

Quarterly Report March 2013 (Un-audited)

excellence



Century Insurance
A Lakson Group Company

Vision

To be an organization known for integrity and ethical behavior and fully dedicated to our Clients, Business Partners, Shareholders and Employees, providing exceptional quality service and committed to achieving excellence in all areas of our operations.

Our motto: "Customer satisfaction is management's top priority"



Excellence

Going far beyond the call of duty, doing more than others expect... This is what excellence is all about. Excellence comes from striving, maintaining the highest standards, looking after the smallest detail and going the extra mile. Excellence means doing your very best in everything, in every way...every day.

Excellence Is What We Practice....

Mission

- To become a company of choice for our valued Clients, Stockholders and Employees.
- To maximize growth and profitability of the Company and provide excellent financial returns to its valued Shareholders.
- The Company culture to be known for Integrity and Ethical behavior.
- 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 by JCR - VIS which signifies High Financial Capacity to meet Policyholders and Contract obligations.
- Total equity in excess of Rs. 1 billion.
- Twice awarded 'Top 25 Companies Award' by the Karachi Stock Exchange.
- Very strong reinsurance treaty arrangements with very highly rated reinsurers.
- Client base consists of prestigious local and foreign corporates.

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Corporate Information

Board of Directors

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

Advisor

Mr. Sultan Ali Lakhani

Chief Financial Officer

Mr. Sabza Ali Pirani

Company Secretary

Mr. Mansoor Ahmed

Audit Committee

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

Underwriting Committee

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

Claim Settlement Committee

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

Reinsurance & Co-Insurance Committee

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

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

Shares Registrar

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

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

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

NTN: 0710008-6

Directors' Review

On behalf of the Board of Directors, I am pleased to present to you the un-audited financial statements for the first quarter ended 31 March 2013.

General Review

The underwriting results of all core business segments of the Company were profitable and contributed significantly to the bottom line. JCR-VIS credit rating agency has upgraded the Insurer Financial Strength (IFS) rating of your company to "A+" with a 'stable outlook'. This rating reflects the sound capitalization and liquidity indicators of the Company which give it a high capacity to meet claims and other obligations.

As compared to 1QFY12, the net premium for 1QFY13 has increased by Rs. 3 million (5%) as compared to the same period last year even though the gross written premium has decreased by Rs. 11 million (8%). Underwriting profit was down by Rs. 18 million (55%) as compared to the same period last year. Income from investment was also lower by Rs. 30 million resulting in a decrease in profit after tax of Rs. 45 million for the period under review. Earnings per share stood at Re. 0.40. The decrease in investment income is mainly due to a decline in realization of capital gains.

Operating Results

The comparative financial highlights for the first quarter ended 31 March 2013 and 2012 are presented below:-

Rupees in millions (except for EPS)	31 March 2013	31 March 2012	Increase / (Decrease)	
			Amount	%
Gross written premium	119	130	(11)	(8)
Net premium	68	65	3	5
Underwriting profit	15	33	(18)	(55)
Investment income	24	54	(30)	(56)
Profit before tax	20	71	(51)	(72)
Profit after tax	19	64	(45)	(70)
Total assets	1,551	1,457	94	6
Paid-up capital	457	457	-	-
Total equity	1,042	1,005	37	4
Earnings per share (EPS) Rs.	0.40	1.39	(0.99)	(71)

As compared to 1QFY12, the gross premium in Motor business class has increased by Rs. 4 million (10%). However, the gross premium in Fire, Marine and Miscellaneous business classes has decreased by Rs. 5 million (13%), Rs. 2 million (6%) and

Rs. 8 million (42%) respectively. However, all business segments have witnessed positive underwriting results during the period under review.

Also, during the period under review, the Company has recorded income from investment of Rs. 24 million as compared to Rs. 54 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 underwriting results are expected to improve in the subsequent quarters. Further, the management 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.

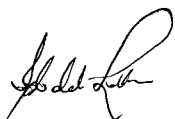
Acknowledgments

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: 25 April 2013

Condensed Interim Balance Sheet

As at 31 March 2013

	Note	Un-audited 31 March 2013	Audited 31 December 2012
----- (Rupees) -----			
Share capital and reserves			
Authorized share capital [50,000,000 (31 December 2012: 50,000,000) ordinary shares of Rs. 10 each]		500,000,000	500,000,000
Paid-up share capital		457,243,660	457,243,660
Retained earnings		212,132,222	193,291,941
Reserves		373,024,260	373,024,260
		1,042,400,142	1,023,559,861
Underwriting provisions			
Provision for outstanding claims (including IBNR)		125,691,471	145,787,410
Provision for unearned premium		154,699,318	181,537,399
Commission income unearned		20,153,297	28,404,710
Total underwriting provisions		300,544,086	355,729,519
Creditors and accruals			
Premiums received in advance		1,040,379	414,553
Amounts due to other insurers / reinsurers	6	119,862,339	153,280,123
Accrued expenses		5,810,968	4,760,992
Other creditors and accruals	7	80,111,566	73,388,100
		206,825,252	231,843,768
Other liabilities			
Unclaimed dividend		976,351	976,351
TOTAL LIABILITIES		508,345,689	588,549,638
TOTAL EQUITY AND LIABILITIES		1,550,745,831	1,612,109,499
CONTINGENCIES	8		


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

	Note	Un-audited 31 March 2013	Audited 31 December 2012
----- (Rupees) -----			
Cash and bank deposits			
Cash and other equivalents		159,308	334,188
Current and other accounts		62,828,097	90,176,594
		62,987,405	90,510,782
Investments	9	1,050,722,999	998,097,022
Deferred taxation		1,798,231	2,636,469
Current assets - others			
Premiums due but unpaid		77,230,240	87,101,787
Amounts due from other insurers / reinsurers		82,500,589	96,327,619
Reinsurance recoveries due but unpaid		35,935,809	35,989,672
Salvage recoveries accrued		3,770,000	3,770,000
Accrued investment income		4,112,387	2,265,134
Reinsurance recoveries against outstanding claims		61,244,165	87,134,182
Taxation - net		18,541,645	18,360,038
Deferred commission expense		16,850,514	18,912,357
Prepayments		86,473,271	119,079,483
Sundry receivables	10	6,012,624	7,968,204
		392,671,244	476,908,476
Fixed assets	11		
Tangible and intangible			
Office improvement		5,891,836	5,521,569
Furniture and fixtures		4,436,214	4,614,141
Office equipment		3,548,025	3,774,896
Computer and related accessories		960,972	1,054,227
Motor vehicles		27,728,890	27,780,774
Capital work in progress		-	1,102,800
Computer software		15	108,343
		42,565,952	43,956,750
TOTAL ASSETS		1,550,745,831	1,612,109,499


Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Batlay
Director


A. Aziz H. Ebrahim
Director



Mohammad Hussain Hirji
Director & Chief Executive

Condensed Interim Profit and Loss Account (Un-audited)

For the three months period ended 31 March 2013

	Fire and Property	Marine, aviation & transport	Motor	Miscellaneous	31 March 2013 Aggregate	31 March 2012 Aggregate
----- (Rupees) -----						
Revenue account						
Net premium revenue	6,236,683	17,545,287	32,240,321	11,880,641	67,902,932	65,399,901
Net claims	(4,897,180)	(4,225,013)	(19,560,337)	(6,689,425)	(35,371,955)	(15,547,105)
Management expenses	(6,020,809)	(4,904,567)	(7,666,009)	(1,826,505)	(20,417,890)	(19,649,940)
Net commission	5,561,260	(748,188)	(2,719,291)	498,539	2,592,320	2,661,328
Underwriting result	879,954	7,667,519	2,294,684	3,863,250	14,705,407	32,864,184
Net investment income					23,584,491	54,165,554
Return on bank accounts					1,348,993	2,217,934
Other income - net					5,803	607,543
General and administration expenses					(20,260,476)	(19,077,352)
Share of profit of associates - net					266,476	-
Profit before tax					19,650,694	70,777,863
Taxation - net					(1,134,863)	(7,129,179)
Profit after tax					18,515,831	63,648,684
Profit and loss appropriation account						
Balance at commencement of the year					193,291,941	122,016,975
Profit after tax for the period					18,515,831	63,648,684
Other comprehensive income - share in associates' reserves					324,450	-
Balance of unappropriated profit at end of the period					212,132,222	185,665,659
Basic earnings per share of Rs. 10 each (Note - 13)					0.40	1.39

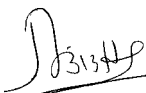
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Iqbal Ali Lakhani
Chairman



Tasleemuddin A. Batlay
Director



A. Aziz H. Ebrahim
Director



Mohammad Hussain Hirji
Director & Chief Executive

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three months period ended 31 March 2013


	31 March 2013	31 March 2012
	----- (Rupees) -----	
Profit after tax	18,515,831	63,648,684
Other comprehensive income		
Share in associates' reserves	324,450	-
Total comprehensive income for the period	18,840,281	63,648,684

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 H. Ebrahim
 Director


Mohammad Hussain Hirji
 Director & Chief Executive

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

For the three months period ended 31 March 2013

	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 01 January 2012	457,243,660	254,024,260	119,000,000	122,016,975	495,041,235	952,284,895
Changes in equity for the three months period ended 31 March 2012						
Profit after tax	-	-	-	63,648,684	63,648,684	63,648,684
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	63,648,684	63,648,684	63,648,684
Balance as at 31 March 2012	457,243,660	254,024,260	119,000,000	185,665,659	558,689,919	1,015,933,579
Balance as at 01 January 2013	457,243,660	254,024,260	119,000,000	193,291,941	566,316,201	1,023,559,861
Changes in equity for the three months period ended 31 March 2013						
Profit after tax	-	-	-	18,515,831	18,515,831	18,515,831
Other comprehensive income	-	-	-	324,450	324,450	324,450
Total comprehensive income	-	-	-	18,840,281	18,840,281	18,840,281
Balance as at 31 March 2013	457,243,660	254,024,260	119,000,000	212,132,222	585,156,482	1,042,400,142

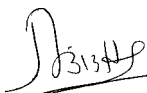
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Iqbal Ali Lakhani
Chairman



Tasleemuddin A. Batlay
Director



A. Aziz H. Ebrahim
Director



Mohammad Hussain Hirji
Director & Chief Executive

Condensed Interim Statement of Cash Flows (Un-audited)

For the three months period ended 31 March 2013

	31 March 2013	31 March 2012
Operating cash flows		
	------(Rupees)-----	
(a) Underwriting activities		
Premiums received	130,246,487	155,609,512
Reinsurance premiums paid	(65,927,266)	(60,824,037)
Claims paid	(47,388,257)	(66,723,496)
Reinsurance and other recoveries received	19,608,795	23,603,552
Commissions paid	(12,126,124)	(16,701,652)
Commissions received	10,110,405	13,784,123
Net cash inflow from underwriting activities	34,524,040	48,748,002
(b) Other operating activities		
Income tax paid	(478,232)	(662,355)
General management expenses paid	(40,894,164)	(36,072,709)
Other operating receipts	4,866,598	1,830,516
Net cash outflow from other operating activities	(36,505,798)	(34,904,548)
Total cash (outflow) / inflow from all operating activities	(1,981,758)	13,843,454
Investment activities		
Profit / return received	2,862,374	5,140,560
Dividends received	1,124,000	1,542,342
Payments for investments	(227,429,489)	(174,187,504)
Proceeds from disposal of investments	198,439,161	140,290,938
Fixed capital expenditure	(542,665)	(1,811,663)
Proceeds from disposal of fixed assets	5,000	957,000
Total cash outflow from investing activities	(25,541,619)	(28,068,327)
Net cash outflow from all activities	(27,523,377)	(14,224,873)
Cash at beginning of the period	90,510,782	97,519,659
Cash at end of the period	62,987,405	83,294,786

Condensed Interim Statement of Cash Flows (Un-audited)

For the three months period ended 31 March 2013

	31 March 2013	31 March 2012
------(Rupees)-----		
Reconciliation to profit and loss account		
Operating cash flows	(1,981,758)	13,843,454
Depreciation / amortisation expense	(1,933,461)	(2,348,180)
Profit on disposal of fixed assets	4,999	253,305
Profit on disposal of investments	20,872,195	41,933,058
Dividend income	2,966,250	4,007,842
Investment and other income	4,882,403	11,763,100
Decrease in assets other than cash	(86,922,723)	(74,841,589)
Decrease in liabilities other than running finance	80,627,926	69,037,694
Profit after taxation	<u>18,515,831</u>	<u>63,648,684</u>

Definition of cash

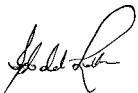
Cash comprises of cash in hand, policy stamps, bond papers, cheques in hand, bank balances and other deposits which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

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

Cash and bank deposits

Cash and other equivalents		
- Cash	107,071	80,882
- Policy stamps and bond papers in hand	52,237	544,802
	<u>159,308</u>	<u>625,684</u>
Current and other accounts		
- Current accounts	2,706,332	6,256,462
- Savings accounts	60,121,765	76,412,640
	<u>62,828,097</u>	<u>82,669,102</u>
Cash & bank deposits as per balance sheet	<u>62,987,405</u>	<u>83,294,786</u>

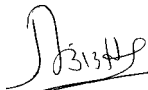
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Iqbal Ali Lakhani
Chairman



Tasleemuddin A. Batlay
Director



A. Aziz H. Ebrahim
Director



Mohammad Hussain Hirji
Director & Chief Executive

Condensed Interim Statement of Premiums (Un-audited)

For the three months period ended 31 March 2013

Business underwritten inside Pakistan

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		31 March 2013	31 March 2012

(Rupees)

Direct and facultative


1. Fire and property damage	35,180,705	88,273,669	63,785,493	59,668,881	29,510,159	83,171,044	59,249,005	53,432,198	6,236,683	5,060,498
2. Marine, aviation and transport	28,658,293	6,597,533	8,140,042	27,115,784	8,670,234	5,011,725	4,111,462	9,570,497	17,545,287	17,855,255
3. Motor	44,793,911	49,434,211	58,319,584	35,908,538	1,950,619	7,224,734	5,507,136	3,668,217	32,240,321	29,984,370
4. Miscellaneous	10,672,610	37,231,986	24,454,199	23,450,397	5,243,658	21,407,008	15,080,910	11,569,756	11,880,641	12,499,778
Grand total	119,305,519	181,537,399	154,699,318	146,143,600	45,374,670	116,814,511	83,948,513	78,240,668	67,902,932	65,399,901

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 H. Ebrahim
 Director


Mohammad Hussain Hirji
 Director & Chief Executive

Condensed Interim Statement of Claims (Un-audited)

For the three months period ended 31 March 2013

Business underwritten inside Pakistan

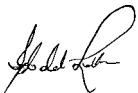
Class	Claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		31 March 2013	31 March 2012

(Rupees)

Direct and facultative

1. Fire and property damage	10,281,401	45,014,470	23,233,827	(11,499,242)	9,016,302	42,253,808	16,841,084	(16,396,422)	4,897,180	430,693
2. Marine, aviation and transport	1,959,595	12,455,831	15,558,807	5,062,571	168,636	6,992,014	7,660,936	837,558	4,225,013	4,221,156
3. Motor	24,423,795	46,431,774	44,115,366	22,107,387	6,323,050	7,257,195	3,481,195	2,547,050	19,560,337	7,425,058
4. Miscellaneous	10,723,466	41,885,335	42,783,471	11,621,602	2,302,392	30,631,165	33,260,950	4,932,177	6,689,425	3,470,198
Grand total	<u>47,388,257</u>	<u>145,787,410</u>	<u>125,691,471</u>	<u>27,292,318</u>	<u>17,810,380</u>	<u>87,134,182</u>	<u>61,244,165</u>	<u>(8,079,637)</u>	<u>35,371,955</u>	<u>15,547,105</u>

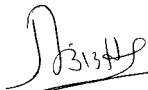
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Iqbal Ali Lakhani
Chairman



Tasleemuddin A. Batlay
Director



A. Aziz H. Ebrahim
Director



Mohammad Hussain Hirji
Director & Chief Executive

Condensed Interim Statement of Expenses (Un-audited)

For the three months period ended 31 March 2013

Business underwritten inside Pakistan

Class	Commission paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expenses	Commission from reinsurers*	Net underwriting expense	
		Opening	Closing					31 March 2013	31 March 2012
	a	b	c	d=a+b-c	e	f=d+e	g	h=f-g	
(Rupees)									

Direct and facultative

1. Fire and property damage	5,465,427	11,833,261	8,692,404	8,606,284	6,020,809	14,627,093	14,167,544	459,549	1,110,408
2. Marine, aviation and transport	4,151,837	985,021	1,220,383	3,916,475	4,904,567	8,821,042	3,168,287	5,652,755	5,104,907
3. Motor	3,963,845	3,647,511	4,880,322	2,731,034	7,666,009	10,397,043	11,743	10,385,300	8,499,102
4. Miscellaneous	1,464,439	2,446,564	2,057,405	1,853,598	1,826,505	3,680,103	2,352,137	1,327,966	2,274,196
Grand total	15,045,548	18,912,357	16,850,514	17,107,391	20,417,890	37,525,281	19,699,711	17,825,570	16,988,612


* 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 H. Ebrahim
Director



Mohammad Hussain Hirji
Director & Chief Executive

Condensed Interim Statement of Investment Income (Un-audited)

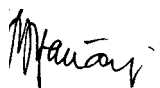
For the three months period ended 31 March 2013

	31 March 2013	31 March 2012
----- (Rupees) -----		
Income from trading investments		
Gain on sale of trading investments - net	1,852,649	10,162,526
Dividend income	2,966,250	2,419,669
Unrealised gain on re-measurement of securities to fair value	745,245	9,900,942
	5,564,144	22,483,137
Income from non-trading investments		
Held to maturity		
Return on government securities	2,296,796	2,238,116
Return on other fixed income securities and deposits - Term finance certificates	219,090	447,635
Available for sale		
Dividend income	-	1,588,173
	2,515,886	4,273,924
Gain on sale of non-trading investments - net	19,019,546	31,770,532
Provision for impairment in value of available for sale securities-net	-	(3,649,070)
Investments related expenses	(3,515,085)	(712,969)
Net investments income	23,584,491	54,165,554

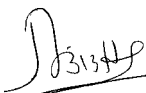
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Iqbal Ali Lakhani
Chairman



Tasleemuddin A. Batlay
Director



A. Aziz H. Ebrahim
Director



Mohammad Hussain Hirji
Director & Chief Executive

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

For the three months period ended 31 March 2013

1. STATUS AND NATURE OF BUSINESS

Century Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on October 10, 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 three months period ended March 31, 2013 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 2012.

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 December 31, 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 December 31, 2012. 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 December 31, 2012.

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

For the three months period ended 31 March 2013

	Note	Un-audited 31 March 2013	Audited 31 December 2012
----- (Rupees) -----			
6. AMOUNTS DUE TO OTHER INSURERS / REINSURERS			
Foreign reinsurers		29,775,850	50,033,421
Local reinsurers		84,992,092	86,105,022
Co-insurers		5,094,397	17,141,680
		119,862,339	153,280,123
7. OTHER CREDITORS AND ACCRUALS			
Creditors		2,264,278	1,336,077
Federal excise duty		4,574,407	3,222,596
Federal insurance fees		363,436	226,111
Retention money		51,277	142,469
Commission payable		56,508,837	54,261,220
Workers' welfare fund		6,098,617	6,098,617
Margin deposits		5,163,329	4,652,209
Payable to gratuity fund		315,850	-
Payable against purchase of shares		243,306	319,152
Payable against construction of new branch		-	269,040
Withholding tax payable		203,120	221,286
Deposits from employees against car scheme		2,834,002	2,639,057
Others		1,491,107	266
		80,111,566	73,388,100
8. CONTINGENCIES			
There are no contingencies as at 31 March 2013.			
9. INVESTMENTS			
In related parties			
Investments in associates - equity accounting *	9.1	26,186,492	25,595,566
Available-for-sale - quoted *		611,951,423	579,643,888
		638,137,915	605,239,454
Others			
Investment at fair value through profit and loss - held-for-trading			
Quoted shares		90,840,716	95,760,162
Held to maturity			
Government securities *		68,600,293	67,950,621
Term finance certificates - quoted *		4,570,808	10,807,814
		73,171,101	78,758,435
Available-for-sale - quoted *		301,715,853	271,481,557
Less: Provision for impairment (net of reversals)	9.2	(53,142,586)	(53,142,586)
		248,573,267	218,338,971
		1,050,722,999	998,097,022

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

For the three months period ended 31 March 2013

* The market value of investments as at 31 March 2013 was Rs.1,080.53 million (31 December 2012: Rs.1,020.65 million).

9.1 The result of associates have been recorded based on latest available financial statements for the year ended 31 December 2012.

	Un-audited 31 March 2013	Audited 31 December 2012
	----- (Rupees) -----	
9.2 Provision for impairment - net of reversal		
Opening provision	53,142,586	116,028,709
Realized on disposal	-	(62,886,123)
Closing provision	<u>53,142,586</u>	<u>53,142,586</u>
10. SUNDRY RECEIVABLES		
Profit on bank deposits - savings accounts	478,392	486,856
Security deposits	1,836,325	1,836,325
Advance to employees	1,016,962	1,284,293
Advance against expenses	208,425	85,000
Receivables from supplier	-	1,982,000
Receivable against sale of shares	1,324,462	2,177,919
Others	1,148,058	115,811
	<u>6,012,624</u>	<u>7,968,204</u>
11. FIXED ASSETS - tangible and intangible		
Opening written down value	43,956,750	48,723,294
Add: Additions during the period / year - at cost		
- Office improvement	609,739	515,400
- Furniture and fixtures	-	1,552,170
- Office equipment	5,500	2,124,233
- Computer equipment and related accessories	82,900	665,883
- Motor vehicles	947,325	2,923,400
	<u>1,645,464</u>	<u>7,781,086</u>
Less: Written down value of deletion	1	3,968,306
Depreciation / amortisation for the period / year	1,933,461	9,682,124
	<u>1,933,462</u>	<u>13,650,430</u>
Add: Capital work in progress	(1,102,800)	1,102,800
Closing written down value	<u>42,565,952</u>	<u>43,956,750</u>

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

For the three months period ended 31 March 2013

12. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, companies under common control, companies with common directors, major shareholders, employees' 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 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 ----- 31 March 2013	31 March 2012
	----- (Rupees) -----	
Premium written	37,324,229	45,705,537
Commission expense	4,555,229	5,862,884
Claims paid	6,512,039	6,815,931
Expenses	5,797,550	3,059,423
Contribution to / provision for staff benefit plans	1,053,554	1,176,235
Remuneration to key management personnel	12,778,430	13,432,849

13. EARNINGS PER SHARE - BASIC AND DILUTED

	----- Un-audited ----- 31 March 2013	31 March 2012
	----- (Rupees) -----	
Profit after tax for the period	18,515,831	63,648,684
	----- (Number) -----	
Weighted average number of ordinary shares	45,724,366	45,724,366
	----- (Rupees) -----	
Earnings per share - basic and diluted	0.40	1.39

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

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

For the three months period ended 31 March 2013

14. OPERATING SEGMENTS

Class of business wise revenue and results have been disclosed in the condensed interim statement of premiums and condensed interim profit and loss account respectively, prepared in accordance with the requirements of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following table presents information regarding segment assets and liabilities as at 31 March 2013 and 31 December 2012:

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	Un-audited 31 March 2013	Audited 31 Dec 2012
	(Rupees in 000's)									
Segment assets	84,782	137,258	12,993	12,989	13,869	18,129	50,399	54,485	162,043	222,861
Unallocated corporate assets									1,388,703	1,389,248
Consolidated corporate assets									1,550,746	1,612,109
Segment liabilities	102,123	154,922	24,985	20,802	102,456	95,898	70,981	84,108	300,544	355,730
Unallocated corporate liabilities									207,802	232,820
Consolidated corporate liabilities									508,346	588,550

15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 25 April 2013.


16. GENERAL

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


Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Batlay
Director


A. Aziz H. Ebrahim
Director


Mohammad Hussain Hirji
Director & Chief Executive



Century Insurance

UAN: 111-111-717
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