



Actuarial Valuation

Appendix

as at December 31, 2012

The bonus rates declared are as under:

A. PAKISTAN RUPEE POLICIES**I. Whole Life and Endowment Assurance**

Subject to the Notes, for with profit Whole Life and Endowment policies in force for the full sum assured as at 31st December 2012:

- a. Reversionary bonuses per thousand sum assured per annum (2011 figures are given for comparison).

	2011			2012		
	For first five policy years Rs.	From 6th policy year to 16th policy year Rs.	From 17th policy year onwards Rs.	For first five policy years Rs.	From 6th policy year to 16th policy year Rs.	From 17th policy year onwards Rs.
Whole Life	60	110	150	60	110	150
Endowments						
Term:						
20 years and over	50	94	130	50	94	130
15 to 19 years inclusive	35	81	81	35	81	81
14 years and less	20	66	-	20	66	-

- b. Interim Bonus will be allowed till the next Actuarial Valuation at the rates mentioned in I(a) above, subject to "C" below.
- c. Terminal Bonus will be paid on claims by death or maturity in 2013, where more than 10 years' premiums have been paid. The rate has been maintained at Rs. 60 per thousand sum assured for each year's premium paid in excess of 10 years subject to a maximum of Rs. 1200 per thousand sum assured.
- d. Special Terminal Bonus will be paid on claims by maturity in 2013, where a Family Income Benefit (FIB) is in force at maturity as a supplementary contract, or as a built-in benefit, and has been in force for more than 10 years. The rate will be Rs. 10 per thousand basic sum assured under the policy for each year in excess of 10 years that the FIB has been in force, subject to a maximum of Rs. 200 per thousand basic sum assured (same as 2011 valuation).
- e. Loyalty Terminal Bonus will be paid on claims by death or maturity in 2013 to policies with risk year 1993 or earlier. The rate will be Rs.200 per thousand sum assured (same as 2011 valuation).

Notes:

- Jeevan Sathi and Shadabad policies will be treated as Endowment policies.
- Big Deal policies will receive bonuses on 25% of the sum assured only.
- For Whole Life by limited payments, bonuses will be allowed at the same rate as for Whole Life. The bonuses are admissible even after the completion of premium paying period for each year the policy has been in force for full sum assured.

II. Anticipated Endowment Assurance

For with profits Anticipated Endowments/ Three stage/ Three payment policies (excluding Sada Bahar Plan) in force for the full sum assured as at 31st December 2012:

- a. Reversionary bonuses per thousand sum assured per annum (2011 figures are given for comparison).



Term:	2011			2012		
	For first five policy years Rs.	From 6th policy year to 16th policy year Rs.	From 17th policy year onwards Rs.	For first five policy years Rs.	From 6th policy year to 16th policy year Rs.	From 17th policy year onwards Rs.
20 years and over	35	69	100	35	69	100
15 to 19 years inclusive	25	59	59	25	59	59
14 years and less	19	53	-	19	53	-

- b. Interim Bonus will be allowed till the next Actuarial Valuation at the rates mentioned in II (a) above, subject to "C" below.
- c. Terminal Bonus will not be paid on these policies.
- d. Special Terminal Bonus, as mentioned in I(d) above, will be paid on cases having Family Income Benefit supplementary contract. The Special Terminal Bonus will be calculated on the basic sum assured under the policy, and not on the residual survival benefit.
- e. Loyalty Terminal Bonus, as mentioned in I(e) above, will be paid on claims by death or maturity in 2013 to policies with risk year 1993 or earlier. The Loyalty Terminal Bonus will be calculated on the basic sum assured under the policy, and not on the residual survival benefit.
- f. If the policyholder lets a Survival Benefit remain with State Life, a Special Reversionary Bonus will be added six months after the due date of the Survival Benefit. For Survival Benefits falling due in 2013, which the policyholder opts to leave, Special Reversionary Bonuses will be allowed as follows (same as 2011 valuation).

Period between Survival Benefit due date and maturity date	Special Reversionary Bonus per Rs. 1000 Survival Benefit	Period between Survival Benefit due date and maturity date	Special Reversionary Bonus per Rs. 1000 Survival Benefit
20 years	Rs. 3,165	9 years	Rs. 1,005
18 years	Rs. 2,765	8 years	Rs. 845
16 years	Rs. 2,350	7 years	Rs. 695
14 years	Rs. 1,940	6 years	Rs. 555
12 years	Rs. 1,545	5 years	Rs. 420
10 years	Rs. 1,175	4 years	Rs. 300

Note: Policies under Family Pension Plan (Table 12) will not be eligible for Special Reversionary Bonuses.

III. Sada Bahar Plan

Sada-Bahar plan was launched during 2006. For policies in force for the full sum assured as at 31st December 2012:

- (a) Reversionary bonuses per thousand sum assured per annum would be as per following schedule (2011 figures are given for comparison):

Term:	2011		2012	
	For first five policy years Rs.	For 6th policy years to 16th policy year Rs.	For first five policy years Rs.	For 6th policy year to 16th policy year Rs.
20 years and over	44	86	44	86
15 to 19 years inclusive	31	74	31	74
14 years and less	24	66	24	66



- b. Interim Bonus will be allowed till the next Actuarial Valuation at the rates mentioned in III (a) above, subject to "C" below.
- c. Special Reversionary Bonus will also be paid to all policies under this plan whose Survival Benefits have fallen due on or before 2013 subject to the rates and conditions mentioned in II (f) above.

IV. Super (Table 72), Sunehri (Table 73) & Shehnai (Table 77) policies

- a. Bonuses under these policies are credited to the policy after the policy has acquired an Adjusted Opening Cash Value. The bonus is credited on the Adjusted Opening Cash Value and not on minimum guaranteed surrender value. Bonuses will be credited at the end of the policy year. These bonuses are payable when the Cash Value under the policy is payable.
- b. The rate of bonus is Rs.105 per thousand per annum of the Adjusted Opening Cash Value. This bonus rate will be allowed till the next valuation.
- c. Reversionary, Terminal or any other bonuses declared as a result of this valuation will not be payable under these policies. However, bonus mentioned under "VIII" below, if applicable, will be allowed.

V. Committee Policy (Table 79)

- a. Investment Return under this policy is credited to the policy after the policy has acquired an Adjusted Opening Cash Value. The return is credited on the Adjusted Opening Cash Value and not on minimum guaranteed surrender value. This return will be credited at the end of each quarter. These returns are payable when the Cash Value under the policy is payable.
- b. The credit rate for each of the quarters falling due in 2013 shall be calculated at 10.6% per annum (10.3% per annum in 2011) of the Adjusted Opening Cash Value. This rate will be allowed till the next valuation.
- c. Reversionary, Terminal or any other bonus declared as a result of this valuation will not be payable under these policies.

VI. Personal Pension Scheme (Table 71)

- a. Bonuses under Personal Pension Scheme where "Pension is being paid" will be allowed on Pension Payments. Pension payments will be increased by bonus from the policy anniversary falling in the year 2013. This increase will also be available on pension payments commencing in 2013.
- b. The rate of bonus is Rs. 80 per thousand per annum of the pension payments.
- c. Reversionary, Terminal or any other bonuses declared as a result of this valuation, will not be payable under these policies.

VII. Specified Major Surgical Benefit

- a. Specified Major Surgical Benefit was announced for the first time in 1992 Actuarial valuation. This benefit has been retained in 2012 valuation. This benefit is available to all with-profit policies, which have been in full force as at 31st December, 2012 and have been continuously in force for at least five complete policy years at the date of surgery. The maximum benefit for such policies is Rs. 250,000. However, if the with-profit policies have been in full force as at 31st December, 2012 and have been continuously in force for at least ten complete policy years at the date of surgery then the maximum benefit for these policies will be Rs 500,000.
- b. Under such policies, if the life assured undergoes specified major surgery during the inter-valuation period i.e. from 1st January, 2013 to 31st December, 2013 on account of a specified dread disease, the Corporation would pay 50% of the basic sum assured (in case of Anticipated Endowment plans, 50% of the remaining sum assured after deducting any due survival benefit(s)), subject to above given maximum amounts. The amount payable will be adjusted against future survival benefit payments, maturity or death claims.
- c. If the insured is covered under more than one policy, the maximum amount paid on all the policies together will depend on the number of years the policies have been continuously in full force. For policies that have been continuously in full force for at least five years but less than 10 years, the maximum benefit paid under all such policies together will be limited to Rs 250,000. For policies that are continuously in full force for at least ten years, the maximum benefit payable under each policy is limited to Rs 500,000 or 50% of the sum assured, whichever is less.
- d. The specified surgeries and all other related conditions are the same as those announced in 2011 bonus declaration.



VIII. Family Income Benefits Where Life Assured Has Died

Family Income Benefit to heirs or nominees of deceased life assureds will be increased by 7.5% from policy anniversaries in the year 2014 under with profit policies.

Note: The percentage increase will be allowed on the actual benefit paid on policy anniversaries (including any prior increases) in the year 2013.

IX. Terminal/Loyalty Terminal Bonus for (with profit Tables/Plans) paid-up policies

- Terminal Bonus on Whole Life and Endowment paid-up policies will be paid on claims by death or maturity in 2013, where the policy has been on the books for more than 10 years. The rate will be Rs. 60 per thousand paid-up sum assured for each year in excess of 10 years subject to a maximum of Rs. 1200 per thousand paid-up sum assured. Jeevan Sathi and Shadabad policies will be treated as Endowment policies.
- The above terminal bonus will also be paid to Anticipated Endowment paid-up policies on claims by death only. No terminal bonus will be paid to anticipated endowment policies on claims by maturity in 2013.
- Loyalty Terminal Bonus on Whole Life and Endowment paid up policies will be paid on claims by death or maturity in 2013 to policies with risk year 1993 or earlier. The rate will be Rs.200 per thousand paid-up sum assured. Jeevan Sathi and Shadabad policies will be treated as Endowment policies.
- Loyalty Terminal bonus as mentioned above will also be paid to Anticipated Endowment paid-up policies on claims by death or maturity in 2013.

Note: Terminal/Loyalty bonus for paid-up policies will be calculated on the paid-up sum assured and not on the basic sum assured.

X. East West Mutual etc.

Policies issued by the East West Mutual, Grand Mutual, I.G.I., Pakistan Mutual, Standard and Union Insurance and former East Pakistani companies will not get Terminal Bonuses, Special Terminal Bonuses, Loyalty Terminal Bonuses and Specified Major Surgical Benefit.

B. POLICIES EXPRESSED IN UAE DIRHAM AND US DOLLAR

- Policies expressed in UAE Dirham:

Reversionary bonuses per thousand sum insured per annum (2011 figures are given for comparison).

	2011		2012	
	For first five policy years Dh	From sixth policy year onwards Dh	For first five policy years Dh	From sixth policy year onward Dh
Whole Life	21	39	21	39
Endowments				
Term:				
20 years and over	17	33	17	33
15 to 19 years inclusive	10	24	10	24
14 years and less	5	17	5	17
Anticipated Endowments				
Term:				
20 years and over	8	26	8	26
15 to 19 years inclusive	5	18	5	18
14 years and less	3	14	3	14



b. Policies expressed in US Dollar:

Reversionary bonuses per thousand sum insured per annum (2011 figures are given for comparison).

	2011		2012	
	For first five policy years \$	From sixth policy year onwards \$	For first five policy years \$	From sixth policy year onwards \$
Whole Life Endowments	23	42	23	42
Term:				
20 years and over	17	33	17	33
15 to 19 years inclusive	10	23	10	23
14 years and less	5	16	5	16
Anticipated Endowments				
Term:				
20 years and over	8	24	8	24
15 to 19 years inclusive	5	17	5	17
14 years and less	3	13	3	13

- c. Interim Bonus on death and maturity claims will be allowed till the next bonus declaration, at the rates mentioned in B(a) and B(b) above.
- d. Terminal Bonus. Terminal Bonus will be paid on claims by death or maturity in 2013, where more than 10 years' premiums have been paid. The rate will be USD/AED 5 per thousand sum assured for each year's premium paid in excess of 10 years subject to a maximum of USD/AED 100 (same as 2011 valuation) per thousand sum assured. This bonus shall only be payable on Whole Life and Endowment policies and not Anticipated Endowment policies.
- e. Family Income Benefit to heirs or nominees of deceased lives assured will be increased by 4% from policy anniversaries in the year 2014 under with profit policies.

Note: The percentage increase will be allowed on the actual benefit paid on policy anniversaries (including any prior increases) in the year 2013.

C. NO CASH VALUE OF BONUSES UNTIL THREE YEARS' PREMIUMS HAVE BEEN PAID

Surrender Value of Reversionary Bonuses on an in force policy will be payable if at least one of the following two conditions has been fulfilled:

- i) The policyholder has actually paid at least three full years' premiums
- ii) The policy has completed at least three policy years.

However, these conditions will be waived in case of Single Premium policies. These conditions will also be waived in the case of a death claim and all bonuses whether declared or interim will be payable. Also, in the case of a death claim in the first three policy years, where the premiums are in arrears, in order to determine whether the policy could have been kept in force, the surrender value of bonuses will be taken into account.

"Actual payment" means payment in cash/pay order/bank draft/cheque after it has been realized.

CAUTION

Terminal, Special Terminal, Loyalty Terminal bonuses and the Specified Major Surgical Benefits are especially sensitive to the future surplus of State Life. Hence, no indication can or should be given of Terminal, Special Terminal, Loyalty Terminal bonuses and Specified Major Surgical Benefit, if any, which may be allowed after the year 2013.



Operating and Financial Data

Rs. in Millions

Financial Position

Balance Sheet

	2012	2011	2010	2009	2008	2007
ASSETS						
Cash and Banks	30,722	30,426	25,522	14,944	18,176	11,719
Loans secured against life insurance policies	27,095	22,596	19,057	16,046	13,268	11,114
Loans to employee and field force	430	422	406	356	334	332
Investment properties	3,029	2,917	2,734	2,538	2,437	2,331
Investment in securities	262,884	223,486	192,539	174,735	151,424	137,342
Current assets and others	24,704	13,610	11,001	8,907	7,353	6,914
Fixed assets	307	250	219	158	124	69
Total assets	349,170	293,707	251,478	217,685	193,118	169,821
EQUITY AND LIABILITIES						
Issued, subscribed and paid up capital	1,100	1,100	1,100	1,100	1,100	900
Reserve and surplus	1,267	520	407	319	96	231
Policy holders liability	316,930	268,580	230,422	199,445	177,459	156,737
Employees retirement benefit	1,551	1,466	1,424	1,269	1,118	1,029
Government grant for health insurance fund	-	362	-	-	-	-
Creditors and accruals	28,322	21,679	18,126	15,552	13,345	10,925
Total equity and liability	349,170	293,707	251,478	217,685	193,118	169,821
OPERATING AND FINANCIAL TRENDS						
Profit and Loss						
Net Investment Income	135	125	112	107	94	84
Surplus appropriated	1,082	661	499	390	352	257
Profit before Tax	1,217	786	611	496	446	340
Taxation	409	265	204	178	150	110
Profit After Tax	809	520	407	319	296	231
Revenue Account						
Premium net of Reinsurance	56,018	44,812	35,639	28,367	22,695	18,717
Net Investment Income	37,842	31,050	27,323	21,438	19,039	17,420
Total Inflow	93,860	75,863	62,961	49,805	41,734	36,137
Total Outflow	44,790	37,119	31,486	27,354	20,777	17,048
Increase Policyholders liability	36,090	37,137	30,994	22,319	19,303	18,697
Surplus before Tax	12,980	1,606	482	132	1,654	392
Taxation	-	75	-	(75)	117	(55)
Surplus after Tax	12,980	1,681	482	57	1,771	338
Surplus transfer to P&L	1,082	661	499	390	352	257
Cash Flows						
Operating activities	13,136	8,815	4,470	366	2,690	391
Investing activities	(13,220)	(3,631)	6,780	(3,582)	3,174	(3,186)
Financing activities	-	(358)	(319)	(96)	200	-
Cash and cash equivalents at the end of the year	29,265	29,350	24,525	13,594	16,906	10,842



Financial Ratios

	2012	2011	2010	2009	2008	2007
Profitability						
Profit before tax / Gross Premium	2.17%	1.74%	1.70%	1.74%	1.95%	1.81%
Profit before tax / Net Premium	2.17%	1.75%	1.71%	1.75%	1.97%	1.82%
Profit after tax / Gross Premium	1.44%	1.16%	1.14%	1.12%	1.30%	1.22%
Profit after tax / Net Premium	1.44%	1.16%	1.14%	1.12%	1.31%	1.23%
Net Claims / Net Premium (IL)	37.46%	37.87%	41.90%	48.13%	49.18%	50.18%
Net Claims / Net Premium (GL)	82.76%	90.26%	99.63%	107.05%	94.81%	99.68%
Net Commission / Net Premium (IL)	27.47%	28.34%	28.65%	27.32%	25.73%	23.63%
Net Commission / Net Premium (GL)	0.07%	0.10%	0.13%	0.09%	0.08%	0.11%
Area Managers Costs / Net Premium (IL)	3.52%	3.76%	3.53%	3.36%	3.55%	3.06%
Total Acquisition Cost / Net Premium (IL)	32.50%	33.81%	33.78%	32.32%	30.84%	28.23%
Administration Expenses / Net Premium	8.29%	9.14%	9.97%	12.56%	9.15%	9.51%
Return to Shareholders						
Return on Equity (ROE)	40.58%	33.27%	27.81%	24.38%	25.46%	19.93%
Earnings / Loss per Share (Pre Tax)	Rs 110.68	71.41	55.53	45.12	40.56	37.83
Earnings / Loss per Share (After Tax)	Rs 73.54	47.29	36.99	28.98	26.93	25.61
Return on Assets	0.25%	0.19%	0.17%	0.16%	0.16%	0.14%
Paid up Capital / Total Assets	0.32%	0.37%	0.44%	0.51%	0.57%	0.53%
Market Value						
Face Value per Share	Rs 100	100	100	100	100	100
Break up Value per Share	Rs 173.54	147.29	136.99	128.98	126.93	125.61
Cash Dividend per Share	Rs 73.54	47.29	36.99	28.98	26.93	25.61
Dividend Yield - EPS/100*100	73.54%	47.29%	36.99%	28.98%	26.93%	25.61%
Dividend Pay out	100%	100%	100%	100%	100%	100%



Vertical Analysis

Balance Sheet

	2012		2011		2010		2009		2008		2007	
	Rs. in Millions	%	Rs. in Millions	%	Rs. in Millions	%	Rs. in Millions	%	Rs. in Millions	%	Rs. in Millions	%
ASSETS												
Cash and Banks	30,722	8.80%	30,426	10.36%	25,522	10.15%	14,944	6.87%	18,176	9.41%	11,719	6.90%
Loans secured against life insurance policies	27,095	7.76%	22,596	7.69%	19,057	7.58%	16,046	7.37%	13,268	6.87%	11,114	6.54%
Loans to employee and field force	430	0.12%	422	0.14%	406	0.16%	356	0.16%	334	0.17%	332	0.20%
Investment properties	3,029	0.87%	2,917	0.99%	2,734	1.09%	2,538	1.17%	2,437	1.26%	2,331	1.37%
Investment in securities	262,884	75.29%	223,486	76.09%	192,539	76.56%	174,735	80.27%	151,424	78.41%	137,342	80.87%
Current assets and others	24,704	7.07%	13,610	4.63%	11,001	4.37%	8,907	4.09%	7,353	3.81%	6,914	4.07%
Fixed assets	307	0.09%	250	0.09%	219	0.09%	158	0.07%	124	0.06%	69	0.04%
Total assets	349,170	100%	293,707	100%	251,478	100%	217,685	100%	193,118	100%	169,821	100%
EQUITY AND LIABILITIES												
Issued, subscribed and paid up capital	1,100	0.32%	1,100	0.37%	1,100	0.44%	1,100	0.51%	1,100	0.57%	900	0.53%
Reserve and surplus	1,267	0.36%	520	0.18%	407	0.16%	319	0.15%	96	0.05%	231	0.14%
policy holders liability	316,930	90.77%	268,580	91.44%	230,422	91.63%	199,445	91.62%	177,459	91.89%	156,737	92.30%
employees retirement benefit	1,551	0.44%	1,466	0.50%	1,424	0.57%	1,269	0.58%	1,118	0.58%	1,029	0.61%
Government grant for health insurance fund	-	-	362	0.12%	-	-	-	-	-	-	-	-
Creditors and accruals	28,322	8.11%	21,679	7.38%	18,126	7.21%	15,552	7.14%	13,345	6.91%	10,925	6.43%
Total equity and liability	349,170	100.00%	293,707	100.00%	251,478	100%	217,685	100%	193,118	100%	169,821	100%
Income Statement												
Net Investment Income	135	17%	125	16%	112	18%	107	22%	94	21%	84	25%
Surplus appropriated	1,082	138%	661	84%	499	82%	390	78%	352	79%	257	75%
Profit before Tax	1,217	155%	786	100%	611	100%	496	100%	446	100%	340	100%
Taxation	409	52%	265	34%	204	33%	178	36%	150	34%	110	32%
Profit After Tax	809	103%	520	66%	407	67%	319	64%	296	66%	231	68%
Revenue Account												
Premium net of Reinsurance	56,018	60%	44,812	59%	35,639	57%	28,367	57%	22,695	54%	18,717	52%
Net Investment Income	37,842	40%	31,050	41%	27,323	43%	21,438	43%	19,039	46%	17,420	48%
Total Inflow	93,860	100%	75,863	100%	62,961	100%	49,805	100%	41,734	100%	36,137	100%
Total Outflow	44,790	48%	37,119	49%	31,486	50%	27,354	54.92%	20,777	49.78%	17,048	47.18%
Increase Policyholders liability	36,090	38%	37,137	49%	30,994	49%	22,319	44.81%	19,303	46.25%	18,697	51.74%
Taxation	-	-	75	0.10%	-	-	75	0.15%	117	0.28%	55	0.15%
Surplus after Tax	12,980	14%	1,681	2%	482	1%	57	0.09%	1,771	4.24%	337	0.93%



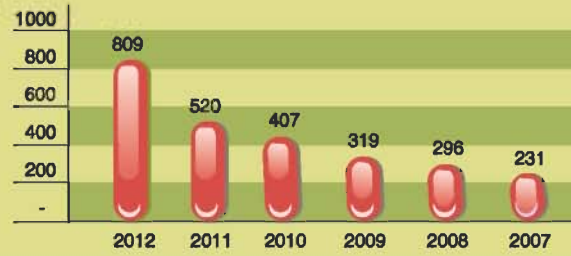
Horizontal Analysis

Balance Sheet

	Rs. in Millions						% increase / decrease over preceding year					
	2012	2011	2010	2009	2008	2007	2012	2011	2010	2009	2008	2007
ASSETS												
Cash and Banks	30,722	30,426	25,522	14,944	18,176	11,719	1%	19%	71%	-18%	55%	-18%
Loans secured against life insurance policies	27,095	22,596	19,057	16,046	13,268	11,114	20%	19%	19%	21%	19%	24%
Loans to employee and field force	430	422	406	356	334	332	2%	4%	14%	7%	1%	2%
Investment properties	3,029	2,917	2,734	2,538	2,437	2,331	4%	7%	8%	4%	5%	0%
Investment in securities	262,884	223,486	192,539	174,735	151,424	137,342	18%	16%	10%	15%	10%	16%
Current assets and others	24,704	13,610	11,001	8,907	7,353	6,914	82%	24%	24%	21%	6%	28%
Fixed assets	307	250	219	158	124	69	23%	14%	39%	27%	79%	14%
Total assets	349,170	293,707	251,478	217,685	193,118	169,821						
EQUITY AND LIABILITIES												
Issued, subscribed and paid up capital	1,100	1,100	1,100	1,100	1,100	900	0%	0%	0%	0%	22%	0%
Reserve and surplus	1,267	520	407	319	96	231	143%	28%	28%	231%	-58%	-18%
Policy holders liability	316,930	268,580	230,422	199,445	177,459	156,737	18%	17%	16%	12%	13%	14%
Employees retirement benefit	1,551	1,466	1,424	1,269	1,118	1,029	6%	3%	12%	14%	9%	-1%
Government grant for health insurance fund	-	362					-100%					
Creditors and accruals	28,322	21,679	18,126	15,552	13,345	10,925	31%	20%	17%	17%	22%	18%
Total equity and liability	349,170	293,707	251,478	217,685	193,118	169,821						
OPERATING AND FINANCIAL TRENDS												
Profit and Loss												
Net Investment Income	135	125	112	107	94	84	8%	12%	4%	14%	12%	4%
Surplus appropriated	1,082	661	499	390	352	257	64%	32%	28%	11%	37%	12%
Profit before Tax	1,217	786	611	496	446	340	55%	29%	23%	11%	31%	10%
Taxation	409	265	204	178	150	110	54%	30%	15%	18%	36%	322%
Profit After Tax	809	520	407	319	296	231	55%	28%	28%	8%	28%	-18%
Revenue Account												
Premium net of Reinsurance	56,018	44,812	35,639	28,367	22,695	18,717	25%	26%	26%	25%	21%	17%
Net Investment Income	37,842	31,050	27,323	21,438	19,039	17,420	22%	14%	27%	13%	9%	17%
Total Inflow	93,860	75,863	62,961	49,805	41,734	36,137	24%	20%	26%	19%	15%	17%
Total Outflow	44,790	37,119	31,486	27,354	20,777	17,048	21%	18%	15%	32%	22%	11%
Increase Policyholders liability	36,090	37,137	30,994	22,319	19,303	18,697	-3%	20%	39%	16%	3%	27%
Taxation	-	75	-	75	117	55	-100%	100%	-100%	-36%	113%	90%
Surplus after Tax	12,980	1,681	482	57	1,771	338	672%	249%	749%	-97%	424%	-52%



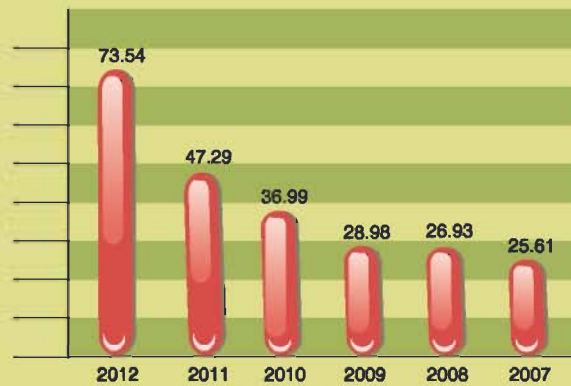
PROFIT AFTER TAXATION (Rs. in Millions)



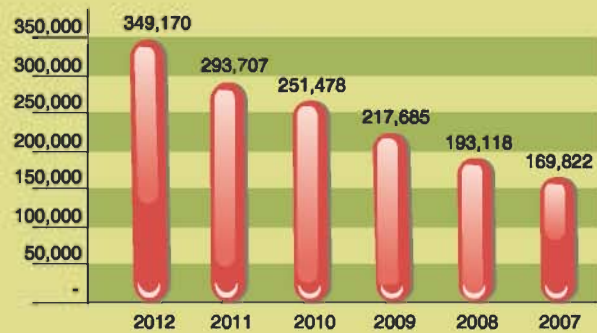
RETURN ON EQUITY



EARNING PER SHARE (Rupees)

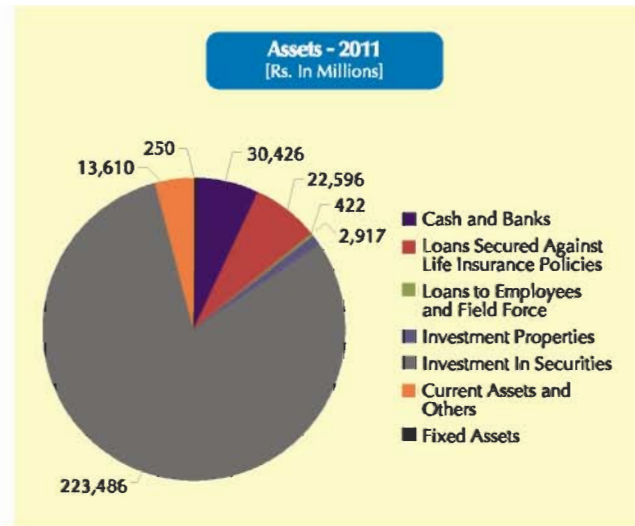
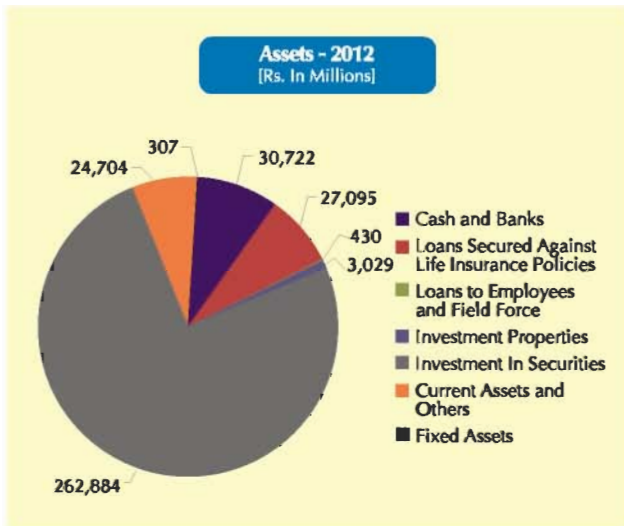
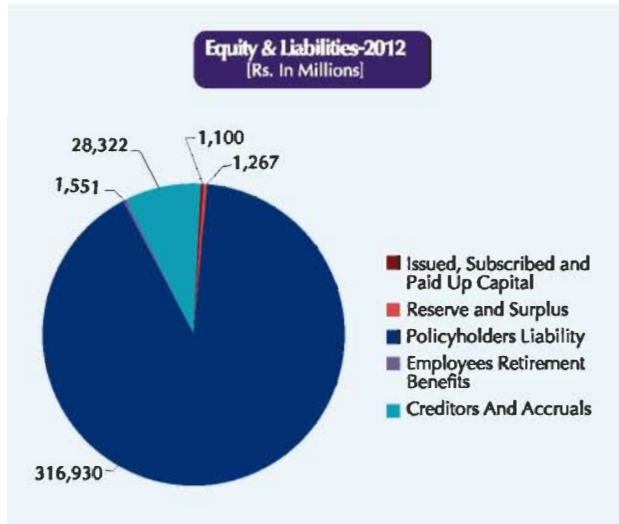


ASSETS (Rs. in Millions)





Balance Sheet Composition





Financial Statements



Auditors' Report

to the Members of State Life Insurance Corporation of Pakistan

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 flow statement;
- v) revenue account;
- vi) statement of premiums;
- vii) statement of claims;
- viii) statement of expenses; and
- ix) statement of investment income

of the State Life Insurance Corporation of Pakistan (the Corporation) as at December 31, 2012 together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Corporation's Board of Directors/management 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. These statements constitute consolidation of all the accounting statements on the Corporation basis including Statements of International Business Operations in United Arab Emirates - other currencies (Overseas Life Fund) audited by Sajjad Haider & Co., Chartered Accountants.

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 financial 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 and, after due verification we report that:



- a) proper books of accounts have been kept by the Corporation as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- b) the balance sheet and profit and loss account 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 Corporation 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 Corporation's affairs as at December 31, 2012 in accordance with approved accounting standards as applicable in Pakistan, and give 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 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 Corporation and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Riaz Ahmad & Company
Chartered Accountants
Name of the engagement partner:
Muhammad Kamran Nasir

Anjum Asim Shahid Rahman
Chartered Accountants
Name of the engagement partner:
Shahzada Saleem Chughtai

Date: 02 December, 2014
Karachi