20,658	1,272	6,139	10,414	(1,364)	56,660	57,565
Surplus appropriated to shareholders' Fund	-	-	(28,000)	-	(5,000)	(4,000)	-	(37,000)	(125,000)
Closing balance at end of the period / year	<u>-</u>	<u>(113,717)</u>	<u>3,990</u>	<u>(112,703)</u>	<u>2,831</u>	<u>4,080</u>	<u>(7,055)</u>	<u>(222,574)</u>	<u>(242,234)</u>
Capital contributed by shareholders' fund									
Balance at the beginning of the period / year	-	224,452	-	110,500	-	-	6,000	340,952	306,452
Capital contributed during the period / year	-	-	-	2,400	-	-	1,100	3,500	34,500
Capital withdrawn during the period / year	-	-	-	-	-	-	-	-	-
	-	-	-	2,400	-	-	1,100	3,500	34,500
Balance at end of the period / year	<u>-</u>	<u>224,452</u>	<u>-</u>	<u>112,900</u>	<u>-</u>	<u>-</u>	<u>7,100</u>	<u>344,452</u>	<u>340,952</u>
Balance of statutory fund at end of the period / year	1,331,735	3,011,016	77,531	5,181,344	20,326	128,732	61,978	9,812,662	8,208,597

- 7.1 This represents surplus earned in life (participating) statutory fund before allocation of bonus. Amount of surplus appearing in the revenue account is net off bonus allocated during the period.

8. POLICYHOLDERS' LIABILITIES

As per actuary's advice, the policyholders' liabilities as at June 30, 2013 are as follows:

	STATUTORY FUNDS							AGGREGATE	
	Life (Participating)	Life (Non - Participating) Individual	Investment Group	Linked	Accident & Health Individual	Group	Pension Business Fund	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
(Rupees in '000)									
Gross of Reinsurance									
Actuarial liability relating to future events	1,024,504	2,902,198	57,232	5,181,167	12,101	91,383	61,933	9,330,518	7,768,832
Provision for outstanding reported claims payable over a period exceeding twelve months	-	7,349	3,474	-	9,521	1,247	-	21,591	20,680
Provision for incurred but not reported claims	710	2,670	35,572	1,183	2,238	32,712	-	77,085	76,012
Total	1,025,214	2,912,217	98,278	5,182,350	23,860	125,342	61,933	9,429,194	7,865,524
Net of Reinsurance									
Actuarial liability relating to future events	1,017,155	2,891,124	34,780	5,179,964	11,195	90,693	61,933	9,286,844	7,744,101
Provision for outstanding reported claims payable over a period exceeding twelve months	-	7,057	3,474	-	4,130	1,247	-	15,908	14,998
Provision for incurred but not reported claims	601	2,100	35,287	1,183	2,170	32,712	-	74,053	72,835
Total	1,017,756	2,900,281	73,541	5,181,147	17,495	124,652	61,933	9,376,805	7,831,934

9. INVESTMENTS

		STATUTORY FUNDS							AGGREGATE		
		Share Holders' Fund	Life (Participating)	Life (Non - Participating) Individual	Group	Investment Linked	Accident & Health Individual	Group	Pension Business Fund	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
9.1 Government Securities		(Rupees in '000)									
	Held to maturity - at amortized cost										
	Pakistan Investments Bonds	717,322	1,180,833	2,882,235	236,242	-	21,922	49,510	49,825	5,137,889	4,688,624
	Available for sale - at fair value										
	Pakistan Investment Bonds	-	-	-	-	1,071,455	-	-	-	1,071,455	1,160,034
	Treasury Bills	-	-	-	-	2,949,763	-	-	-	2,949,763	1,852,872
		-	-	-	-	4,021,218	-	-	-	4,021,218	3,012,906
		717,322	1,180,833	2,882,235	236,242	4,021,218	21,922	49,510	49,825	9,159,107	7,701,530

9.1.1 The aggregate market value of government securities carried at amortized cost as at June 30, 2013 was Rs. 5,503.26 million (December 31, 2012 : Rs. 4,902.82 million).

9.1.2 The Company has deposited 15 years Pakistan Investment Bond amounting to Rs. 50 million (December 31, 2012: Rs. 50 million) with State Bank of Pakistan under section 29 of Insurance Ordinance, 2000.

		STATUTORY FUNDS							AGGREGATE	
Share Holders' Fund	Life (Participating)	Life (Non - Participating)		Investment Linked	Accident & Health		Pension Business Fund	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)	
		Individual	Group		Individual	Group				
9.2 Listed Mutual Funds										
(Rupees in '000)										
Available for Sale - at fair value										
Listed Mutual Funds	21,390	-	-	-	1,019,866	-	-	-	1,041,256	834,948

9.2.1 The aggregate market value of the units of open-end mutual funds in shareholders' fund as at June 30, 2013 was Rs. 23.47 million (December 31, 2012: Rs. 14.098 million)

9.2.2 The aggregate cost of the above units of open-end mutual funds in investment linked fund as at June 30, 2013 was Rs. 830.59 million (December 31, 2012: Rs. 701.6 million)

10. FIXED ASSETS - tangible and intangible

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
	(Rupees in '000)	
Opening net book value	59,640	60,217
Add: Additions during the period / year - at cost		
- Leasehold improvements	253	565
- Furniture and fixtures	-	478
- Office equipments	174	382
- Computer equipments	407	801
- Motor vehicles	7,353	17,745
- Software and licences	-	474
	8,187	20,445
Less: Net Book value of deletion	-	1,287
Depreciation / amortization for the period / year	11,489	19,735
	11,489	21,022
Closing net book value	56,338	59,640
Add: Capital work in progress	-	1,323
	56,338	60,963

11. CASH AND CASH EQUIVALENTS

11. CASH AND CASH EQUIVALENTS									
Share Holders' Fund	STATUTORY FUNDS							AGGREGATE	
	Life (Participating)	Life (Non - Participating)		Investment Linked	Accident & Health		Pension Business Fund	June 30, 2013 (Unaudited)	June 30, 2012 (Unaudited)
		Individual	Group		Individual	Group			
..... (Rupees in '000)									
Cash and stamps in hand	794	-	-	-	-	-	-	794	2,467
Current and other accounts	19,557	40,502	62,393	-	288,518	-	1,180	421,255	185,153
	<u>20,351</u>	<u>40,502</u>	<u>62,393</u>	<u>-</u>	<u>288,518</u>	<u>-</u>	<u>1,180</u>	<u>422,049</u>	<u>187,620</u>

12. EXPENSES NOT ATTRIBUTABLE TO STATUTORY FUND

	June 30, 2013 (Unaudited)	June 30, 2012
	(Rupees in '000)	
Workers' Welfare Fund	1,555	1,862
Regulators fee	3,659	2,059
Legal and professional	4,259	9
Donation	250	40
Miscellaneous	39	575
	<u>9,762</u>	<u>4,545</u>

13. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise holding company, associated companies, other companies with common directors, retirement benefit funds, directors and key management personnel. The details of transactions with related parties and balances there-against other than those which have been specifically disclosed elsewhere in the financial information, are as follows:

Relationship with the Company	Nature of transactions	June 30, 2013 (Unaudited)	June 30, 2012
		(Rupees in '000)	
i) Holding Company	Reinsurance premium-net of commission	1,786	2,669
	Claims paid	-	3,661
	Charges for administrative services provided	-	366
	Reimbursement of expense incurred on behalf of holding Company	-	1,895
ii) Associated undertaking	Consultancy charges	165	280
iii) Staff retirement funds	Contribution made to provident fund	6,542	6,069
	Contribution made to gratuity fund	5,513	6,647
iv) Key management personnel	Remuneration paid	42,897	40,596
	Mark-up on loan	23	33

		June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Balances with related parties are as follows		 (Rupees in ‘000)	
i) Holding Company	Reinsurance premium payable	1,896	110
	Reinsurance recoveries receivable	11,466	11,466
ii) Associated undertaking	Consultancy charges payable	662	662
iii) Key management personnel	Loans receivable	472	589

Fee for carrying out actuarial valuation by appointed actuary is paid by the holding company.

14. GENERAL

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

15. DATE OF AUTHORISATION FOR ISSUE

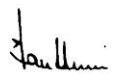
These condensed interim financial information was authorised for issue on August 28, 2013 by the Board of Directors of the Company.



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Director

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