



Century Insurance

Building Long Term
Relationships



Financial Statement
For the nine months ended 30 September 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

Karachi Marketing Office

10th 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 the un-audited financial statements for the nine months ended 30 September 2009.

General Review

The underwriting results of all the core business segments of the Company were profitable and contributed significantly to the bottom line. As compared to the same period last year, the Gross Premium Written increased by Rs. 71 million (23%) and Underwriting Profit by Rs. 5 million (7%).

However, in compliance with the SECP circular no. 03/2009 which requires all insurance companies to recognize impairment loss (fall in market price of investments) on a staggered basis, your Company has recorded an impairment loss of Rs. 116.6 million for the period ending 30 September 2009.

As a consequence to the above, the Company has recorded a loss before tax of Rs. 22 million for the nine months period ending 30 September 2009 as against the profit before tax of Rs. 36 million for the same period of last year. The loss after tax is Rs. 47 million for the nine months period ending 30 September 2009 as against the profit after tax of Rs. 17 million for the same period of the previous year. The loss per share is Rs. 1.03.

Operating results

The comparative financial highlights for the nine months period ending 30 September 2009 and 2008 are presented below:-

Rupees in millions (except for EPS)	30 Sep 2009	30 Sep 2008	Increase / (Decrease)	
			Amount	%
Gross premium written	378	307	71	23
Net premium	159	167	(8)	(5)
Underwriting profit	77	72	5	7
Investment & other income	(58)	(0.4)	(57)	(100)
(Loss) / profit before tax	(22)	36	(58)	(161)
(Loss) / profit after tax	(47)	17	(64)	(376)
Total assets	1,257	1,649	(392)	(24)
Paid-up capital	457	457	-	-
Total equity	875	921	(46)	(5)
(Loss) / earnings per share (EPS) Rs.	(1.03)	0.38	(1.41)	(371)

The gross premium in all business segments, excluding motor and marine, has witnessed growth depicting an overall increase of 23%. All business segments of the Company relating to insurance have been profitable.



Future Outlook

The National Economy continues to improve on the forefront of foreign inflows and stabilizing global markets. The law and order situation of the country however deteriorates while major expansion projects await the recovery. The management of your company strives to maintain and increase the growth momentum, with the ultimate objective of enhancing investor 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 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 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.

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



Iqbal Ali Lakhani
Chairman

Karachi: 23 October 2009



Condensed Interim Balance Sheet

As at 30 September 2009

Note	Un-audited 30 September 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	44,543,851	91,690,876
Reserves	373,024,260	373,024,260
	874,811,771	921,958,796
Underwriting provisions		
Provision for outstanding claims (including IBNR)	74,027,413	106,347,616
Provision for unearned premium	179,774,453	123,383,463
Commission income unearned	26,116,858	17,554,354
Total underwriting provisions	279,918,724	247,285,433
Deferred liabilities		
Staff retirement benefits	2,374,500	1,020,000
Creditors and accruals		
Premiums received in advance	81,958	964,318
Amounts due to other insurers / reinsurers	52,444,491	82,168,132
Accrued expenses	3,127,146	4,084,654
Taxation - net	-	1,511,026
Other creditors and accruals	43,661,958	34,080,378
	99,315,553	122,808,508
Other liabilities		
Unclaimed dividend	470,974	470,974
TOTAL LIABILITIES	382,079,751	371,584,915
TOTAL EQUITY AND LIABILITIES	1,256,891,522	1,293,543,711

CONTINGENCY AND COMMITMENTS

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The details of valuation of investments, impairment and impact on the condensed interim profit & loss account / statement of comprehensive income are given in note 7.3.

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



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Century Insurance



	Note	Un-audited 30 September 2009	Audited 31 December 2008
		(Rupees)	
Cash and bank deposits			
Cash and other equivalents		496,562	359,185
Current and other accounts		61,759,801	316,056,418
		62,256,363	316,415,603
Investments	7	723,566,448	464,449,483
Deferred taxation		1,046,726	612,122
Current assets - others			
Premiums due but unpaid - unsecured		146,948,354	79,871,002
Amounts due from other insurers / reinsurers		111,248,891	143,639,270
Reinsurance recoveries due but unpaid		6,109,280	127,454,211
Salvage recoveries accrued		4,431,000	4,355,000
Accrued investment income		6,699,710	2,483,376
Reinsurance recoveries against outstanding claims		17,481,354	28,374,752
Taxation - net		1,904,691	-
Deferred commission expense		16,191,346	10,548,890
Prepayments		112,148,686	69,403,482
Sundry receivables		3,221,940	3,757,899
		426,385,252	469,887,882
Fixed assets	8		
Tangible and intangible			
Office improvement		10,540,499	8,803,278
Furniture and fixtures		4,602,193	3,897,220
Office equipment		2,351,660	2,191,057
Computer and related accessories		918,492	1,124,609
Motor vehicles		25,223,879	22,827,183
Capital work in progress		-	3,090,835
Computer software		10	244,439
		43,636,733	42,178,621
TOTAL ASSETS		1,256,891,522	1,293,543,711


Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Batlay
Director


A. Aziz Ebrahim
Director


Tinku I. Johnson
Managing Director & CEO

Condensed Interim Profit and Loss Account /
Statement of Comprehensive Income (Un-audited)
For the quarter and nine months period ended 30 September 2009

Three months period ended 30 September 2009						
	Fire and property	Marine aviation and transport	Motor	Miscellaneous	30 September 2009 Aggregate	30 September 2008 Aggregate
					(Rupees)	
Revenue account						
Net premium revenue	10,957,336	10,531,984	26,291,238	11,697,112	59,477,670	56,664,121
Net claims	(3,795,474)	(4,325,625)	(7,651,951)	(6,378,084)	(22,151,134)	(19,195,767)
Expenses	(3,558,350)	(1,744,299)	(3,198,313)	(4,588,592)	(13,089,554)	(13,553,088)
Net commission	2,937,450	(659,453)	(1,103,307)	(86,206)	1,088,484	1,967,240
Underwriting result	6,540,962	3,802,608	14,337,667	644,230	25,325,466	25,882,506
Investment income / (loss)					3,087,841	(24,332,172)
Other income					2,442,639	6,659,674
General and administration expenses					(13,887,489)	(12,666,720)
Share of (loss) / profit of associates					(266,917)	633,043
Profit / (Loss) before tax					16,701,540	(3,823,669)
Taxation - net					(9,857,951)	(7,099,122)
Profit / (Loss) after tax					6,843,589	(10,922,791)
Other comprehensive income					-	-
Total comprehensive income / (loss) for the period					6,843,589	(10,922,791)




Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Batlay
Director


A. Aziz Ebrahim
Director


Tinku I. Johnson
Managing Director & CEO

Condensed Interim Profit and Loss Account /
Statement of Comprehensive Income (Un-audited)
For the quarter and nine months period ended 30 September 2009

Nine months period ended 30 September 2009						
	Fire and property	Marine aviation and transport	Motor	Miscellaneous	30 September 2009 Aggregate	30 September 2008 Aggregate
(Rupees)						
Revenue account						
Net premium revenue	24,698,564	32,580,264	77,325,496	24,885,511	159,489,835	167,278,516
Net claims	(3,369,307)	(10,023,881)	(25,015,927)	(13,500,806)	(51,909,921)	(66,604,735)
Expenses	(16,672,234)	(4,924,167)	(9,333,088)	(8,717,401)	(39,646,890)	(34,397,076)
Net commission	13,301,605	48,505	(3,569,030)	(267,185)	9,513,894	5,883,977
Underwriting result	17,958,628	17,680,721	39,407,451	2,400,119	77,446,918	72,160,682
Investment loss					(55,336,480)	(14,037,629)
Other income					18,183,796	13,169,187
General and administration expenses					(41,517,458)	(35,535,441)
Share of (loss) / profit of associates				7.1	(4,168,969)	516,703
Impairment in value of investment in an associate				7.1	(16,484,975)	-
(Loss) / Profit before tax					(21,877,168)	36,273,502
Taxation - current					(24,826,771)	(18,615,422)
- prior					(877,690)	-
- deferred					434,604	(203,500)
					(25,269,857)	(18,818,922)
(Loss) / Profit after tax					(47,147,025)	17,454,580
Other comprehensive income - share of loss of associates					-	(39,128)
Total comprehensive (loss) / income for the period					(47,147,025)	17,415,452
Profit and loss appropriation account						
Balance at commencement of the nine months period					91,690,876	174,476,572
(Loss) / Profit after tax for the period					(47,147,025)	17,454,580
Transfer to general reserve					-	(25,000,000)
Bonus shares issued					-	(76,207,270)
					(47,147,025)	(83,752,690)
Balance of unappropriated profit at end of the nine months period					44,543,851	90,723,882
Basic (loss) / earnings per share of Rs. 10 each				10	(1.03)	0.38

The details of valuation of investments, impairment and impact on the condensed interim profit & loss account / statement of comprehensive income are given in note 7.3.

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


Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Batlay
Director


A. Aziz Ebrahim
Director


Tinku I. Johnson
Managing Director & CEO

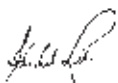


Condensed Interim Statement of Changes in Equity (Un-audited)

For the nine months period ended 30 September 2009

	Share capital issued, subscribed and paid-up	Reserves				Total reserves	Total
		Capital reserves	Revenue reserve		Share of associates'		
			Share premium	General reserve			
(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 nine months period ended 30 September 2008							
Total comprehensive income for the nine months period ended	-	-	-	17,454,580	(39,128)	17,415,452	17,415,452
Share premium @ Rs. 20 on right share issued	-	254,024,260	-	-	-	254,024,260	254,024,260
Right share issued	127,012,130	-	-	-	-	-	127,012,130
	127,012,130	254,024,260	-	17,454,580	(39,128)	271,439,712	398,451,842
Appropriations:							
- Issuance of bonus shares	76,207,270	-	-	(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)	-	(76,207,270)	-
Balance as at 30 September 2008	457,243,660	254,024,260	119,000,000	90,723,882	(6,062)	463,742,080	920,985,740
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 nine months period ended 30 September 2009							
Total comprehensive loss for the nine months period ended	-	-	-	(47,147,025)	-	(47,147,025)	(47,147,025)
Balance as at 30 September 2009	457,243,660	254,024,260	119,000,000	44,543,851	-	417,568,111	874,811,771

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



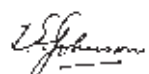
Iqbal Ali Lakhani
Chairman



Tasleemuddin A. Batlay
Director



A. Aziz Ebrahim
Director



Tinku I. Johnson
Managing Director & CEO



Condensed Interim Statement of Cash Flows (Un-audited)

For the nine months period ended 30 September 2009

	30 September 2009	30 September 2008
	(Rupees)	
Operating cash flows		
(a) Underwriting activities		
Premiums received	263,104,840	234,597,702
Reinsurance premiums paid	(288,482,270)	(65,588,053)
Claims paid	(97,219,112)	(983,794,557)
Reinsurance and other recoveries received	247,970,555	618,091,729
Commissions paid	(22,499,031)	(25,684,927)
Commissions received	75,479,813	17,052,563
Net cash inflow / (outflow) from underwriting activities	178,354,795	(205,325,543)
(b) Other operating activities		
Income tax paid	(29,120,178)	(12,898,748)
General management expenses paid	(77,452,108)	(72,284,735)
Other operating receipts / (payments)	(64,443)	3,586,812
Net cash (outflow) from other operating activities	(106,636,729)	(81,596,671)
Total cash inflows / (outflow) from all operating activities	71,718,066	(286,922,214)
Investment activities		
Profit / return received	25,625,905	16,091,609
Dividends received	8,810,449	11,125,686
Payments for investments	(402,936,054)	(1,198,803,636)
Proceeds from disposal of investments	48,607,212	868,924,881
Fixed capital expenditure	(7,114,954)	(12,348,237)
Proceeds from disposal of fixed assets	1,130,136	865,000
Total cash (outflows) from investing activities	(325,877,306)	(314,144,697)
Financing activities		
Proceeds from issue of right shares	-	381,036,390
Dividends paid	-	(9,482)
Total cash inflows from financing activities	-	381,026,908
Net cash (outflows) from all activities	(254,159,240)	(220,040,003)
Cash at beginning of the period	316,415,603	246,320,778
Cash at end of the period	62,256,363	26,280,775





	30 September 2009	30 September 2008
(Rupees)		
Reconciliation to profit and loss account		
Operating cash flows	71,718,066	(286,922,214)
Depreciation / amortization expense	(4,704,311)	(4,085,163)
Profit / (loss) on disposal of fixed assets	177,605	(29,684)
Profit on disposal of investments	979,052	39,478,390
Dividend income	11,488,547	11,704,821
Investment and other income	(70,274,227)	1,576,892
(Decrease) in assets other than cash	(45,154,561)	(95,280,644)
(Increase) / (decrease) in liabilities other than running finance	(11,377,196)	351,012,182
(Loss) / profit after taxation	(47,147,025)	17,454,580

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 there from.

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

Cash and bank deposits

Cash and other equivalents		
- Cash	122,357	134,430
- Policy stamps and bond papers in hand	374,205	447,553
	496,562	581,983
Current and other accounts		
- Current accounts	3,859,881	2,431,601
- PLS savings accounts	57,899,920	23,267,191
- Deposit with the State Bank of Pakistan	-	2,500,000
	61,759,801	28,198,792
Cash and bank deposits as per balance sheet	62,256,363	28,780,775
Less: Deposit with the State Bank of Pakistan	-	(2,500,000)
	62,256,363	26,280,775

The annexed notes from 1 to 13 form an integral part of these condensed interim 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 and nine months period ended 30 September 2009

Business underwritten inside Pakistan

Class	Three months period ended 30 September 2009									
	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		30 September 2009	30 September 2008
	(Rupees)									
Direct and facultative										
1. Fire and property damage	31,336,028	90,620,609	77,526,472	44,430,165	26,725,101	83,530,650	76,782,922	33,472,829	10,957,336	7,042,137
2. Marine, aviation and transport	16,001,288	4,767,040	4,191,013	16,577,315	5,173,273	3,500,237	2,628,179	6,045,331	10,531,984	11,280,008
3. Motor	29,279,672	48,702,044	50,399,486	27,582,230	1,339,798	2,567,709	2,616,515	1,290,992	26,291,238	32,786,559
4. Miscellaneous	42,928,446	27,454,578	47,657,482	22,725,542	21,991,276	17,815,456	28,778,302	11,028,430	11,697,112	5,555,417
	119,545,434	171,544,271	179,774,453	111,315,252	55,229,448	107,414,052	110,805,918	51,837,582	59,477,670	56,664,121

Class	Nine months period ended 30 September 2009									
	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		30 September 2009	30 September 2008
	(Rupees)									
Direct and facultative										
1. Fire and property damage	158,933,940	55,002,788	77,526,472	136,410,256	136,819,475	51,675,139	76,782,922	111,711,692	24,698,564	20,595,820
2. Marine, aviation and transport	46,941,360	4,231,792	4,191,013	46,982,139	14,549,630	2,480,424	2,628,179	14,401,875	32,580,264	29,113,261
3. Motor	88,970,945	47,360,787	50,399,486	85,932,246	8,837,435	2,385,830	2,616,515	8,606,750	77,325,496	101,327,662
4. Miscellaneous	83,101,697	16,788,096	47,657,482	52,232,311	43,922,063	12,203,039	28,778,302	27,346,800	24,885,511	16,241,773
	377,947,942	123,383,463	179,774,453	321,556,952	204,128,603	68,744,432	110,805,918	162,067,117	159,489,835	167,278,516

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


Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Batlay
Director


A. Aziz Ebrahim
Director


Tinku I. Johnson
Managing Director & CEO



Condensed Interim Statement of Claims (Un-audited)

For the quarter and nine months period ended 30 September 2009

Business underwritten inside Pakistan

Class	Three months period ended 30 September 2009									
	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		30 September 2009	30 September 2008
(Rupees)										
Direct and facultative										
1. Fire and property damage	10,898,179	17,684,978	16,160,984	9,374,185	10,615,192	15,769,727	10,733,246	5,578,711	3,795,474	1,153,008
2. Marine, aviation and transport	12,666,886	13,631,052	4,893,028	3,928,862	1,001,029	3,861,837	2,464,045	(396,763)	4,325,625	5,543,385
3. Motor	11,929,583	45,495,849	43,287,783	9,721,517	2,952,566	3,792,682	2,909,682	2,069,566	7,651,951	10,194,433
4. Miscellaneous	5,500,718	8,378,211	9,685,618	6,808,125	401,915	1,346,255	1,374,381	430,041	6,378,084	2,304,941
	40,995,366	85,190,090	74,027,413	29,832,689	14,970,702	24,770,501	17,481,354	7,681,555	22,151,134	19,195,767

Class	Nine months period ended 30 September 2009									
	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		30 September 2009	30 September 2008
(Rupees)										
Direct and facultative										
1. Fire and property damage	15,352,938	18,037,495	16,160,984	13,476,427	13,431,191	14,057,317	10,733,246	10,107,120	3,369,307	1,016,077
2. Marine, aviation and transport	14,864,816	12,043,004	4,893,028	7,714,840	1,117,201	5,890,287	2,464,045	(2,309,041)	10,023,881	7,302,874
3. Motor	55,713,107	69,441,701	43,287,783	29,559,189	8,418,667	6,785,087	2,909,682	4,543,262	25,015,927	50,154,784
4. Miscellaneous	11,288,251	6,825,416	9,685,618	14,148,453	915,327	1,642,061	1,374,381	647,647	13,500,806	8,131,000
	97,219,112	106,347,616	74,027,413	64,898,909	23,882,386	28,374,752	17,481,354	12,988,988	51,909,921	66,604,735

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




Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Batlay
Director


A. Aziz Ebrahim
Director


Tinku I. Johnson
Managing Director & CEO

Condensed Interim Statement of Expenses (Un-audited)

For the quarter and nine months period ended 30 September 2009

Business underwritten inside Pakistan

Class	Three months period ended 30 September 2009							Net premium revenue	
	Commission paid or payable a	Deferred commission		Net commission expenses d=a+b-c	Other management expenses e	Underwriting expenses f=d+e	Commission from reinsurers* g	30 September 2009	30 September 2008
		Opening b	Closing c					h=f-g	
(Rupees)									
Direct and facultative									
1. Fire and property damage	4,909,705	12,382,650	11,468,612	5,823,743	3,558,350	9,382,093	8,761,193	620,900	1,868,490
2. Marine, aviation and transport	2,300,979	677,913	626,318	2,352,574	1,744,299	4,096,873	1,693,122	2,403,752	2,373,668
3. Motor	757,060	2,301,035	1,953,803	1,104,292	3,198,313	4,302,605	985	4,301,620	5,432,856
4. Miscellaneous	1,429,149	2,396,144	2,142,613	1,682,680	4,588,592	6,271,272	1,596,474	4,674,798	1,910,834
Grand total	9,396,893	17,757,742	16,191,346	10,963,289	13,089,554	24,052,843	12,051,773	12,001,070	11,585,848
Class	Nine months period ended 30 September 2009							Net premium revenue	
	Commission paid or payable a	Deferred commission		Net commission expenses d=a+b-c	Other management expenses e	Underwriting expenses f=d+e	Commission from reinsurers* g	30 September 2009	30 September 2008
		Opening b	Closing c					h=f-g	
(Rupees)									
Direct and facultative									
1. Fire and property damage	22,995,505	6,753,823	11,468,612	18,280,716	16,672,234	34,952,950	31,582,321	3,370,629	379,068
2. Marine, aviation and transport	6,690,225	590,062	626,318	6,653,969	4,924,167	11,578,136	6,702,474	4,875,663	6,331,679
3. Motor	4,081,163	1,447,537	1,953,803	3,574,897	9,333,088	12,907,985	5,867	12,902,118	16,243,361
4. Miscellaneous	5,227,260	1,757,468	2,142,613	4,842,115	8,717,401	13,559,516	4,574,930	8,984,586	5,558,991
Grand total	38,994,153	10,548,890	16,191,346	33,351,697	39,646,890	72,998,587	42,865,591	30,132,996	28,513,099

* 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 condensed interim 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 and nine months period ended 30 September 2009

	Three months period ended		Nine months period ended	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	(Rupees)		(Rupees)	
Income from trading investments				
Gain on sale of trading investments	622,200	-	622,200	26,452,781
Dividend income	951,697	583,342	2,797,587	3,254,125
Unrealized gain / (loss) on re-measurement of securities to fair value	16,222,842	(28,322,422)	37,881,267	(52,090,163)
	17,796,739	(27,739,080)	41,301,054	(22,383,257)
Income from non-trading investments				
Held to maturity				
Return on Government Securities	4,260,172	108,376	9,141,419	248,380
Return on other fixed income securities and deposits				
- Term finance certificates	729,768	613,319	2,273,342	1,905,056
- Certificate of investment	536,301	-	850,685	13,699
	1,266,069	613,319	3,124,027	1,918,755
Available for sale				
Dividend income	3,688,014	2,595,529	8,690,960	8,450,696
	9,214,255	3,317,224	20,956,406	10,617,831
Gain on sale of non-trading investments	-	814,861	356,852	13,025,609
Provision for impairment in value of available for sale securities -net	(23,659,153)	-	(116,561,729)	(12,532,368)
Investments related expenses	(264,000)	(725,177)	(1,389,063)	(2,765,444)
Net investments income / (loss)	3,087,841	(24,332,172)	(55,336,480)	(14,037,629)

The details of valuation of investments, impairment and impact on the condensed interim profit & loss account / statement of comprehensive income are given in note 7.3.

The annexed notes from 1 to 13 form an integral part of these condensed interim 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 nine months period ended 30 September 2009

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 financial statements are being presented in condensed form in accordance with 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Company adopts IFRS 4- Insurance Contracts, which became effective for financial periods beginning on or after 1 January 2009. However Securities and Exchange Commission of Pakistan through its circular no.22/2009 dated 30 June 2009 has deferred the applicability of certain requirements of IFRS 4 for the purpose of the quarterly accounts for 1st, 2nd and 3rd quarters of the year ending 2009. Other related requirements of IFRS 4 have no significant impact on these condensed interim financial statements.

Furthermore, International Accounting Standard 1 (Revised) Presentation of financial statements and IFRS 8 Operating Segments became effective for financial periods beginning on or after 01 January 2009. The application of these standards has resulted in certain increased disclosures.

4. ESTIMATES

The preparation of condensed 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 statements 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 as at and for the year ended 31 December 2008.



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

For the nine months period ended 30 September 2009

6. CONTINGENCY AND COMMITMENTS

6.1 Contingency

During the nine months period ended 30 September 2009, the Company received notice of demand of Rs.894,719 under section 137 (2) of the Income Tax Ordinance, 2001 from Taxation Officer in respect of non deduction of tax on the remittance made to foreign reinsurance companies during the period from July 2008 to March 2009 under the provisions of subsection (5) read with (5A) of section 152 of the Income Tax Ordinance, 2001. This demand has been made as the company did not obtain certificate of exemption from Commissioner of Income Tax before remittance to foreign reinsurance companies as required by the double taxation treaties with the respective country where the reinsurance companies are situated. The Company has filed a writ petition before Honorable High Court of Sindh against the notice of demand of taxation officer and challenged the demand notice. The stay is granted by the Honorable High Court of Sindh. Based on the legal advisor's opinion, the Company is confident that the ultimate outcome of the writ petition will be in its favor. Hence, no provision has been made in these condensed interim financial statements for the nine months period ended 30 September 2009.



Note	Un-audited 30 September 2009	Audited 31 December 2008
(Rupees)		
6.2 Commitments		
- Outstanding letters of credit	677,300	578,900
- Commitments for capital expenditure- renovation of branches	-	1,234,765
7. INVESTMENTS		
In related parties		
Investments in associates - equity accounting * 7.1	19,917,729	40,672,735
Others		
Investment at fair value through profit and loss- held for trading		
Quoted shares	77,039,209	39,433,384
Held to maturity		
Government securities * 7.2	132,227,953	36,292,460
Term Finance Certificates - quoted *	19,566,136	21,673,754
	151,794,089	57,966,214
Available for sale - quoted * 7.3	609,518,636	344,518,636
Less: Provision for impairment (net of reversals)	(134,703,215)	(18,141,486)
	474,815,421	326,377,150
	723,566,448	464,449,483

* The market value of investments as at 30 September 2009 was Rs. 623.14 million (31 December 2008: Rs. 212.72 million).

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

For the nine months period ended 30 September 2009

	Un-audited 30 September 2009	Audited 31 December 2008
	(Rupees)	
7.1 Movement of investments in associates - listed		
Beginning of the period / year	40,672,735	45,031,038
Share in profit / (loss)	(4,168,969)	(560,887)
Dividend received	(101,062)	(264,350)
Share in equity	-	(33,066)
Impairment	(16,484,975)	(3,500,000)
	<u>19,917,729</u>	<u>40,672,735</u>

The annual financial statements for the period ended 30 June 2009 are used for applying the equity method of accounting.

7.2 This includes security placed with State Bank of Pakistan as statutory deposit in accordance with the requirement of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.

7.3 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). 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. Refer note 13.5 to the annual financial statements for the year ended 31 December 2008.

Accordingly, the fall in value of Rs. 116.56 million upto 30 September 2009 has been recognized in these condensed interim financial statements. The reconciliation of provision for impairment in available for sale investments is as follows:

	Un-audited 30 September 2009	Audited 31 December 2008
	(Rupees)	
Opening provision	18,141,486	5,609,118
Charged for the period / year	116,561,729	12,532,368
Closing provision	<u>134,703,215</u>	<u>18,141,486</u>

The recognition of impairment loss (fall in value of investments) in accordance with the requirements of above circular would have had following effect on these condensed interim financial statements.

	(Rupees)
Increase in 'impairment loss ' in the condensed interim profit and loss account	<u>26,763,281</u>
Increase in loss for the period	<u>26,763,281</u>
Increase in loss per share	<u>0.59</u>
Decrease in un-appropriated profit	<u>26,763,281</u>



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

For the nine months period ended 30 September 2009

	Un-audited 30 September 2009	Audited 31 December 2008
8. FIXED ASSETS - Tangible and intangible	(Rupees)	
Opening written down value	42,178,621	31,788,290
Add: Additions during the period / year - at cost		
- Office improvement	2,928,419	2,121,585
- Furniture and fixtures	1,225,164	977,659
- Office equipment	590,715	336,395
- Computer equipment and related accessories	377,791	709,819
- Motor vehicles	5,083,700	9,766,903
	10,205,789	13,912,361
Less: Written down value of deletion	8.1 952,531	1,006,653
Depreciation / amortization for the period / year	4,704,311	5,606,212
	5,656,842	6,612,865
Less: Transfer from Capital work in progress	3,090,835	-
Add: Capital work in progress	-	3,090,835
Closing written down value	43,636,733	42,178,621

8.1 This includes asset sold to related party having a written down value of Rs. 702,520 at a sale proceed of Rs. 755,000.

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 nine months period ended , other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

	Three months period ended		Nine months period ended	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	(Rupees)		(Rupees)	
Transactions with related parties				
Premium written	13,946,324	54,999,878	164,788,777	127,898,134
Commission expense	2,039,378	7,326,022	19,960,188	15,568,683
Claims paid	4,145,753	56,045,126	14,056,043	222,126,610
Bonus shares issued (face value)	-	-	-	5,524,171
Right share issued (face value)	-	11,102,468	-	11,102,468
Dividend received	101,062	264,350	101,062	264,350
Sale of assets	775,000	-	775,000	-
Expenses	2,123,844	1,017,878	6,197,336	5,284,691
Contribution to / provision for staff benefit plans	1,129,615	1,083,269	3,389,197	3,004,719
Remuneration to key management personnel	7,861,718	6,531,902	22,942,793	15,733,618



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Century Insurance

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

For the nine months period ended 30 September 2009

	30 September 2009	30 September 2008
10. EARNINGS PER SHARE - BASIC AND DILUTED		
(Loss) / Profit after tax for the period	(47,147,025)	17,454,580
Weighted average number of ordinary shares	45,724,366	45,724,366
(Loss) / Earnings per share- basic and diluted	(1.03)	0.38

10.1 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.

11. 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, liabilities as at 30 September 2009 and 31 December 2008, unallocated capital expenditures and non-cash expenses during the period.

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	Un-audited 30 September 2009	Audited 31 December 2008
	(Rupees in '000)									
Segment assets	98,985	72,486	5,719	8,961	7,480	10,618	32,295	15,603	144,479	107,668
Unallocated corporate assets									1,112,413	1,185,876
Consolidated corporate assets									1,256,892	1,293,544
Segment liabilities	114,841	88,055	9,899	17,145	93,687	116,807	61,492	25,278	279,919	247,285
Unallocated corporate liabilities									102,161	124,299
Consolidated corporate liabilities									382,080	371,585

12. DATE OF AUTHORIZATION FOR ISSUE

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

13. 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

Tinku I. Johnson
Managing Director & CEO



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Century Insurance

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