



Century Insurance
A LAKSON GROUP COMPANY

SUPPORTING
YOUR GROWTH & SUCCESS



Quarterly Report
For the Nine Months Period Ended 30 September 2012
(Un-audited)



Our Vision

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



Our Mission

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

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Corporate Information

Board Of Directors

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

Human Resource & Remuneration Committee

Mr. Amin Mohammed Lakhani (Chairman)
Mr. Tasleemuddin A. Batlay
Mr. Mohammad Hussain Hirji

External Auditors

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

Bankers

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

Habib Bank Limited
Habib Metropolitan Bank Limited
HSBC Bank Middle East Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank 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

1st Floor, 14-Ali Block, New Garden Town, 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

Directors' Review

On behalf of the Board of Directors, I am pleased to present to you the un-audited financial statements for the nine-month period ended 30 September 2012.

General Review

The underwriting results of all core business segments of the Company were profitable and contributed significantly to the bottom line. As compared to 3QFY11, the gross written premium has increased by Rs. 75 million (17%). Net premium for 3QFY12 also increased by Rs. 41 million (25%) as compared to the same period last year. Net claims for 3QFY12 have increased by Rs. 32 million (54%). Underwriting profit decreased marginally by Rs. 1 million (2%) as compared to the same period last year. Investment and other income have increased by Rs. 55 million resulting in an increase in profit after tax by Rs. 50 million. Earnings per share stood at Rs. 1.96.

Operating Results

The comparative financial highlights for the nine-month period ended 30 September 2012 and 2011 are presented below:-

Rupees in millions (except for EPS)	30 Sep 2012	30 Sep 2011	Increase / (Decrease)	
			Amount	%
Gross written premium	507	432	75	17
Net premium	208	167	41	25
Underwriting profit	64	65	(1)	(2)
Investment & other income	91	36	55	153
Profit before tax	98	52	46	88
Profit after tax	90	40	50	125
Total assets	1,776	1,436	340	24
Paid-up capital	457	457	-	-
Total equity	996	955	41	4
Earnings per share (EPS) Rs.	1.96	0.86	1.10	128

As compared to 3QFY11, the gross premium in Fire business class has increased by Rs. 17.4 million (9%), Marine class has increased by Rs. 11.3 million (16%), Motor class has increased by Rs. 31.2 million (37%) and Miscellaneous class has increased by Rs. 15.5 million (18%). Overall, all business segments have witnessed positive underwriting results during the period under review.

Also, during the period under review, the Company has recorded investment and other income of Rs. 91 million as compared to Rs. 36 million in the previous year. Your Company will continue to place special emphasis on generating a significant portion of its investment income from sustainable sources such as fixed income and dividends.

Future Outlook

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

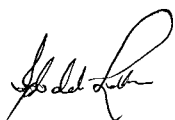
Acknowledgments

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

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

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

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



Iqbal Ali Lakhani
Chairman

Karachi: 22 October 2012

Condensed Interim Balance Sheet


as at 30 September 2012

	Note	Un-audited 30 September 2012	Audited 31 December 2011 Restated (Note 15)
----- (Rupees) -----			
Share capital and reserves			
Authorised share capital [50,000,000 (31 December 2011: 50,000,000) ordinary shares of Rs.10 each]		<u>500,000,000</u>	<u>500,000,000</u>
Paid-up share capital		457,243,660	457,243,660
Retained earnings		166,198,578	122,016,975
Reserves		373,024,260	373,024,260
		996,466,498	952,284,895
Underwriting provisions			
Provision for outstanding claims (including IBNR)		269,762,705	159,958,376
Provision for unearned premium		246,654,951	173,171,252
Commission income unearned		39,412,702	23,082,632
Total underwriting provisions		555,830,358	356,212,260
Creditors and accruals			
Premiums received in advance		994,073	1,959,036
Amount due to other insurers / reinsurers	6	141,850,905	99,389,021
Accrued expenses		4,226,210	4,237,194
Other creditors and accruals	7	75,827,382	58,365,345
		222,898,570	163,950,596
Other liabilities			
Unclaimed dividend		1,008,803	776,887
TOTAL LIABILITIES		<u>779,737,731</u>	<u>520,939,743</u>
TOTAL EQUITY AND LIABILITIES		<u>1,776,204,229</u>	<u>1,473,224,638</u>


	Note	Un-audited 30 September 2012	Audited 31 December 2011 Restated (Note 15)
----- (Rupees) -----			
Cash and bank deposits			
Cash and other equivalents		2,320,804	3,222,072
Current and other accounts		49,467,330	94,297,587
		51,788,134	97,519,659
Investments	8	968,242,783	859,877,973
Deferred taxation		2,842,074	2,205,928
Current assets - others			
Premiums due but unpaid - unsecured		137,566,401	98,021,984
Amount due from other insurers / reinsurers-secured		118,246,733	73,141,280
Reinsurance recoveries due but unpaid		23,282,058	13,560,132
Salvage recoveries accrued		4,823,000	4,620,000
Accrued investment income		3,025,608	2,353,841
Reinsurance recoveries against outstanding claims		198,476,938	103,566,800
Taxation - net		22,093,763	28,738,026
Deferred commission expense		25,472,138	16,415,167
Prepayments		156,818,990	113,311,165
Sundry receivables	9	16,101,994	11,169,389
		705,907,623	464,897,784
Fixed assets - tangible and intangible	10		
Office improvement		6,638,864	7,615,115
Furniture and fixtures		4,935,387	4,400,847
Office equipment		3,924,498	2,588,880
Computer and related accessories		1,126,355	1,166,065
Motor vehicles		30,581,836	32,410,711
Computer software		216,675	541,676
		47,423,615	48,723,294
TOTAL ASSETS		1,776,204,229	1,473,224,638

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


Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Batlay
Director


A. Aziz Ebrahim
Director


Mohammad Hussain Hirji
Director & Chief Executive

Condensed Interim Profit and Loss Account (Un-audited)


For the three and nine months period ended 30 September 2012

Three months period ended 30 September 2012						
	Fire and property	Marine, aviation & transport	Motor	Miscellaneous	30 September 2012 Aggregate	30 September 2011 Aggregate
----- (Rupees) -----						
Revenue account						
Net premium revenue	8,243,203	18,369,332	31,860,957	16,946,759	75,420,251	49,318,723
Net claims	(1,540,971)	(924,049)	(17,885,592)	(6,155,637)	(26,506,249)	(18,644,176)
Management expenses	(5,190,807)	(2,658,855)	(4,168,664)	(6,723,335)	(18,741,661)	(17,229,050)
Net commission	5,160,059	(893,691)	(2,656,569)	(506,637)	1,103,162	4,187,823
Underwriting result	6,671,484	13,892,737	7,150,132	3,561,150	31,275,503	17,633,320
Net investment income					30,849,870	11,003,984
Return on bank accounts					1,550,853	2,536,195
Other income - net					409,585	328,501
General and administration expenses					(19,648,807)	(17,282,963)
Share of profit of associates - net					343,749	444,635
Profit before tax					44,780,753	14,663,672
Taxation - net					(4,289,989)	(2,558,772)
Profit after tax					40,490,764	12,104,900

Nine months period ended 30 September 2012						
	Fire and property	Marine, aviation & transport	Motor	Miscellaneous	30 September 2012 Aggregate	30 September 2011 Aggregate
----- (Rupees) -----						
Revenue account						
Net premium revenue	19,046,667	55,017,092	91,721,711	42,190,572	207,976,042	167,326,867
Net claims	(5,051,658)	(11,111,740)	(53,904,954)	(20,356,175)	(90,424,527)	(58,586,124)
Management expenses	(23,445,667)	(9,494,457)	(13,228,126)	(11,495,177)	(57,663,427)	(52,252,687)
Net commission	14,397,035	(2,518,618)	(7,375,996)	(541,733)	3,960,688	8,884,106
Underwriting result	4,946,377	31,892,277	17,212,635	9,797,487	63,848,776	65,372,162
Net investment income					79,932,462	24,139,810
Return on bank accounts					5,574,368	6,943,386
Other income - net					1,442,601	844,244
General and administration expenses					(57,046,914)	(49,210,510)
Share of profit of associates - net (Impairment) / reversal in value of investment in associates					4,515,508	880,348
					(251,524)	3,299,280
Profit before tax					98,015,277	52,268,720
Taxation - current					(8,873,880)	(11,879,796)
- deferred					636,146	(860,308)
					(8,237,734)	(12,740,104)
Profit after tax					89,777,543	39,528,616
Profit and loss appropriation account						
Balance at commencement of the year					110,777,591	131,365,194
Profit after tax for the period					89,777,543	39,528,616
Final cash dividend of Re.1 (2010: Re.1) per share					(45,724,366)	(45,724,366)
Balance of unappropriated profit at end of the period					154,830,768	125,169,444
Basic earnings per share of Rs.10 each (Note - 12)					1.96	0.86

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


Iqbal Ali Lakhani
 Chairman


Tasleemuddin A. Batlay
 Director


A. Aziz Ebrahim
 Director


Mohammad Hussain Hirji
 Director & Chief Executive

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three and nine months period ended 30 September 2012

	Three months period ended		Nine months period ended	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011
	----- (Rupees) -----			
Profit after tax	40,490,764	12,104,900	89,777,543	39,528,616
Other comprehensive income				
Share of associate's reserve	116,897	(970)	128,426	-
Total comprehensive income for the period	<u>40,607,661</u>	<u>12,103,930</u>	<u>89,905,969</u>	<u>39,528,616</u>

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


Iqbal Ali Lakhani
 Chairman


Tasleemuddin A. Batlay
 Director


A. Aziz Ebrahim
 Director


Mohammad Hussain Hirji
 Director & Chief Executive


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

For the nine months period ended 30 September 2012

	Reserves						Total
	Share capital	Capital reserves		Revenue reserves		Total reserves (excluding retained earnings)	
		Issued, subscribed and paid-up	Share premium	General reserve	Retained earnings		
	(Rupees)						
Balance as at 01 January 2011	457,243,660	254,024,260	119,000,000	131,365,194	-	373,024,260	961,633,114
Changes in equity for the nine months period ended 30 September 2011							
Profit after tax for the nine months period	-	-	-	39,528,616	-	-	39,528,616
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the nine months period ended 30 September 2011	-	-	-	39,528,616	-	-	39,528,616
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)
Balance as at 30 September 2011	457,243,660	254,024,260	119,000,000	125,169,444	-	373,024,260	955,437,364
Changes in equity for the three months period ended 31 December 2011							
Profit after tax for the three months period (restated - see note 15)	-	-	-	(3,179,680)	-	-	(3,179,680)
Other comprehensive income	-	-	-	-	27,211	-	27,211
Total comprehensive income for the three months period ended 31 December 2011	-	-	-	(3,179,680)	27,211	-	(3,152,469)
Balance as at 01 January 2012 as restated	457,243,660	254,024,260	119,000,000	121,989,764	27,211	373,024,260	952,284,895
Changes in equity for the nine months period ended 30 September 2012							
Profit after tax for the nine months period	-	-	-	89,777,543	-	-	89,777,543
Other comprehensive income	-	-	-	-	128,426	-	128,426
Total comprehensive income for the nine months period ended 30 September 2012	-	-	-	89,777,543	128,426	-	89,905,969
Transactions with owners recorded directly in equity - distributions							
Final cash dividend of Re.1 (10%) for the year ended 31 December 2011	-	-	-	(45,724,366)	-	-	(45,724,366)
Balance as at 30 September 2012	457,243,660	254,024,260	119,000,000	166,042,941	155,637	373,024,260	996,466,498

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


Iqbal Ali Lakhani
 Chairman


Tasleemuddin A. Batlay
 Director


A. Aziz Ebrahim
 Director


Mohammad Hussain Hirji
 Director & Chief Executive

Condensed Interim Statement of Cash Flows (Un-audited)

For the nine months period ended 30 September 2012

	30 September 2012	30 September 2011
Operating cash flows		
	------(Rupees)-----	
(a) Underwriting activities		
Premiums received	431,274,114	361,092,191
Reinsurance premiums paid	(209,192,075)	(204,523,853)
Claims paid	(152,181,133)	(82,633,355)
Reinsurance and other recoveries received	65,704,517	27,740,322
Commissions paid	(48,022,155)	(39,299,259)
Commissions received	49,102,206	59,825,429
Net cash inflow from underwriting activities	<u>136,685,474</u>	<u>122,201,475</u>
(b) Other operating activities		
Income tax paid	(2,229,617)	(21,574,507)
General management expenses paid	(107,090,019)	(94,369,325)
Other operating receipts	1,452,217	6,383,703
Net cash (outflow) from other operating activities	<u>(107,867,419)</u>	<u>(109,560,129)</u>
Total cash inflow from all operating activities	<u>28,818,055</u>	<u>12,641,346</u>
Investment activities		
Profit / return received	12,544,931	16,584,288
Dividends received	6,250,842	12,077,215
Payments for investments	(476,718,128)	(170,525,467)
Proceeds from disposal of investments	434,431,189	166,272,470
Fixed capital expenditure	(7,201,464)	(10,384,866)
Proceeds from disposal of fixed assets	1,635,500	89,693
Total cash (outflow) / inflow from investing activities	<u>(29,057,130)</u>	<u>14,113,333</u>
Financing activities - dividends paid	<u>(45,492,450)</u>	<u>(45,401,857)</u>
Net cash outflow from all activities	<u>(45,731,525)</u>	<u>(18,647,178)</u>
Cash at beginning of the period	97,519,659	87,059,857
Cash at end of the period	<u>51,788,134</u>	<u>68,412,679</u>

Condensed Interim Statement of Cash Flows (Un-audited)

For the nine months period ended 30 September 2012

	30 September 2012	30 September 2011
	------(Rupees)-----	
Reconciliation to profit and loss account		
Operating cash flows	28,818,055	12,641,346
Depreciation / amortisation expense	(7,217,207)	(6,104,086)
Profit / (loss) on disposal of fixed assets	351,564	(14,930)
Profit on disposal of investments	65,360,244	16,769,379
Dividend income	6,775,842	13,544,656
Investment and other income	21,366,867	7,185,839
Increase in assets other than cash	232,888,250	106,726,860
(Increase) in liabilities other than running finance	(258,566,072)	(111,220,448)
Profit after taxation	<u>89,777,543</u>	<u>39,528,616</u>

Definition of cash

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

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

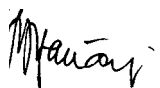
Cash and bank deposits

Cash and other equivalents		
- Cash	103,335	69,650
- Policy stamps and bond papers in hand	647,469	584,760
- Cheques in hand	<u>1,570,000</u>	<u>4,999,975</u>
	<u>2,320,804</u>	<u>5,654,385</u>
Current and other accounts		
- Current accounts	5,010,948	3,032,704
- Savings accounts	<u>44,456,382</u>	<u>59,725,590</u>
	<u>49,467,330</u>	<u>62,758,294</u>
Cash and bank deposits as per balance sheet	<u>51,788,134</u>	<u>68,412,679</u>

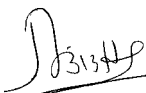
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Iqbal Ali Lakhani
Chairman



Tasleemuddin A. Batlay
Director



A. Aziz Ebrahim
Director



Mohammad Hussain Hirji
Director & Chief Executive

Condensed Interim Statement of Premiums (Un-audited)

For the three and nine months period ended 30 September 2012

Business underwritten inside Pakistan

Class	Three months period ended 30 September 2012									
	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		30 September 2012	30 September 2011
(Rupees)										
1. Fire and property damage	54,905,579	125,812,974	120,362,872	60,355,681	49,215,939	118,633,352	115,736,813	52,112,478	8,243,203	8,118,042
2. Marine, aviation and transport	26,852,865	7,810,797	6,750,205	27,913,457	10,389,040	3,880,465	4,725,380	9,544,125	18,369,332	11,978,227
3. Motor	41,263,247	57,956,585	64,835,270	34,384,562	2,565,110	3,292,397	3,333,902	2,523,605	31,860,957	23,564,858
4. Miscellaneous	61,577,555	22,670,578	54,706,604	29,541,529	22,928,248	19,828,756	30,162,234	12,594,770	16,946,759	5,657,596
Grand total	184,599,246	214,250,934	246,654,951	152,195,229	85,098,337	145,634,970	153,958,329	76,774,978	75,420,251	49,318,723

Class	Nine months period ended 30 September 2012									
	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		30 September 2012	30 September 2011
(Rupees)										
1. Fire and property damage	206,323,597	87,816,542	120,362,872	173,777,267	183,611,056	86,856,357	115,736,813	154,730,600	19,046,667	24,823,496
2. Marine, aviation and transport	83,551,918	6,681,456	6,750,205	83,483,169	28,705,221	4,486,236	4,725,380	28,486,077	55,017,092	41,971,335
3. Motor	116,408,484	45,190,498	64,835,270	96,763,712	6,244,534	2,131,369	3,333,902	5,042,001	91,721,711	72,771,423
4. Miscellaneous	101,158,402	33,482,756	54,706,604	79,934,554	50,003,485	17,902,731	30,162,234	37,743,982	42,190,572	27,760,613
Grand total	507,442,401	173,171,252	246,654,951	433,958,702	268,564,296	111,376,693	153,958,329	225,982,660	207,976,042	167,326,867

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


Iqbal Ali Lakhani
 Chairman


Tasleemuddin A. Batlay
 Director


A. Aziz Ebrahim
 Director


Mohammad Hussain Hirji
 Director & Chief Executive

Condensed Interim Statement of Claims (Un-audited)

For the three and nine months period ended 30 September 2012

Business underwritten inside Pakistan

Class	Claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		30 September 2012	30 September 2011
		------(Rupees)-----								
Direct and facultative										
1. Fire and property damage	12,378,664	217,309,799	166,241,867	(38,689,269)	11,880,722	213,276,157	161,165,196	(40,230,239)	1,540,971	1,632,887
2. Marine, aviation and transport	1,143,606	9,671,246	9,843,754	1,316,114	425,644	4,551,849	4,518,270	392,065	924,049	1,850,074
3. Motor	16,876,833	43,952,321	49,359,442	22,283,954	2,808,562	4,240,995	5,830,795	4,398,362	17,885,592	8,179,258
4. Miscellaneous	7,970,571	38,580,209	44,317,642	13,708,004	4,643,384	24,053,694	26,962,677	7,552,367	6,155,637	6,981,957
Grand total	38,369,674	309,513,575	269,762,705	(1,381,196)	19,758,312	246,122,695	198,476,938	(27,887,445)	26,506,249	18,644,176


Class	Claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		30 September 2012	30 September 2011
		------(Rupees)-----								
Direct and facultative										
1. Fire and property damage	51,625,201	78,346,065	166,241,867	139,521,003	44,904,532	71,600,383	161,165,196	134,469,345	5,051,658	5,968,518
2. Marine, aviation and transport	21,435,537	9,279,392	9,843,754	21,999,899	10,900,659	4,530,770	4,518,270	10,888,159	11,111,740	4,840,614
3. Motor	53,077,984	32,612,283	49,359,442	69,825,143	12,096,289	2,006,895	5,830,795	15,920,189	53,904,954	32,630,719
4. Miscellaneous	26,042,411	39,720,636	44,317,642	30,639,417	8,749,317	25,428,752	26,962,677	10,283,242	20,356,175	15,146,273
Grand total	152,181,133	159,958,376	269,762,705	261,985,462	76,650,797	103,566,800	198,476,938	171,560,935	90,424,527	58,586,124

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


Iqbal Ali Lakhani
 Chairman


Tasleemuddin A. Batlay
 Director


A. Aziz Ebrahim
 Director


Mohammad Hussain Hirji
 Director & Chief Executive

Condensed Interim Statement of Expenses (Un-audited)

For the three and nine months period ended 30 September 2012

Business underwritten inside Pakistan

Class	Three months period ended 30 September 2012								
	Commission paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expenses	Commission from reinsurers*	Net underwriting expense	
		Opening	Closing					30 September 2012	30 September 2011
	a	b	c	d=a+b-c	e	f=d+e	g	h=f-g	
(Rupees)									
1. Fire and property damage	6,177,210	17,868,511	16,573,648	7,472,073	5,190,807	12,662,880	12,632,132	30,748	834,720
2. Marine, aviation and transport	3,906,616	1,138,036	1,008,114	4,036,538	2,658,855	6,695,393	3,142,847	3,552,546	2,418,091
3. Motor	2,395,804	4,920,553	4,658,668	2,657,689	4,168,664	6,826,353	1,120	6,825,233	5,310,298
4. Miscellaneous	3,231,226	2,725,453	3,231,708	2,724,971	6,723,335	9,448,306	2,218,334	7,229,972	4,478,118
Grand total	15,710,856	26,652,553	25,472,138	16,891,271	18,741,661	35,632,932	17,994,433	17,638,499	13,041,227


Direct and facultative

Class	Nine months period ended 30 September 2012								
	Commission paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expenses	Commission from reinsurers*	Net underwriting expense	
		Opening	Closing					30 September 2012	30 September 2011
	a	b	c	d=a+b-c	e	f=d+e	g	h=f-g	
(Rupees)									
1. Fire and property damage	28,960,358	9,649,357	16,573,648	22,036,067	23,445,667	45,481,734	36,433,102	9,048,632	9,239,778
2. Marine, aviation and transport	12,028,587	1,009,633	1,008,114	12,030,106	9,494,457	21,524,563	9,511,488	12,013,075	9,419,125
3. Motor	8,629,453	3,410,955	4,658,668	7,381,740	13,228,126	20,609,866	5,744	20,604,122	14,659,616
4. Miscellaneous	8,098,165	2,345,222	3,231,708	7,211,679	11,495,177	18,706,856	6,669,946	12,036,910	10,050,062
Grand total	57,716,563	16,415,167	25,472,138	48,659,592	57,663,427	106,323,019	52,620,280	53,702,739	43,368,581

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

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


Iqbal Ali Lakhani
 Chairman


Tasleemuddin A. Batlay
 Director


A. Aziz Ebrahim
 Director


Mohammad Hussain Hirji
 Director & Chief Executive


Condensed Interim Statement of Investment Income (Un-audited)

For the three and nine months period ended 30 September 2012


	Three months period ended		Nine months period ended	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011
	----- (Rupees) -----			
Income from trading investments				
Gain on sale of trading investments - net	6,425,408	280,715	26,271,816	767,551
Dividend income	1,224,345	1,382,863	3,869,471	4,765,653
Unrealised gain on re-measurement of securities to fair value	4,837,998	1,370,985	6,484,719	4,146,167
	<u>12,487,751</u>	<u>3,034,563</u>	<u>36,626,006</u>	<u>9,679,371</u>
Income from non-trading investments				
Held to maturity				
Return on Government Securities	2,303,824	2,754,605	6,818,139	8,663,297
Return on other fixed income securities and deposits - Term finance certificates	385,874	465,130	1,211,622	1,439,705
Available-for-sale				
Dividend income	110,905	2,146,107	2,906,371	8,779,003
	<u>2,800,603</u>	<u>5,365,842</u>	<u>10,936,132</u>	<u>18,882,005</u>
Gain on sale of non-trading investments - net	16,261,009	10,132,583	39,088,428	16,001,828
Provision for impairment in value of available-for-sale securities - net	-	(6,930,986)	(4,428,566)	(19,030,588)
Investments related expenses	(699,493)	(598,018)	(2,289,538)	(1,392,806)
Net investments income	<u>30,849,870</u>	<u>11,003,984</u>	<u>79,932,462</u>	<u>24,139,810</u>

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


Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Batlay
Director


A. Aziz Ebrahim
Director


Mohammad Hussain Hirji
Director & Chief Executive

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

For the nine months period ended 30 September 2012

1. STATUS AND NATURE OF BUSINESS

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

2. STATEMENT OF COMPLIANCE

These interim condensed financial statements of the Company for the nine months period ended 30 September 2012 are unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures made in these interim condensed financial statements have, however, been limited based on a format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003 and International Accounting Standard 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these interim condensed financial statements should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2011.

Further, during the period, following new / revised standards became effective:

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRS 7 - Financial Instruments: Disclosures - (Amendment)	01 July 2011
IAS 12 - Income Taxes (Amendment) - Recovery of underlying Assets	01 January 2012

The adoption of above standards did not have any material impact on the Company's financial statements.

3. BASIS OF MEASUREMENT

These interim condensed financial statements have been prepared under historical cost convention.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these interim condensed financial statements, the estimates / judgments and associated assumptions made by management in applying the Company's accounting policies and reported amounts of assets, liabilities, income and expenses are the same as those applied in the annual financial statements as at and for the year ended 31 December 2011.

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

For the nine months period ended 30 September 2012

5. SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT

The accounting policies and the methods of computation adopted in the preparation of these interim condensed financial statements are the same as those applied in the preparation of the annual financial statements for the year ended 31 December 2011. The financial and insurance risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended 31 December 2011.

Un-audited 30 September 2012	Audited 31 December 2011
-----	-----
(Rupees)	

6. AMOUNT DUE TO OTHER INSURERS / REINSURERS

Foreign reinsurers	30,457,212	38,208,933
Local reinsurers	96,893,868	53,907,327
Co-insurers	14,499,825	7,272,761
	<u>141,850,905</u>	<u>99,389,021</u>

7. OTHER CREDITORS AND ACCRUALS

Creditors	1,287,451	1,208,156
Federal excise duty	4,081,813	3,793,954
Federal insurance fees	565,824	252,511
Retention money	51,277	426,907
Commission payable	54,941,392	42,228,143
Workers' welfare fund	5,030,460	3,444,041
Margin deposits	4,652,209	2,877,280
Payable to gratuity fund	1,117,218	-
Payable against purchase of shares	480,392	413,290
Payable against construction of new branch	-	1,171,273
Withholding tax payable	188,585	67,102
Deposits from employees against car scheme	3,382,761	2,460,364
Others	48,000	22,324
	<u>75,827,382</u>	<u>58,365,345</u>

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

For the nine months period ended 30 September 2012

	Note	Un-audited 30 September 2012	Audited 31 December 2011
----- (Rupees) -----			
8. INVESTMENTS			
In related parties			
Investments in associates - equity accounting *	8.1	19,614,532	15,222,122
Available-for-sale - quoted *		548,686,980	446,927,363
		568,301,512	462,149,485
Others			
Investment at fair value through profit and loss - held-for-trading			
Quoted shares		109,437,963	97,443,375
Held to maturity			
Government securities *		67,289,053	65,485,489
Term finance certificates - quoted *		12,189,490	13,156,009
		79,478,543	78,641,498
Available-for-sale - quoted *			
Less: Provision for impairment (net of reversals)	8.2	268,596,797	337,672,324
		(57,572,032)	(116,028,709)
		211,024,765	221,643,615
		968,242,783	859,877,973

* The market value of investments as at 30 September 2012 was Rs. 957.42 million (31 December 2011: Rs. 822.2 million).

8.1 The result of associates have been recorded based on latest available financial statements for the year ended 30 June 2012.

	Un-audited 30 September 2012	Audited 31 December 2011
----- (Rupees) -----		
8.2 Provision for impairment - net of reversal		
Opening provision	116,028,709	150,394,868
Realised on disposal	(62,885,243)	(73,488,380)
Charge during the period	4,428,566	39,122,221
Closing provision	57,572,032	116,028,709

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

For the nine months period ended 30 September 2012

	Un-audited 30 September 2012	Audited 31 December 2011
	----- (Rupees) -----	
9. SUNDRY RECEIVABLES		
Profit on bank deposits - saving accounts	697,363	497,459
Security deposits	1,136,325	815,831
Advance to employees	1,999,607	1,644,079
Advance against expenses	274,320	100,000
Receivable against sale of shares	2,513,550	7,861,275
Advance for purchase of right shares	9,309,510	-
Others	171,319	250,745
	<u>16,101,994</u>	<u>11,169,389</u>

10. FIXED ASSETS - tangible and intangible

Opening written down value	48,723,294	44,591,007
Add: Additions during the period / year - at cost		
- Office improvement	515,400	1,768,104
- Furniture and fixtures	1,286,870	1,409,560
- Office equipment	2,001,161	1,104,356
- Computer equipment and related accessories	552,033	433,100
- Motor vehicles	2,846,000	10,130,300
	7,201,464	14,845,420
Less: Written down value of deletion	1,283,936	1,922,714
Depreciation / amortisation for the period / year	7,217,207	8,790,419
	<u>8,501,143</u>	<u>10,713,133</u>
Closing written down value	<u>47,423,615</u>	<u>48,723,294</u>

11. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, companies under common control, companies with common directors, major shareholders, employees' retirement benefit plans, directors and key management personnel. All transactions involving related parties arising in the normal course of business are conducted at agreed terms and conditions. Transactions with the key management personnel are made under their terms

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

For the nine months period ended 30 September 2012

of employment / entitlements. Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes and actuarial advice. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

	----- (Un-audited) -----			
	Three months period ended		Nine months period ended	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011
	----- (Rupees) -----			
Premium written	54,342,156	25,243,952	227,409,539	192,509,686
Commission expense	3,902,495	3,496,907	27,889,510	24,499,594
Claims paid	1,448,722	2,795,645	15,522,950	6,748,899
Bonus shares received (face value)	-	1,743	-	1,743
Dividend received	-	162,692	-	162,692
Expenses	2,946,192	3,076,948	9,351,143	9,028,720
Contribution to / provision for staff benefit plans	650,766	1,222,459	3,514,210	3,691,548
Remuneration to key management personnel	13,337,398	10,138,613	38,499,753	29,637,076

12. EARNINGS PER SHARE - BASIC AND DILUTED	----- (Un-audited) -----	
	30 September 2012	30 September 2011
	----- (Rupees) -----	
Profit after tax for the period	89,777,543	39,528,616
	----- (Number) -----	
Weighted average number of ordinary shares	45,724,366	45,724,366
	----- (Rupees) -----	
Earnings per share - basic and diluted	1.96	0.86

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

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

For the nine months period ended 30 September 2012

13. OPERATING SEGMENTS

Class of business wise revenue and results have been disclosed in the condensed interim statement of premiums and condensed interim profit and loss account respectively, prepared in accordance with the requirements of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following table presents information regarding segment assets and liabilities as at 30 September 2012 and 31 December 2011:

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	Un-audited 30 Sep 2012	Audited 31 Dec 2011 Restated (Note 15)
	----- (Rupees in 000's) -----									
Segment assets	293,476	168,106	10,252	10,027	13,823	7,549	60,357	45,677	377,907	231,359
Unallocated corporate assets									1,398,297	1,241,866
Consolidated corporate assets									1,776,204	1,473,225
Segment liabilities	317,694	183,962	18,252	17,466	114,201	77,804	105,683	76,980	555,830	356,212
Unallocated corporate liabilities									223,907	164,727
Consolidated corporate liabilities									779,738	520,940

14. DATE OF AUTHORISATION FOR ISSUE

These interim condensed financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 22 October 2012.

15. COMPARATIVE FIGURES - PRIOR PERIOD ADJUSTMENT

In prior year, the Company recorded bonus units received in respect of its investment in mutual funds (classified as "available-for-sale") without adjusting the average cost of units held in the investment portfolio. This resulted in understatement of cost of investment and capital gains as reported in last financial year.

The above error has been adjusted during the year in accordance with the requirement of International Accounting Standards - 8 (IAS-8) 'Accounting Policies, Changes in accounting estimates and errors' and consequently, comparative figures in the balance sheet have

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

For the nine months period ended 30 September 2012

been restated. There is no impact on the comparative figures of the profit and loss account as the error occurred during the later three month of the year 2011. The financial impact of the restatement on these financial statements is as follows:

	As originally reported	Prior year adjustment	Restated
	----- (Rupees) -----		
Balances as at 31 December 2011			
Investments	848,638,589	11,239,384	859,877,973
Retained earnings	110,777,591	11,239,384	122,016,975


In addition to the above, certain figures have been re-arranged and re-classified wherever necessary, for the purpose of comparison. Major re-classification is as follows:

Statement	Components	Re-classification from	Re-classification to	Rupees
Profit and loss account	Return on bank accounts	Other income	Return on bank accounts	6,943,386


16. GENERAL

Figures in these interim condensed financial statements have been rounded off to the nearest rupee, unless otherwise stated.


Iqbal Ali Lakhani
 Chairman


Tasleemuddin A. Batlay
 Director


A. Aziz Ebrahim
 Director


Mohammad Hussain Hirji
 Director & Chief Executive

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:

1st Floor, 14-Ali Block,
New Garden Town, Lahore.
Tel: (042) 35911026-27
35911126-27
Fax: (042) 35911176

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

111-111-717
www.cici.com.pk