Century Insurance

A Lakson Group Company

SUPPORTING
YOUR GROWTH & SUCCESS

ANNUAL REPORT 2011

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.

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 52% higher than the Government specified threshold.
- Twice awarded 'Top 25 Companies Award' by 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"

The management of your Company strives to maintain the growth momentum, with the ultimate objective of enhancing investor equity in the future. Your dedicated and committed management is confident about the future and will strive hard to make 2012 a better year, Inshallah.

Our Team

Contents

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. KPMG Taseer Hadi & Co.
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,
1st 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.

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, 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

Board of Directors

Sitting from left to right

Mr. Iqbal Ali Lakhani	Chairman
Mr. Amin Mohammed Lakhani	Director
Mr. Zulfiqar Ali Lakhani	Director

Standing from left to right

Mr. Mohammad Hussain Hirji	Director & Chief Executive
Mr. Muhammad Abdul Qadir	Director
Mr. Tasleemuddin A. Batlay	Director
Mr. A. Aziz H. Ebrahim	Director

Notice of Meeting

NOTICE IS HEREBY GIVEN that the 26th Annual General Meeting of CENTURY INSURANCE COMPANY LIMITED will be held on Wednesday, 25 April 2012 at 11:30 a.m. at Moosa D. Desai Auditorium, Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, near Teen Talwar, Karachi to transact the following business:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended 31 December 2011 together with the Directors' and Auditors' reports thereon.

2. To declare final dividend in cash @ 10% i.e. Re.1.00 per share of Rs.10/- each as recommended by the Board of Directors.

3. To appoint Auditors and fix their remuneration.

   All listed companies in financial sector are required to change their external auditors every five years as per clause xli (a) of the Code of Corporate Governance under Listing Regulations of Stock Exchanges.

   M/s. KPMG Taseer Hadi & Company, Chartered Accountants, have been auditors of the Company for a period of five years. The Board, on the recommendation of the Audit Committee of the Company has proposed the appointment of M/s. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, as auditors for the year 2012. A notice under section 253(1) of the Companies Ordinance, 1984 has also been received from a shareholder of the Company to the same effect.

By Order of the Board

(MANSOOR AHMED)
Company Secretary

KARACHI: 20 March 2012

NOTES:

1. The share transfer books of the Company will remain closed from 19 April 2012 to 25 April 2012 (both days inclusive). Transfers received in order by the Shares Registrar of the Company, M/s. FAMCO Associates (Private) Limited, State Life Building No.1-A, 1st Floor, I.I.Chundrigar Road, Karachi up to the close of business on 18 April 2012 will be treated in time for entitlement of the dividend.

2. A member, who has deposited his/her shares into Central Depository Company of Pakistan Limited, must bring his/her participant's ID number and CDC account/sub-account number along with original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.

3. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend, speak and vote instead of him/her.

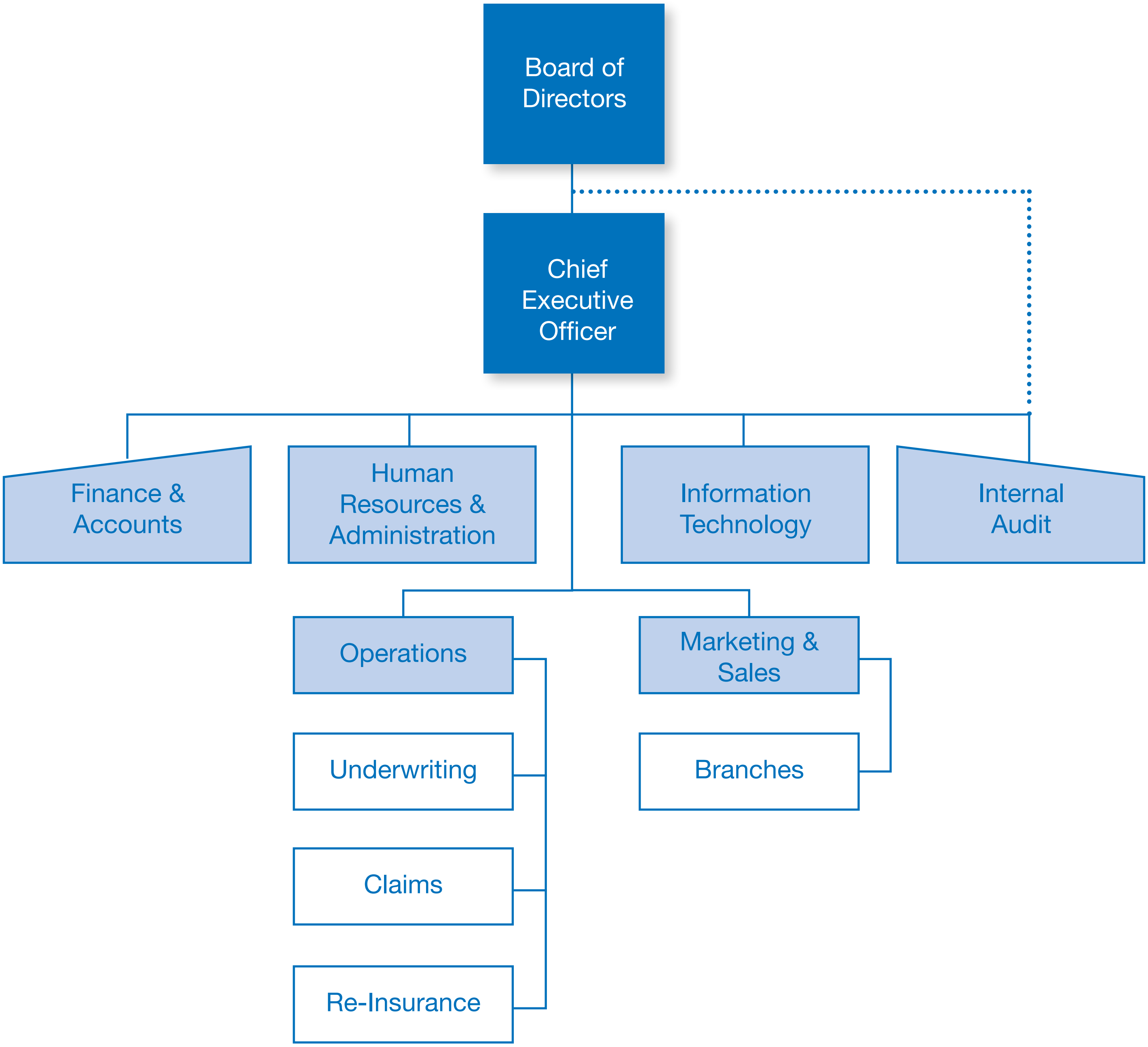
4. Forms of proxy, in order to be valid must be properly filled in/executed and received at the registered office of the Company situated at Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi not later than 48 hours before the time of the meeting.

5. Members are requested to notify Shares Registrar of the Company promptly of any change in their addresses.

6. Members who have not yet submitted photocopy of their Computerized National Identity Cards (CNIC) are requested to send the same to our Shares Registrar at the earliest.

7. Form of Proxy is enclosed herewith.

Organisation Chart



Senior Management

Sitting from left to right

Mr. Ibrahim Kapadia	Head of Clifton Branch
Mr. Javed Muslim	Head of Marketing (South)
Mr. Mohammad Hussain Hirji	Director & Chief Executive
Mr. Afzal-ur-Rahman	Head of Operations
Ms. Madiha Khalid	Head of Reinsurance

Standing from left to right

Mr. Sabza Ali Pirani	Chief Financial Officer
Mr. Altaf Siddiqi	Head of Claims
Mr. Ali Asghar	Head of Underwriting (Fire)
Mr. Ghulam Mustafa Khan	Head of Underwriting (Marine)
Mr. Abdul Rashid	Head of IT
Mr. Shahid Mobeen	Head of Internal Audit
Mr. Safdar Abbas	Head of HR

Senior Management (North Zone)

From left to right

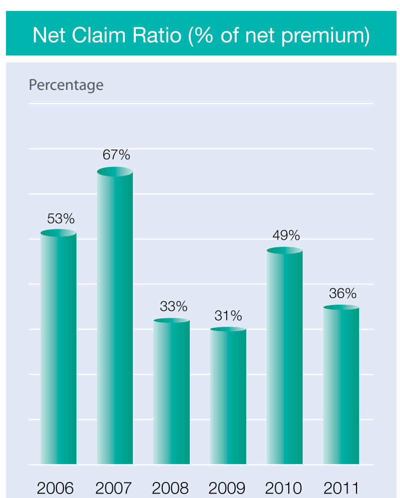
Mr. Mohammad Ali Kazmi	Islamabad Office
Mr. Tariq Aziz Khan	Rawalpindi Office
Mr. Mohammad Ikram	Head of North Zone
Mr. Mohammad Iqbal Butt	Sialkot Office
Mr. Mohammad Shahbaz Chaudhry	Faisalabad Office

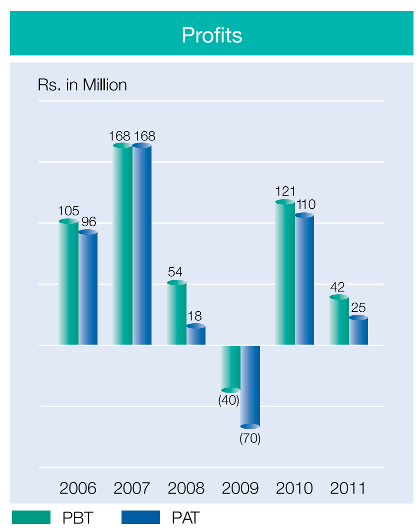
Financial Performance at a Glance

Rupees in million

	Gross Premium Written	Net Premium	Net Claims	Underwriting Profit
2011	535	225	81	87
2010	450	219	107	64
	19% ↑	3% ↑	24% ↓	36% ↑

	Investment & Other Income	Total Assets	Total Shareholders' Equity	Investments
2011	22	1,462	941	849
2010	116	1,330	962	840
	81% ↓	10% ↑	2% ↓	1% ↑





Key Operating and Financial Data

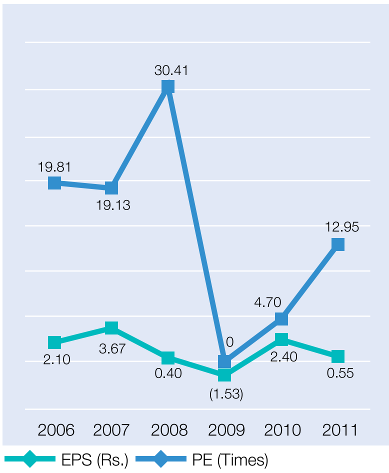
Rupees in million

		2011	2010	2009	2008	2007	2006
FINANCIAL DATA							
Paid-up Capital		457.2	457.2	457.2	457.2	254.0	203.2
Reserves & Retained Earning		483.8	504.4	394.8	464.7	268.5	171.6
Equity		941.0	961.6	852.0	922.0	522.5	374.8
Underwriting Premium Reserves		356.2	253.5	228.4	247.3	999.6	242.4
Investments		848.6	840.0	736.0	464.4	464.2	358.8
Fixed Assets (Tangible & Intangible)		48.7	44.6	42.6	42.2	31.8	27.7
Cash & Bank Deposits		97.5	87.1	75.3	316.4	248.8	79.4
Total Assets		1,462.0	1,330.5	1,151.8	1,293.5	1,691.6	695.4
OPERATING DATA							
Gross Premium		534.8	449.7	456.2	406.1	356.4	340.1
Net Premium		225.2	219.1	206.6	241.4	218.6	208.6
Net Claims		80.5	106.6	64.7	79.3	146.2	109.7
Underwriting Profit		87.3	63.6	95.0	122.3	37.9	66.7
Investment & Other Income / (Loss)		22.3	116.4	(81.5)	(19.7)	175.8	71.2
Profit / (Loss) Before Tax (PBT)		42.1	121.1	(39.9)	53.8	168.2	105.1
Taxation - Net		17.0	11.4	30.0	35.3	0.2	9.3
Profit / (Loss) After Tax (PAT)		25.1	109.6	(70.0)	18.4	168.0	95.8
CASH FLOW SUMMARY							
Operating Activities		57.4	8.9	117.2	(167.9)	30.4	71.6
Investing Activities		(1.5)	2.9	(358.3)	(143.0)	159.3	(87.5)
Financing Activities		(45.4)	-	-	381.0	(20.3)	(15.0)
Cash & Cash Equivalents at the year end		97.5	87.1	75.3	316.4	246.3	76.9
FINANCIAL RATIOS							
Profitability							
Profit / (Loss) Before Tax / Net Premium	(%)	18.7	55.3	(19.3)	22.3	76.9	50.4
Profit / (Loss) After Tax / Net Premium	(%)	11.2	50.0	(33.9)	7.6	76.8	45.9
Underwriting Results / Net Premium	(%)	38.8	29.1	46.0	50.7	17.4	32.0
Total Expenses / Gross Premium	(%)	25.8	27.0	24.8	23.8	25.2	20.4
Total Expenses / Net Premium	(%)	61.2	55.5	54.7	40.0	41.1	33.3
Net Claims / Net Premium	(%)	35.7	48.7	31.3	32.9	66.9	52.6
Combined Ratio	(%)	91.2	97.9	79.9	69.6	103.5	83.8
Return to Shareholders							
Return on Equity	(%)	2.7	11.4	(8.2)	2.0	32.1	25.6
Return on Assets	(%)	1.7	8.2	(6.1)	1.4	9.9	13.8
Return on Investment	(%)	2.6	14.8	(13.6)	(4.3)	42.7	24.5
Earnings / (Loss) Per Share	(Rs.)	0.55	2.40	(1.53)	0.40	3.67	2.10
* Dividend	(%)	10.0	10.0	-	-	-	10.0
Dividend Yield	(%)	14.1	8.9	-	-	-	2.4
Dividend Payout	(%)	182.1	41.7	-	-	-	47.7
Bonus share	(%)	-	-	-	-	30.0	25.0
Price Earning Ratio	(Times)	12.9	4.7	(9.0)	30.4	19.1	19.8
Market Price per share	(Rs.)	7.1	11.3	13.7	12.3	70.3	41.5
Liquidity / Leverage							
Break-up Value per share	(Rs.)	20.6	21.0	18.6	20.2	20.6	18.4
Current Ratio	(Times)	4.0	5.5	7.2	4.9	1.5	3.6
Total Assets Turnover Ratio	(Times)	0.4	0.3	0.4	0.3	0.2	0.5
Total Liabilities / Equity	(Times)	0.55	0.38	0.35	0.40	2.2	0.9
Paid-up Capital / Total Assets	(%)	31.3	34.4	39.7	35.3	15.0	29.2
Equity / Total Assets	(%)	64.4	72.3	74.0	71.3	30.9	53.9

* Includes cash dividend amounting to Rs. 45.724 million proposed by the Board of Directors subsequent to the year end.

Graphical Presentation

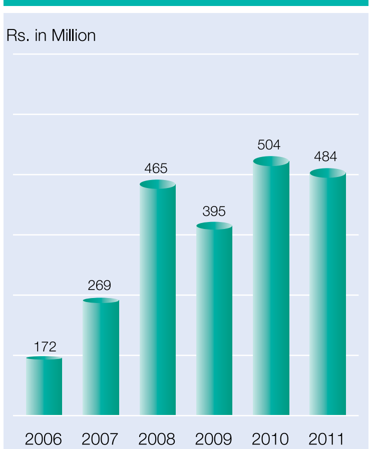
Earnings per Share (EPS) & Price Earning (PE) Ratio



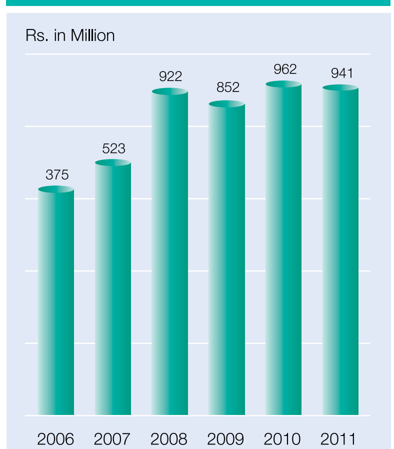
Gross Premium & Underwriting Profit

Total Expenses to Gross Premium Ratio (%)

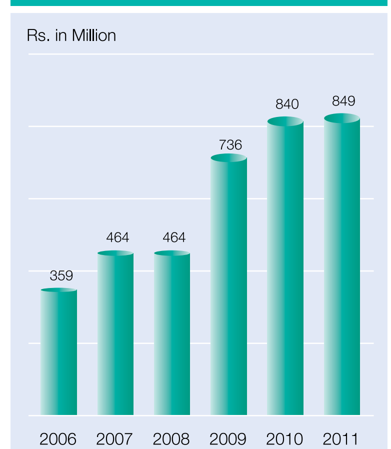
Reserves



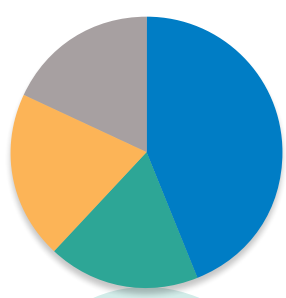
Equity



Investments



Gross Premium (Class Wise)	
Fire & Property	44%
Marine, Aviation & Transport	18%
Motor	20%
Miscellaneous	18%



Horizontal Analysis

	2011		2010		2009	
	(Rupees)	%	(Rupees)	%	(Rupees)	%
BALANCE SHEET ITEMS						
Assets						
Cash and bank deposits	97,519,659	12.0%	87,059,857	15.6%	75,313,774	-76.2%
Investments	848,638,589	1.0%	840,031,282	14.1%	735,978,003	58.5%
Deferred taxation	2,205,928	-28.0%	3,063,779	425.7%	582,852	-4.8%
Premiums due but unpaid - unsecured	98,021,984	8.3%	90,538,623	24.0%	72,986,651	-8.6%
Amounts due from other insurers / reinsurers	73,141,280	-5.0%	76,954,600	-4.4%	80,510,620	-43.9%
Reinsurance recoveries due but unpaid	13,560,132	35.1%	10,036,487	-14.2%	11,703,178	-90.8%
Salvage recoveries accrued	4,620,000	-33.3%	6,923,000	49.5%	4,630,000	6.3%
Accrued investment income	2,353,841	-31.8%	3,451,981	-5.6%	3,655,257	47.2%
Reinsurance recoveries against outstanding claims	103,566,800	166.0%	38,934,607	427.0%	7,387,579	-74.0%
Taxation - net	28,738,026	21.7%	23,620,476	378.4%	4,937,229	100.0%
Deferred commission expense	16,415,167	24.9%	13,140,306	10.4%	11,897,979	12.8%
Prepayments	113,311,165	31.9%	85,901,593	-10.6%	96,067,521	38.4%
Sundry receivables	11,169,389	79.6%	6,219,559	75.2%	3,549,379	-5.5%
Fixed assets (tangible & intangible)	48,723,294	9.3%	44,591,007	4.6%	42,636,050	1.1%
Total assets	1,461,985,254	9.9%	1,330,467,157	15.5%	1,151,836,072	-11.0%
Shareholders' equity and liabilities						
Paid-up capital	457,243,660	-	457,243,660	-	457,243,660	-
Retained earnings	110,777,591	-15.7%	131,365,194	504.5%	21,732,162	-76.3%
Reserves	373,024,260	-	373,024,260	-	373,024,260	-
Provision for outstanding claims (including IBNR)	159,958,376	59.8%	100,129,274	71.5%	58,386,567	-45.1%
Provision for unearned premium	173,171,252	28.8%	134,453,913	-11.6%	152,173,290	23.3%
Commission income unearned	23,082,632	22.0%	18,925,026	6.0%	17,858,380	1.7%
Premiums received in advance	1,959,036	-52.8%	4,146,578	-12.2%	4,721,213	389.6%
Amounts due to other insurers / reinsurers	99,389,021	80.1%	55,179,287	113.0%	25,908,539	-68.5%
Accrued expenses	4,237,194	15.4%	3,671,215	14.9%	3,195,441	-21.8%
Other creditors and accruals	58,365,345	12.5%	51,857,776	39.7%	37,121,586	8.9%
Unclaimed dividend	776,887	65.0%	470,974	-	470,974	-
Total shareholders' equity and liabilities	1,461,985,254	9.9%	1,330,467,157	15.5%	1,151,836,072	-11.0%
PROFIT AND LOSS ACCOUNT						
Net premium revenue	225,190,745	2.8%	219,069,662	6.0%	206,646,121	-14.4%
Net claims	(80,504,926)	-24.5%	(106,645,552)	64.8%	(64,707,924)	-18.4%
Expenses	(70,456,895)	12.6%	(62,589,282)	5.1%	(59,530,383)	24.4%
Net commission	13,095,754	-5.2%	13,809,108	9.4%	12,623,117	57.0%
Investment income / (loss)	11,093,993	-89.5%	105,875,469	245.0%	(73,034,849)	92.0%
Other income - net	10,251,933	37.6%	7,451,724	-63.2%	20,238,268	-9.5%
General and administration expenses	(67,459,799)	14.4%	(58,949,497)	10.2%	(53,514,513)	9.7%
Share of profit / (loss) of associates	1,169,262	251.4%	(772,337)	-84.7%	(5,031,869)	797.1%
Impairment / (reversal) in value of investment in associates	(256,814)	-106.7%	3,813,129	116.1%	(23,635,007)	575.3%
Taxation - net	(17,013,701)	48.8%	(11,431,295)	-61.9%	(30,011,674)	-15.1%
Profit / (loss) after tax	25,109,552	-77.1%	109,631,129	256.7%	(69,958,714)	-479.8%

Vertical Analysis

	2011		2010		2009	
	(Rupees)	%	(Rupees)	%	(Rupees)	%
BALANCE SHEET ITEMS						
Assets						
Cash and bank deposits	97,519,659	6.7%	87,059,857	6.5%	75,313,774	6.5%
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Premiums due but unpaid - unsecured	98,021,984	6.7%	90,538,623	6.8%	72,986,651	6.3%
Amounts due from other insurers / reinsurers	73,141,280	5.0%	76,954,600	5.8%	80,510,620	7.0%
Reinsurance recoveries due but unpaid	13,560,132	0.9%	10,036,487	0.8%	11,703,178	1.0%
Salvage recoveries accrued	4,620,000	0.3%	6,923,000	0.5%	4,630,000	0.4%
Accrued investment income	2,353,841	0.2%	3,451,981	0.3%	3,655,257	0.3%
Reinsurance recoveries against outstanding claims	103,566,800	7.1%	38,934,607	2.9%	7,387,579	0.6%
Taxation - net	28,738,026	2.0%	23,620,476	1.8%	4,937,229	0.4%
Deferred commission expense	16,415,167	1.1%	13,140,306	1.0%	11,897,979	1.0%
Prepayments	113,311,165	7.8%	85,901,593	6.5%	96,067,521	8.3%
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Retained earnings	110,777,591	7.6%	131,365,194	9.9%	21,732,162	1.9%
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Accrued expenses	4,237,194	0.3%	3,671,215	0.3%	3,195,441	0.3%
Other creditors and accruals	58,365,345	4.0%	51,857,776	3.9%	37,121,586	3.2%
Unclaimed dividend	776,887	0.1%	470,974	0.0%	470,974	0.0%
Total shareholders' equity and liabilities	1,461,985,254	100.0%	1,330,467,157	100.0%	1,151,836,072	100.0%
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Expenses	(70,456,895)	-31.3%	(62,589,282)	-28.6%	(59,530,383)	-28.8%
Net commission	13,095,754	5.8%	13,809,108	6.3%	12,623,117	6.1%
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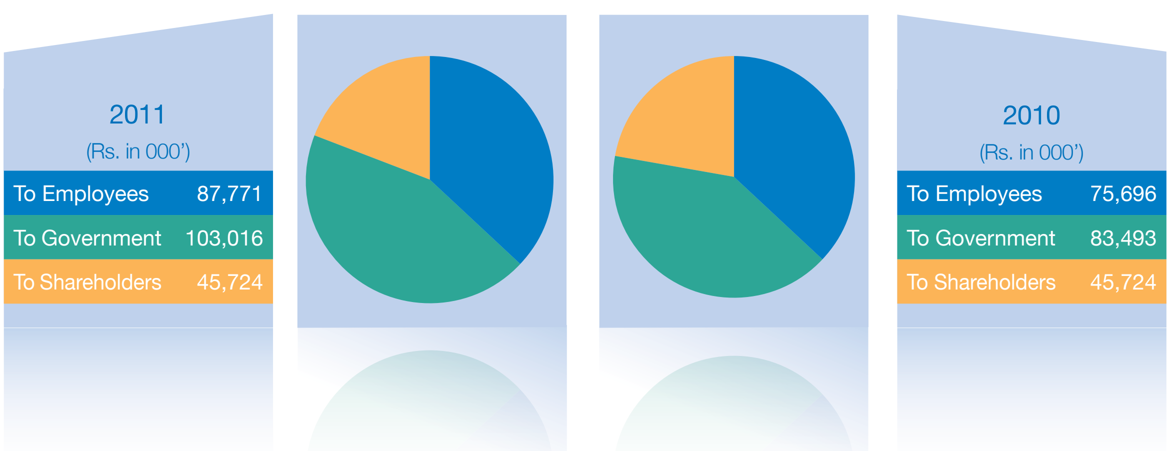
Other income - net	10,251,933	4.6%	7,451,724	3.4%	20,238,268	9.8%
General and administration expenses	(67,459,799)	-30.0%	(58,949,497)	-26.9%	(53,514,513)	-25.9%
Share of profit / (loss) of associates	1,169,262	0.5%	(772,337)	-0.4%	(5,031,869)	-2.4%
Impairment / (reversal) in value of investment in associates	(256,814)	-0.1%	3,813,129	1.7%	(23,635,007)	-11.4%
Taxation - net	(17,013,701)	-7.6%	(11,431,295)	-5.2%	(30,011,674)	-14.5%
Profit / (loss) after tax	25,109,552	11.2%	109,631,129	50.0%	(69,958,714)	-33.9%

Statement of Value Addition

	2011 Rupees in '000	2010 Rupees in '000
WEALTH GENERATED		
Gross premium (including sales tax/FED & FIF)	620,753	521,736
Commission income	13,096	13,809
Profit from investment	12,006	108,916
Other income	10,252	7,452
	656,107	651,913
Management & other expenses	(431,421)	(376,445)
	224,686	275,468
WEALTH DISTRIBUTED		
To Employees	87,771	75,696
To Government:		
Company taxation	17,014	11,431
Levies (including sales tax/FED & FIF)	86,002	72,062
	103,016	83,493
To Shareholders:		
Dividend *	45,724	45,724
	45,724	45,724
Retained in Business:		
Depreciation and amortization	8,790	6,648
Net earnings	(20,615)	63,907
	(11,825)	70,554
	224,686	275,468

* Includes cash dividend amounting to Rs. 45.724 million (2010: Rs. 45.724 million) proposed by the Board of Directors subsequent to the year end.

Distribution of Value Added



Services

Fire

Marine

Motor

Miscellaneous

Fire

Fire and Allied Perils Insurance

A lot of time, hard work and considerable money are put into building up a business. It's known how misfortune can strike when one least expects it. Almost anything can happen at any time - a short circuit can reduce assets to ashes, a burst pipe can flood the premises, a riot or strike can wipe away years of effort. One cannot predict the future but we can definitely buy protection against such uncertainties. Century Insurance is known to provide one of the best Fire and Allied Perils products in the industry. We take pride in providing comprehensive protection backed by sound financial capability.

The policy protects from physical loss or damage as a result of Fire and Lightening which is a basic cover and it can be extended to cover "named perils" such as explosion, natural calamities (like storm, flood, landslide etc.), impact damage by vehicle / animal / aircraft, riot, strike, malicious act, bursting of pipe / water tank, sprinkler leakage and bush fires.

Loss of Profit following Fire and Allied Perils

A business is the sum of the efforts and aspirations of all staff members. Fire can destroy everything in its path, leaving the management to recoup in its aftermath. Protecting the assets against fire is, of course, essential. But what about the losses that are incurred from disruption to a business following a fire? The financial consequences can often be just as devastating to an organisation. That's where Century Insurance is there, all the way, till a business is restored to its pre-damaged level.

In the event of any interruption to a business as a result of damage to the premises due to any peril insured under the Fire Material Damaged Policy, this policy enables the policy holder to recover:

- Loss of Gross Profit due to a reduction in turnover.
- Increased Cost of Working incurred in minimizing that loss of Gross Profit.

Industrial All Risk Insurance

Sometimes, even a minor accident, breakdown or theft can result in extensive loss to industries. With large sums invested in machinery and electronic equipment across vast areas, the risk can be high in terms of material damage as well as business loss. What's vital is an all - encompassing cover such as Century Insurance Industrial All Risk Insurance that gives an industry the reassurance it needs.

The policy covers all risks / perils other than those which are specifically excluded. The cover in its widest form, referred to as "all risk", includes the following perils/covers:

Section I (Material Damage)

- Fire and special perils.
- Burglary.
- Machinery Breakdown / Boiler Explosions / Electronic Equipment Insurance.

Section II (Business Interruption)

- FLOP: Business interruption due to fire and all special perils.
- MLOP: Business interruption due to machinery breakdown.

MLOP is an optional cover.

Marine

Marine Insurance

While the goods are imported or exported, they are exposed to significant financial losses should the international shipments be damaged or destroyed in transit. An organisation needs to depend on an insurance company that understands the importance of swift response and efficient service in handling the claims.

Century Insurance Marine Cargo Insurance provides the best protection for the cargo. Catering to both importers' and exporters' need, the coverage is comprehensive and flexible with international shipments, protected from the time the goods leave the seller's warehouse until they reach the buyer's warehouse.

The party usually responsible for insuring the goods is determined by the sales contract. To help the Insured familiarize with the buyer's and seller's responsibilities, Century Insurance can extend its experience in respect of the most common sales contracts, i.e. ex-works, FOB, CFR and CIF.

The Marine Cargo Insurance offers four types of covers:

- Institute Cargo Clause (C): Named Perils basis.
- Institute Cargo Clause (B): Named Perils basis.
- Institute Cargo Clause (A): The widest form of cover under Marine Cargo Insurance in so far as it relates to the perils covered. ICC (A) is an unnamed perils clause.
- Institute Cargo Clause (Air).

Motor

Motor Insurance

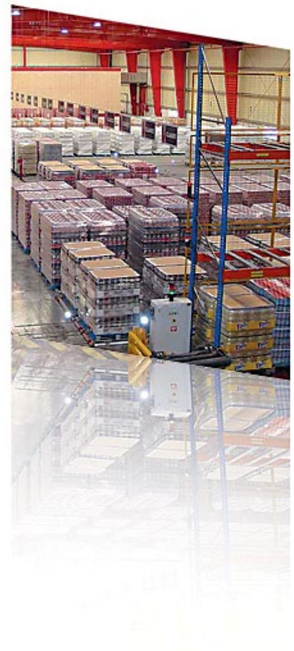
Vehicle insurance (auto insurance, car insurance, or motor insurance) is purchased for cars, trucks and other moving vehicles. Century Insurance Motor Insurance provides protection against losses incurred as a result of traffic accidents and against liability that could be incurred in an accident. It is known in the market place as motor insurance and is probably the most common form of insurance. It may cover both legal liability claims against the driver and loss of or damage to the insured's vehicle itself.

Century's Comprehensive Auto Insurance Policy gives the maximum coverage against theft, accidental damage and third party liability with greater benefits, exclusive features and more mileage on Insured's investment such as significant reduction of premium through no claim bonus, and discounts allowed on installation of standard car tracking device etc.

Century's primary focus is providing exceptional service to all its valued customers because they are the core of our business. The Auto insurance features products backed by the Company's unparalleled resources and financial strength.

We pride ourselves on our ability to deliver fast, fair and accurate claim service.

Miscellaneous



Machinery Breakdown Insurance

An organisation wins a valuable contract, but the delivery schedules are tight and the penalties exacting. Just when everything is going according to plan, something unexpected happens... an employee accidentally inserts the wrong tool and the machine comes to a grinding halt. In such circumstances, Century Insurance Machinery Breakdown Policy provides the ideal safeguard for the organisation.

The policy broadly covers loss due to all kinds of accidental, electrical and mechanical breakdowns as a result of internal causes. The Insured is covered during the time the machinery is in operation or at rest or in the process of being dismantled, overhauled or during subsequent re-erection at the same premises.

If specifically requested, it can also cover the machinery foundations, masonry, brickwork as well as oil in transformers from unforeseen and sudden physical loss or damage, other than specified excluded perils and forms of damage.

Loss of Profit following Machinery Breakdown

Consequential losses following a breakdown of machinery, plant or equipment due to a sudden or unforeseen event can sometimes be worse than the extent of the physical damage. Production and business operations may cease. However, fixed expenses such as salary, wages, interest on capital, rent etc, will continue to be incurred, resulting in the loss of gross profits and increased cost of working during the interruption period.

Century Insurance Machinery Loss of Profits following Machinery Breakdown Policy protects the Insured by indemnifying the loss in gross profits and the increased cost of working during the interruption period in such contingencies as stated above. The Machinery Loss of Profits Policy can only be issued when the machinery breakdown cover is in place.

Boiler and Pressure Vessel Insurance

Extreme temperatures and intense stresses in boiler and pressure vessels demand the highest level of expertise and care. It's an environment where even a smallest mistake can result in equipment failure and significant replacement costs. Century Insurance Boiler and Pressure Vessel Insurance helps cover any damage to an expensive plant and also minimize the downtime loss for an organisation.

The Boiler and Pressure Vessel policy covers boilers of various kinds, pressure plants and vessels under pressure, including fired and unfired, against loss and / or damage due to explosion or collapse.

Electronic Equipment Insurance

Expensive, fragile vulnerable… critical. Makes us think how a business would run without electronic equipment. The world today is increasingly more interconnected and the electronics revolution has been at the forefront, dramatically changing the way everyone works and do business. Today, everyone is dependent on electronic equipment to help run an organisation effectively and gives it the competitive edge. Just imagine the consequences if any thing happened to the computers and other electronic equipments were irreparably destroyed. The answer lies in Century Insurance Electronic Equipment Insurance Policy. It's just the safeguard needed to cover the assets so vital to keeping a business functioning smoothly.

The policy provides comprehensive coverage for the Insured's electronic equipment. It includes physical loss or damage to all electronic equipment, as well as the increased cost of working resulting from an accidental and unforeseen physical loss or damage to the electronic equipment.

Contractor's All Risk Insurance

A construction site can be a magnet for accidents, loss from theft or damage, legal claims and more. Century Insurance Contractor's All Risk Insurance covers almost all types of risks during construction. It includes physical loss or damage to property, plant, machinery and tools, works brought on to the site and temporary works erected on site, as well as third party liability related work conducted on the site.

The policy is designed to cover civil engineering projects such as buildings, roads, airports, flyovers, water tanks, sewage treatment plants, etc.

Unless specially excluded, this "all risk" insurance covers accidental physical loss or damage to contract works during the execution of a civil engineering project.

Coverage begins from the commencement of work or after unloading of the first consignment at the project site, whichever is earlier, and terminates on handing over of the works to the principal or on expiry of the policy, whichever is earlier. Coverage can be extended to include the interest of suppliers / manufacturers, contractors and subcontractors.

Erection All Risk Insurance

Every time an organisation undertakes a project that involves storage of equipment, moving or expanding a facility, or dismantling and re-constructing it, it leaves the organisation open to significant risk.

Century Insurance Erection All Risk Insurance helps protect against just this kind of scenario. The comprehensive nature of its coverage makes it the ideal solution for diverse need, whatever the risk the organisation wants to insure.

This policy is a typical “all risk” insurance for storage, assembly / erection, testing and commissioning of the following types of activities. Unless specifically excluded, it provides comprehensive cover for:

- Setting up a new project / individual machines.
- Expansion of an existing project.
- Dismantling and re-erection of an existing facility.

The interests of suppliers, manufacturers, contractors as well as subcontractors can be included in the policy. Cover begins from the time of unloading of the first consignment at the project site and terminates on completion of testing or handing over of the project to the principal, or the period chosen, whichever is earlier.

Contractor’s Plant and Machinery Insurance

On a construction site, it’s the equipment that has the toughest job. Hauling materials, excavating earth and debris, generating power almost round-the-clock…. But even the most heavy-duty machines can break down causing heavy losses to an organisation. Century Insurance Contractor’s Plant and Machinery Insurance is the hassle-free way to protect the Insured’s investment and minimize repair costs.

The policy broadly covers loss or damage to the contractor’s construction mobile equipment such as bulldozers, cranes, excavators, compressors, etc, due to an accident arising out of external perils. The cover is operative while the insured property is at work or at rest, or being dismantled for the purpose of cleaning or overhauling, or during subsequent re-erection.

Travel Insurance

Traveling inside the country or worldwide is an essential part of most of the executives’ working lives. Certainly, along with it comes the risk for any personal and financial loss that they might face on a business trip. That is why Century Insurance offers travel policies that cover the employer and employees for any accident, sickness, and medical attention in an emergency that may occur whilst traveling.

A Range of Travel Insurance Plans

- The International Travel Policy covers people who are traveling internationally, for business or pleasure.
- An annual multi-trip Travel Policy has also been specifically designed for frequent travelers. The maximum period covered per trip is 90 consecutive days.
- For Haj & Umrah we have a special travel insurance that provides complete medical care during the entire pilgrimage.
- Student Travel Insurance provides peace of mind 365 days a year.

Personal Accident Insurance

In an increasingly competitive business scenario, every organisation has to prepare for the unexpected.

This applies not just to its property, but also to the employees. After all, an organisation cannot afford to lose people, whether to illness, accidents or any other unforeseen mishap. Century Insurance Personal Accident Insurance is designed to empower an organisation with a choice of comprehensive insurance plans that provide peace of mind for its people and powerful incentives for the organisation.

Types of Personal Accidents Policy

Group Personal Accidents Policy (GPA)

- The organisation can decide the benefits it wants for each employee.
- Can be as a flat amount or a multiple of the salary.
- Premiums are paid by the organisation.

Voluntary Group Accident Policy (VGA)

- The plan is specifically designed for the organisation.
- No direct cost to the organisation as employer.
- Each employee decides the level of cover they want.
- Involves minimal administration and paperwork.
- Premiums are directly deducted from employee's salary.

Product Liability Insurance

In case of manufactures or supply of goods, there is always a possibility that those products could cause damage to a third party, either property or a person. A small defect could result in massive claims. That is why Century Insurance Product Liability Insurance is important for product manufacturers. In addition, it may also cover legal costs associated with defending claims against the organisation.

The policy covers all sums (including defense costs) which the insured becomes legally liable to pay as damages as a consequence of:

- Accidental death/bodily injury or disease to any third party; and
- Accidental damage to property belonging to a third party;

arising out of any defect in the product manufactured by the Insured and specifically mentioned in the policy after such product has left the Insured's premises.

Coverage is written on a claims made basis, i.e. a liability policy that provides coverage for an injury or loss if the claim is first reported or filed during the policy period. However, the policy offers the benefit of retroactive date, i.e. a date stipulated in a claim – made liability policy declarations section as the first date of incidents covered by the policy. The retroactive date is designed to provide coverage for claims resulting for incidents that take place prior to the current policy term. Renewal claims- made policies usually have the retroactive date of the first policy issued to the insured. When this is not done, there is a gap in the coverage.

Public Liability Insurance

A business is nurtured like ones own child. One takes good care of it, gives it the best of environment, resources and best practices. But just as in life, in business as well, accidents happen which one cannot prevent. For instance, a customer slips and twists his / her ankle because of a wet floor in the business premises, resulting in hospitalisation. Public exposures and liabilities affected by law can bring an abrupt end to a promising business future. Century Insurance Public Liability Insurance covers the Insured against such legal liabilities, giving the best of protection.

The policy indemnifies the Insured for any claims arising out of accidents, injury and damages that occur on the Insured's premises in connection with the carrying on of the business. For more comprehensive protection, it can be extended to cover legal exposures arising out of sudden and accidental pollution, Act of God perils, transportation of hazardous substances and more.

Employer's Liability Insurance

An employer is responsible for the health and safety of all the employees while they are working. If any employee is injured at work, or he / she becomes ill as a result of negligence, he / she may claim against the employer in order to seek compensation. Century Insurance Employers' Liability Insurance covers the Insured employer if this situation arises. It also usually covers the legal cost and expenses incur to defend.

This insurance indemnifies the Insured in case if at any time during the Period of the Insurance any employee in the Insured's immediate service shall sustain personal injury by accident or disease arising out of and in the course of his / her employment by the Insured in the business and if the Insured shall be liable to pay such compensation for such injury.

Workmen's Compensation Insurance

Rapid strides have been made in achieving better rights for employees in today's increasingly global environment. However, the threat of expensive lawsuits and large compensation pay-outs can seriously affect a company's profitability and future. That's why it is vital for organisations to ensure protection with Century Insurance Workmen's Compensation Insurance. Workers' compensation (colloquially known as workers' comp) provides insurance to cover medical care and compensation for employees who are injured in the course of employment.

Workmen's Compensation Insurance is compensation payable under a scheme set out in the Workmen's Compensation Act. The policy covers statutory liability of an employer for the death of or bodily injuries or occupational diseases sustained by workmen in the Insured's immediate service and arising out of and in the course of employment. Costs or expenses incurred by the insured employer, with the consent of the Company, to defend any claims are paid in addition.

Money Insurance

Century Insurance Money Insurance provides cover against loss of Cash-in-safe, Cash-on-counter and Cash-in-transit. The money insurance policy covers "Loss of money in transit caused by robbery, theft, or any fortuitous event; Loss of money from the Insured's premises during business hours caused by theft or robbery; and Loss of money from the insured's safe or strong room caused by theft or robbery".

The policy provides cover for money i.e. Cash, Prize Bonds, Foreign Currency, etc. either in transit or held at specified premises of the Insured due to armed hold-ups, burglary, house breaking.

Directors' Report

Mr. Mohammad Hussain Hirji
Director & Chief Executive

The management has very positive expectations for the future outlook of the Company. The gross premium revenue of the Company has grown by 19% during the year in spite of the fact that many non-profitable accounts have been removed from the Company's premium portfolio. This growth rate is expected to continue in the foreseeable future and will help to further bring down the expense ratio. Another positive effect of increasing premium revenue is that we would be able to increase our capacity to underwrite a larger share of the good quality risks that we encounter.

Dear Fellow Shareholders!

The Directors of Century Insurance Company Limited (the Company) take pleasure in presenting the annual report of your Company, together with the audited financial statements for the year ended 31 December 2011.

The Year in Review

The Pakistan economy continued to be hampered in 2011 by floods, external shocks, energy shortages, a large fiscal deficit and an uncertain political environment.

The relatively conservative monetary stance taken by the State Bank of Pakistan during the first half of the year was abandoned in favor of a more expansionary stance during the second half, bringing the discount rate down from 14% to 12%. This undoubtedly helped the Government whose borrowing for budgetary support stood at PKR 65 billion during 2011 but also helped fuel a 12.37% growth in the money supply. The impact on inflation was dampened though, due to a change in the base year of the Consumer Price Index as well as the basket of goods that forms the basis of the index.

On the external front, the trade deficit on goods and services increased to USD 15.17 billion in 2011 in part due to declining international cotton prices and increasing international oil prices. This was offset in part by rising workers' remittances during the year. The Current Account posted a deficit of USD 1.89 billion during 2011 as compared to a deficit of USD 1.37 billion during the year 2010. Foreign exchange reserves peaked in July 2011 and then fell to USD 17.0 billion by December 2011. The downward pressure on the Pak Rupee resulted in its depreciation by 4.8% during the year.

The insurance industry as a whole appears to have had a benign 2011 as it was hit by relatively fewer major losses and the industry has posted better results in terms of growth as well as profitability. By the Grace of Allah, Century Insurance grew in terms of volume as well as in terms of underwriting profit thanks to a declining loss ratio. The Company's prudent approach to underwriting risks and eliminating loss making accounts has borne fruit and had a positive impact on the bottom line.

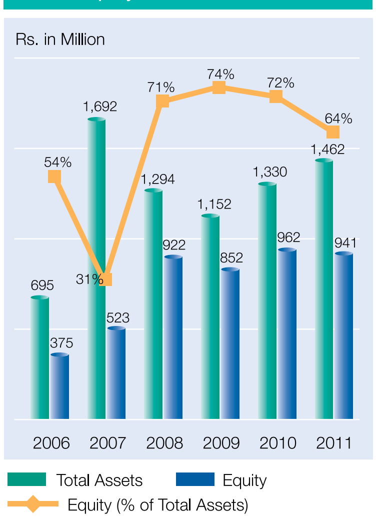
Performance Highlights

Alhamd-o-lillah, your Company continues on the path of sustained progress and is recognized as one of the outstanding insurance companies of the country. To accelerate growth and meet challenges of increasing competition, the infrastructure of the Company is being continuously developed and strengthened. Due to the increased competition the industry has already started to feel the stress of availability of professionals. However, your Company has been successful in attracting top quality professionals with a proven track record. As part of the overall expansion strategy, the Company has opened its new branch at Clifton, Karachi.

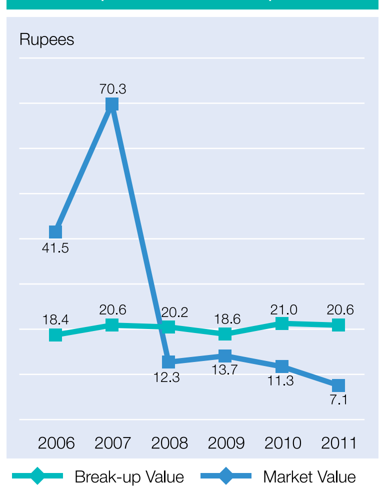
The comparative financial highlights for the years 2011 and 2010 are presented as follows:

Rupees in millions *(except as otherwise stated)*	2011	2010
Gross Premium Written	535	450
Net Premium	225	219
Net Claims	81	107
Underwriting Profit	87	64
Investment and Other Income	22	116
Profit after Tax	25	110
Total Assets	1,462	1,330
Paid-up Capital	457	457
Total Equity	941	962
Earnings per Share-Rs.	0.55	2.40

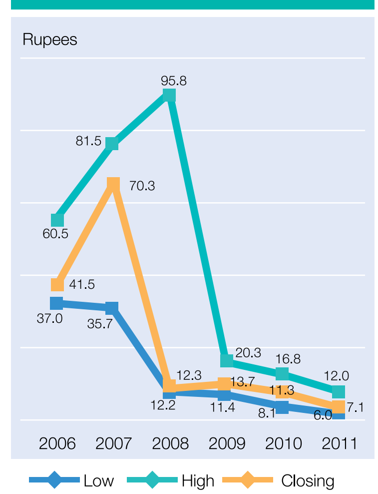
Equity and Total Assets



Break-up & Market Value per Share



Share Market Price Trend



Operating Results

By the Grace of Allah, all business segments have been profitable and have contributed significantly to the bottom line of the Company. During the year under review, gross premium grew to Rs. 535 million from Rs. 450 million in 2010 depicting an increase of 19%. Net premium also increased by Rs. 6 million. Net claims declined to Rs. 81 million from Rs. 107 million in 2010, a decrease of 24%. The net claim to net premium ratio of the Company has improved to 36% as against 49% in 2010. Underwriting profit recorded this year is Rs. 87 million as compared to Rs. 64 million in 2010, an increase of Rs. 23 million (37%).

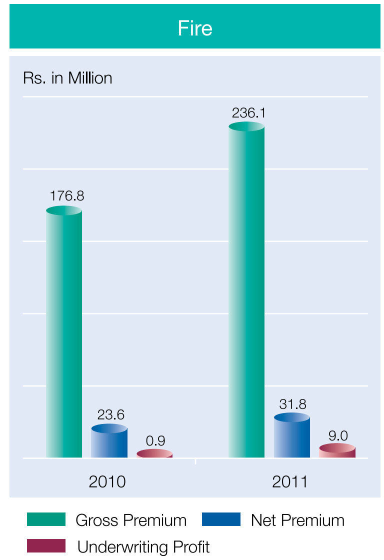
The Company endeavors to maintain a balanced premium portfolio mix, preferring to focus on all underwriting classes instead of increasing its exposure in any particular class.

Segments at a Glance

All classes of business activities maintained profitability during the year. Segment-wise performance of each class of business is given below:

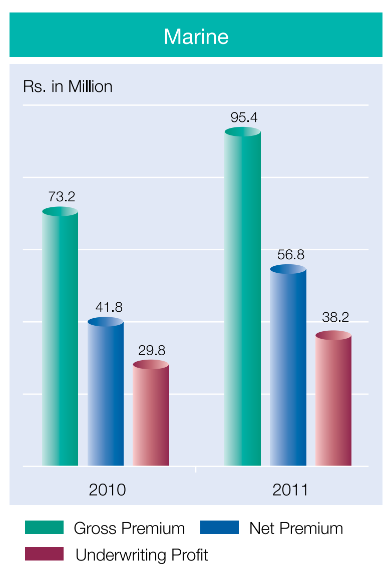
Fire & Property

Fire & Property business grew significantly during the year. Gross premium under this class of business constitutes 44% of the total premium portfolio. Gross premium underwritten grew to Rs. 236.1 million from Rs. 176.8 million in 2010, registering an increase of 34%. Net premium stood at Rs. 31.8 million as against Rs. 23.6 million in 2010, depicting an increase of 34%. The net claim to net premium ratio for the year under review also improved significantly to 31% as against 50% last year. Underwriting result during the current year was Rs. 9 million as against Rs. 0.9 million in 2010.



Marine, Aviation and Transport

Marine, Aviation & Transport business also grew significantly during the year. Gross premium under this class of business constitutes 18% of the total premium portfolio. Gross premium underwritten grew to Rs. 95.4 million from Rs. 73.2 million in 2010, registering an increase of 30%. Net premium stood at Rs. 56.8 million as against Rs. 41.8 million in 2010, depicting an increase of 36%. The excellent net claim to net premium ratio for the year under review at 12% resulted in an underwriting result of Rs. 38.2 million as against Rs. 29.8 million in 2010.

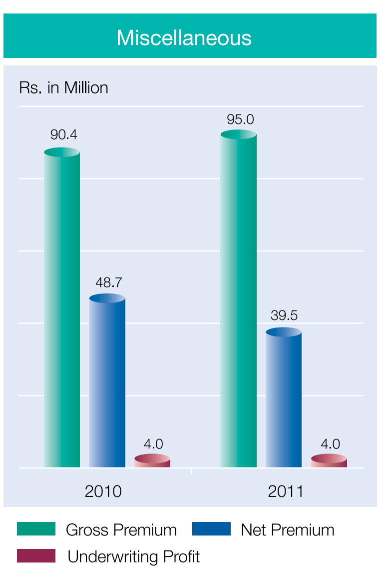


Motor

Gross premium under motor class constitutes 20% of the total premium portfolio. The Company has underwritten gross premium of Rs. 108.3 million as compared to Rs. 109.3 million in 2010, registering a marginal decrease of under 1%. Net premium also declined to Rs. 97.1 million from Rs. 104.9 million in 2010, depicting a decrease of 7%. However, due to more vigilant underwriting, the net claim to net premium ratio for the year under review improved significantly to 42% as against 54% in 2010, resulting in an underwriting result of Rs. 36.1 million as against Rs. 29 million in 2010.

Miscellaneous

Gross premium under miscellaneous class of business constitutes 18% of the total premium portfolio. The Company has underwritten gross premium of Rs. 95 million as compared to Rs. 90.4 million in 2010, an increase of 5%. However, net premium declined to Rs. 39.5 million as against Rs. 48.7 million in 2010, a decrease of 19%. The net claim to net premium ratio for the year under review improved to 59% as against 70% in 2010. Underwriting result during the current year remained at Rs. 4 million.



Investment Activities

During the year under review, investment and other income contributed Rs. 22.3 million to the bottom line of the Company as against Rs. 116.4 million in 2010. The Company booked an impairment loss in its available for sale portfolio of Rs. 39.1 million during the year under review vis-à-vis a reversal of impairment of Rs. 9.3 million in 2010. In addition, it booked an unrealized loss in its held for trading portfolio of Rs. 12.6 million during the year under review as compared to an unrealized gain of Rs. 14.9 million in 2010.

Investment income includes a realized gain of Rs. 33.2 million on sale of shares and funds, dividend income of Rs. 19.1 million, returns earned on Government securities of Rs. 10.9 million and fixed income securities of Rs. 2 million. Other income includes interest on bank deposits of Rs. 8.6 million.

The management as part of its investment strategy reduced exposure to volatility in equities by making new investments primarily in low risks debt and money market instruments. The Company will continue to place special emphasis in generating a significant portion of its investment income from sustainable sources such as fixed income and dividends.

Claim Settlement

Prompt settlement of claims and customer satisfaction is management's top priority. Your Company endeavors to indemnify the losses of the insured promptly. This is a most important function which builds the image of an insurance Company in the eyes of its valued clients.

Reinsurance Treaties

The Company has strong reinsurance arrangements with some of the best rated reinsurers in the international market who have full faith and confidence in its underwriting practices. As risk underwriting capacities for traditional lines of business have increased further in 2011, your Company will now be able to underwrite larger risks. We are thankful to all our reinsurers for their unwavering support and continued cooperation.

Rated "A" by JCR-VIS

Insurer Financial Strength Rating (IFSR)

JCR-VIS, an affiliate of Japan Credit Rating Agency Ltd. has reaffirmed your Company's "A" rating with **stable outlook** which signifies a **"high capacity to meet policyholders' and contractual obligations"**.

HR Initiatives

The management is of the firm belief that complete alignment of the HR mission and vision with corporate goals is vital for the success of any organization. In today's competitive environment, we realize that it is important to place emphasis on retaining and developing existing staff and implementing effective performance reviews. During the year under review, your Company has been successful in hiring quality professionals in the areas of marketing and business development. Our continued focus on equal opportunity employment goes a long way in maintaining a pool of employees with knowledge, experience and skills in their respective fields and employees remain our most valuable asset.

Your Company is continuously investing in its human capital. Staff is sent regularly for training and seminars to keep themselves abreast of latest developments that are taking place globally.

Paid-up Capital

Your Company has a strong financial base with a paid up capital of Rs. 457 million which is Rs. 157 million more than the threshold specified by the regulator for general insurance companies as at 31 December 2011. Factoring in retained earnings and reserves, the total equity of your Company as at 31 December 2011 was Rs. 941 million. The larger capital base will enhance the financial strength and underwriting capability of the Company.

Appropriation of Retained Earnings

Profits for the year ended 31 December 2011 has been appropriated as follows:

	(Rupees)
Amount brought forward from previous years	85,640,828
Profit after tax for the year ended 31 December 2011	25,109,552
Unappropriated amount available for appropriation	**110,750,380**
Appropriation:	
Proposed final cash dividend @ 10% (2010: 10%)	45,724,366
Unappropriated amount carried forward	65,026,014
	110,750,380

Future Outlook

The management has very positive expectations for the future outlook of the Company. The gross premium revenue of the Company has grown by 19% during the year in spite of the fact that many non-profitable accounts have been removed from the Company's premium portfolio. This growth rate is expected to continue in the foreseeable future and will help to further bring down the expense ratio. Another positive effect of increasing premium revenue is that we would be able to increase our capacity to underwrite a larger share of the good quality risks that we encounter.

Focus on risk management has shown excellent results in bringing down loss ratios for all classes of business to a level where they are considered to be amongst the best in the industry. Going forward, we expect to further improve our risk management capabilities and to provide value added services to our clients in advising them on how to minimize expected losses.

Our goal will be not to do new things but to do what we are already doing in a more efficient and intense manner. This will bring consistency of performance and growth in the top as well as the bottom line. Your dedicated and committed management is confident about the future and will strive hard to make 2012 an even better year, Inshallah.

Auditors

The present auditors M/s. KPMG Taseer Hadi & Co., Chartered Accountants, having audited our accounts for the past five years, will retire at the conclusion of the Annual General Meeting. The audit committee has recommended the appointment of M/s. Ernst & Young

Ford Rhodes Sidat Hyder, Chartered Accountants as auditors for the year ending 31 December 2012.

Compliance with the Code of Corporate Governance

The requirements of the Code of Corporate Governance set out in the Listing Rules for the year ended 31 December 2011 have been duly complied with. A statement to this effect is annexed with the report.

Board of Directors

The Board of Directors has always been a source of guidance and inspiration. They have contributed immensely in terms of their experience and practical advice. I would like to place on record my appreciation and gratitude for their valued participation and wisdom.

Election of Directors was held on 30 April 2011 and the Board was elected for the next term of three years. The number of Directors on the Board continued to remain at seven. During the year under review, remuneration of a full time working Director and Chief Executive has been revised to Rs. 8.5 million per annum for the term up to 30 April 2014, which is in addition to perquisites and allowances provided to him as per the prevailing policies and procedures of the Company.

Board of Directors' Meetings

During the year, four board meetings were held. The number of meetings attended by each Director is given hereunder:-

Name of Directors	No. of Meetings Attended
Mr. Iqbal Ali Lakhani (Chairman)	4
Mr. Zulfiqar Ali Lakhani	3
Mr. Amin Mohammed Lakhani	4
Mr. Tasleemuddin Ahmed Batlay	4
Mr. A. Aziz H. Ebrahim	3
Mr. Muhammad Abdul Qadir	1
Mr. Mohammad Hussain Hirji (Chief Executive)	4

Statement of Ethics and Business Practices

The Board has adopted the statement of Ethics and Business Practices. All employees have been informed of this statement which they have signed and understand that they are required to observe these rules of conduct in relation to business and regulations.

Corporate and Financial Reporting Frame Work

- These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. These Statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.

- Proper books of accounts have been maintained by the Company.

- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

- The system of internal control is sound in design and has been effectively implemented and monitored.

- There are no doubts upon the Company's ability to continue as a going concern.

- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

- The key operating and financial data for the last six years is annexed.

- The value of investments in respect of retirement benefits funds based on their audited accounts as on 31 December 2011 and 30 June 2011 were the following:

Provident Fund	Rs. 19.80 million
Gratuity Fund	Rs. 7.79 million

Pattern of Shareholding

The pattern of shareholding is annexed with the report. There has been no transaction carried out by Directors, Chief Executive, CFO, Company Secretary and their spouses and minor children in the shares of the Company during the year.

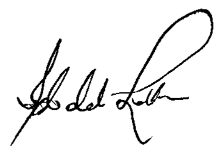
Acknowledgments

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, insurance companies and JCR-VIS Credit Rating Company 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 of 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: 29 February 2012

Statement of Ethics and Business Practices

Relationship with Employees

Century Insurance Company Limited (CICL) takes pride in the strong personal commitment of our people towards the progress and success of the Company. CICL's policy is to treat individuals in all aspects of employment solely on the basis of merit irrespective of race, religion, color, age, gender, and a marital status. CICL believes in individual respect and their rights.

The Company is committed to the growth of its employees. This is achieved through building a culture of mutual TRUST, process of LEARNING & MOTIVATION.

CICL's vision is based on inspiring and developing individuals as their success depends on their ability to make meaningful contribution to the progress of the Company.

Relationship with Company

We strive to adhere to the Company's guidelines and objectives and to give our best efforts to improve its performance. We recognize the trust and confidence placed in us and acts with integrity and honesty in all situations to preserve that trust and confidence. Thus we avoid conflicts of interest and other situations that are potentially harmful in the progress of the Company.

Uses Company's assets, facilities or services only for lawful, proper and authorized purposes. We intend to make best use of Company's equipment, system and technological methods in order to have fast and reliable communication and strong MIS system in accordance with Company's guidelines.

Relationship with Business Community

Each of us in CICL is responsible for how we are perceived by our clients and other business partners; it is essential that we maintain our reputation for honest and fair dealing with these people and organisations.

It is CICL's policy to respect the trade secrets and proprietary information of others. This is particularly pertinent if one has knowledge of trade secrets and proprietary information of a former employer. If any question should arise in this area, one should consult unit's legal counsel.

Relationship with Clients

CICL's reputation has been built upon the trust and quality services we are providing. Our commitment to excellence in quality of service and building strong client relationship is essential to the continued growth and success of the Company. Also, vital for the success is to meet the challenges of the highly competitive market with our expertise, innovative and creative marketing. CICL's motto: "Prompt settlement of claims & and customer's satisfaction is Managements Top Priority".

Relationship with Government and the Law

CICL supports the free enterprise and a competitive market system. The Company's policy is to comply fully with all applicable laws irrespective to the extent to which they are enforced. The Company cooperates fully with all government and regulatory bodies and is committed to high standard of corporate governance. Penalties for non-compliance can be severe and can involve criminal offences.

CICL's financial polices for conducting business entrust transparency, integrity and following principles of accounting and finance as approved by regulations and applicable accounting codes. Any unsupportive or false entry, infringement of accounts for individual or company gain is strongly incoherent with our business codes and ethics.

Relationship with Society

CICL strives to operate as a responsible corporate citizen within both the local and global communities.

CICL is an equal opportunity employer for all levels of employees and respects issues such as color, race, gender, age, ethnicity or religious beliefs.

CICL provides safe and healthy workplace protecting human health environment.

CICL pays its employees a remuneration that enables them to meet at least their basic needs and provides employees the opportunity to improve their skills and capabilities.

CICL respects employee's freedom of association.

CICL works with the governments and communities in which we do business to improve the educational, cultural, economic and social well being in those communities.

Relationship with the Environment

Protecting the world in which we live is a vital concern and a continuing commitment. CICL is dedicated to contribute to the overall quality of life; we recognize and constantly reaffirm the value of a healthy and clean environment.

Relationship with the Shareholders

CICL strive to serve the best interest of its shareholders to provide consistent growth and a fair rate of return on their investment, to maintain our position and reputation as one of the leading insurance company, to protect shareholders' investments and to provide full and timely information. By conducting our business in accordance with the principles of fairness, decency and integrity set forth here, we help to build shareholder's value.

Responsibility for Compliance

In accepting employment with the Company, each of us becomes accountable for compliance with these standard of conduct, with all laws and regulations. Managers are responsible for communicating these standards to employees, for ensuring that they understand and abide by them, and for creating a climate where employees can discuss ethical and legal issues freely.

Statement of Compliance with the Code of Corporate Governance

for the year ended 31 December 2011

This statement is being presented to comply with the Code of Corporate Governance as contained in the Listing Regulations of Karachi and Lahore Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed insurance company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors on its Board including those representing minority interests. At present the Board includes six (6) non-executive directors.

2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or a NBFI or, being a member of a stock exchange, has been declared as a defaulter by the stock exchange.

4. No causal vacancy occurred in the Board during the current year.

5. The Company has adopted and circulated a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the Company.

6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions including appointment, remuneration and terms and conditions of employment of the Chief Executive Officer (CEO) has been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven (7) days before the meetings. The minutes of the meeting were appropriately recorded and circulated.

9. In compliance of the clause No. xiv of the Code of Corporate Governance of the amended listing Regulations of the Stock Exchanges (extended up to 30 June 2012), this year one of the Directors of the Company Mr. Tasleemuddin A. Batlay has participated in the Corporate Governance Leadership Skill Program-part-1 for the Certification of the Director under 'the Board Development Series' Program managed by the Pakistan Institute of Corporate Governance (PICG).

10. In order to apprise the directors for their duties and responsibilities and the requirements of the Code they have been kept updated with the change in relevant laws applicable to the Company. Directors are conversant of the relevant laws applicable to the Company and are aware of their duties and responsibilities.

11. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company includes all the necessary aspects of internal control given in the code.

12. The Board has approved appointments of CFO and Head of Internal Audit, including their remuneration and terms and conditions of employment as determined by the CEO. Mr. Mansoor Ahmed was assigned the responsibilities of the Company Secretary of Century Insurance Company Limited in addition to his responsibilities in other Group Companies.

13. The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

14. The quarterly, six monthly and annual financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

15. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

16. The Company has complied with all the corporate and financial reporting requirements of the Code.

17. The Board has formed Underwriting / Claim Settlement / Re-insurance and Co-insurance Committee(s).

18. The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors including the Chairman of the Committee.

19. The meetings of the Audit Committee were held at least once every quarter for approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

20. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regards.

22. The actuary appointed by the Company for carrying out valuation of staff retirement benefits has confirmed that he or his spouse and minor children do not hold shares of the Company.

23. The Board ensures that the appointed actuary complied with the requirements set out for him in this code.

24. The related party transactions with details of pricing methods have been placed before the Audit Committee and approved by the Board of Directors.

25. We confirmed that all other material principles contained in the Code have been complied with.

Iqbal Ali Lakhani
Chairman

Karachi: 29 February 2012

Statement of Compliance with Best Practices on Transfer Pricing

The Company has fully Complied with the best practices on Transfer Pricing as contained in the Listing Regulation No. 38 of Karachi Stock Exchange and Chapter XIV of the Listing Regulations of the Lahore Stock Exchange.

Iqbal Ali Lakhani
Chairman

Karachi: 29 February 2012

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847
Fax + 92 (21) 3568 5095
Internet www.kpmg.com.pk

Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Century Insurance Company Limited ("the Company") to comply with the listing regulations of the respective Stock Exchanges, where the Company is listed, and the Code of Corporate Governance applicable to listed insurance companies issued under SRO 68(1)/2003, by the Securities and Exchange Commission of Pakistan.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such controls, the Company's corporate governance procedures and risks.

Further, Listing Regulations of the Stock Exchanges where the Company is listed, requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 31 December 2011.

KPMG Taseer Hadi & Co.

29 February 2012

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi

KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
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Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847
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Internet www.kpmg.com.pk

Auditors' Report to the Members

We have audited the annexed financial statements comprising of:

(i) balance sheet;
(ii) profit and loss account;
(iii) statement of comprehensive income;
(iv) statement of changes in equity;
(v) statement of cash flows;
(vi) statement of premiums;
(vii) statement of claims;
(viii) statement of expenses; and
(ix) statement of investment income

of Century Insurance Company Limited ("the Company") as at 31 December 2011 together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Company's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;

b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied;

c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at 31 December 2011 and of its profit, cash flows and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and

d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

KPMG Taseer Hadi & Co.

Date: 29 February 2012

KPMG Taseer Hadi & Co.
Chartered Accountants
Mohammad Nadeem

Karachi

Balance Sheet

as at 31 December 2011

	Note	2011	2010
		---------------- (Rupees)	----------------
Share capital and reserves			
Authorised share capital			
[50,000,000 (31 December 2010: 50,000,000)			
ordinary shares of Rs. 10 each]		**500,000,000**	500,000,000
Paid-up share capital	5	**457,243,660**	457,243,660
Retained earnings		**110,777,591**	131,365,194
Reserves		**373,024,260**	373,024,260
		941,045,511	961,633,114
Underwriting provisions			
Provision for outstanding claims (including IBNR)		**159,958,376**	100,129,274
Provision for unearned premium		**173,171,252**	134,453,913
Commission income unearned		**23,082,632**	18,925,026
Total underwriting provisions		**356,212,260**	253,508,213
Deferred liabilities			
Staff retirement benefits	6	**-**	-
Creditors and accruals			
Premiums received in advance		**1,959,036**	4,146,578
Amounts due to other insurers / reinsurers	7	**99,389,021**	55,179,287
Accrued expenses	8	**4,237,194**	3,671,215
Other creditors and accruals	9	**58,365,345**	51,857,776
		163,950,596	114,854,856
Other liabilities			
Unclaimed dividend		**776,887**	470,974
TOTAL LIABILITIES		**520,939,743**	368,834,043
TOTAL EQUITY AND LIABILITIES		**1,461,985,254**	1,330,467,157
CONTINGENCIES	10		

The annexed notes from 1 to 35 form an integral part of these financial statements.

	Note	2011	2010
		---------------- (Rupees) ----------------	
Cash and bank deposits	11		
Cash and other equivalents		**3,222,072**	1,849,180
Current and other accounts		**94,297,587**	85,210,677
		97,519,659	87,059,857
Investments	12	**848,638,589**	840,031,282
Deferred taxation	13	**2,205,928**	3,063,779
Current assets- others			
Premiums due but unpaid - unsecured	14	**98,021,984**	90,538,623
Amounts due from other insurers / reinsurers - unsecured	15	**73,141,280**	76,954,600
Reinsurance recoveries due but unpaid		**13,560,132**	10,036,487
Salvage recoveries accrued		**4,620,000**	6,923,000
Accrued investment income	16	**2,353,841**	3,451,981
Reinsurance recoveries against outstanding claims	17	**103,566,800**	38,934,607
Taxation - net	18	**28,738,026**	23,620,476
Deferred commission expense		**16,415,167**	13,140,306
Prepayments	19	**113,311,165**	85,901,593
Sundry receivables	20	**11,169,389**	6,219,559
		464,897,784	355,721,232
Fixed assets	21		
Tangible and intangible			
Office improvement		**7,615,115**	7,671,864
Furniture and fixtures		**4,400,847**	3,847,141
Office equipment		**2,588,880**	1,997,589
Computer and related accessories		**1,166,065**	1,520,200
Motor vehicles		**32,410,711**	28,579,204
Computer software		**541,676**	975,009
		48,723,294	44,591,007
TOTAL ASSETS		**1,461,985,254**	1,330,467,157

Iqbal Ali Lakhani	**Tasleemuddin A. Batlay**	**A. Aziz Ebrahim**	**Mohammad Hussain Hirji**
Chairman	Director	Director	Director & Chief Executive

Profit and Loss Account

for the year ended 31 December 2011

	Note	Fire and property	Marine, aviation and transport	Motor	Miscellaneous	2011 Aggregate	2010 Aggregate
		(Rupees)					
Revenue account							
Net premium revenue	22	31,772,564	56,826,183	97,129,713	39,462,285	**225,190,745**	219,069,662
Net claims		(9,875,143)	(6,939,865)	(40,564,884)	(23,125,034)	**(80,504,926)**	(106,645,552)
Management expenses	23	(31,102,176)	(12,574,637)	(14,263,948)	(12,516,134)	**(70,456,895)**	(62,589,282)
Net commission		18,197,924	888,108	(6,214,059)	223,781	**13,095,754**	13,809,108
Underwriting result		8,993,169	38,199,789	36,086,822	4,044,898	**87,324,678**	63,643,936
Net investments income						**11,093,993**	105,875,469
Other income - net	24					**10,251,933**	7,451,724
General and administration expenses	25					**(67,459,799)**	(58,949,497)
Share of profit / (loss) of associates - net	12.1.2					**1,169,262**	(772,337)
(Impairment) / reversal in value of investment in associates	12.1.2					**(256,814)**	3,813,129
Profit before tax						**42,123,253**	121,062,424
Taxation - net	26					**(17,013,701)**	(11,431,295)
Profit after tax						**25,109,552**	109,631,129
Profit and loss appropriation account							
Balance at commencement of the year						**131,365,194**	21,732,162
Profit after tax						**25,109,552**	109,631,129
Other comprehensive income - Share in associates' reserves						**27,211**	1,903
Final cash dividend of Re.1 (10%) for the year ended 31 December 2010 [31 December 2010: Nil for the year 2009]						**(45,724,366)**	-
Balance of unappropriated profit at end of the year						**110,777,591**	131,365,194
Basic earnings per share of Rs. 10 each	27					**0.55**	2.40

The annexed notes from 1 to 35 form an integral part of these financial statements.

Iqbal Ali Lakhani	**Tasleemuddin A. Batlay**	**A. Aziz Ebrahim**	**Mohammad Hussain Hirji**
Chairman	Director	Director	Director & Chief Executive

Statement of Comprehensive Income

for the year ended 31 December 2011

	2011	2010
	---------------- (Rupees)	----------------
Profit after tax	**25,109,552**	109,631,129
Other comprehensive income		
Share in associates' reserves	**27,211**	1,903
Total comprehensive income	**25,136,763**	109,633,032

The annexed notes from 1 to 35 form an integral part of these financial statements.

Iqbal Ali Lakhani	**Tasleemuddin A. Batlay**	**A. Aziz Ebrahim**	**Mohammad Hussain Hirji**
Chairman	Director	Director	Director & Chief Executive

Statement of Changes in Equity

for the year ended 31 December 2011

	Share capital	Reserves				Total
	Issued, subscribed and paid-up	Capital reserves	Revenue reserves		Total reserves	
		Share premium	General reserve	Retained earnings		
	(Rupees)					
Balance as at 1 January 2010	457,243,660	254,024,260	119,000,000	21,732,162	394,756,422	852,000,082
Changes in equity for the year ended 31 December 2010						
Profit for the year	-	-	-	109,631,129	109,631,129	109,631,129
Other comprehensive income						
- Share in associates' reserve	-	-	-	1,903	1,903	1,903
Total comprehensive income for the year	-	-	-	109,633,032	109,633,032	109,633,032
Balance as at 31 December 2010	457,243,660	254,024,260	119,000,000	131,365,194	504,389,454	961,633,114
Changes in equity for the year ended 31 December 2011						
Profit for the year	-	-	-	25,109,552	25,109,552	25,109,552
Other comprehensive income						
- Share in associates' reserve	-	-	-	27,211	27,211	27,211
Total comprehensive income for the year	-	-	-	25,136,763	25,136,763	25,136,763
Transactions with owners recorded directly in equity - distributions						
Final cash dividend of Re.1 (10%) for the year ended 31 December 2010	-	-	-	(45,724,366)	(45,724,366)	(45,724,366)
Balance as at 31 December 2011	**457,243,660**	**254,024,260**	**119,000,000**	**110,777,591**	**483,801,851**	**941,045,511**

The annexed notes from 1 to 35 form an integral part of these financial statements.

Iqbal Ali Lakhani	**Tasleemuddin A. Batlay**	**A. Aziz Ebrahim**	**Mohammad Hussain Hirji**
Chairman	Director	Director	Director & Chief Executive

Statement of Cash Flows

for the year ended 31 December 2011

	2011	2010
	(Rupees)	
Operating cash flows		
(a) Underwriting activities		
Premiums received	531,631,199	402,486,547
Reinsurance premiums paid	(262,773,574)	(195,984,712)
Claims paid	(122,300,534)	(159,492,693)
Reinsurance and other recoveries received	41,818,312	97,908,616
Commissions paid	(55,008,236)	(33,154,667)
Commissions received	72,047,839	38,725,549
Net cash inflow from underwriting activities	205,415,006	150,488,640
(b) Other operating activities		
Income tax paid	(22,842,345)	(32,595,469)
General management expenses paid	(130,964,783)	(111,772,831)
Other operating receipts	5,762,533	2,746,321
Net cash outflow from other operating activities	(148,044,595)	(141,621,979)
Total cash inflow from all operating activities	57,370,411	8,866,661
Investment activities		
Profit / return received	21,406,786	19,936,290
Dividends received	19,223,513	17,796,280
Payments for investments	(489,485,012)	(757,500,000)
Proceeds from disposal of investments	459,868,370	731,869,202
Fixed capital expenditure	(14,845,420)	(12,393,350)
Proceeds from disposal of fixed assets	2,339,607	3,171,000
Total cash (outflow) / inflow from investing activities	(1,492,156)	2,879,422
Financing activities - dividends paid	(45,418,453)	-
Net cash inflow from all activities	10,459,802	11,746,083
Cash at beginning of the year	87,059,857	75,313,774
Cash at end of the year	97,519,659	87,059,857

Statement of Cash Flows

for the year ended 31 December 2011

Reconciliation to profit and loss account

	2011	2010
	(Rupees)	
Operating cash flows	57,370,411	8,866,661
Depreciation / amortisation expense	(8,790,419)	(6,647,694)
Profit / (loss) on disposal of fixed assets	416,893	(619,699)
Profit on disposal of investments	33,168,584	64,121,782
Dividend income	19,121,513	17,779,280
Investment and other (loss) / income	(30,027,737)	35,952,905
Increase in assets other than cash	105,650,094	59,175,947
(Increase) in liabilities other than running finance	(151,799,787)	(68,998,054)
Profit after taxation	25,109,552	109,631,129

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

	2011	2010
Cash and other equivalents		
- Cash	70,235	126,700
- Policy stamps and bond papers in hand	151,862	517,906
- Cheques in hand	2,999,975	1,204,574
	3,222,072	1,849,180
Current and other accounts		
- Current accounts	8,549,362	7,581,620
- PLS savings accounts	85,748,225	77,629,057
	94,297,587	85,210,677
Cash and bank deposits as per balance sheet	97,519,659	87,059,857

The annexed notes from 1 to 35 form an integral part of these financial statements.

Iqbal Ali Lakhani	**Tasleemuddin A. Batlay**	**A. Aziz Ebrahim**	**Mohammad Hussain Hirji**
Chairman	Director	Director	Director & Chief Executive

Statement of Premiums

for the year ended 31 December 2011

Business underwritten inside Pakistan

Class	Premiums written (note 22)	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	**2011 Net premium revenue**	2010 Net premium revenue
		Opening	Closing			Opening	Closing			
	------ (Rupees) ------									
Direct and facultative										
1. Fire and property damage	236,058,456	66,190,779	87,816,542	214,432,693	205,644,485	63,872,001	86,856,357	182,660,129	**31,772,564**	23,644,776
2. Marine, aviation and transport	95,438,638	3,803,449	6,681,456	92,560,631	37,942,077	2,278,607	4,486,236	35,734,448	**56,826,183**	41,804,835
3. Motor	108,260,129	40,277,343	45,190,498	103,346,974	6,076,508	2,272,122	2,131,369	6,217,261	**97,129,713**	104,893,353
4. Miscellaneous	94,994,611	24,182,342	33,482,756	85,694,197	47,814,737	16,319,906	17,902,731	46,231,912	**39,462,285**	48,726,698
Grand total	534,751,834	134,453,913	173,171,252	496,034,495	297,477,807	84,742,636	111,376,693	270,843,750	**225,190,745**	219,069,662

The annexed notes from 1 to 35 form an integral part of these financial statements.

Iqbal Ali Lakhani
Chairman

Tasleemuddin A. Batlay
Director

A. Aziz Ebrahim
Director

Mohammad Hussain Hirji
Director & Chief Executive

Statement of Claims

for the year ended 31 December 2011

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	**2011 Net claims expense**	2010 Net claims expense
		Opening	Closing			Opening	Closing			
	(Rupees)									
Direct and facultative										
1. Fire and property damage	25,919,287	18,863,299	78,346,065	85,402,053	18,064,318	14,137,791	71,600,383	75,526,910	**9,875,143**	11,770,073
2. Marine, aviation and transport	7,096,515	5,019,060	9,279,392	11,356,847	2,175,509	2,289,297	4,530,770	4,416,982	**6,939,865**	4,576,512
3. Motor	61,153,974	44,687,644	32,612,283	49,078,613	10,567,834	4,061,000	2,006,895	8,513,729	**40,564,884**	56,296,515
4. Miscellaneous	28,130,758	31,559,271	39,720,636	36,292,123	6,184,856	18,446,519	25,428,752	13,167,089	**23,125,034**	34,002,452
Grand total	122,300,534	100,129,274	159,958,376	182,129,636	36,992,517	38,934,607	103,566,800	101,624,710	**80,504,926**	106,645,552

The annexed notes from 1 to 35 form an integral part of these financial statements.

Iqbal Ali Lakhani
Chairman

Tasleemuddin A. Batlay
Director

A. Aziz Ebrahim
Director

Mohammad Hussain Hirji
Director & Chief Executive

Statement of Expenses

for the year ended 31 December 2011

Business underwritten inside Pakistan

Class	Commission paid or payable	Deferred commission		Net commission expenses	Other management expenses (note 23)	Underwriting expenses	Commission from reinsurers*	**2011 Net underwriting expense**	2010 Net underwriting expense
		Opening	Closing						
	a	b	c	d=a+b-c	e	f=d+e	g	**h=f-g**	
	----------------------------------(Rupees)								----------------------------------
Direct and facultative									
1. Fire and property damage	27,021,149	8,944,498	9,649,357	26,316,290	31,102,176	57,418,466	44,514,214	**12,904,252**	10,985,230
2. Marine, aviation and transport	13,935,314	574,190	1,009,633	13,499,871	12,574,637	26,074,508	14,387,979	**11,686,529**	7,454,573
3. Motor	7,938,302	1,708,788	3,410,955	6,236,135	14,263,948	20,500,083	22,076	**20,478,007**	19,633,876
4. Miscellaneous	8,885,042	1,912,830	2,345,222	8,452,650	12,516,134	20,968,784	8,676,431	**12,292,353**	10,706,494
Grand total	57,779,807	13,140,306	16,415,167	54,504,946	70,456,895	124,961,841	67,600,700	**57,361,141**	48,780,173

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

The annexed notes from 1 to 35 form an integral part of these financial statements.

Iqbal Ali Lakhani
Chairman

Tasleemuddin A. Batlay
Director

A. Aziz Ebrahim
Director

Mohammad Hussain Hirji
Director & Chief Executive

Statement of Investment Income

for the year ended 31 December 2011

	Note	2011	2010
		(Rupees)	
Income from trading investments			
(Loss) / gain on sale of trading investments		**(433,159)**	4,144,210
Dividend income		**7,532,678**	5,163,548
Unrealised (loss) / gain on remeasurement of securities to fair value - net		**(12,576,394)**	14,921,049
		(5,476,875)	24,228,807
Income from non-trading investments			
Held to maturity			
Return on Government Securities		**10,923,390**	13,433,340
Return on other fixed income securities and deposits			
- Term finance certificates		**1,950,863**	2,150,925
Available for sale			
Dividend income		**11,588,835**	12,615,732
		24,463,088	28,199,997
Gain on sale of non-trading investments		**33,601,743**	45,056,523
Provision for impairment in investment classified as held to maturity	12.4	**(367,500)**	-
(Provision) / reversal for impairment in value of available for sale securities - net	12.5.2	**(39,122,221)**	9,256,425
Investments related expenses	8.1	**(2,004,242)**	(866,283)
Net investments income		**11,093,993**	105,875,469

The annexed notes from 1 to 35 form an integral part of these financial statements.

Iqbal Ali Lakhani	**Tasleemuddin A. Batlay**	**A. Aziz Ebrahim**	**Mohammad Hussain Hirji**
Chairman	Director	Director	Director & Chief Executive

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 and 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 PREPARATION

These financial statements have been prepared on the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through Securities and Exchange Commission (Insurance) Rules, 2002 [SEC (Insurance) Rules, 2002], vide S.R.O. 938 dated 12 December 2002.

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for certain investments which are stated at their fair values.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is also the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with the requirements of approved accounting standards as applicable in Pakistan requires management to make judgments / estimates and associated assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The judgments / estimates and associated assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant areas where assumptions and estimates were exercised in application of accounting policies relate to:

Classification of investments

In classifying investments as "held-for-trading" the Company has determined securities which are acquired with the intention to trade by taking advantage of short term market / interest rate movements.

In classifying investments as "held-to-maturity" the Company has determined financial assets with fixed or determinable payments and fixed maturity. In making this judgment, the Company evaluates its intention and ability to hold such investments to maturity.

The investments which are not classified as held for trading or held to maturity are classified as available for sale.

Taxation

In making the estimates for income taxes currently payable by the Company, the management looks, at the current income tax laws and the decisions of appellate authorities on certain issues in the past. In making the provision for deferred taxes, estimates of the Company's future taxable profits are taken into account.

Fixed assets, depreciation and amortisation

In making estimates of the depreciation / amortisation method, the management uses method which reflects the pattern in which economic benefits are expected to be consumed by the Company. The method applied is reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method would be changed to reflect the change in pattern. Such change is accounted for as change in accounting estimates in accordance with International Accounting Standard - 8, "Accounting Policies, Changes in Accounting Estimates and Errors".

The assets residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

Defined benefits plan

Estimated liability is determined on the basis of independent actuarial advice using the Projected Unit Credit Method.

Impairment

Available-for-sale

The Company determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Company evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows.

Held to maturity

The Company determines that a provision for impairment is required when there is objective evidence that the Company will not be able to collect all amounts due according to original terms. The amount of the provision is the difference between the asset's carrying value and present value of estimated future cash outflows, discounted at the original effective interest rate.

Associates

The Company determines that a significant or prolonged decline in the fair value of its investments in associates below their cost is an objective evidence of impairment. The impairment loss is recognized when the higher of fair value less cost to sell or value in use exceed the carrying value.

Premium deficiency reserve

The Company carried out an analysis of loss ratios for the expired period at each class of business level, keeping in view the historical claim development. Such ratio being calculated after taking into account the relevant provision for claims incurred but not reported (IBNR).

Outstanding claims including incurred but not reported (IBNR)

The Company estimates the liability for claims which include amounts relating to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs. Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates. Provision for IBNR is based on the management's best estimate which takes into account the past trends, expected future patterns of reporting of claims and the claims actually reported subsequent to the balance sheet date.

Provision for unearned premium, deferred commission expense, Prepaid reinsurance premium and commission income unearned

These are estimated based on premium written and reinsurance premium ceded by applying the 1/24th method as per accounting regulations stated in SEC (Insurance) Rules, 2002.

3. STANDARDS AND IFRIC INTERPRETATIONS THAT ARE NOT YET EFFECTIVE

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2012:

- Amendments to IAS 12 – deferred tax on investment property (effective for annual periods beginning on or after 1 January 2012). The 2010 amendment provides an exception to the measurement principle in respect of investment property measured using the fair value model in accordance with IAS 40 Investment Property. The measurement of deferred tax assets and liabilities, in this limited circumstance, is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. The presumption can be rebutted only if the investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset's economic benefits over the life of the asset. The amendment has no impact on financial statements of the Company.

- IAS 27 Separate Financial Statements (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 27 (2011) supersedes IAS 27 (2008). Three new standards IFRS 10 - Consolidated Financial Statements, IFRS 11- Joint Arrangements and IFRS 12- Disclosure of Interest in Other Entities dealing with IAS 27 would be applicable effective 1 January 2013. IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications. The requirements would have no impact on financial statements of the Company.

- IAS 28 Investments in Associates and Joint Ventures (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 28 (2011) supersedes IAS 28 (2008). IAS 28 (2011) makes the amendments to apply IFRS 5 to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture. The amendments have no impact on financial statements of the Company.

- IAS 19 Employee Benefits (amended 2011) - (effective for annual periods beginning on or after 1 January 2013). The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognized immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19; and that the expected return on plan assets recognized in profit or loss is calculated based on the rate used to discount the defined benefit obligation. The requirements may not have significant effect as unrecognized actuarial losses as at 31 December 2011 is not material to the financial statements.

- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)-(effective for annual periods beginning on or after 1 July 2012). The amendments require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The amendments do not address which items are presented in other comprehensive income or which items need to be reclassified. The requirements of other IFRSs continue to apply in this regard.

- Disclosures – Transfers of Financial Assets (Amendments to IFRS 7) - (effective for annual periods beginning on or after 1 July 2011). The amendments introduce new disclosure requirements about transfers of financial assets, including disclosures for financial assets that are not derecognized in their entirety; and financial assets that are derecognized in their entirety but for which the entity retains continuing involvement. The amendments have no impact on financial statements of the Company.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of ‘currently has a legally enforceable right of set-off ‘; and that some gross settlement systems may be considered equivalent to net settlement. The amendments have no impact on financial statements of the Company.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) – (effective for annual periods beginning on or after 1 January 2013). The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting agreement or similar arrangement. The amendments have no impact on financial statements of the Company.

- IFRIC 20 - Stripping cost in the production phase of a surface mining (effective for annual periods beginning on or after 1 January 2013). The interpretation requires production stripping cost in a surface mine to be capitalized if certain criteria are met. The amendments have no impact on financial statements of the Company.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Insurance contracts

Insurance contracts represent contracts with policy holders and reinsurers.

Those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policy holders) by agreeing to compensate the policy holders if a specified uncertain future event (the insured event) adversely affects the policy holders are insurance policy contracts. The Company enters into fire and property damage, marine, motor, health, burglary, loss of cash in transit, travel, personal accident, money, engineering losses and other insurance contracts with group companies, corporate clients and individuals residing or located in Pakistan.

Those insurance contracts that are issued by one insurer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant are reinsurance contracts. The Company enters in to reinsurance contracts with both foreign and local reinsurers. The Company enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward reinsurance premiums are accounted for in the same period as the related premiums for the direct or accepted reinsurance business being reinsured.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its period, even if the insurance risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

4.1.1 Premiums

Premiums under a policy are recognized as revenue at the time of issuance of insurance policy. Where the pattern of incidence of risk varies over the period of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk. The portion of premium written relating to the unexpired period of coverage is recognized as unearned premium by the Company. The unearned premium is calculated by applying 1/24 method as specified in the SEC (Insurance) Rules, 2002.

Administrative surcharge represents documentation and other charges recovered by the Company from policy holders in respect of policies issued, at the rate of 5% of the premium written restricted to a maximum of Rs. 2,000 per policy and are recognized as revenue at the time of issuance of insurance policy.

Receivables under insurance contracts are recognized when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognizes it as impairment loss.

4.1.2 Reinsurance ceded

Reinsurance liabilities represent balances due to reinsurance companies. Balances payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related reinsurance contract.

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contract are not offset against expenses or income from related insurance assets as required by Insurance Ordinance, 2000.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired.

The Company assesses its reinsurance assets for impairment on balance sheet date. If there is an objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes it as impairment loss.

4.1.3 Claims expense

Insurance claims include all claims occurring during the year, whether reported or not. Internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

The Company recognizes liability in respect of all claims incurred upto the balance sheet date which is based on the best estimate of the claims intimated or assessed on or before the end of the financial year and measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in an insurance contract.

The liability for claims include amounts relating to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs. Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates. Provision for IBNR is based on the management's best estimate which takes into account the past trends, expected future patterns of reporting of claims and the claims actually reported subsequent to the balance sheet date.

4.1.4 Reinsurance recoveries against outstanding claims

Claims recoveries from the reinsurer are recognized as an asset at the same time as the claims which give rise to the right of recovery are recognized as a liability and are measured at the amount expected to be received.

4.1.5 Commission

Commission expense incurred in obtaining and recording policies is deferred and recognized as an expense in accordance with pattern of recognition of premium revenue by applying the 1/24th method.

Commission income from reinsurers is recognized at the time of issuance of the underlying insurance policy by the Company. This income is deferred and brought to account as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Profit commission, if any, under the terms of reinsurance arrangements, is recognized when the Company's right to receive the same is established.

4.1.6 Premium deficiency reserve

The Company is required as per SEC (Insurance) Rules, 2002 and IFRS-4, to maintain a provision in respect of premium deficiency for the class of business where the unearned premium reserve is not adequate to meet the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after the balance sheet date in respect of policies in that class of business at the balance sheet date. The movement in the premium deficiency reserve is recorded as an expense and the same shall be recognized as a liability.

For this purpose, loss ratios for each class are estimated based on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, premium deficiency is estimated. The loss ratios estimated on these basis for the unexpired portion are as follows:

- Fire and property damage	30.19%
- Marine, aviation and transport	16.11%
- Motor	41.96%
- Miscellaneous	62.44%

Based on an analysis of combined operating ratio for the expired period of each reportable segment, the management considers that the unearned premium reserve for all classes of business as at the year end is adequate to meet the expected future liability after reinsurance, from claims and other expenses, expected to be incurred after the balance sheet date in respect of policies in those classes of business in force at the balance sheet date. Hence, no provision for the same has been made in these financial statements.

4.2 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the services received, whether or not billed to the Company.

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.3 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost.

4.4 Taxation

Tax expense for the year comprises of current and deferred tax.

4.4.1 Current

Provision for current taxation is based on taxable income at the rates enacted or substantively enacted at the balance sheet date after taking into account available tax credits and rebates, if any. The charge for current tax also include adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalized during the current year for such years.

4.4.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the balance sheet date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to equity in which case it is included in equity.

4.5 Staff retirement benefits

4.5.1 Defined benefit plan

The Company operates an approved defined gratuity scheme for all its permanent employees who attain the minimum qualification period for entitlement to gratuity. Contributions to the fund are made based on actuarial recommendations and in line with the provisions of the Income Tax Ordinance, 2001. The most recent actuarial valuation was carried out for the year ended 31 December 2011 using the Projected Unit Credit Method. Actuarial gains/losses in excess of corridor limit (10% of the higher of fair value of assets and present value of obligation) are recognized over the average remaining service life of the employees.

4.5.2 Defined contribution plan

The Company contributes to a provident fund scheme which covers all permanent employees. Equal contributions are made both by the Company and the employees to the fund at the rate of 10 percent of basic salary plus cost of living allowance.

4.5.3 Employees' compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the period in which they are earned.

4.6 Investments

4.6.1 Recognition

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs, except for held for trading in which case transaction costs are charged to the profit and loss account. These are recognized and classified as follows:

- Investment at fair value through profit and loss
- Held to maturity
- Available for sale

4.6.2 Measurement

4.6.2.1 Investment at fair value through profit or loss

- Investments which are acquired principally for the purposes of generating profit from short term fluctuation in market price or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading.

- Investments which are designated at fair value through profit or loss upon initial recognition.

Subsequent to initial recognition, these investments are remeasured at fair market value. Gains or losses on investments on remeasurement of these investments are recognized in profit and loss account.

4.6.2.2 Held to maturity

Investments with fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held to maturity.

Subsequently, these are measured at amortised cost less provision for impairment, if any. Any premium paid or discount availed on acquisition of held to maturity investment is deferred and amortised over the term of investment using the effective yield.

4.6.2.3 Available for sale

These are investments that do not fall under investment at fair value through profit or loss or held to maturity categories.

Quoted

Subsequent to initial recognition at cost, quoted investments are stated at the lower of cost or market value (market value on an individual investment basis being taken as lower if the fall is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002 vide S.R.O. 938 dated December 2002. The Company uses stock exchange quotations at the balance sheet date to determine the market value.

Had the Company adopted International Accounting Standard (IAS) 39 “Financial Instruments: Recognition and Measurement” the investments of the Company would have been higher by Rs. 68.041 million and net equity would have been higher by the same amount (Refer note 12.5).

Unquoted

Unquoted investments are recorded at cost less accumulated impairment losses, if any.

Provision for diminution in the value of securities is made after considering impairment losses, if any.

4.6.2.4 Investment in associates - equity method

Investments in associates, where the Company has significant influence but not control, are accounted for by using the equity method of accounting. These investments are initially recognized at cost, thereafter the Company's share of the changes in the net assets of the associates are accounted for at the end of each reporting period less impairment loss, if any. Share of profit and loss of associate is accounted for in the Company's profit and loss account, whereas changes in the associate's equity which has not been recognized in the associates profit and loss account, are recognized directly in equity of the Company. The goodwill relating to an associate arising on the acquisition of the investment is included in the carrying value of the investments.

After the application of equity method including recognizing the associates losses, the Company determines whether it is necessary to recognize any additional impairment loss with respect to its net investment in associate by comparing the entire carrying amount including goodwill with its recoverable amount i.e. the higher of value in use or fair market price less cost to sell.

4.6.2.5 Date of recognition

Regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognized at the trade date. Trade date is the date on which the Company commits to purchase or sell the investment.

4.7 Fixed assets

4.7.1 Tangibles

These are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is charged over the estimated useful life of the asset on a systematic basis to income applying the straight line method at the rates specified in note 21.1 to the financial statements, after taking into account residual value.

Depreciation on additions is charged from the month in which the asset is put to use whereas no depreciation is charged from the month the asset is disposed off.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is possible that the future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to profit and loss account currently.

An item of tangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss in the year the asset is derecognized.

4.7.2 Capital work in progress

Capital work in progress including advances made for capital expenditure is stated at cost less impairment, if any.

4.7.3 Intangibles

These are stated at cost less accumulated amortisation and impairment loss, if any. Amortisation is charged over the estimated useful life of the asset on a systematic basis to income applying the straight line method at the rates specified in note 21.3 to the financial statements.

Amortisation on additions is charged from the month in which the asset is acquired or capitalised whereas no amortisation is charged from the month the asset is disposed off.

Software development costs are only capitalised to the extent that future economic benefits are expected to be derived by the Company.

The carrying amounts are reviewed at each reporting date to assess whether these are recorded in excess of their recoverable amounts, and where carrying values exceed estimated recoverable amount, assets' are written down to their estimated recoverable amounts.

4.8 Investment income

- Income from held to maturity investments is recognized on a time proportion basis taking into account the effective yield on the investments. The difference between the redemption value and the purchase price of the held to maturity investments is amortised and taken to the profit and loss account over the term of the investment.

- Dividend income from investments, other than those which are accounted for under the equity method is recognized when the Company's right to receive the payment is established.

- Gain or loss on sale of investment is included in income currently.

- Return on bank deposits is recognized on a time proportionate basis taking into account the effective yield.

4.9 Management expenses

These are allocated to various classes of business in proportion to the respective gross premium written for the year. Expenses not allocable to the underwriting business are charged as administration and investments related expenses.

4.10 Dividend declaration and reserve appropriation

Dividend declaration and reserve appropriations are recognized when approved.

4.11 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company presents segments reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The reported operating segments are also consistent with the internal reporting provided to Board of Directors which are responsible for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment.

The Company has four primary business segments for reporting purposes namely fire, marine, motor and miscellaneous.

The perils covered under fire insurance include damages caused by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and terrorism.

Marine insurance provides coverage against cargo risk, war risk and damages occurring in inland transit.

Motor insurance provides comprehensive car coverage and indemnity against third party loss.

Miscellaneous insurance provides cover against health, burglary, loss of cash in safe and cash in transit, travel, personal accident, money, engineering losses and other covers.

Financing, investment and income taxes are managed on an overall basis and are therefore, not allocated to any segment. The accounting policies of operating segment are the same as those described in the summary of significant accounting policies.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them. Those assets and liabilities which can not be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities. Depreciation and amortisation are allocated to a particular segment on the basis of premium written.

4.12 Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange differences, if any, are taken to profit and loss account.

4.13 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amount and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.14 Impairment

The carrying amount of assets (other than deferred tax asset) are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

5. PAID-UP SHARE CAPITAL

2011	2010		2011	2010
-------- Number of shares --------			---------------- (Rupees) ----------------	
13,981,213	13,981,213	Ordinary shares of Rs. 10 each issued as fully paid in cash	139,812,130	139,812,130
31,743,153	31,743,153	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	317,431,530	317,431,530
45,724,366	45,724,366		457,243,660	457,243,660

5.1 Ordinary shares of the Company held by associated companies / persons are as follows:

	2011	2010
	---------- Number of shares ----------	
Siza (Private) Limited	6,506,692	6,506,692
Siza Services (Private) Limited	10,774,674	10,774,674
Siza Commodities (Private) Limited	4,518,385	4,518,385
Premier Fashions (Private) Limited	13,240,794	13,240,794
Directors and their spouses	38,699	38,699
Related parties - individuals	5,838	5,838
	35,085,082	35,085,082

6. STAFF RETIREMENT BENEFITS

Defined benefit plan - Gratuity fund

The actuarial valuations are carried out annually and contributions are made accordingly. Following were the significant assumptions used for valuation of the scheme:

- Discount rate 12.5% (2010: 14%) per annum.

- Expected rate of increase in the salaries of the employees 11.5% (2010: 13%) per annum.

- Expected interest rate on plan assets of the fund 12.5% (2010: 10%) per annum.

- Expected remaining service length of the employees 8 years (2010: 9 years).

		2011	2010
6.1	**Liability in balance sheet**	---------------- (Rupees)	----------------
	Present value of defined benefit obligations	**10,810,421**	8,455,615
	Fair value of plan assets	**(10,224,979)**	(7,522,097)
	Unrecognized actuarial losses	**(585,442)**	(933,518)
		-	-
6.2	**Movement in liability during the year**		
	Charge to profit and loss account	**2,093,754**	1,791,805
	Contributions to the fund during the year	**(2,093,754)**	(1,791,805)
	Closing balance	**-**	-
6.3	**Reconciliation of the present value of defined benefit obligations**		
	Present value of obligations as at 01 January	**8,455,615**	6,657,000
	Current service cost	**1,657,118**	1,504,175
	Interest cost	**1,167,288**	865,410
	Benefits paid	**(235,690)**	(140,400)
	Actuarial gain	**(233,910)**	(430,570)
	Present value of obligations as at 31 December	**10,810,421**	8,455,615
6.4	**Reconciliation of the fair value of plan assets**		
	Fair value of plan assets as at 1 January	**7,522,097**	5,117,000
	Expected return on plan assets	**740,425**	665,210
	Contribution to the fund	**2,093,754**	1,791,805
	Benefits paid	**(235,690)**	(140,400)
	Actuarial gain	**104,393**	88,482
	Fair value of plan assets as at 31 December	**10,224,979**	7,522,097
6.5	**Charge for the defined benefit plan**		
	Current service cost	**1,657,118**	1,504,175
	Interest cost	**1,167,288**	865,410
	Expected return on plan assets	**(740,425)**	(665,210)
	Actuarial loss recognized	**9,773**	87,430
		2,093,754	1,791,805

6.6 Actual return on plan assets

	2011	2010
	----------- (Rupees)	-----------
Expected return on assets	**740,425**	665,210
Actuarial gain on assets	**104,393**	88,482
	844,818	753,692

6.7 Composition of fair value of plan assets

	2011		2010	
	Fair value (Rupees)	**Percentage**	Fair value (Rupees)	Percentage
Treasury Bills	**6,989,569**	**68%**	-	-
Term Finance Certificates - UBL	**499,663**	**5%**	476,525	6%
Cash and bank balances	**2,735,747**	**27%**	7,045,572	94%
Fair value of plan net assets	**10,224,979**	**100%**	7,522,097	100%

6.8 Historical data of the fund

	2011	2010	2009	2008	2007
	-------------------------	-------------------	(Rupees)	-------------------	-------------------------
Present value of defined benefit obligations	**10,810,421**	8,455,615	6,657,000	5,206,000	10,938,000
Fair value of plan assets	**(10,224,979)**	(7,522,097)	(5,117,000)	(2,133,000)	(4,210,000)
Deficit	**585,442**	933,518	1,540,000	3,073,000	6,728,000
Experience adjustments					
- Actuarial (gain) on obligation	**(233,910)**	(430,570)	(601,000)	(605,000)	(2,271,000)
- Actuarial gain/(loss) on assets	**104,393**	88,482	(228,000)	(18,000)	(262,000)

6.9 The estimated contribution to the fund for the year ended 31 December 2012 is Rs. 1.490 million.

7. AMOUNTS DUE TO OTHER INSURERS / REINSURERS

	2011	2010
	----------- (Rupees)	-----------
Foreign reinsurers	**38,208,933**	19,387,797
Local reinsurers	**53,907,327**	35,179,189
Co-insurers	**7,272,761**	612,301
	99,389,021	55,179,287

8. ACCRUED EXPENSES

	Note	2011	2010
		(Rupees)	
Auditors' remuneration		**604,480**	586,500
Professional services fee		**15,000**	37,500
Provision for compensated absences		**2,779,930**	2,007,512
Investment advisory fee - due to related party	8.1	**196,252**	-
Utilities and others	8.2	**641,532**	1,039,703
		4,237,194	3,671,215

8.1 This represents payable on account of management of Company's investment portfolio to Lakson Investments Limited as per terms and conditions stated in the agreement executed during the year. Total investment advisory fee for the year is Rs. 2.004 million.

8.2 This includes a sum of Rs. 0.072 million (31 December 2010: Rs. 0.49 million) due to related parties.

9. OTHER CREDITORS AND ACCRUALS

	Note	2011	2010
		(Rupees)	
Federal excise duty		**1,358,079**	3,232,289
Sindh sales tax on services		**2,435,875**	-
Federal insurance fees		**252,511**	214,251
Retention money		**426,907**	151,277
Commission payable	9.1	**42,228,143**	41,221,525
Cheques payable - stale cheques		**1,208,156**	920,754
Workers' welfare fund		**3,444,041**	4,112,986
Margin deposits	9.2	**2,877,280**	536,949
Payable against purchase of shares		**413,290**	-
Payable against construction of new branch		**1,171,273**	-
Others	9.3	**2,549,790**	1,467,745
		58,365,345	51,857,776

9.1 This includes a sum of Rs. 33.23 million (31 December 2010: Rs. 33.39 million) due to related parties.

9.2 This represents margin deposits on account of performance bond policies issued by the Company.

9.3 This includes a sum of Rs. 2.460 million (31 December 2010: Rs. 1.413 million) withheld from employees' salary against motor vehicles installments.

10. 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 the 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.

11. CASH AND BANK DEPOSITS

	Note	2011	2010
		---------------- (Rupees)	----------------
Cash and other equivalents			
- Cash		**70,235**	126,700
- Policy stamps and bond papers in hand		**151,862**	517,906
- Cheques in hand	11.1	**2,999,975**	1,204,574
		3,222,072	1,849,180
Current and other accounts			
- Current accounts	11.2	**8,549,362**	7,581,620
- PLS savings accounts		**85,748,225**	77,629,057
		94,297,587	85,210,677
		97,519,659	87,059,857

11.1 This represents cheques received from a related party which have been cleared subsequently.

11.2 This includes lien on a local currency account, amounting to Rs. 0.7 million (31 December 2010: Rs. 0.7 million) in respect of a letters of credit arranged from a bank for securing claims arising outside Pakistan.

12. INVESTMENTS

	Note	2011	2010
		(Rupees)	
In related parties			
Investment in associates - equity accounting	12.1	15,222,122	14,711,269
Available for sale - quoted	12.2	447,500,000	167,500,000
		462,722,122	182,211,269
Others			
Investments at fair value through profit and loss- held for trading			
Quoted shares		97,443,375	80,347,356
Held to maturity			
Government securities	12.3	65,485,489	88,107,815
Term Finance Certificates - quoted	12.4	13,156,009	15,241,074
		78,641,498	103,348,889
Available for sale - quoted	12.5	209,831,594	474,123,768
		848,638,589	840,031,282

12.1 Investment in associates – equity accounting

12.1.1 Particulars of investment in associates - listed

2011	2010	Face value per share (Rupees)	Name of associates	2011	2010
-- Number of shares --				(Rupees)	
364,925	364,925	10	Century Paper & Board Mills Limited	4,744,025	7,140,597
66,528	66,528	10	Clover (Pakistan) Limited	3,632,429	3,716,721
13,364	11,621	10	Colgate Palmolive (Pakistan) Limited	6,845,668	3,853,951
				15,222,122	14,711,269

12.1.2 Movement of investment in associates-listed

	Beginning of the year	Share in profit	Dividend received	Share in equity	Impairment net of reversal	2011	2010
	(Rupees)						
Century Paper and Board Mills Limited	7,140,597	274,675	-	-	(2,671,247)	4,744,025	7,140,597
Clover (Pakistan) Limited	3,716,721	341,711	(266,112)	27,211	(187,102)	3,632,429	3,716,721
Colgate Palmolive (Pakistan) Limited	3,853,951	552,876	(162,694)	-	2,601,535	6,845,668	3,853,951
	14,711,269	1,169,262	(428,806)	27,211	(256,814)	15,222,122	14,711,269

12.1.3 Summarized latest available interim financial information of the associates of the Company along with its respective share are as follows:

Name of associate	Country of incorporation / listing	Date of financial statements	Total assets	Total liabilities	Net assets	Share of net assets	Revenues	Profit/(loss) after tax	Interest held
			------------------------------ (Rupees in 000')					------------------------------	%
2011									
Century Paper and Board Mills Limited	Pakistan	December	13,431,424	7,922,928	5,508,496	28,644	6,150,636	208,824	0.52
Clover (Pakistan) Limited	Pakistan	September	533,918	125,625	408,293	2,899	342,517	8,798	0.71
Colgate Palmolive (Pakistan) Limited	Pakistan	December	6,634,431	1,870,896	4,763,535	1,905	8,931,108	832,133	0.04
			20,599,773	**9,919,449**	**10,680,324**	**33,448**	**15,424,261**	**1,049,755**	
2010									
Century Paper and Board Mills Limited	Pakistan	December	13,360,187	11,496,379	1,863,809	9,692	5,262,669	(26,703)	0.52
Clover (Pakistan) Limited	Pakistan	December	461,301	105,854	355,447	2,524	383,779	(106)	0.71
Colgate Palmolive (Pakistan) Limited	Pakistan	December	5,151,179	1,444,131	3,707,048	1,676	6,562,601	496,542	0.04
			18,972,667	13,046,364	5,926,304	13,892	12,209,049	469,733	

12.1.4 Market value of investment in associates is Rs. 16.917 million (31 December 2010: Rs. 21.760 million).

12.2 Available for sale - related parties

12.2.1 Quoted

	2011	2010
	------------------ (Rupees)	------------------
Lakson Income Fund	**150,000,000**	50,000,000
Lakson Money Market Fund	**197,500,000**	117,500,000
Lakson Asset Allocation Emerging Market Fund	**35,000,000**	-
Lakson Asset Allocation Global Commodities Fund	**30,000,000**	-
Lakson Asset Allocation Developed Market Fund	**35,000,000**	-
	447,500,000	167,500,000

12.2.2 Market value of investment in related parties classified as available for sale is Rs. 479.55 million (31 December 2010: Rs. 175.81 million).

12.3 Held to maturity - amortised cost

12.3.1 Government securities

2011	2010	Face value per certificate	Particulars	Coupon rate	Profit payment	Maturity date	2011	2010
------ Number of certificates ------		--- (Rupees) ---					-----------(Rupees)-----------	
1	1	46,000,000	Pakistan Investment Bond* (10 years)	8.00%	Semi annually	6-Oct-2013	41,655,778	39,618,013
-	1	25,000,000	Pakistan Investment Bond (3 years)	11.25%	Semi annually	30-Aug-2011	-	24,765,215
1	1	25,000,000	Pakistan Investment Bond (10 years)	12.00%	Semi annually	30-Aug-2018	23,829,711	23,724,587
							65,485,489	88,107,815

* This security is 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.

12.3.2 Market value of Pakistan Investment Bonds is Rs. 66.929 million (31 December 2010: Rs. 89.357 million).

12.4 Term finance certificates - quoted

2011	2010	Face value per certificate	Name of investee	Profit rate (12.4.1)	Maturity date	2011	2010
Number of certificates		-(Rupees)-				-----------(Rupees)-----------	
600	600	5,000	Askari Commercial Bank Limited (I)	Base rate plus 1.5% per annum*	4-Feb-2013	2,992,200	2,993,400
600	600	5,000	Askari Commercial Bank Limited (II)	Base rate plus 1.5% per annum*	31-Oct-2013	2,992,800	2,994,000
281	281	5,000	Bank Alfalah Limited (II)	Base rate plus 1.5% per annum*	23-Nov-2012	934,187	1,401,760
400	400	5,000	Bank Alfalah Limited (III)	Base rate plus 1.5% per annum*	25-Nov-2013	1,995,392	1,996,160
200	200	5,000	Soneri Bank Limited	Base rate plus 1.6% per annum*	5-May-2013	748,200	997,800
198	198	5,000	Faysal Bank Limited	Base rate plus 1.9% per annum*	10-Feb-2013	494,010	741,114
600	600	5,000	Standard Chartered Bank (Pakistan) Limited - II	Base rate plus 0.75% per annum subject to floor of 5% per annum and cap rate of 10.75% per annum*	20-Jan-2011	-	750,000
200	200	5,000	Telecard Limited	Base rate plus 3.75% per annum*	27-May-2011	367,500	367,500
600	600	5,000	United Bank Limited	Base rate plus 1.9% per annum**	15-Mar-2013	2,999,220	2,999,340
						13,523,509	15,241,074
				Less: Provision for impairment		(367,500)	-
						13,156,009	15,241,074

whereas,
* Base rate is defined as six months KIBOR
** Base rate is defined as trading yield of eight year Pakistan Investment Bond

12.4.1 Profit on these term finance certificates are on semi-annual basis.

12.4.2 Market value of quoted term finance certificates is Rs. 12.982 million (31 December 2010: Rs. 14.704 million). The market value is determined as per rates quoted by Mutual Funds Association of Pakistan on 31 December 2011.

12.5 Available for sale - quoted	Note	2011	2010
		---------------- (Rupees)	----------------
Cost	12.5.1	**325,860,303**	624,518,636
Provision for impairment - net of reversals	12.5.2	**(116,028,709)**	(150,394,868)
		209,831,594	474,123,768

12.5.1 Market value of quoted available for sale investments is Rs. 245.822 million (31 December 2010: Rs. 497.673 million).

12.5.2 Provision for impairment - net of reversals

	2011	2010
Opening provision	**150,394,868**	159,651,293
Realized on disposal	**(73,488,380)**	-
Charge/ (reversal) for the year - net	**39,122,221**	(9,256,425)
Closing provision	**116,028,709**	150,394,868

13. DEFERRED TAXATION

	2011	2010
Deferred tax debits / (credits) arising in respect of:		
- Accelerated depreciation on operating fixed assets	**(2,695,523)**	(2,534,030)
- Provision for claims incurred but not reported (IBNR)	**1,635,308**	2,030,000
- Provision for employees' benefits	**972,975**	702,629
- Share of profit from associates	**(116,926)**	-
- Provision for due but unpaid	**2,410,094**	2,865,180
	2,205,928	3,063,779

14. PREMIUMS DUE BUT UNPAID - unsecured

	Note	2011	2010
Considered good	14.1	**98,021,984**	90,538,623
Considered doubtful		**6,069,880**	7,370,125
		104,091,864	97,908,748
Provision against premium due but unpaid - net	14.2	**(6,069,880)**	(7,370,125)
		98,021,984	90,538,623

14.1 This includes a sum of Rs. 72.280 million (31 December 2010: Rs. 65.242 million) due from related parties.

14.2 Provision against premium due but unpaid - net

	2011	2010
	(Rupees)	
Opening balance	7,370,125	6,725,535
Provision made during the year	702,897	959,683
Recoveries during the year	(2,003,142)	(284,072)
Written off during the year	-	(31,021)
	6,069,880	7,370,125

15. AMOUNTS DUE FROM OTHER INSURERS/REINSURERS-unsecured

Considered good		
- Local reinsurer	3,588,553	6,596,048
- Co-insurer	70,368,829	71,174,654
	73,957,382	77,770,702
Provision against amount due from insurers / reinsurers	(816,102)	(816,102)
	73,141,280	76,954,600

16. ACCRUED INVESTMENT INCOME

Return on government securities	1,888,110	2,835,884
Return on Term Finance Certificates	453,731	502,097
Dividend income on equity securities	12,000	114,000
	2,353,841	3,451,981

17. REINSURANCE RECOVERIES AGAINST OUTSTANDING CLAIMS

These are unsecured and considered good.

18. TAXATION - NET

Advance tax including tax deducted at source	44,893,876	37,532,698
Provision for taxation	(16,155,850)	(13,912,222)
	28,738,026	23,620,476

18.1 The Company has filed returns upto tax year 2011. The income tax returns of the Company are deemed as assessed in terms of Section 120(1) of the Income Tax Ordinance, 2001.

	Note	2011	2010
19. PREPAYMENTS		--------- (Rupees)	---------
Prepaid reinsurance premium ceded		111,376,693	84,742,636
Others		1,934,472	1,158,957
		113,311,165	85,901,593
20. SUNDRY RECEIVABLES			
Profit on bank deposits - savings accounts	20.1	497,459	577,477
Security deposits		815,831	717,334
Advance to employees		1,644,079	1,723,535
Advance against expenses		100,000	659,925
Receivable against sale of shares		7,861,275	2,447,657
Others		250,745	93,631
		11,169,389	6,219,559

20.1 The mark-up on savings accounts during the year was between 5% to 11.5% (2010: 5% to 12%).

21. FIXED ASSETS

21.1 Tangible assets

	31 December 2011									
	Cost				Depreciation				Written down	Depreciation
	As at 1 January 2011	Additions	(Disposals)	As at 31 December 2011	As at 1 January 2011	For the year	(Disposals)	As at 31 December 2011	value as at 31 December 2011	rate %
	(Rupees)									
Office improvements	16,004,239	1,768,104	12,300	17,760,043	8,332,375	1,822,206	9,653	10,144,928	7,615,115	10
Furniture and fixtures	7,659,604	1,409,560	-	9,069,164	3,812,463	855,854	-	4,668,317	4,400,847	10
Office equipment	5,649,615	1,104,356	409,400	6,344,571	3,652,026	491,516	387,851	3,755,691	2,588,880	10 - 33
Computer and related accessories	6,600,847	433,100	233,814	6,800,133	5,080,647	787,226	233,805	5,634,068	1,166,065	33
Motor vehicles	37,947,025	10,130,300	3,687,196	44,390,129	9,367,821	4,400,284	1,788,687	11,979,418	32,410,711	20
	73,861,330	14,845,420	4,342,710	84,364,040	30,245,332	8,357,086	2,419,996	36,182,422	48,181,618	

	31 December 2010									
	Cost				Depreciation				Written down	Depreciation
	As at 1 January 2010	Additions	(Disposals)	As at 31 December 2010	As at 1 January 2010	For the year	(Disposals)	As at 31 December 2010	value as at 31 December 2010	rate %
	(Rupees)									
Office improvements	17,487,675	206,600	1,690,036	16,004,239	7,306,864	1,510,338	484,827	8,332,375	7,671,864	10
Furniture and fixtures	7,565,196	142,818	48,410	7,659,604	3,136,707	700,922	25,166	3,812,463	3,847,141	10
Office equipment	5,361,414	309,951	21,750	5,649,615	3,130,966	529,398	8,338	3,652,026	1,997,589	10 - 33
Computer and related accessories	6,303,266	1,107,081	809,500	6,600,847	5,132,830	757,289	809,472	5,080,647	1,520,200	33
Motor vehicles	32,384,356	9,326,900	3,764,231	37,947,025	7,758,499	2,824,747	1,215,425	9,367,821	28,579,204	20
	69,101,907	11,093,350	6,333,927	73,861,330	26,465,866	6,322,694	2,543,228	30,245,332	43,615,998	

21.2 Depreciation charge for the year has been allocated as follows:

	Note	2011	2010
		------------(Rupees)------------	
Management expenses	23	**4,429,256**	3,351,028
General and administration expenses	25	**3,927,830**	2,971,666
		8,357,086	6,322,694

21.3 Intangible assets

	Cost			Amortisation			Written down value as at 31 December 2011	Amortisation rate %
	As at 1 January 2011	Additions / (disposals)	As at 31December 2011	As at 1 January 2011	For the year	As at 31 December 2011		
	(Rupees)							
Computer software	**5,124,839**	**-**	**5,124,839**	**4,149,830**	**433,333**	**4,583,163**	**541,676**	**33**
2010	3,824,839	1,300,000	5,124,839	3,824,830	325,000	4,149,830	975,009	33

21.4 Amortisation charge for the year has been allocated as follows:

	Note	2011	2010
		------------(Rupees)------------	
Management expenses	23	**229,666**	172,250
General and administration expenses	25	**203,667**	152,750
		433,333	325,000

21.5 Disposal of tangible assets

	Cost	Accumulated depreciation	Book value	Sale proceeds	Net gain (note 24)	Mode of disposal	Sold to
	(Rupees)						
Office improvement	12,300	9,653	2,647	1,000	(1,647)	Sale	Micro Wave Electronics
Computer and related accessories	5,000	4,999	1	1,200	1,199	Sale	Mr. Umar Shahzad
Computer and related accessories	5,000	5,000	-	1,200	1,200	Sale	Mr. Asad Mehmood
Computer and related accessories	5,000	4,999	1	1,200	1,199	Sale	Mr. Shahid Muhammad
Computer and related accessories	5,000	5,000	-	916	916	Sale	Prime Computer Services
Computer and related accessories	43,500	43,499	1	1,000	999	Sale	PC Mart
Computer and related accessories	24,500	24,499	1	1,000	999	Sale	PC Mart
Computer and related accessories	59,150	59,147	3	4,400	4,397	Sale	Mr. Kashif Uzair Khan and Mr. Ali Kazmi (Employee)
Computer and related accessories	81,664	81,663	1	1,500	1,499	Sale	Mr. Aslam
Computer and related accessories	5,000	4,999	1	500	499	Sale	Mr. Iftikhar Ahmed (Employee)
Office equipment	200,000	199,999	1	1,500	1,499	Sale	Al-Rehman Traders
Office equipment	100,000	99,999	1	1,500	1,499	Sale	Al-Rehman Traders
Office equipment	49,900	39,507	10,393	10,000	(393)	Sale	Prime Electronics
Office equipment	59,500	48,346	11,154	8,500	(2,654)	Sale	Prime Electronics
Motor vehicle	41,296	6,608	34,688	25,000	(9,688)	Insurance claim	Premier Insurance
Motor vehicle	59,800	40,120	19,680	19,680	-	Sale	Mr. S. Aley Raza Rizvi (Employee)
Motor vehicle	59,800	40,120	19,680	19,680	-	Sale	Mr. Muhammad Safdar (Employee)
Motor vehicle	54,800	37,691	17,109	-	(17,109)	Negotiation	Mr. Bakth Shah (Ex Employee)
Motor vehicle	836,000	247,180	588,820	670,000	81,180	Sale	Mr. Mudassir Hussain
Motor vehicle	1,309,000	525,299	783,701	1,135,000	351,299	Sale	Mr. Jamil
Motor vehicle	1,326,500	891,669	434,831	434,831	-	Sale	Ms. Rehana Ahmed
	4,342,710	**2,419,996**	**1,922,714**	**2,339,607**	**416,893**		

21.5.1 The vehicles were sold to employees under the Company car scheme.

22. NET PREMIUM REVENUE - ADMINISTRATIVE SURCHARGE

Premium written and net premium revenue include administrative surcharge, class wise detail of which are given below:

	Note	2011	2010
		(Rupees)	
Fire and property damage		925,684	731,733
Marine, aviation and transport		2,597,604	2,078,421
Motor		2,295,567	2,819,377
Miscellaneous		1,098,945	999,231
		6,917,800	6,628,762

23. MANAGEMENT EXPENSES

	Note	2011	2010
Salaries, wages and benefits	23.1	46,470,970	40,523,831
Rent, taxes and electricity		6,258,534	5,706,086
Communications		2,453,071	2,346,927
Printing and stationery		1,872,234	1,570,381
Travelling and entertainment		2,531,050	1,292,206
Repairs and maintenance		739,070	701,078
Advertisement and sales promotion		210,257	412,960
Depreciation	21.2	4,429,256	3,351,028
Amortisation	21.4	229,666	172,250
Legal and professional charges		870,445	222,150
Workers' welfare fund		477,000	1,313,204
(Reversal) / provision against premium due but unpaid - net	14.2	(1,300,245)	675,611
Provision against amount due from insurers / reinsurers		-	355,410
Other expenses	23.2	5,215,587	3,946,160
		70,456,895	62,589,282

23.1 These include Rs. 1.635 million (31 December 2010: Rs. 1.516 million) in respect of employees' provident fund and Rs. 1.110 million (31 December 2010: Rs. 0.95 million) in respect of defined benefit plan.

23.2 This include Rs. 5.169 million service charges @ 2.5% in respect of coinsurance recoveries.

24. OTHER INCOME - NET

	Note	2011	2010
		---------------- (Rupees)	----------------
Income from financial assets			
Profit on bank deposits			
- Savings accounts		8,636,865	7,044,292
- Exchange (loss) / gain		(122,001)	2,175
		8,514,864	7,046,467
Income from non-financial assets			
Gain / (loss) on sale of fixed assets - net	21.5	416,893	(619,699)
Management fee sharing commission	24.1	1,176,889	643,342
Branch facilitation remuneration from a related party	24.2	140,000	292,354
Others		3,287	89,260
		1,737,069	405,257
		10,251,933	7,451,724

24.1 This includes commission of Rs. 0.789 million (31 December 2010: Rs. 0.03 million) received against investment made in mutual funds of Lakson Investments Limited - a related party.

24.2 This represents service charges for keeping promotional materials in the Company's branches located outside Karachi.

25. GENERAL AND ADMINISTRATION EXPENSES

	Note	2011	2010
		---------------- (Rupees)	----------------
Salaries, wages and benefits	25.1	41,300,079	35,172,444
Rent, taxes and electricity		5,119,767	4,711,179
Fees and subscription		2,567,069	2,440,469
Communications		1,940,141	1,889,005
Printing and stationery		1,872,234	523,460
Travelling and entertainment		1,898,951	996,758
Depreciation	21.2	3,927,830	2,971,666
Amortisation	21.4	203,667	152,750
Repairs and maintenance		655,401	621,711
Legal and professional		1,055,442	570,260
Auditors' remuneration	25.2	683,530	648,600
Advertisement and sales promotion		1,055,161	2,857,445
Insurance		2,620,451	2,559,030
Bank charges		220,537	388,153
Workers' welfare fund		423,000	1,164,538
Other expenses		1,916,539	1,282,029
		67,459,799	58,949,497

25.1 These include Rs. 1.450 million (31 December 2010: Rs. 1.344 million) in respect of employees' provident fund and Rs. 0.984 million (31 December 2010: Rs. 0.842 million) in respect of defined benefit plan.

25.2 Auditors' remuneration

	2011	2010
	(Rupees)	
Audit fee	260,820	248,400
Interim review	130,410	124,200
Special reports and other certifications	237,300	226,000
Out of pocket expenses	55,000	50,000
	683,530	648,600

26. TAXATION - NET

	2011	2010
Current	16,155,850	13,912,222
Deferred	857,851	(2,480,927)
	17,013,701	11,431,295

26.1 Relationship between tax expense and accounting profit

	2011	2010
Profit for the year before taxation	42,123,253	121,062,424
Tax at the applicable rate of 35% (31 December 2010: 35%)	14,743,139	42,371,848
Tax effect of expenses that are not allowable in determining taxable income	19,014,510	(8,159,430)
Tax effect of capital gains exempt from tax	(11,609,004)	(17,220,257)
Tax effect of income subject to lower rates	(5,072,694)	(4,503,876)
Tax effect of share of loss not recorded	-	270,318
Others	(62,250)	(1,327,309)
	17,013,701	11,431,295

27. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year by the weighted average number of shares as at the year end as follows:

	2011	2010
	(Rupees)	
Profit after tax for the year	**25,109,552**	109,631,129
	(Number of shares)	
Weighted average number of shares of Rs. 10 each	**45,724,366**	45,724,366
	(Rupees)	
Basic earnings per share of Rs. 10 each	**0.55**	2.40

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.

28. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amount including all benefits, to the Chief Executive and Executives of the Company are as follows:

	Chief Executive		Executives		Total	
	2011	2010	2011	2010	2011	2010
	(Rupees)					
Managerial remuneration	**3,865,020**	3,739,190	**15,854,634**	15,374,902	**19,719,654**	19,114,092
Bonus	**966,730**	340,370	**3,938,673**	3,647,265	**4,905,403**	3,987,635
Retirement benefits	**387,072**	263,873	**1,213,667**	1,332,486	**1,600,739**	1,596,359
House rent	**1,739,220**	1,682,583	**7,136,939**	6,927,289	**8,876,159**	8,609,872
Others	**395,760**	751,614	**1,952,645**	2,163,599	**2,348,405**	2,915,213
	7,353,802	6,777,630	**30,096,558**	29,445,541	**37,450,360**	36,223,171
Number of persons	**1**	2	**15**	20	**16**	22

28.1 In addition, some of the executives are provided with free use of Company maintained cars.

29. RELATED PARTY TRANSACTIONS

Related parties comprise of group companies; directors and their close family members; staff retirement funds; key management personnel and major shareholders of the Company. These associated companies are associated companies either based on holding in equity or they are either under the same management and / or with common directors. All transactions involving related parties arising in the normal course of business are conducted at agreed / 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.

Balances, including investments in associates, are disclosed in relevant notes to these financial statements. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name of related party	Premiums written	Commission paid and due	Claims paid	Dividend income	Bonus shares received	Dividend paid	Expenses
				(Rupees)			
Associated companies							
Accuracy Surgical Limited	858,535	105,758	107,830	-	-	-	-
Baluchistan Polyproducts (Private) Limited	239,400	35,910	-	-	-	-	-
Century Aviation & Tourism Services (Private) Limited	1,023	153	-	-	-	-	-
Century Paper & Board Mills Limited	64,084,811	7,506,915	624,601	-	-	-	1,373,943
Clover Pakistan Limited	5,560,263	779,153	454,692	266,112	-	-	-
Colgate Palmolive (Pakistan) Limited	85,541,369	12,146,817	3,012,903	162,694	1,743	-	-
Cyber Internet Services (Private) Limited	6,289,237	548,457	732,520	-	-	-	1,680,592
ICE Animations (Private) Limited	521,031	71,077	-	-	-	-	-
GAM Corporation (Private) Limited	7,644,332	804,212	245,051	-	-	-	-
Hasanali Karabhai Foundation	1,340,820	192,126	21,789	-	-	-	520,160
Lakson Business Solution Limited	110,824	11,082	34,580	-	-	-	44,850
Lakson Investment limited	429,164	-	17,705	-	-	-	2,004,242
Merit Packaging Limited	5,056,224	726,742	98,557	-	-	-	-
Premier Fashions (Private) Limited	37,191	5,579	-	-	-	13,240,794	-
Princeton Travels (Private) Limited	936,945	114,810	-	-	-	-	1,064,021
Siza (Private) Limited	216,299	27,752	-	-	-	6,506,692	-
Reliance Chemicals (Private) Limited	100,525	15,079	-	-	-	-	-
Siza Commodities (Private) Limited	22,684	2,268	-	-	-	4,518,385	-
Siza Foods (Private) Limited	7,347,095	775,445	655,418	-	-	-	165,000
Sybrid (Private) Limited	852,556	66,883	62,302	-	-	-	-
Siza Services (Private) Limited	3,537,009	455,430	194,615	-	-	10,774,674	5,137,172
Tetley Clover (Private) Limited	4,066,370	563,865	736,152	-	-	-	23,160
Tritex Cotton Mills Limited	1,528,026	223,685	480,000	-	-	-	-
Others							
Anchor Commodities (Private) Limited	261,990	29,074	1,504	-	-	-	-
Century Publication (Private) Limited	6,491,069	777,104	384,470	-	-	-	339,960
Matrix Press (Private) Limited	1,496,095	224,415	-	-	-	-	-
Printek (Private) Limited	151,610	22,742	-	-	-	-	-
Television Media Network (Private) Limited	18,911,146	2,177,451	338,652	-	-	-	-
Associated persons	172,630	-	379,230	-	-	39,899	-
31 December 2011	**223,806,273**	**28,409,984**	**8,582,571**	**428,806**	**1,743**	**35,080,444**	**12,353,100**
31 December 2010	191,529,523	25,712,843	17,398,996	236,223	1,515	-	9,522,191

30. SEGMENT INFORMATION

Class of business wise revenue and results have been disclosed in the profit and loss account prepared in accordance with the requirement of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following table presents information regarding segment assets, liabilities as at 31 December 2011 and 31 December 2010, allocated and unallocated capital expenditures and non-cash expenses during the year:

	Fire		Marine		Motor		Miscellaneous		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	----------(Rupees)----------									
SEGMENT ASSETS										
Segment assets	168,106,097	86,954,290	10,026,639	5,142,094	7,549,219	8,041,910	45,676,705	36,679,255	231,358,660	136,817,549
Unallocated corporate assets									1,230,626,594	1,193,649,608
Consolidated total assets									1,461,985,254	1,330,467,157
SEGMENT LIABILITIES										
Segment liabilities	183,962,009	100,527,218	17,465,909	9,604,576	77,804,300	84,967,385	76,980,042	58,409,033	356,212,260	253,508,212
Unallocated corporate liabilities									164,727,483	115,325,831
Consolidated total liabilities									520,939,743	368,834,043
CAPITAL EXPENDITURE										
Capital expenditure	1,497,900	-	46,500	-	1,026,400	1,500,150	-	1,832,100	2,570,800	3,332,250
Unallocated capital expenditure									12,274,620	9,061,100
Consolidated capital expenditure									14,845,420	12,393,350
Depreciation / amortisation	2,056,614	1,385,429	831,491	573,238	943,195	856,313	827,622	708,297	4,658,922	3,523,277
Non-cash expenses other than depreciation / amortisation	-	405,421	-	167,747	-	250,584	-	207,269	-	1,031,021

31. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

The Company issues contracts that transfer insurance risk or financial risk or both. This section summarises these risks and the way the Company manages them.

31.1 Insurance risk management

Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The principal risk that the Company faces under its insurance contracts is that the actual claims exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims is greater than estimated. Insurance events are random, and the actual number and amount of claims will vary from year to year from the level established.

The Company deals in short tail insurance contracts (maximum for one year). Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

(a) Frequency and severity of claims

Political, environmental, economical and climatic changes give rise to more frequent and severe extreme events (for example, fire, theft, steal, riot and strike, explosion, earthquake, atmospheric damage, hurricanes, typhoons, river flooding, electric fluctuation, terrorism, war risk, damages occurring in inland transit, burglary, loss of cash in safe and cash in transit, travel and personal accident, money losses , engineering losses and other events) and their consequences (for example, subsidence claims). For certain contracts, the Company has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

Insurance contracts which is divided into direct and facultative arrangements are further subdivided into four segments: fire, marine, motor and miscellaneous. The insurance risk arising from these contracts is concentrated in the territories in which the Company operates, and there is a balance between commercial and personal properties / assets in the overall portfolio of insured properties / assets. The Company underwrites insurance contract in Pakistan.

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

- The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. The Company has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs (for example, subrogation). The claims payments are limited to the extent of sum insured on occurrence of the insured event.

- The Company has entered into reinsurance cover / arrangements, with local and foreign reinsurers having good credit rating by reputable rating agencies, to reduce its exposure to risks and resulting claims. Keeping in view the maximum exposure in respect of key zone aggregates, a number of proportional and non-proportional facultative reinsurance arrangements are in place to protect the net account in case of a major catastrophe. The effect of such reinsurance arrangements is that the Company recovers the share of claims from reinsurers thereby reducing its exposure to risk. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional reinsurance arrangements, any loss over and above the said limit would be recovered under non-proportional treaty which is very much in line with the risk management philosophy of the Company.

  In compliance of the regulatory requirement, the reinsurance agreements are duly submitted with Securities and Exchange Commission of Pakistan (SECP) on an annual basis.

- The Company has claims department dealing with the mitigation of risks surrounding claims incurred whether reported or not. This department investigates and settles all claims based on surveyor's report / assessment. The unsettled claims are reviewed individually at least semi-annually and adjusted to reflect the latest information on the underlying facts, contractual terms and conditions, and other factors. The Company actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

(b) Sources of uncertainty in the estimation of future claim payments

Claims reported and otherwise are analysed separately. The development of large losses / catastrophes is analysed separately. The shorter settlement period for claims allows the Company to achieve a higher degree of certainty about the estimated cost of claims including IBNR. However, the longer time needed to assess the emergence of a subsidence claim makes the estimation process more uncertain for these claims.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value, reinsurance and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome may be different from the original liability established. The liability comprises amount in relations to unpaid reported claims, claims incurred but not reported (IBNR), expected claims settlement costs and a provision for unexpired risks at the end of the reporting period.

Liability in respect of outstanding claims is based on the best estimate of the claims intimated or assessed. In calculating the estimated costs of unpaid claims (both reported and not), the Company estimation technique is based upon actual claims experience using predetermined basis where greater weight is given to actual claims experience as time passes.

In estimating the liability for the costs of reported claims not yet paid, the Company considers any information available from surveyor's assessment and information on the cost of settling claims with similar characteristics in previous periods. Claims are assessed on a case-by-case basis separately.

(c) Process used to decide on assumptions

The risks associated with insurance contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. This exposure is geographically concentrated in Pakistan only.

The Company uses assumptions based on a mixture of internal and market data to measure its related claims liabilities. Internal data is derived mostly from the Company's monthly claims reports, surveyor's report for particular claim and screening of the actual insurance contracts carried out to derive data for the contracts held. The Company has reviewed the individual contracts and in particular the industries in which the insured companies operate and the actual exposure years of claims. This information is used to develop related provision for outstanding claims (both reported and non-reported). Generally, claims are reported to the Company within three months from the date of insured event occurred.

The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. Through this analysis, the Company determines the need for an IBNR or an unexpired risk liability to be held at each reporting date.

(d) Changes in assumptions

The Company did not change its assumptions for the insurance contracts as disclosed in above (b) and (c).

(e) Sensitivity analysis

The analysis of exposure described in paragraph (c) above is also used to test the sensitivity of the selected assumptions to changes in the key underlying factors. Assumptions of different levels have been used to assess the relative severity of subsidence claims given past experience. The key material factor in the Company's exposure to subsidence claims is the risk of more permanent changes in geographical location in which Company is exposed.

The risks associated with the insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Company makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Company considers that the liability for insurance claims recognized in the balance sheet is adequate as the Company deals in short tail insurance contracts. However, actual experience will differ from the expected outcome.

As the Company enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, results of sensitivity testing assuming 10% change in the claim incidence net of recoveries showing effect on underwriting results and equity is set out below.

	Underwriting results		Shareholders' equity	
	2011	2010	2011	2010
	(Rupees)			
10% increase in loss / decrease				
Fire	**(987,514)**	(1,177,007)	**(641,884)**	(765,055)
Marine	**(693,987)**	(457,651)	**(451,092)**	(297,473)
Motor	**(4,056,488)**	(5,629,652)	**(2,636,717)**	(3,659,273)
Miscellaneous	**(2,312,503)**	(3,400,245)	**(1,503,127)**	(2,210,159)
	(8,050,492)	(10,664,555)	**(5,232,820)**	(6,931,961)
10% decrease in loss / increase				
Fire	**987,514**	1,177,007	**641,884**	765,055
Marine	**693,987**	457,651	**451,092**	297,473
Motor	**4,056,488**	5,629,652	**2,636,717**	3,659,273
Miscellaneous	**2,312,503**	3,400,245	**1,503,127**	2,210,159
	8,050,492	10,664,555	**5,232,820**	6,931,961

Concentration of insurance risk

A concentration of risk may also arise from a single insurance contract issued to a particular type of policyholder, within a geographical location or to types of commercial business. The Company minimizes its exposure to significant losses by obtaining reinsurance from a number of reinsurers, who are dispersed over several geographical regions.

To optimize benefits from the principle of average and law of large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risks with reference to the geographical location, the most important of which is risk survey.

The concentration of risk by type of contracts in aggregate is summarised below by reference to liabilities.

	Gross sum insured		Reinsurance		Net	
	2011	2010	2011	2010	2011	2010
	(Rupees in millions)					
Fire	**184,647**	100,760	**168,276**	86,182	**16,371**	14,577
Marine	**41,760**	31,191	**12,381**	8,966	**29,379**	22,225
Motor	**4,098**	4,331	**10**	5	**4,088**	4,326
Miscellaneous	**32,351**	844,239	**26,738**	730,897	**5,613**	113,342
	262,856	980,521	**207,405**	826,050	**55,451**	154,470

Claims development tables

The following table shows the development of claims over a period of time on gross basis. The disclosure goes back to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claims payments. For each class of business the uncertainty about the amount and timings of claims payment is usually resolved within a year. Further, claims with significant uncertainties are not outstanding as at 31 December 2011.

Analysis on gross basis

Accident year	2009	2010	2011	Total
	(Rupees)			
Estimate of ultimate claims cost:				
At end of accident year	4,974,303	87,318,383	**178,748,252**	-
One year later	5,634,635	96,950,462	**-**	-
Two years later	6,560,196	-	**-**	-
Estimate of cumulative claims	6,560,196	96,950,462	**178,748,252**	282,258,910
Cumulative payments to date	(1,884,720)	(62,144,656)	**(58,271,158)**	(122,300,534)
Liability recognized in the balance sheet	4,675,476	34,805,806	**120,477,094**	159,958,376

31.2 Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by in-house Internal Audit function. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

31.2.1 Credit risk

Credit risk is the risk that arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in various industries and by continually assessing the credit worthiness of counterparties.

31.2.1.1 Exposure to credit risk

Credit risk of the Company arises principally from the investments (except for investment in associates and government securities), premium due but unpaid, amount due from other insurers / reinsurers, reinsurance recoveries. To reduce the credit risk the Company has developed a formal approval process whereby credit limits are applied to its policyholders and other insurers / reinsurers. The management continuously monitors the credit exposure towards the policyholders and other insurers / reinsurers and makes provision against those balances considered doubtful of recovery.

The carrying amount of financial assets represent the maximum credit exposure, as specified below:

	Note	2011	2010
		(Rupees)	
Bank balances	11	**97,297,562**	86,415,251
Investments	12	**460,656,009**	182,741,074
Premiums due but unpaid	14	**98,021,984**	90,538,623
Amounts due from other insurers / reinsurers	15	**73,141,280**	76,954,600
Accrued investment income	16	**465,731**	616,097
Reinsurance recoveries against outstanding claims	17	**103,566,800**	38,934,607
Sundry receivables	20	**11,069,389**	5,559,634
		844,218,755	481,759,886

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating		Rating
	Short term	Long term	Agency
JS Bank Limited	A1	A	PACRA
Habib Metropolitan Bank Limited	A1+	AA+	PACRA
HSBC Bank Middle East Limited	P-1	A1	MOODY'S
NIB Bank Limited	A1+	AA-	PACRA
Citibank, N.A.	P-1	A1	MOODY'S
Allied Bank Limited	A1+	AA	PACRA
Bank Al Habib Limited	A1+	AA+	PACRA
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA
Habib Bank Limited	A1+	AA+	JCR-VIS
National Bank Limited	A1+	AAA	JCR-VIS
United Bank Limited	A1+	AA+	JCR-VIS
Bank Alfalah Limited	A1+	AA	PACRA
Faysal Bank Limited	A1+	AA	PACRA
MCB Bank Limited	A1+	AA+	PACRA

The Company is exposed to credit risk in respect of investments made in term finance certificates and units of mutual funds. The Company invests in term finance certificates of banks having sound credit rating by recognized credit rating agencies whereas investment in quoted securities and open end mutual funds are made which can be liquidate by selling through encashment of units at the counter of mutual funds.

Premium due but unpaid

Premium due but unpaid is mostly recoverable from group companies and are considered good.

Concentration of credit risk

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in similar manner. Sector-wise analysis of premium due but unpaid at the reporting date was:

	31 December 2011		31 December 2010	
	(Rupees)	%	(Rupees)	%
Insurance (re / co-insurance)	-	-	139,721	0.2%
Tobacco	-	-	7,987,692	8.8%
Paper and board	24,129,508	24.6%	26,309,020	29.1%
Textiles	1,262,030	1.3%	3,037,670	3.4%
Food and allied industries	4,298,536	4.4%	4,621,476	5.1%
Chemical and pharmaceuticals	-	-	2,006,233	2.2%
Technology and communication	43,241,816	44.1%	28,132,575	31.1%
Miscellaneous	24,713,861	25.2%	17,814,689	19.7%
Individuals	376,233	0.4%	489,547	0.5%
	98,021,984	100%	90,538,623	100%

Age analysis of premium due but unpaid at the reporting date was:

	2011		2010	
	Gross	Impairment	Gross	Impairment
	(Rupees)			
Upto 1 year	82,738,939	-	84,898,387	-
1-2 years	13,461,188	-	2,704,880	-
2-3 years	1,213,455	-	2,069,763	-
Over 3 years	6,678,282	6,069,880	8,235,718	7,370,125
Total	104,091,864	6,069,880	97,908,748	7,370,125

Amounts due from other insurers / reinsurers and reinsurance recoveries against outstanding claims

The Company enters into re-insurance / co-insurance arrangements with re-insurers / other insurers having sound credit ratings accorded by reputed credit rating agencies. The Company is required to comply with the requirements of circular no. 32 / 2009 dated 27 October 2009 issued by SECP which requires an insurance company to place at least 80% of their outward treaty cessions with reinsurers rated 'A' or above by Standard & Poors with the balance being placed with entities rated at least 'BBB' by reputable ratings agency. An analysis of all reinsurance assets relating to outward treaty cessions recognized by the rating of the entity from which it is due is as follows:

	Amount due from reinsurers	Reinsurance recoveries against outstanding claims	Prepaid reinsurance premium ceded	2011	2010
	(Rupees)				
A or above (including PRCL)	-	92,256,659	54,357,250	**146,613,909**	70,081,372
BBB	-	475,257	-	**475,257**	476,810
Total	-	92,731,916	54,357,250	**147,089,166**	70,558,182

Age analysis of amount due from other insurers / reinsurers at the reporting date was:

	2011		2010	
	Gross	Impairment	Gross	Impairment
	(Rupees)			
Upto 1 year	**55,822,307**	**-**	56,675,576	-
1-2 years	**11,690,855**	**-**	12,761,923	-
2-3 years	**4,102,335**	**-**	6,090,191	-
Over 3 years	**2,341,887**	**816,102**	2,243,012	816,102
Total	**73,957,384**	**816,102**	77,770,702	816,102

Age analysis of reinsurance recoveries against outstanding claims at the reporting date was:

Upto 1 year	**83,222,217**	**-**	35,328,667	-
1-2 years	**18,282,474**	**-**	1,542,255	-
2-3 years	**1,087,264**	**-**	1,548,980	-
Over 3 years	**974,845**	**-**	514,705	-
Total	**103,566,800**	**-**	38,934,607	-

In respect of the aforementioned premium due but unpaid, reinsurance assets and receivables, the Company takes in to account its past history / track record of recoveries and financial position of the counterparties while creating provision for impairment. The management monitors exposure to credit risk in premium receivable from customers through regular review of credit exposure and prudent estimates of provision for doubtful receivables whenever required. As at 31 December 2011, an amount of Rs. 78.280 million is receivable from related parties out of which Rs. 30 million has been received subsequently and remaining is expected to be received in unexpired period of insurance contracts. Further, reinsurance recoveries are made when corresponding liabilities are settled. The credit quality of premium receivable from co-insurer, and for commission and claim recoveries from reinsurer can be assessed from external ratings as disclosed above.

31.2.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected operational requirements. The Company also manages this risk by investing in deposit accounts that can be readily encashed. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	2011		2010	
	Carrying amount	Contractual cash flows upto one year	Carrying amount	Contractual cash flows upto one year
	(Rupees)			
Non-derivative Financial liabilities				
Provision for outstanding claims	159,958,376	(159,958,376)	100,129,274	(100,129,274)
Amount due to other insurers / reinsurers	99,389,021	(99,389,021)	55,179,287	(55,179,287)
Accrued expenses	4,237,194	(4,237,194)	3,671,215	(3,671,215)
Other creditor and accruals	50,874,839	(50,874,839)	44,298,250	(44,298,250)
Unclaimed dividend	776,887	(776,887)	470,974	(470,974)
	315,236,317	(315,236,317)	203,749,000	(203,749,000)

31.2.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, equity and units prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All transactions are carried in Pak Rupees therefore, the Company is not exposed to currency risk. However, the Company is exposed to interest rate risk and equity / units price risk.

31.2.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from balances held in profit and loss sharing accounts with reputable banks. At the balance sheet date the interest rate profile of the Company's interest-bearing financial instrument is:

	2011	2010	2011	2010
	Effective interest rate (in %)		-------------(Rupees)-------------	
Fixed rate instruments				
- Government securities	12% to 15%	12% to 15%	65,485,489	88,107,815
Variable rate instruments				
- PLS savings accounts	5% to 11.5%	5% to 12%	85,748,225	77,629,057

Fair value sensitivity analysis for fixed rate instruments

The Company does not account fixed rate financial assets at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account and equity of the Company.

Cash flow sensitivity analysis for variable rate instruments

The Company is exposed to cash flow interest rate risk in respect of its term finance certificates classified as held to maturity. In case 100 basis points (bp) increase / decrease in interest rates at year end, the net income and equity would have higher / lower by Rs. 0.189 million (31 December 2010: Rs. 0.5 million).

31.2.3.2 Price risk

Price risk is the risk of changes in the fair value of equity and debt securities as the result of changes in the levels of KSE-100 Index and the value of individual shares and changes in unit prices due to changes in interest rates scenario. The price risk exposure arises from the Company's investments in equity securities and units of mutual funds. This arises from investments held by the Company for which prices in the future are uncertain. The Company policy is to manage price risk through diversification and selection of securities and investment in different categories of mutual funds within specified limits set by internal risk management guidelines. A summary analysis of investments is disclosed in note 12 to these financial statements.

The management monitors the fluctuations of prices on regular basis. The Company also has necessary skills for monitoring and managing the equity portfolio in line with fluctuations of the market and also monitor fluctuation in unit prices through a related party as disclosed in note 8.1.

Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Furthermore, amount realized in the sale of a particular security / units may be affected by the relative quantity of the security / units being sold. The Company has no significant concentration of price risk.

Sensitivity analysis

The analysis summarizes Company's price risk as of 31 December 2011 and 2010 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and interest rates scenario where mutual funds invest in debt securities in Company's investment portfolio.

Sensitivity analysis of investments as at the reporting date is as follows:

- For held for trading investments, in case of 10% increase / decrease in prices at the reporting date, the net income and equity would have been higher / lower by Rs. 9.744 million (31 December 2010: Rs. 8.034 million).

- For available for sale investments, in case of 10% decrease in prices at the reporting date, the net income and equity would have been lower by Rs. 14.654 million (31 December 2010: Rs. 20.311 million). However, an increase of 10% in prices at the reporting date such increase is restricted to amount of cost of investment of such securities, i.e., Rs. 6.31 million (31 December 2010: Rs. 13.6 million) as per the policy of the Company.

31.3 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of all financial assets and financial liabilities approximate their fair values, except for certain equity and debt instruments held whose fair values have been disclosed in their respective notes to these financial statements.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. The Company classifies equity shares investments held for trading amounting to Rs. 97.443 million (31 December 2010: Rs. 80.347 million).

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The company has no items to report in this level.

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Company has no items to report in this level.

The company's investments have been classified in above levels as per requirement of IFRS 7 (Financial Instruments: Disclosures). However, such classification may not be relevant in above levels due to company's accounting policy (refer note 4.6).

32. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safe guard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

The Company currently meets the paid up capital requirement as required by Securities and Exchange Commission of Pakistan.

33. SUBSEQUENT EVENT - NON ADJUSTING

The Board of Directors in its meeting held on 29 February 2012 has recommended cash dividend of 10% i.e. Re. 1 per share in respect of the year ended 31 December 2011 [31 December 2010: 10% (Re.1 per share)]. These financial statements for the year ended 31 December 2011 do not include the effect of these appropriation which will be accounted for when approved.

34. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 29 February 2012.

35. GENERAL

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

Iqbal Ali Lakhani	**Tasleemuddin A. Batlay**	**A. Aziz Ebrahim**	**Mohammad Hussain Hirji**
Chairman	Director	Director	Director & Chief Executive

Pattern of Shareholding

as at 31 December 2011

Incorporation No. K-192/8927 1985-86
CUIN Registration No. 0013587

No. of Shareholders	Shareholding From	Shareholding To	Total Shares Held
233	1	100	6,794
253	101	500	85,067
192	501	1000	156,276
394	1001	5000	1,022,831
139	5001	10000	1,012,329
48	10001	15000	594,634
24	15001	20000	426,107
26	20001	25000	595,044
14	25001	30000	400,504
6	30001	35000	189,996
2	35001	40000	76,447
2	40001	45000	87,591
7	45001	50000	335,132
4	50001	55000	209,818
2	65001	70000	131,470
1	70001	75000	73,527
3	75001	80000	236,545
4	80001	85000	330,457
1	85001	90000	90,000
2	90001	95000	182,848
2	95001	100000	199,377
2	115001	120000	232,039
1	125001	130000	126,250
1	155001	160000	159,300
1	160001	165000	161,246
1	165001	170000	166,810
1	190001	195000	193,500
1	225001	230000	226,449
1	350001	355000	355,000
1	380001	385000	382,158
1	450001	455000	451,312
1	465001	470000	465,700
1	595001	600000	600,000
1	720001	725000	721,263
1	4515001	4520000	4,518,385
1	6505001	6510000	6,506,692
1	10770001	10775000	10,774,674
1	13240001	13245000	13,240,794
1,377			45,724,366

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive, their spouse and minor children	38,699	0.08
Associated Companies, undertakings and related parties	35,046,383	76.65
NIT and ICP	NIL	-
Banks, Development Financial Institutions, Non Banking Financial Institutions	601,934	1.32
Insurance Companies	24,550	0.05
Modaraba & Mutual Funds	501,312	1.10
Shareholders holding 10% or more	30,522,160	66.75
General Public	8,380,872	18.33
Others	1,130,616	2.47

NOTE: Some of the shareholders are reflected in more than one category.

Details of Pattern of Shareholding

as per requirement of code of corporate governance
as at 31 December 2011

Categories of Shareholders		No. of Shares held
a) ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES		
1. M/s. Siza (Pvt) Limited		6,506,692
2. M/s. Siza Services (Pvt) Limited		10,774,674
3. M/s. Siza Commodities (Pvt) Limited		4,518,385
4. M/s. Premier Fashions (Pvt) Limited		13,240,794
5. Mrs. Gulbanoo Lakhani		560
6. Mr. Sultan Ali Lakhani		540
7. Mrs. Shaista Sultan Ali Lakhani		360
8. Mr. Babar Ali Lakhani		900
9. Mr. Bilal Ali Lakhani		329
10. Mr. Danish Ali Lakhani		921
11. Miss Sanam Iqbal Lakhani		400
12. Miss Misha Lakhani		660
13. Miss Anushka Zulfiqar Lakhani		566
14. Miss Anika Amin Lakhani		602
b) NIT & ICP		NIL
c) DIRECTORS, CHIEF EXECUTIVE, THEIR SPOUSE AND MINOR CHILDREN		
1. Mr. Iqbal Ali Lakhani	Chairman/Director	1,110
2. Mr. Zulfiqar Ali Lakhani	Director	900
3. Mr. Amin Mohammed Lakhani	Director	1,605
4. Mr. Tasleemuddin Ahmed Batlay	Director	29,632
5. Mr. A. Aziz H. Ebrahim	Director	3,014
6. Mr. Muhammad Abdul Qadir	Director	1,124
7. Mr. Mohammad Hussain Hirji	Director/Chief Executive	500
8. Mrs. Ronak Iqbal Lakhani w/o. Mr. Iqbal Ali Lakhani		360
9. Mrs. Fatima Lakhani w/o. Mr. Zulfiqar Ali Lakhani		180
10. Mrs. Saira Amin Lakhani w/o. Mr. Amin Mohammed Lakhani		274
d) EXECUTIVE		Nil
e) PUBLIC SECTOR COMPANIES AND CORPORATIONS		Nil
f) BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON-BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, MODARABAS AND MUTUAL FUNDS		1,127,796
g) SHAREHOLDERS HOLDING 10% OR MORE (Other than those reported at (a) (1, 2 & 4)		Nil
h) INDIVIDUAL AND OTHER THAN THOSE MENTIONED ABOVE		9,511,488
		45,724,366

Form of Proxy

I/We ____

of ____

a member of CENTURY INSURANCE COMPANY LIMITED hereby

appoint ____

of ____

or failing him ____

of ____

who is/are also member/s of Century Insurance Company Limited to act as my/our proxy and to vote for me/us and on my/our behalf at the Annual General Meeting of the shareholders of the Company to be held on the 25th day of April 2012 or at any adjournment thereof.

Signed this ____________ day of ____________2012.

Folio No.	CDC Participant ID No.	CDC Account/ Sub-Account No.	No. of shares held

Signature over Revenue Stamp

Witness 1

Signature ____________________

Name ____________________

CNIC No. ____________________

Address ____________________

____

Witness 2

Signature ____________________

Name ____________________

CNIC No. ____________________

Address ____________________

____

Notes:

1. The proxy must be a member of the Company.
2. The signature must tally with the specimen signature/s registered with the Company.
3. If a proxy is granted by a member who has deposited his/her shares in Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant's ID number and CDC account/sub-account number alongwith attested photocopies of Computerized National Identity Card (CNIC) or the Passport of the beneficial owner. Representatives of corporate members should bring the usual documents required for such purpose.
4. The instrument of Proxy properly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.

Company Offices

Head Office:
11th 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:
10th Floor, Lakson Square,
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, 1st Floor, Majeed Plaza,
Bank Road, Rawalpindi.
Tel: (051) 5512251-52
Fax: (051) 5110996

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

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

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

Century Insurance

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