

Statement of Expenses

For The Year Ended December 31, 2010

	Statutory Funds			Aggregate	
	Ordinary Life	Universal Life	Accident & Health	December 31, 2010	December 31, 2009
Figures in Rupees					
Acquisition Costs					
Remuneration To Insurance Intermediaries on Individual Policies:					
Commission on First Year Premiums	—	11,631,035	912,384	12,543,419	17,678,653
Commission on Second Year Premiums	—	2,137,269	—	2,137,269	773,604
Commission on Subsequent Renewal Premiums	—	924,452	—	924,452	776,370
Commission on Single Premiums	—	2,253,404	—	2,253,404	61,581
Other Benefits to Insurance Intermediaries	—	605,689	—	605,689	128,318
Group Policies:					
Commission	4,297,225	—	2,833,342	7,130,567	7,574,254
	4,297,225	17,551,849	3,745,726	25,594,800	26,992,780
Branch Overhead:					
Salaries, Allowances and Other Benefits	—	8,351,634	—	8,351,634	22,833,032
Other Operational Costs	—	8,700,799	—	8,700,799	22,833,146
	—	17,052,433	—	17,052,433	45,666,178
Other Acquisition Cost					
Policy Stamps	17,560	59,360	44,550	121,470	216,785
Total Acquisition Cost	4,314,785	34,663,642	3,790,276	42,768,703	72,875,743
Administration Expenses					
Salaries and Other Benefits	5,196,277	10,269,483	5,850,000	21,315,760	18,177,677
Travelling Expenses	681,908	250,948	627,371	1,560,227	937,289
Auditors Remuneration	204,416	81,766	122,649	408,831	332,953
Actuary's Fees	780,000	240,000	180,000	1,200,000	1,200,000
Medical Fees	395,806	593,709	—	989,515	1,462,680
Advertisements	626,850	206,430	275,240	1,108,520	3,660,346
Printing and Stationary	999,278	785,769	288,115	2,073,162	2,563,993
Operating Lease Rentals	199,334	184,977	739,908	1,124,219	759,929
Staff Welfare	1,049,668	1,302,546	1,563,055	3,915,269	3,980,160
Postage, Telegram and Telephone	474,031	720,083	576,066	1,770,180	1,372,379
Electricity and Gas	500,615	343,424	303,021	1,147,060	1,179,105
Newspaper and Periodicals	7,879	3,200	2,600	13,679	14,917
Entertainment Expense	969,896	242,064	201,720	1,413,680	1,041,866
Repair and Maintenance	36,379	37,794	75,588	149,761	357,534
Insurance	138,453	—	885,000	1,023,453	580,953
Stamps	27,440	—	—	27,440	14,766
Consultancy Charges	226,975	202,400	105,600	534,975	663,585
Bank Charges	274,711	206,033	68,678	549,422	767,175
Miscellaneous Expense	1,840,385	450,319	258,376	2,549,080	2,365,752
	14,630,301	16,120,945	12,122,987	42,874,233	41,433,059
Gross Management Expenses	18,945,086	50,784,587	15,913,263	85,642,936	114,308,802
Less: Commission From Reinsurers	(4,824,869)	(125,930)	—	(4,950,799)	(6,330,776)
Net Management Expenses	14,120,217	50,658,657	15,913,263	80,692,137	107,978,026

The annexed notes 1 to 35 form an integral part of these Financial Statements.

CHIEF JUSTICE (R) MIAN MAHBOOB AHMAD
Chairman

MAHEEN YUNUS, CPCU
Managing Director &
Chief Executive

A. K. M. SAYEED
Director

JAVED YUNUS
Director

