



Century Insurance  
A LAKSON GROUP COMPANY

SUPPORTING  
YOUR GROWTH & SUCCESS



Quarterly Report  
For the 1<sup>st</sup> Quarter Ended 31 March 2012  
(Un-audited)



## Our Vision

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To be an Organisation known for integrity and ethical behaviour and fully dedicated to our clients, business partners, shareholders and employees, providing exceptional quality service and committed to achieve excellence in all areas of its operations.



## Our Mission

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- ▶ To become a Company of choice to our valued clients, stakeholders and employees.
- ▶ To maximize growth and profitability of the Company and provide excellent financial returns to its valued shareholders.
- ▶ The Company's culture should be known for its integrity and ethical behaviour.
- ▶ The Company to be known as one of the best insurance companies of the Country.

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## Corporate Information

### Board Of Directors

Mr. Iqbal Ali Lakhani - Chairman  
Mr. Zulfiqar Ali Lakhani  
Mr. Amin Mohammed Lakhani  
Mr. Tasleemuddin A. Batlay  
Mr. A. Aziz H. Ebrahim  
Mr. Muhammad Abdul Qadir  
Mr. Mohammad Hussain Hirji - Chief Executive

### Advisor

Mr. Sultan Ali Lakhani

### Chief Financial Officer

Mr. Sabza Ali Pirani

### Company Secretary

Mr. Mansoor Ahmed

### Audit Committee

Mr. Zulfiqar Ali Lakhani (Chairman)  
Mr. Amin Mohammed Lakhani  
Mr. Tasleemuddin A. Batlay

### Underwriting Committee

Mr. Tasleemuddin A. Batlay (Chairman)  
Mr. Mohammad Hussain Hirji  
Mr. Afzal-ur-Rahman

### Claim Settlement Committee

Mr. Amin Mohammed Lakhani (Chairman)  
Mr. Mohammad Hussain Hirji  
Mr. Afzal-ur-Rahman

### Reinsurance & Co-Insurance Committee

Mr. Zulfiqar Ali Lakhani (Chairman)  
Mr. Mohammad Hussain Hirji  
Mr. Afzal-ur-Rahman  
Ms. Madiha Khalid

### External Auditors

M/s. Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

### Bankers

Allied Bank Limited  
Bank Al-Habib Limited  
Citibank, N.A.  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
HSBC Bank Middle East Limited

JS Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
Standard Chartered Bank (Pakistan) Limited

### Shares Registrar

M/s. FAMCO Associates (Pvt) Ltd.  
State Life Building No.1-A,  
1<sup>st</sup> Floor, I.I.Chundrigar Road, Karachi.

### Registered & Corporate Office

Lakson Square, Building No. 2, Sarwar  
Shaheed Road, Karachi-74200.

### Head Office

11<sup>th</sup> Floor, Lakson Square, Building No. 3,  
Sarwar Shaheed Road, Karachi-74200.

### Karachi Marketing Office

10<sup>th</sup> Floor, Lakson Square, Building No. 3,  
Sarwar Shaheed Road, Karachi-74200.

### Clifton Branch

Office No. 504-505, Marine Point, DC-1,  
Block-9, Clifton, Karachi.

### Lahore Branch

Suite No. 209, Eden Centre, 43-Jail Road,  
Lahore.

### Islamabad Branch

Office No. 6, Mezzanine Floor, Kashmir Plaza,  
Jinnah Avenue, Blue Area, Islamabad.

### Rawalpindi Branch

Suite No. 3, 1<sup>st</sup> Floor, Majeed Plaza, Bank  
Road, Rawalpindi.

### Faisalabad Branch

1<sup>st</sup> Floor, FM Plaza, 15-D, Peoples Colony,  
Faisalabad.

### Sialkot Branch

1<sup>st</sup> Floor, Karim Plaza, Iqbal Town, Defence  
Road, Sialkot.

Website: [www.cicl.com.pk](http://www.cicl.com.pk)

UAN: 111-111-717

## Directors' Review

On behalf of the Board of Directors, I am pleased to present to you the un-audited financial information for the first quarter ended 31 March 2012.

### General Review

Your Company's performance during the first quarter of 2012 has improved. The underwriting results of all core business segments were profitable and contributed significantly to the bottom line. As compared to the 1QFY11, the gross written premium has increased by Rs. 8 million (7%). Net premium for 1QFY12 has also increased by Rs. 8 million (14%) as compared to the same period last year. Net claims for 1QFY12 have decreased by Rs. 2.2 million (12%) as compared to the same period last year and underwriting profit has increased by Rs. 8 million (32%). Investment and other income were increased by Rs. 39 million resulting in an increase in profit after tax of Rs. 43 million. Earnings per share stood at Rs. 1.39.

### Operating Results

The comparative financial highlights for the first quarter ended 31 March 2012 and 2011 are presented below:-

Rupees in millions (except for EPS)	31 March 2012	31 March 2011	Increase / (Decrease) Amount	%
Gross written premium	130	122	8	7
Net premium	65	57	8	14
Underwriting profit	33	25	8	32
Investment & other income	57	18	39	217
Profit before tax	71	26	45	173
Profit after tax	64	21	43	205
Total assets	1,457	1,370	87	6
Paid-up capital	457	457	-	-
Total equity	1,005	937	68	7
Earnings per share (EPS) Rs.	1.39	0.45	0.94	209

As compared to 1QFY11, the gross premium in Fire business has decreased by Rs. 8.8 million (18%), whereas the gross premium pertaining to Marine, Motor and Miscellaneous business classes has increased by Rs. 4.7 million (18%), Rs. 11.2 million (38%) and Rs. 0.9 million (5%) respectively. Overall, all business segments have provided positive underwriting results during the period under review.

Also, during the period under review, the Company has recorded investment and other income of Rs. 57 million as compared to Rs. 18 million in the previous year. Your

Company will continue to place special emphasis on generating a significant portion of its investment income from sustainable sources such as fixed income and dividends.

### Future Outlook

The management of your Company is making concerted efforts to increase its market share and profitability and we are hopeful that this will result in enhancing shareholders' equity in the future.

### Acknowledgments

The Directors of your Company would like to take this opportunity to thank the Securities and Exchange Commission of Pakistan (SECP), Insurance Association of Pakistan (IAP), State Bank of Pakistan (SBP), banks and other financial institutions for their continued support and cooperation.

The Directors would also like to express their gratitude and appreciation for the support provided by our valued reinsurers.

We also thank our shareholders, who continue to place their trust and confidence in the Company and assure them of our best efforts to ensure optimum utilization of their investment in the Company.

Finally the Directors also wish to place on record their appreciation for the devotion, loyalty and hard work of the officers and members of the staff that have contributed towards the growth of the Company and success of its operations.



Iqbal Ali Lakhani  
Chairman

Karachi: 24 April 2012

## Condensed Interim Balance Sheet

as at 31 March 2012

	Note	Un-audited 31 March 2012	Audited 31 December 2011
----- (Rupees) -----			
<b>Share capital and reserves</b>			
Authorized share capital [50,000,000 (31 December 2011: 50,000,000) ordinary shares of Rs. 10 each]		500,000,000	500,000,000
Paid-up share capital		457,243,660	457,243,660
Retained earnings		174,426,275	110,777,591
Reserves		373,024,260	373,024,260
		1,004,694,195	941,045,511
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		122,330,121	159,958,376
Provision for unearned premium		158,717,313	173,171,252
Commission income unearned		19,611,507	23,082,632
Total underwriting provisions		300,658,941	356,212,260
<b>Deferred liabilities</b>			
Staff retirement benefits		372,406	-
<b>Creditors and accruals</b>			
Premiums received in advance		1,466,429	1,959,036
Amounts due to other insurers / reinsurers	6	86,565,039	99,389,021
Accrued expenses		4,884,160	4,237,194
Other creditors and accruals	7	57,178,187	58,365,345
		150,093,815	163,950,596
<b>Other liabilities</b>			
Unclaimed dividend		776,887	776,887
<b>TOTAL LIABILITIES</b>		<b>451,902,049</b>	<b>520,939,743</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,456,596,244</b>	<b>1,461,985,254</b>
<b>CONTINGENCIES AND COMMITMENT</b>	8		

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.



	Note	Un-audited 31 March 2012	Audited 31 December 2011
----- (Rupees) -----			
<b>Cash and bank deposits</b>			
Cash and other equivalents		625,684	3,222,072
Current and other accounts		82,669,102	94,297,587
		83,294,786	97,519,659
<b>Investments</b>	9	930,822,362	848,638,589
<b>Deferred taxation</b>		1,915,832	2,205,928
<b>Current assets - others</b>			
Premiums due but unpaid - unsecured		60,872,798	98,021,984
Amounts due from other insurers / reinsurers		77,036,802	73,141,280
Reinsurance recoveries due but unpaid		20,667,166	13,560,132
Salvage recoveries accrued		6,805,000	4,620,000
Accrued investment income		5,025,815	2,353,841
Reinsurance recoveries against outstanding claims		77,045,096	103,566,800
Taxation - net		22,561,298	28,738,026
Deferred commission expense		15,643,118	16,415,167
Prepayments		96,316,821	113,311,165
Sundry receivables	10	11,106,268	11,169,389
		393,080,182	464,897,784
<b>Fixed assets</b>			
<b>Tangible and intangible</b>			
Office improvement		7,119,849	7,615,115
Furniture and fixtures		4,154,852	4,400,847
Office equipment		3,396,620	2,588,880
Computer and related accessories		1,030,192	1,166,065
Motor vehicles		30,758,577	32,410,711
Capital work in progress		589,650	-
Computer software		433,342	541,676
		47,483,082	48,723,294
<b>TOTAL ASSETS</b>		<b>1,456,596,244</b>	<b>1,461,985,254</b>

  
Iqbal Ali Lakhani  
Chairman

  
Tasleemuddin A. Batlay  
Director

  
A. Aziz Ebrahim  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive

## Condensed Interim Profit and Loss Account (Un-audited)

For the quarter ended 31 March 2012

	Fire and Property	Marine, aviation & transport	Motor	Miscellaneous	31 March 2012 Aggregate	31 March 2011 Aggregate
----- (Rupees) -----						
<b>Revenue account</b>						
Net premium revenue	5,060,498	17,855,255	29,984,370	12,499,778	65,399,901	56,721,479
Net claims	(430,693)	(4,221,156)	(7,425,058)	(3,470,198)	(15,547,105)	(17,704,156)
Expenses	(6,043,348)	(4,617,909)	(6,185,477)	(2,803,206)	(19,649,940)	(16,704,957)
Net commission	4,932,940	(486,998)	(2,313,625)	529,010	2,661,328	2,572,364
<b>Underwriting result</b>	<b>3,519,397</b>	<b>8,529,192</b>	<b>14,060,210</b>	<b>6,755,384</b>	<b>32,864,184</b>	<b>24,884,730</b>
Investment income					54,165,554	15,712,016
Other income					2,825,477	2,150,343
General and administration expenses					(19,077,352)	(16,638,215)
<b>Profit before tax</b>					<b>70,777,863</b>	<b>26,108,874</b>
Taxation – net					(7,129,179)	(5,500,932)
<b>Profit after tax</b>					<b>63,648,684</b>	<b>20,607,942</b>
<b>Profit and loss appropriation account</b>						
Balance at commencement of the period					110,777,591	131,365,194
Profit after tax for the period					63,648,684	20,607,942
<b>Balance of unappropriated profit at end of the period</b>					<b>174,426,275</b>	<b>151,973,136</b>
Basic earnings per share of Rs. 10 each (Note - 13)					1.39	0.45

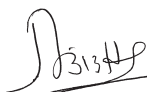
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**Iqbal Ali Lakhani**  
Chairman



**Tasleemuddin A. Batlay**  
Director



**A. Aziz Ebrahim**  
Director



**Mohammad Hussain Hirji**  
Director & Chief Executive

## Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter ended 31 March 2012

	31 March 2012	31 March 2011
	----- (Rupees) -----	
Profit after tax	63,648,684	20,607,942
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b><u>63,648,684</u></b>	<b><u>20,607,942</u></b>

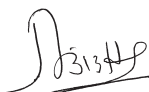
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## Condensed Interim Statement of Changes in Equity (Un-audited)

For the quarter ended 31 March 2012

	Share capital		Reserves			Total
	Issued, subscribed and paid-up	Capital reserves	Revenue reserves		Total reserves	
		Share premium	General reserve	Retained earnings		
(Rupees)						
<b>Balance as at 01 January 2011</b>	457,243,660	254,024,260	119,000,000	131,365,194	504,389,454	961,633,114
<b>Changes in equity for the quarter ended 31 March 2011</b>						
Total comprehensive income for the quarter ended 31 March 2011	-	-	-	20,607,942	20,607,942	20,607,942
<b>Balance as at 31 March 2011</b>	<u>457,243,660</u>	<u>254,024,260</u>	<u>119,000,000</u>	<u>151,973,136</u>	<u>524,997,396</u>	<u>982,241,056</u>
<b>Balance as at 01 January 2012</b>	457,243,660	254,024,260	119,000,000	110,777,591	483,801,851	941,045,511
<b>Changes in equity for the quarter ended 31 March 2012</b>						
Total comprehensive income for the quarter ended 31 March 2012	-	-	-	63,648,684	63,648,684	63,648,684
<b>Balance as at 31 March 2012</b>	<u>457,243,660</u>	<u>254,024,260</u>	<u>119,000,000</u>	<u>174,426,275</u>	<u>547,450,535</u>	<u>1,004,694,195</u>

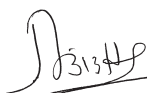
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**Iqbal Ali Lakhani**  
Chairman



**Tasleemuddin A. Batlay**  
Director



**A. Aziz Ebrahim**  
Director



**Mohammad Hussain Hirji**  
Director & Chief Executive

## Condensed Interim Statement of Cash Flows (Un-audited)

For the quarter ended 31 March 2012

	31 March 2012	31 March 2011
<b>Operating cash flows</b>		
	------(Rupees)-----	
<b>(a) Underwriting activities</b>		
Premiums received	155,609,512	100,189,549
Reinsurance premiums paid	(60,824,037)	(34,698,200)
Claims paid	(66,723,496)	(39,935,949)
Reinsurance and other recoveries received	23,603,552	3,786,957
Commissions paid	(16,701,652)	(9,666,286)
Commissions received	13,784,123	13,675,873
Net cash inflow from underwriting activities	<u>48,748,002</u>	<u>33,351,944</u>
<b>(b) Other operating activities</b>		
Income tax paid	(662,355)	(3,976,965)
General management expenses paid	(36,072,709)	(28,801,666)
Other operating receipts	1,830,516	3,825,613
Net cash (outflow) from other operating activities	<u>(34,904,548)</u>	<u>(28,953,018)</u>
<b>Total cash inflow from all operating activities</b>	<u>13,843,454</u>	<u>4,398,926</u>
<b>Investment activities</b>		
Profit / return received	5,140,560	5,578,438
Dividends received	1,542,342	3,885,535
Payments for investments	(174,187,504)	(40,000,000)
Proceeds from disposal of investments	140,290,938	16,094,015
Fixed capital expenditure	(1,811,663)	(3,603,500)
Proceeds from disposal of fixed assets	957,000	3,600
<b>Total cash outflow from investing activities</b>	<u>(28,068,327)</u>	<u>(18,041,912)</u>
<b>Financing activities - Dividends paid</b>	-	(547)
<b>Net cash (outflow) from all activities</b>	<u>(14,224,873)</u>	<u>(13,643,533)</u>
<b>Cash at beginning of the period</b>	97,519,659	87,059,857
<b>Cash at end of the period</b>	<u>83,294,786</u>	<u>73,416,324</u>

## Condensed Interim Statement of Cash Flows (Un-audited)

For the quarter ended 31 March 2012

	31 March 2012	31 March 2011
	------(Rupees)-----	
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	13,843,454	4,398,926
Depreciation / amortization expense	(2,348,180)	(1,830,547)
Profit on disposal of fixed assets	253,305	3,598
Profit on disposal of investments	41,933,058	1,240,192
Dividend income	4,007,842	7,171,230
Investment and other income	11,763,100	9,504,437
(Decrease) / Increase in assets other than cash	(74,841,589)	18,893,742
Decrease / (Increase) in liabilities other than running finance	69,037,694	(18,773,636)
Profit after taxation	<u>63,648,684</u>	<u>20,607,942</u>

### Definition of cash

Cash comprises of cash in hand, policy stamps, bond papers, cheques in hand, bank balances and other deposits which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

Cash for the purposes of the Statement of Cash Flows consists of:

### Cash and bank deposits

Cash and other equivalents		
- Cash	80,882	123,287
- Policy stamps and bond papers in hand	544,802	511,278
	<u>625,684</u>	<u>634,565</u>
Current and other accounts		
- Current accounts	6,256,462	4,965,287
- PLS savings accounts	76,412,640	67,816,472
	<u>82,669,102</u>	<u>72,781,759</u>
<b>Cash &amp; bank deposits as per balance sheet</b>	<u>83,294,786</u>	<u>73,416,324</u>

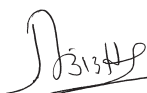
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**Iqbal Ali Lakhani**  
Chairman



**Tasleemuddin A. Batlay**  
Director



**A. Aziz Ebrahim**  
Director



**Mohammad Hussain Hirji**  
Director & Chief Executive

## Condensed Interim Statement of Premiums (Un-audited)

For the quarter ended 31 March 2012

### Business underwritten inside Pakistan

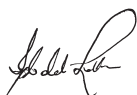
Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		31 March 2012	31 March 2011

(Rupees)

### Direct and facultative

1. Fire and property damage	39,952,540	87,816,542	67,989,400	59,779,682	35,135,057	86,856,357	67,272,230	54,719,184	5,060,498	7,544,496
2. Marine, aviation and transport	30,528,969	6,681,456	8,814,049	28,396,376	10,804,121	4,486,236	4,749,236	10,541,121	17,855,255	15,021,461
3. Motor	40,892,149	45,190,498	54,929,204	31,153,443	2,054,948	2,131,369	3,017,244	1,169,073	29,984,370	25,623,446
4. Miscellaneous	18,531,980	33,482,756	26,984,660	25,030,076	13,411,190	17,902,731	18,783,623	12,530,298	12,499,778	8,532,076
Grand total	<u>129,905,638</u>	<u>173,171,252</u>	<u>158,717,313</u>	<u>144,359,577</u>	<u>61,405,316</u>	<u>111,376,693</u>	<u>93,822,333</u>	<u>78,959,676</u>	<u>65,399,901</u>	<u>56,721,479</u>

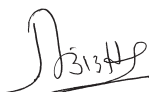
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Director



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Director & Chief Executive

## Condensed Interim Statement of Claims (Un-audited)

For the quarter ended 31 March 2012

### Business underwritten inside Pakistan

Class	Claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		31 March 2012	31 March 2011

(Rupees)

### Direct and facultative

1. Fire and property damage	33,000,691	78,346,065	47,979,359	2,633,985	27,649,064	71,600,383	46,154,611	2,203,292	430,693	4,110,427
2. Marine, aviation and transport	5,721,967	9,279,392	10,868,169	7,310,744	3,001,146	4,530,770	4,619,212	3,089,588	4,221,156	639,102
3. Motor	17,662,181	32,612,283	30,492,976	15,542,874	6,874,991	2,006,895	3,249,720	8,117,816	7,425,058	8,935,479
4. Miscellaneous	10,338,657	39,720,636	32,989,617	3,607,638	2,544,639	25,428,752	23,021,553	137,440	3,470,198	4,019,148
Grand total	66,723,496	159,968,376	122,330,121	29,095,241	40,069,840	103,566,800	77,045,096	13,548,136	15,547,105	17,704,156

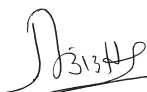
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Chairman



**Tasleemuddin A. Batlay**  
Director



**A. Aziz Ebrahim**  
Director



**Mohammad Hussain Hirji**  
Director & Chief Executive



## Condensed Interim Statement of Expenses (Un-audited)

For the quarter ended 31 March 2012

### Business underwritten inside Pakistan

Class	Commission paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expenses	Commission from reinsurers*	Net underwriting expense	
		Opening	Closing					31 March 2012 h=f-g	31 March 2011
	a	b	c	d=a+b-c	e	f=d+e	g		

(Rupees)

### Direct and facultative

1. Fire and property damage	5,643,294	9,649,357	7,458,845	7,833,806	6,043,348	13,877,154	12,766,746	1,110,408	1,878,211
2. Marine, aviation and transport	4,404,765	1,009,633	1,314,388	4,100,010	4,617,909	8,717,919	3,613,012	5,104,907	4,381,732
3. Motor	3,517,877	3,410,955	4,613,570	2,315,262	6,185,477	8,500,739	1,637	8,499,102	5,422,192
4. Miscellaneous	2,044,135	2,345,222	2,256,315	2,133,042	2,803,206	4,936,248	2,662,052	2,274,196	2,450,458
Grand total	15,610,071	16,415,167	15,643,118	16,382,120	19,649,940	36,032,060	19,043,448	16,988,612	14,132,593

\* Commission from reinsurers is arrived at after taking the impact of opening and closing unearned commission.

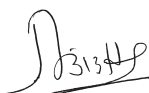
The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.



**Iqbal Ali Lakhani**  
Chairman



**Tasleemuddin A. Batlay**  
Director



**A. Aziz Ebrahim**  
Director



**Mohammad Hussain Hirji**  
Director & Chief Executive

## Condensed Interim Statement of Investment Income (Un-audited)

For the quarter ended 31 March 2012

	31 March 2012	31 March 2011
	----- (Rupees) -----	
<b>Income from trading investments</b>		
Gain / (loss) on sale of trading investments	10,162,526	(172,346)
Dividend income	2,419,669	2,511,289
Unrealized gain on re-measurement of securities to fair value	<u>9,900,942</u>	<u>3,966,841</u>
	22,483,137	6,305,784
<b>Income from non-trading investments</b>		
<b>Held to maturity</b>		
Return on government securities	2,238,116	2,919,850
Return on other fixed income securities and deposits - Term finance certificates	447,635	467,403
<b>Available for sale</b>		
Dividend income	1,588,173	4,659,941
	4,273,924	8,047,194
Gain on sale of non-trading investments	31,770,532	1,412,538
Provision for impairment in value of available for sale securities-net	(3,649,070)	-
Investments related expenses	(712,969)	(53,500)
<b>Net investments income</b>	<u>54,165,554</u>	<u>15,712,016</u>

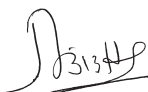
The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.



**Iqbal Ali Lakhani**  
Chairman



**Tasleemuddin A. Batlay**  
Director



**A. Aziz Ebrahim**  
Director



**Mohammad Hussain Hirji**  
Director & Chief Executive

## Notes to the Condensed Interim Financial Information (Un-audited)

For the quarter ended 31 March 2012

### 1. STATUS AND NATURE OF BUSINESS

Century Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on 10 October 1985 under the Companies Ordinance, 1984. The Company is listed on the Karachi and Lahore Stock Exchanges. The Company is engaged in general insurance business. The registered office of the Company is situated at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi.

### 2. BASIS OF PRESENTATION

These condensed interim financial information are un-audited and are 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. These condensed interim financial information have been prepared in accordance with the Approved Accounting Standards as applicable in Pakistan for Interim Financial Reporting and in the format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003.

The condensed interim financial information do 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 31 December 2011.

These condensed interim financial information have been presented in Pakistani Rupees, which is also the functional currency of the Company.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in these condensed interim financial information are same as compared with the annual financial statements of the Company for the year ended 31 December 2011.

### 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 results may differ from these estimates.

In preparing these 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 as at and for the year ended 31 December 2011.

### 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 as at and for the year ended 31 December 2011.

## Notes to the Condensed Interim Financial Information (Un-audited)

For the quarter ended 31 March 2012

	Un-audited 31 March 2012	Audited 31 December 2011
	----- (Rupees) -----	
<b>6. AMOUNTS DUE TO OTHER INSURERS / REINSURERS</b>		
Foreign reinsurers	19,938,490	38,208,933
Local reinsurers	65,539,029	53,907,327
Co-insurers	1,087,520	7,272,761
	<u>86,565,039</u>	<u>99,389,021</u>
<b>7. OTHER CREDITORS AND ACCRUALS</b>		
Federal excise duty and sales tax	5,068,667	3,793,954
Federal insurance fees	409,214	252,511
Retention money	426,907	426,907
Commission payable	38,945,987	42,228,143
Cheques payable	1,237,659	1,208,156
Workers' welfare fund	3,444,041	3,444,041
Margin deposits	2,984,396	2,877,280
Payable against purchase of shares	-	413,290
Payable against construction of new branch	-	1,171,273
Others	4,661,316	2,549,790
	<u>57,178,187</u>	<u>58,365,345</u>

## 8. CONTINGENCIES AND COMMITMENT

### Contingencies

The income tax assessments of the Company have been finalized up to and including the Tax Year 2011. However, the Company has filed appeals in respect of certain assessment years which mainly relate to the following:

- The return for the Tax Year 2008 has been filed. The Additional Commissioner Audit Division-II has issued notice under section 122(5A) of the Income Tax Ordinance, 2001 for passing an amended order on certain issues resulting in additional tax liability of Rs. 12.263 million. The Company has filed an appeal before the CIR(A) against the disallowances which is pending adjudication. However, the Company is confident that the ultimate outcome of the appeal will be in its favour.
- For the Tax Year 2010, the Additional Commissioner Audit Division-II has passed the amended order under section 122(5A) of the Income Tax Ordinance, 2001 and treated unearned commission income as taxable and adjusting it with deferred commission expense. The Company has filed an appeal before the CIR(A) against the disallowances which is pending adjudication. The additional tax liability estimated by the management is Rs. 5.8 million upto 31 December 2011 which is being adjusted on year to year basis in tax liability. However, the Company is confident that the ultimate outcome of the appeal will be in its favour.

## Notes to the Condensed Interim Financial Information (Un-audited)

For the quarter ended 31 March 2012

	Note	Un-audited 31 March 2012	Audited 31 December 2011
		----- (Rupees) -----	
<b>Commitment</b>			
Commitment for capital expenditure-renovation of branch		1,768,950	-
<b>9. INVESTMENTS</b>			
<b>In related parties</b>			
Investments in associates - equity accounting *		15,222,122	15,222,122
Available for sale - quoted *		557,000,000	447,500,000
		<u>572,222,122</u>	<u>462,722,122</u>
<b>Others</b>			
<b>Investment at fair value through profit and loss - held for trading</b>			
Quoted shares		90,596,830	97,443,375
<b>Held to maturity</b>			
Government securities *		66,058,180	65,485,489
Term finance certificates - quoted *		12,908,443	13,156,009
		<u>78,966,623</u>	<u>78,641,498</u>
<b>Available for sale - quoted *</b>			
Less: Provision for impairment (net of reversals) 9.1		247,670,421	325,860,303
		<u>(58,633,634)</u>	<u>(116,028,709)</u>
		<u>189,036,787</u>	<u>209,831,594</u>
		<u>930,822,362</u>	<u>848,638,589</u>

\* The market value of investments as at 31 March 2012 was Rs. 902.01 million (31 December 2011: Rs. 822.20 million).

### 9.1 Provision for impairment - net of reversals

Opening provision	116,028,709	150,394,868
Realized on disposal	(61,044,145)	(73,488,380)
Charge for the period-net	3,649,070	39,122,221
Closing provision	<u>58,633,634</u>	<u>116,028,709</u>

## Notes to the Condensed Interim Financial Information (Un-audited)

For the quarter ended 31 March 2012

	Un-audited 31 March 2012	Audited 31 December 2011
	----- (Rupees) -----	
<b>10. SUNDRY RECEIVABLES</b>		
Profit on bank deposits - savings accounts	712,808	497,459
Security deposits	817,931	815,831
Advance to employees	1,363,836	1,644,079
Advance against expenses	131,000	100,000
Receivable against sale of shares	7,918,402	7,861,275
Others	162,291	250,745
	<u>11,106,268</u>	<u>11,169,389</u>

### 11. FIXED ASSETS - tangible and intangible

Opening written down value	48,723,294	44,591,007
Add: Additions during the period / year - at cost		
- Office improvement	-	1,768,104
- Furniture and fixtures	-	1,409,560
- Office equipment	1,008,013	1,104,356
- Computer and related accessories	63,700	433,100
- Motor vehicles	150,300	10,130,300
	1,222,013	14,845,420
Less: Written down value of deletion	703,695	1,922,714
Depreciation / amortization for the period / year	2,348,180	8,790,419
	3,051,875	10,713,133
Add: Capital work in progress	589,650	-
Closing written down value	<u>47,483,082</u>	<u>48,723,294</u>

### 12. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, companies under common control, companies with common directors, major shareholders, employees'

## Notes to the Condensed Interim Financial Information (Un-audited)

For the quarter ended 31 March 2012

retirement benefit plans, directors and key management personnel. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements. Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes and actuarial advice. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial information, are as follows:

	31 March 2012	31 March 2011
	----- (Rupees) -----	
Premium written	<u>45,705,537</u>	<u>50,744,689</u>
Commission expense	<u>5,862,884</u>	<u>6,348,868</u>
Claims paid	<u>6,815,931</u>	<u>1,161,295</u>
Expenses	<u>3,059,423</u>	<u>2,770,547</u>
Contribution to / provision for staff benefit plans	<u>1,176,235</u>	<u>1,183,377</u>
Remuneration to key management personnel	<u>13,432,849</u>	<u>9,996,055</u>

### 13. EARNINGS PER SHARE - BASIC AND DILUTED

Profit after tax for the period	<u>63,648,684</u>	<u>20,607,942</u>
	----- (Number) -----	
Weighted average number of ordinary shares	<u>45,724,366</u>	<u>45,724,366</u>
	----- (Rupees) -----	
Basic earnings per share of Rs. 10 each	<u>1.39</u>	<u>0.45</u>

13.1 No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

### 14. OPERATING SEGMENTS

Class of business wise revenue and results have been disclosed in the condensed interim statement of premiums and condensed interim profit and loss account respectively, prepared in accordance with the requirements of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following table presents information regarding segment assets and liabilities as at 31 March 2012 and 31 December 2011:

## Notes to the Condensed Interim Financial Information (Un-audited)

For the quarter ended 31 March 2012

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	Un-audited 31 March 2012	Audited 31 Dec 2011
	(Rupees in 000's)									
Segment assets	120,886	168,106	10,683	10,027	10,881	7,549	44,061	45,677	186,511	231,359
Unallocated corporate assets									1,270,085	1,230,627
<b>Consolidated total assets</b>									<b>1,456,596</b>	<b>1,461,986</b>
Segment liabilities	130,431	183,962	21,265	17,466	85,433	77,804	63,530	76,980	300,659	356,212
Unallocated corporate liabilities									151,243	164,727
<b>Consolidated total liabilities</b>									<b>451,902</b>	<b>520,939</b>

### 15. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue by the Board of Directors on 24 April 2012.

### 16. GENERAL

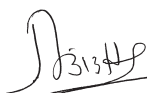
All figures have been rounded off to the nearest of rupees, except otherwise stated.



**Iqbal Ali Lakhani**  
Chairman



**Tasleemuddin A. Batlay**  
Director



**A. Aziz Ebrahim**  
Director



**Mohammad Hussain Hirji**  
Director & Chief Executive







# Company Offices

## **Head Office:**

11<sup>th</sup> Floor, Lakson Square,  
Building No. 3, Sarwar Shaheed Road,  
Karachi-74200.  
Tel: (021) 35671603, 35657445-9 (5 Lines)  
Fax: (021) 35671665  
Email: info@cicl.com.pk

## **Karachi Marketing Office:**

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Building No. 3, Sarwar Shaheed Road,  
Karachi-74200.  
Tel: (021) 35698550  
Fax: (021) 35689518

## **Clifton Branch:**

Office No. 504-505, Marine Point,  
DC-1, Block-9, Clifton, Karachi.  
Tel: (021) 35309234-36  
Fax: (021) 35309237

## **Islamabad Branch:**

Office No. 6, Mezzanine Floor, Kashmir Plaza,  
Jinnah Avenue, Blue Area, Islamabad.  
Tel: (051) 2801327-29  
Fax: (051) 2870228

## **Lahore Branch:**

Suite No. 209, Eden Centre,  
43-Jail Road, Lahore.  
Tel: (042) 37590500, 37567390,  
37552177, 37539048  
Fax: (042) 37567881

## **Rawalpindi Branch:**

Suite No. 3, 1<sup>st</sup> Floor, Majeed Plaza,  
Bank Road, Rawalpindi.  
Tel: (051) 5512251-52  
Fax: (051) 5110996

## **Faisalabad Branch:**

1<sup>st</sup> Floor, FM Plaza, 15-D,  
Peoples Colony, Faisalabad.  
Tel: (041) 8554450-52  
Fax: (041) 8554453

## **Sialkot Branch:**

1<sup>st</sup> Floor, Karim Plaza,  
Iqbal Town, Defence Road, Sialkot.  
Tel: (052) 3241704-07  
Fax: (052) 3241703

**UAN:** 111-111-717

**Website:** [www.cicl.com.pk](http://www.cicl.com.pk)



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