



Century Insurance

Building Long Term Relationships



Quarterly Report
For the 1st quarter ended 31 March 2009
(Un-audited)

Century Insurance at a Glance

- Century Insurance is a Lakson Group Company.
- Operating since 1989, dealing in all areas of general insurance business.
- One of the premier general insurance companies of Pakistan.
- Rated “A” with stable outlook which signifies High Financial Capacity to meet Policyholders and contract obligations.
- Paid-up capital of Rs. 457 million, which is 186% higher than the Government specified threshold.
- Twice awarded ‘Top 25 Companies Award’ of the Karachi Stock Exchange.
- Very strong Reinsurance treaty arrangements with world renowned reinsurers.
- Client base consists of prestigious local and foreign corporates.

“Prompt settlement of claims & customers’ satisfaction are Century’s top priority”

Our Vision

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

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. Tinku Irfan Johnson – Chief Executive

Advisor

Mr. Sultan Ali Lakhani

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. Tinku Irfan Johnson
Mr. Afzal-ur-Rahman

Claim Settlement Committee

Mr. Amin Mohammed Lakhani (Chairman)
Mr. Tinku Irfan Johnson
Mr. Afzal-ur-Rahman

Reinsurance & Co-Insurance Committee

Mr. Zulfiqar Ali Lakhani (Chairman)
Mr. Tinku Irfan Johnson
Mr. Afzal-ur-Rahman
Mr. Arif Anvar Ali Momin

External Auditors

M/s. KPMG Taseer Hadi & Co.
Chartered Accountants

Bankers

Allied Bank Limited
Bank Al-Habib Limited
Citibank N.A.

Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Hong Kong Shanghai Banking Corporation Limited

Shares Registrar

M/s. FAMCO Associates (Pvt) Ltd.
State Life Building No.2A,
4th Floor, I.I.Chundrigar Road,
Karachi.

Registered & Corporate Office

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

Head Office

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

Lahore Branch

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

Islamabad Branch

Office No.5, Kashmir Plaza, Jinnah Avenue, Blue
Area, Islamabad.

Rawalpindi Branch

Suite No.3, 1st Floor, Majeed Plaza, Bank Road,
Rawalpindi.

Faisalabad Branch

1st Floor, FM Plaza, 15-D, Peoples Colony,
Faisalabad.

Sialkot Branch

1st Floor, Karim Plaza, Iqbal Town,
Defence Road, Sialkot.

Website: www.cicl.com.pk
UAN: 111-111-717



Directors' Review

On behalf of the Board of Directors, it gives me pleasure to present to you the un-audited financial statements for the first quarter ended 31 March, 2009.

General Review

The underwriting results of all the business segments were profitable and are contributing significantly to the bottom line of the Company. As compared to the 1QFY08, there is a marginal decrease in the underwriting profit of Rs. 1 million. The Company has recorded loss before tax of Rs. 0.4 million as against the profit before tax of Rs. 47 million for the same period last year. The Company has recorded loss after tax of Rs. 11 million as against the profit after tax of Rs. 38 million for the same period of the previous year. The loss per share is Rs. 0.24.

Operating results

The comparative financial highlights for the first quarter ended 31 March 2009 and 2008 are presented below:-



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Century Insurance

Rupees in millions (except for EPS)	31 March 2009	31 March 2008	Increase/ (Decrease)	
			Amount	%
Gross premium written	98	94	4	4
Net premium	48	57	(9)	(16)
Underwriting profit	30	31	(1)	(3)
Investment & other income	(17)	26	(43)	(165)
(Loss) / profit before tax	(0.4)	47	(47)	(100)
(Loss) / profit after tax	(11)	38	(49)	(129)
Total assets	1,262	2,322	(1,060)	(46)
Paid-up capital	457	254	203	80
Total equity	911	560	351	63
(Loss) / earnings per share (EPS)				
Rs. (restated)	(0.24)	0.82	(1.06)	(129)

The gross premium in all business segments, except motor and marine, has witnessed growth with an overall increase by 4%. All business segments of the Company have been profitable.

At 31 December 2008, fall in the value of investments classified as available for sale was Rs. 190,300 million which was considered as temporary and accordingly not recognized in annual financial statements for the year ended 31 December 2008 in view of the exemption available under circular no.3/2009 dated 16 February 2009 issued by Securities and Exchange Commission of Pakistan (SECP).

Moreover, as per the said circular, fall in the value of available for sale investments as at 31 December 2008 (considered as temporary) is required to be recognized for impairment on quarterly basis (twenty five percent in each quarter) after any adjustment/effect for price movements during each quarter through profit and loss account during the calendar year ending 31 December 2009. Accordingly, the fall in value of Rs. 48.198 million has been recognized in these quarterly financial statements.

Future Outlook

Overall economy of the Country which had been growing rapidly in the past few years is experiencing one of the most difficult periods in 2009. However, your Company plans to focus its energies on its core business utilizing those products and channels of distribution that have potential to grow, and contribute positively to the bottom line.

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 Financial Institutions for their continued support and co-operation.

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

We would also thank our Stakeholders, who continue to place their trust and confidence in your Company and assure them of our best services as we remain committed to do our utmost to ensure the best utilization of their investment in the Company.

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 towards the growth of the Company and success of its operations.



Iqbal Ali Lakhani
Chairman

Karachi: 23 April 2009



Condensed Interim Balance Sheet

As at 31 March 2009

	Note	Un-audited 31 March 2009	Audited 31 December 2008
		(Rupees)	
Share capital and reserves			
Authorized share capital		500,000,000	500,000,000
Paid-up share capital		457,243,660	457,243,660
Retained earnings		80,685,381	91,690,876
Reserves		373,024,260	373,024,260
		910,953,301	921,958,796
Underwriting provisions			
Provision for outstanding claims (including IBNR)		86,380,223	106,347,616
Provision for unearned premium		113,491,179	123,383,463
Commission income unearned		14,394,133	17,554,354
Total underwriting provisions		214,265,535	247,285,433
Deferred liabilities			
Staff retirement benefits		1,471,500	1,020,000
Creditors and accruals			
Premiums received in advance		192,849	964,318
Amounts due to other insurers / reinsurers		87,415,924	82,168,132
Accrued expenses		3,257,274	4,084,654
Taxation- net		10,333,925	1,511,026
Other creditors and accruals		33,508,780	34,080,378
		134,708,752	122,808,508
Other liabilities			
Unclaimed dividend		470,974	470,974
TOTAL LIABILITIES		350,916,761	371,584,915
TOTAL EQUITY AND LIABILITIES		1,261,870,062	1,293,543,711
COMMITMENT	6		

The annexed notes from 1 to 13 form an integral part of these financial statements.



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Century Insurance

	Note	Un-audited 31 March 2009	Audited 31 December 2008
		(Rupees)	
Cash and bank deposits			
Cash and other equivalents		599,227	359,185
Current and other accounts		337,242,791	316,056,418
		337,842,018	316,415,603
Investments	7	432,750,808	464,449,483
Deferred taxation		187,325	612,122
Current assets - others			
Premiums due but unpaid - unsecured		94,514,405	79,871,002
Amounts due from other insurers / reinsurers		135,313,234	143,639,270
Reinsurance recoveries due but unpaid		108,272,777	127,454,211
Salvage recoveries accrued		3,684,000	4,355,000
Accrued investment income		4,686,917	2,483,376
Reinsurance recoveries against outstanding claims		24,675,988	28,374,752
Deferred commission expense		9,983,401	10,548,890
Prepayments		60,805,478	69,403,482
Sundry receivables		3,982,597	3,757,899
		445,918,797	469,887,882
Fixed assets	8		
Tangible and intangible			
Office improvement		10,459,967	8,803,278
Furniture and fixtures		4,930,611	3,897,220
Office equipment		2,464,342	2,191,057
Computer and related accessories		1,146,224	1,124,609
Motor vehicles		24,248,747	22,827,183
Capital work in progress		1,799,000	3,090,835
Computer software		122,223	244,439
		45,171,114	42,178,621
TOTAL ASSETS		1,261,870,062	1,293,543,711


Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Battay
Director


A. Aziz Ebrahim
Director


Tinku I. Johnson
Managing Director & CEO

Condensed Interim Profit and Loss Account (Un-audited)

For the quarter ended 31 March 2009

	Note	Fire and property	Marine aviation and transport	Motor	Miscellaneous	31 March 2009	31 March 2008
----- (Rupees) -----							
Revenue account							
Net premium revenue		6,004,798	11,342,043	24,506,843	6,418,738	48,272,422	57,254,609
Net claims		604,247	(3,390,330)	(7,750,707)	(816,346)	(11,353,136)	(19,633,336)
Expenses		(4,050,008)	(2,128,757)	(4,234,076)	(2,726,959)	(13,139,800)	(8,978,719)
Net commission		5,522,122	1,429,955	(1,260,633)	259,147	5,950,591	2,132,305
Underwriting result		8,081,159	7,252,911	11,261,427	3,134,580	29,730,077	30,774,859
Investment income						20,273,787	22,630,580
Other income						10,619,981	3,186,679
General and administration expenses						(12,868,264)	(9,902,179)
Impairment in the value of available for sale securities						(48,198,145)	-
(Loss) / Profit before tax						(442,564)	46,689,939
Taxation - net						(10,562,931)	(9,047,860)
(Loss) / Profit after tax						(11,005,495)	37,642,079
Profit and loss appropriation account							
Balance at commencement of the period						91,690,876	174,476,572
(Loss) / Profit after tax for the period						(11,005,495)	37,642,079
Transfer to general reserve						-	(25,000,000)
Transfer to reserve for issuance of bonus shares						-	(76,207,270)
						(11,005,495)	(63,565,191)
Balance of unappropriated profit at end of the period						80,685,381	110,911,381
Basic (loss) / earnings per share of Rs. 10 each (re-stated) Note - 10						(0.24)	0.82

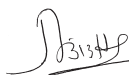
The annexed notes from 1 to 13 form an integral part of these financial statements.



Iqbal Ali Lakhani
Chairman



Tasleemuddin A. Batlay
Director



A. Aziz Ebrahim
Director



Tinku I. Johnson
Managing Director & CEO



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Century Insurance

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

For the quarter ended 31 March 2009

	Share capital		Reserves				Total	
	Issued, subscribed and paid-up	Capital reserves	Revenue reserves	Share of associates' reserves	General reserve	Retained earnings		Unrealized gain on re-measurement of investments
		Share premium	Reserve for issue of Bonus shares				Total reserves	
	(Rupees)							
Balance as at 01 January 2008	254,024,260	-	-	94,000,000	174,476,572	33,066	268,509,638	522,533,898
Changes in equity for the period ended 31 March 2008								
Total recognized income and expense for the quarter ended 31 March 2008	-	-	-	-	37,642,079	-	37,642,079	37,642,079
Appropriations:								
Transferred to reserve for issue of bonus shares	-	-	76,207,270	-	(76,207,270)	-	-	-
Transfer to general reserve	-	-	-	25,000,000	(25,000,000)	-	-	-
	-		76,207,270	25,000,000	(101,207,270)	-	-	-
Balance as at 31 March 2008	254,024,260	-	76,207,270	119,000,000	110,911,381	33,066	306,151,717	560,175,977
Balance as at 01 January 2009	457,243,660	254,024,260	-	119,000,000	91,690,876	-	464,715,136	921,958,796
Changes in equity for the period ended 31 March 2009								
Total recognized income and expense for the quarter ended 31 March 2009	-	-	-	-	(11,005,495)	-	(11,005,495)	(11,005,495)
Balance as at 31 March 2009	457,243,660	254,024,260	-	119,000,000	80,685,381	-	453,709,641	910,953,301

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Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Battlay
Director


A. Aziz Ebrahim
Director


Tinku I. Johnson
Managing Director & CEO



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Quarterly Report 2009

Condensed Interim Statement of Cash Flows (Un-audited)
For the quarter ended 31 March 2009

	31 March 2009	31 March 2008
	(Rupees)	
Operating cash flows		
(a) Underwriting activities		
Premiums received	71,862,881	74,745,947
Reinsurance premiums paid	(24,996,332)	(36,330,066)
Claims paid	(32,947,182)	(135,186,362)
Reinsurance and other recoveries received	29,304,280	310,848,563
Commissions paid	(8,672,211)	(3,542,467)
Commissions received	9,484,686	10,136,445
Net cash inflow from underwriting activities	44,036,122	220,672,060
(b) Other operating activities		
Income tax paid	(1,315,235)	(4,290,418)
General management expenses paid	(25,596,403)	(22,619,570)
Other operating payments	(4,395,577)	-
Other operating receipts	-	4,179,333
Net cash (outflow) from other operating activities	(31,307,215)	(22,730,655)
Total cash inflow from all operating activities	12,728,907	197,941,405
Investment activities		
Profit / return received	1,333,543	2,324,419
Dividends received	11,914,102	3,252,044
Payments for investments	-	(809,809,140)
Proceeds from disposal of investments	-	494,877,856
Fixed capital expenditure	(4,564,037)	(5,512,450)
Proceeds from disposal of fixed assets	13,900	140,000
Total cash inflow / (outflow) from investing activities	8,697,508	(314,727,271)
Financing activities		
Dividends paid	-	(6,697)
Total cash (outflow) from financing activities	-	(6,697)
Net cash inflow / (outflow) from all activities	21,426,415	(116,792,563)
Cash at beginning of the period	316,415,603	246,320,778
Cash at end of the period	337,842,018	129,528,215





	31 March 2009	31 March 2008
	(Rupees)	
Reconciliation to profit and loss account		
Operating cash flows	12,728,907	197,941,405
Depreciation / amortization expense	(1,571,526)	(1,414,785)
Profit on disposal of fixed assets	13,882	91,816
Profit on disposal of investments	16,422,163	17,226,937
Dividend income	2,685,640	5,466,295
Other investment (loss) / income	(35,628,196)	3,923,282
(Decrease)/Increase in assets other than cash	(26,324,520)	489,547,852
Decrease/(Increase) in liabilities other than running finance	20,668,154	(675,140,723)
(Loss) / Profit after taxation	(11,005,495)	37,642,079

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. Therefore, cash held with State Bank of Pakistan has been excluded therefrom.

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

Cash and bank deposits

Cash and other equivalents		
- Cash	115,090	115,363
- Policy stamps and bond papers in hand	484,137	223,908
	599,227	339,271
Current and other accounts		
- Current accounts	6,776,179	9,270,140
- PLS savings accounts	330,466,612	119,918,804
- Deposit with the State Bank of Pakistan	-	2,500,000
	337,242,791	131,688,944
Cash and bank deposits as per balance sheet	337,842,018	132,028,215
Less: Deposit with the State Bank of Pakistan	-	(2,500,000)
	337,842,018	129,528,215

The annexed notes from 1 to 13 form an integral part of these financial statements.


Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Batlay
Director


A. Aziz Ebrahim
Director


Tinku I. Johnson
Managing Director & CEO

Condensed Interim Statement of Premiums (Un-audited)

For the quarter ended 31 March 2009

Business underwritten inside Pakistan

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	31 March	31 March
		Opening	Closing			Opening	Closing		2009	2008
(Rupees)										
Direct and facultative										
1. Fire and property damage	30,353,971	55,002,788	37,821,945	47,534,814	25,943,939	51,675,139	36,089,062	41,530,016	6,004,798	6,041,704
2. Marine, aviation and transport	15,954,592	4,231,792	4,390,519	15,795,865	4,354,744	2,480,424	2,381,346	4,453,822	11,342,043	10,336,385
3. Motor	31,733,525	47,360,787	48,509,679	30,584,633	6,231,933	2,385,830	2,539,973	6,077,790	24,506,843	35,757,944
4. Miscellaneous	20,437,992	16,788,096	22,769,036	14,457,052	10,698,433	12,203,039	14,863,158	8,038,314	6,418,738	5,118,576
Grand total	<u>98,480,080</u>	<u>123,383,463</u>	<u>113,491,179</u>	<u>108,372,364</u>	<u>47,229,049</u>	<u>68,744,432</u>	<u>55,873,539</u>	<u>60,099,942</u>	<u>48,272,422</u>	<u>57,254,609</u>



The annexed notes from 1 to 13 form an integral part of these financial statements.

Iqbal Ali Lakhani
Chairman

Tasleemuddin A. Batlay
Director

A. Aziz Ebrahim
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Tinku I. Johnson
Managing Director & CEO

Condensed Interim Statement of Claims (Un-audited)

For the quarter ended 31 March 2009

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 recoveries and other revenue	31 March	
		Opening	Closing			2009	2008			
(Rupees)										
Direct and facultative										
1. Fire and property damage	954,289	18,037,495	20,217,000	3,133,794	750,264	14,057,317	17,045,094	3,738,041	(604,247)	(2,534,911)
2. Marine, aviation and transport	1,057,605	12,043,004	11,405,650	420,251	57,115	5,890,287	2,863,093	(2,970,079)	3,390,330	1,643,863
3. Motor	27,951,054	69,441,701	49,561,087	8,070,440	4,496,761	6,785,087	2,608,059	319,733	7,750,707	17,316,795
4. Miscellaneous	2,984,234	6,825,416	5,196,486	1,355,304	21,277	1,642,061	2,159,742	538,958	816,346	3,207,589
Grand Total	<u>32,947,182</u>	<u>106,347,616</u>	<u>86,380,223</u>	<u>12,979,789</u>	<u>5,325,417</u>	<u>28,374,752</u>	<u>24,675,988</u>	<u>1,626,653</u>	<u>11,353,136</u>	<u>19,633,336</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.


Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Batlay
Director


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Tinku I. Johnson
Managing Director & CEO



Condensed Interim Statement of Expenses (Un-audited)

For the quarter ended 31 March 2009

Business underwritten inside Pakistan

Class	Commission	Deferred		Net	Other	Underwriting	Commission	31 March	31 March
	paid or	commission		commission	Management	expenses	from	2009	2008
	payable	Opening	Closing	expenses	expenses		reinsurers*	Net underwriting	expense
	a	b	c	d=a+b-c	e	f=d+e	g	h=f-g	
..... (Rupees)									
Direct and facultative									
1. Fire and property damage	4,976,632	6,753,823	5,268,841	6,461,614	4,050,008	10,511,622	11,983,736	(1,472,114)	(1,805,739)
2. Marine, aviation and transport	2,221,775	590,062	624,012	2,187,825	2,128,757	4,316,582	3,617,780	698,802	1,491,555
3. Motor	1,897,762	1,447,537	2,081,155	1,264,144	4,234,076	5,498,220	3,511	5,494,709	5,478,194
4. Miscellaneous	1,714,673	1,757,468	2,009,393	1,462,748	2,726,959	4,189,707	1,721,895	2,467,812	1,682,404
Grand total	<u>10,810,842</u>	<u>10,548,890</u>	<u>9,983,401</u>	<u>11,376,331</u>	<u>13,139,800</u>	<u>24,516,131</u>	<u>17,326,922</u>	<u>7,189,209</u>	<u>6,846,414</u>

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

The annexed notes from 1 to 13 form an integral part of these financial statements.



Iqbal Ali Lakhani
Chairman

Tasleemuddin A. Batlay
Director

A. Aziz Ebrahim
Director

Tinku I. Johnson
Managing Director & CEO

Condensed Interim Statement of Investment Income (Un-audited)

For the quarter ended 31 March 2009

	31 March 2009	31 March 2008
	(Rupees)	
Income from trading investments		
Gain on sale of trading investments	-	22,311,565
Dividend income	641,477	1,472,051
Unrealized gain/(loss) on re-measurement of securities to fair value	<u>16,422,163</u>	<u>(6,989,911)</u>
	<u>17,063,640</u>	<u>16,793,705</u>
Income from non-trading investments		
Held to maturity		
Return on Government Securities	1,263,344	70,002
Return on other fixed income securities and deposits		
- Term finance certificates	686,624	652,902
- Certificate of musharika / investment	-	13,699
	<u>686,624</u>	<u>666,601</u>
Available for sale		
Dividend income	<u>2,044,163</u>	<u>3,994,244</u>
	<u>3,994,131</u>	<u>4,730,847</u>
Gain on sale of non-trading investments	-	1,905,283
Investments related expenses	(783,985)	(799,255)
Net investments income	<u>20,273,787</u>	<u>22,630,580</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.


Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Batlay
Director


A. Aziz Ebrahim
Director


Tinku I. Johnson
Managing Director & CEO



Notes to the Condensed Interim Financial Statements (Un-audited)

For the quarter ended 31 March 2009

1. THE COMPANY AND ITS OPERATIONS

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 statements are un-audited and are being submitted to the shareholders in accordance with the listing Regulations of the Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984 and being presented in condensed form in accordance with the requirements of the approved accounting standard International Accounting Standard 34 "Interim Financial Reporting" (IAS-34) as applicable in Pakistan and in the format prescribed by Insurance Division of Securities and Exchange Commission of Pakistan (SECP) in its circular No. 7 of 2003 dated 27 August 2003.

The condensed interim financial statements 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 2008.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in these condensed interim financial statements are same as compared with the financial statements of the Company for the year ended 31 December 2008.

4. ESTIMATES

The preparation of interim financial statements 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 statements, 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 statement as at and for the year ended 31 December 2008.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended 31 December 2008.



Notes to the Condensed Interim Financial Statements (Un-audited)

For the quarter ended 31 March 2009

6. COMMITMENTS

	31 March 2009	31 December 2008
	(Rupees)	
6.1 Revolving letter of credit for settlement of export claims abroad	-	578,900
6.2 Commitments for capital expenditure-renovation of branch	720,000	1,234,765

7. INVESTMENTS

	31 March 2009	31 December 2008
In related parties		
Investments in associates - equity accounting *	44,172,735	44,172,735
less: Provision for impairment in the value of investment	(3,500,000)	(3,500,000)
	40,672,735	40,672,735
Others		
Investment at fair value through profit and loss- held for trading		
Quoted shares	55,855,531	39,433,384
Held to maturity		
Government securities	36,645,913	36,292,460
Term Finance Certificates - quoted *	21,397,624	21,673,754
	58,043,537	57,966,214
Available for sale - quoted *		
Marketable securities	344,518,636	344,518,636
less: Provision for impairment in the value of investment	(66,339,631)	(18,141,486)
	278,179,005	326,377,150
	432,750,808	464,449,483



Notes to the Condensed Interim Financial Statements (Un-audited)

For the quarter ended 31 March 2009

- 7.1 This includes PIB bonds pledge with the State Bank of Pakistan under section 29(2)(a) of Insurance Ordinance, 2000.
- 7.2 At 31 December 2008, fall in the value of investments classified as available for sale was Rs. 190.300 million which was considered as temporary and accordingly not recognized in annual financial statements for the year ended 31 December 2008 in view of the exemption available under circular no.3/2009 dated 16 February 2009 issued by Securities and Exchange Commission of Pakistan (SECP). Refer note 13.5 to the annual financial statements for the year ended 31 December 2008.

As per the said circular, fall in the value of available for sale investments as at 31 December 2008 (considered as temporary) is required to be recognized on quarterly basis (twenty five percent in each quarter) after any adjustment/effect for price movements during each quarter through profit and loss account during the calendar year ending 31 December 2009. Accordingly, the fall in value of Rs. 48.198 million has been recognized in these quarterly financial statements.

*The market value of investments as at 31 March 2009 was Rs. 166 million (2008: Rs.180.57 million).

8. FIXED ASSETS - Tangible and intangible

	31 March 2009	31 December 2008
Opening written down value	42,178,621	31,788,290
Add: Additions during the period / year - at cost		
- Office improvement	937,611	2,121,585
- Furniture and fixtures	651,255	977,659
- Office equipment	51,800	336,395
- Computer equipment and related accessories	224,817	709,819
- Motor vehicles	1,958,554	9,766,903
	3,824,037	13,912,361
Less: Written down value of deletion	18	1,006,653
Depreciation / amortization for the period / year	1,571,526	5,606,212
	1,571,544	6,612,865
Add: Capital work in progress	740,000	3,090,835
Closing written down value	45,171,114	42,178,621

9. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, companies under common control, companies with common directors, major shareholders, employees' retirement benefit plans, directors and key management personnel. Details of transactions with related parties during the three months period ended, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:



Notes to the Condensed Interim Financial Statements (Un-audited)

For the quarter ended 31 March 2009

	31 March 2009	31 March 2008
	(Rupees)	
Transactions with related parties		
Premium written	37,527,388	31,430,180
Commission expense	4,550,301	4,122,422
Claims paid	4,575,871	61,651,955
Expenses	1,751,308	1,772,699
Contribution to / provision for staff benefit plans	451,500	471,750
Remuneration to key management personnels	8,300,011	4,369,208

10. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

	31 March 2009	31 March 2008
	(Rupees)	
(Loss) / Profit after tax for the period	(11,005,495)	37,642,079
Weighted average number of ordinary shares	45,724,366	45,724,366
(Loss) / Earnings per share- basic and diluted	(0.24)	0.82

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

10.2 The number of shares for the prior periods have been adjusted for the effect of bonus shares issued during the current period.

11. SEGMENT REPORTING

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.



Notes to the Condensed Interim Financial Statements (Un-audited)

For the quarter ended 31 March 2009

12. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors on 23 April 2009.

13. GENERAL

13.1 Figures in these condensed interim financial statements have been rounded off to the rupee.



Handwritten signature of Iqbal Ali Lakhani in black ink.

Iqbal Ali Lakhani
Chairman

Handwritten signature of Tasleemuddin A. Batlay in black ink.

Tasleemuddin A. Batlay
Director

Handwritten signature of A. Aziz Ebrahim in black ink.

A. Aziz Ebrahim
Director

Handwritten signature of Tinku I. Johnson in black ink.

Tinku I. Johnson
Managing Director & CEO

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Century Insurance

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