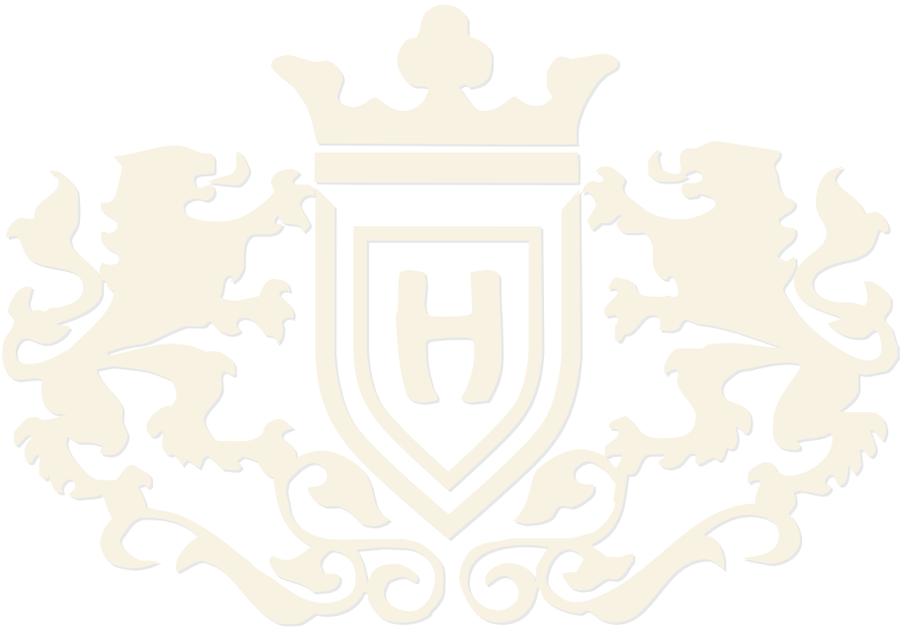




Century Insurance
A Lakson Group Company

Your Trust, Our Assurance

Quarterly Report March 2014 (Un-audited)



Century Insurance at a Glance

- Century Insurance is a Lakson Group Company.
- Operating since 1989, dealing in all areas of general insurance business.
- One of the premier general insurance companies of Pakistan.
- Rated “A+” with a stable outlook by JCR - VIS, signifying a ‘high capacity to meet policyholders’ and contractual obligations’.
- Total equity in excess of Rs. 1.1 billion.
- Twice awarded ‘Top 25 Companies Award’ by the Karachi Stock Exchange.
- Very strong reinsurance treaty arrangements with highly rated international reinsurers.
- Broad client base consisting of individuals as well as some of the most prestigious local and multinational companies.

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Our 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"

Our 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.

Corporate Information

Board of Directors

Mr. Iqbal Ali Lakhani (Chairman)
Mr. Zulfiqar Ali Lakhani
Mr. Amin Mohammed Lakhani
Mr. Tasleemuddin Ahmed Batlay
Mr. A. Aziz H. Ebrahim
Mr. Mohammad Hussain Hirji (Chief Executive)
Mr. Mansoor Ahmed

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 Ahmed Batlay

Underwriting Committee

Mr. Tasleemuddin Ahmed 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 Ahmed 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.
8-F, Next to Hotel Faran, Nursery,
Block-6, P.E.C.H.S., Shahra-e-Faisal,
Karachi.

Tel: (021) 34380101-2

Fax: (021) 34380106

Email: info.shares@famco.com.pk

Website: www.famco.com.pk

Bankers

Allied Bank Limited
Bank Al-Habib Limited
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.

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 2014.

General Review

All core business segments of the Company were profitable during the period under review and contributed significantly to the bottom line. Gross premium is up by Rs. 40 million (34%) and net premium is also up by Rs. 26 million (38%). Investment & other income has increased by Rs. 3 million (12%) resulting in an enhanced Profit after tax of Rs. 7 million and an Earnings per share of Rs. 0.58.

Operating Results

The comparative financial highlights for the first quarter ended 31 March 2014 and 2013 are presented below:-

Rupees in millions (except for EPS)	31 March 2014	31 March 2013	Increase / (Decrease)	
			Amount	%
Gross written premium	159	119	40	34
Net premium	94	68	26	38
Underwriting profit	22	15	7	47
Investment & other income	28	25	3	12
Profit before tax	27	20	7	35
Profit after tax	26	19	7	37
Total assets	1,742	1,551	191	12
Paid-up capital	457	457	-	-
Total equity	1,138	1,042	96	9
Earnings per share (EPS) Rs.	0.58	0.40	0.18	45

As compared to 1QFY13, the gross premium from Fire, Marine, Motor, Health and Miscellaneous business classes has increased by Rs. 9 million (26%), Rs. 6 million (20%), Rs. 10 million (22%), Rs. 7 million (700%) and Rs. 8 million (82%) respectively.

Also, during the period under review, the Company has recorded investment and other income of Rs. 28 million as compared to Rs. 25 million in 1QFY13. 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 various 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 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 wish to place on record their appreciation of the devotion, loyalty and hard work of the management and members of the staff that have contributed towards the growth of the Company and success of its operations.



Iqbal Ali Lakhani
Chairman

Karachi: 24 April 2014

Condensed Interim Balance Sheet

As at 31 March 2014

	(Un-audited) 31 March 2014	(Audited) 31 December 2013
Note	----- (Rupees) -----	
Share capital and reserves		
Authorised share capital [50,000,000 (31 December 2013: 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	307,799,277	281,338,081
Reserves	373,024,260	373,024,260
	1,138,067,197	1,111,606,001
Underwriting provisions		
Provision for outstanding claims (including IBNR)	150,418,028	137,310,372
Provision for unearned premium	199,830,285	221,969,685
Commission income unearned	24,162,397	30,577,853
Total underwriting provisions	374,410,710	389,857,910
Creditors and accruals		
Premiums received in advance	1,424,711	556,745
Amount due to other insurers / reinsurers	127,253,724	135,283,314
Accrued expenses	4,366,574	4,949,864
Other creditors and accruals	94,732,411	95,303,875
	227,777,420	236,093,798
Other liabilities		
Unclaimed dividend	1,362,082	1,371,364
TOTAL LIABILITIES	603,550,212	627,323,072
TOTAL EQUITY AND LIABILITIES	1,741,617,409	1,738,929,073
CONTINGENCIES AND COMMITMENTS	8	

		(Un-audited) 31 March 2014	(Audited) 31 December 2013
	Note	-----	----- (Rupees)
Cash and bank deposits			
Cash and other equivalents		925,772	770,881
Current and other accounts		50,179,770	104,506,846
		51,105,542	105,277,727
Investments	9	1,204,769,587	1,112,661,320
Deferred taxation		3,373,107	3,519,347
Current assets - others			
Premiums due but unpaid		88,686,280	119,497,864
Amount due from other insurers / reinsurers		86,900,470	81,790,907
Reinsurance recoveries due but unpaid		32,612,349	26,000,087
Salvage recoveries accrued		3,755,000	3,580,000
Accrued investment income		838,357	2,500,343
Reinsurance recoveries against outstanding claims		70,736,549	63,273,974
Taxation - net		17,602,541	16,975,981
Deferred commission expense		20,520,719	21,299,627
Prepayments		104,997,544	126,287,945
Sundry receivables	10	6,458,949	9,168,596
		433,108,758	470,375,324
Fixed assets			
Tangible and intangible			
Office improvement	11	4,560,112	4,789,286
Furniture and fixtures		3,899,622	4,078,998
Office equipment		3,608,688	3,871,049
Computer and related accessories		1,122,862	1,053,902
Motor vehicles		31,518,265	31,446,199
Capital work-in-progress		4,550,850	1,855,905
Computer software		16	16
		49,260,415	47,095,355
TOTAL ASSETS		1,741,617,409	1,738,929,073

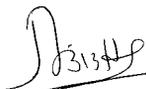
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Iqbal Ali Lakhani
Chairman



Tasleemuddin Ahmed 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 2014

	Fire and property	Marine aviation and transport	Motor	Health	Miscellaneous	31 March 2014 Aggregate	31 March 2013 Aggregate
----- (Rupees) -----							
Revenue account							
Net premium revenue	3,959,650	22,990,943	39,068,284	20,862,688	7,461,994	94,343,559	67,902,932
Net claims	(2,721,298)	(4,408,160)	(24,869,309)	(17,362,599)	(2,461,449)	(51,822,815)	(35,371,955)
Management expenses	(6,211,535)	(4,806,368)	(7,659,090)	(1,132,955)	(2,457,515)	(22,267,463)	(20,417,890)
Net commission	6,791,255	(1,470,153)	(3,072,962)	(387,493)	217,425	2,078,072	2,592,320
Underwriting result	1,818,072	12,306,262	3,466,923	1,979,641	2,760,455	22,331,353	14,705,407
Net investment income						26,116,565	23,584,491
Return on bank accounts						1,049,572	1,348,993
Other income - net						288,755	5,803
General and administration expenses						(24,001,269)	(20,260,476)
Share of profit of associates - net						734,993	266,476
Profit before tax						26,519,969	19,650,694
Taxation - net						(146,240)	(1,134,863)
Profit after tax						26,373,729	18,515,831
Profit and loss appropriation account							
Balance at commencement of the year						281,338,081	192,682,416
Profit after tax for the period						26,373,729	18,515,831
Other comprehensive income - share in associates' reserves						87,467	324,450
Balance of unappropriated profit at end of the period						307,799,277	211,522,697
Earnings per share of Rs.10 each - basic and diluted						0.58	0.40

(note 13)

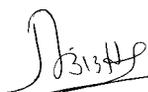
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Iqbal Ali Lakhani
Chairman



Tasleemuddin Ahmed 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 2014

	31 March 2014	31 March 2013
	----- (Rupees) -----	
Profit after tax for the period	26,373,729	18,515,831
Other comprehensive income		
- Share in associates' reserve	87,467	324,450
Total comprehensive income for the period	26,461,196	18,840,281

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



Iqbal Ali Lakhani
Chairman



Tasleemuddin Ahmed 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 2014

	Share capital	Reserves			Total	
	Issued, subscribed and paid-up	Capital reserves	Revenue reserves			
		Share premium	General reserve	Retained earnings		Total reserves
(Rupees)						
Balance as at 01 January 2013	457,243,660	254,024,260	119,000,000	192,682,416	565,706,676	1,022,950,336

Changes in equity for the three months
period ended 31 March 2013

Profit after tax for the period	-	-	-	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	211,522,697	584,546,957	1,041,790,617

Balance as at 01 January 2014

	457,243,660	254,024,260	119,000,000	281,338,081	654,362,341	1,111,606,001
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Changes in equity for the three months
period ended 31 March 2014

Profit after tax for the period	-	-	-	26,373,729	26,373,729	26,373,729
Other comprehensive income	-	-	-	87,467	87,467	87,467
Total comprehensive income	-	-	-	26,461,196	26,461,196	26,461,196
Balance as at 31 March 2014	457,243,660	254,024,260	119,000,000	307,799,277	680,823,537	1,138,067,197

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


Iqbal Ali Lakhani
Chairman


Tasleemuddin Ahmed 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 2014

	31 March 2014	31 March 2013
------(Rupees)-----		
Operating cash flows		
(a) Underwriting activities		
Premiums received	165,347,929	130,246,487
Reinsurance premiums paid	(55,321,608)	(65,927,266)
Claims paid	(73,502,669)	(47,388,257)
Reinsurance and other recoveries received	17,018,440	19,608,795
Commissions paid	(9,256,135)	(12,126,124)
Commissions received	13,538,659	10,110,405
Net cash inflow from underwriting activities	57,824,616	34,524,040
(b) Other operating activities		
Income tax paid	(626,560)	(478,232)
General management expenses paid	(53,930,379)	(40,894,164)
Other operating receipts	388,721	4,866,598
Net cash outflow from other operating activities	(54,168,218)	(36,505,798)
Total cash inflow / (outflow) from all operating activities	3,656,398	(1,981,758)
Investment activities		
Profit / return received	4,171,476	2,862,374
Dividends received	125,000	1,124,000
Payments for investments	(336,138,877)	(227,429,489)
Proceeds from disposal of investments	278,034,757	198,439,161
Fixed capital expenditure	(5,910,805)	(542,665)
Proceeds from disposal of fixed assets	1,899,148	5,000
Total cash outflow from investing activities	(57,819,301)	(25,541,619)
Financing activities - dividends paid	(9,282)	-
Net cash outflow from all activities	(54,172,185)	(27,523,377)
Cash at beginning of the period	104,577,727	89,810,782
Cash at end of the period	50,405,542	62,287,405

Condensed Interim Statement of Cash Flows (Un-Audited)

For the three months period ended 31 March 2014

	31 March 2014	31 March 2013
Reconciliation to profit and loss account	------(Rupees)-----	
Operating cash flows	3,656,398	(1,981,758)
Depreciation / amortisation expense	(2,112,651)	(1,933,461)
Profit on disposal of fixed assets	266,054	4,999
Profit on disposal of investments	30,300,344	20,872,195
Dividend income	-	2,966,250
Investment and other income	3,342,065	4,882,403
Decrease in assets other than cash	(32,842,059)	(86,922,723)
Decrease in liabilities other than running finance	23,763,578	80,627,926
Profit after taxation	<u>26,373,729</u>	<u>18,515,831</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	180,220	107,071
- Policy stamps and bond papers in hand	745,552	52,237
	<u>925,772</u>	<u>159,308</u>

Current and other accounts

- Current accounts *	1,728,159	2,006,332
- Savings accounts	47,751,611	60,121,765
	<u>49,479,770</u>	<u>62,128,097</u>
	<u>50,405,542</u>	<u>62,287,405</u>

* This does not include local currency account with a lien amounting to Rs. 0.7 million (31 March 2013: Rs. 0.7 million), with a commercial bank for letters of credit arranged through the bank for securing claims arising outside Pakistan.

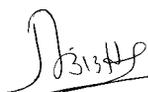
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Iqbal Ali Lakhani
Chairman



Tasleemuddin Ahmed 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 2014

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 2014	31 March 2013
(Rupees)										
Direct and facultative										
1. Fire and property damage	44,445,387	96,158,457	73,814,068	66,789,776	40,783,559	93,973,352	71,926,785	62,830,126	3,959,650	6,236,683
2. Marine, aviation and transport	34,390,998	8,609,854	9,582,217	33,418,635	9,194,945	5,266,928	4,034,181	10,427,692	22,990,943	17,545,287
3. Motor	54,803,079	58,066,030	70,919,474	41,949,635	2,608,225	5,554,913	5,281,787	2,881,351	39,068,284	32,240,321
4. Health	8,106,631	36,917,060	24,161,003	20,862,688	-	-	-	-	20,862,688	4,304,593
5. Miscellaneous	17,584,252	22,218,284	21,353,523	18,449,013	10,968,418	18,970,044	18,951,443	10,987,019	7,461,994	7,576,048
Grand total	159,330,347	221,969,685	199,830,285	181,469,747	63,555,147	123,765,237	100,194,196	87,126,188	94,343,559	67,902,932

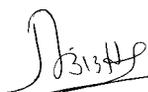
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Iqbal Ali Lakhani
Chairman



Tasleemuddin Ahmed 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 2014

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 2014	31 March 2013
(Rupees)										
Direct and facultative										
1. Fire and property damage	12,735,164	23,326,872	27,491,109	16,899,401	7,747,745	16,184,346	22,614,704	14,178,103	2,721,298	4,897,180
2. Marine, aviation and transport	7,762,112	15,435,113	14,753,815	7,080,814	2,338,173	6,644,177	6,978,658	2,672,654	4,408,160	4,225,013
3. Motor	28,743,588	42,246,940	48,060,078	34,556,726	9,596,417	4,348,450	4,439,450	9,687,417	24,869,309	19,560,337
4. Health	13,866,290	13,381,999	16,878,295	17,362,586	-	3,514,530	3,514,517	(13)	17,362,599	4,713,928
5. Miscellaneous	10,395,515	42,919,448	43,234,731	10,710,798	7,642,600	32,582,471	33,189,220	8,249,349	2,461,449	1,975,497
Grand total	73,502,669	137,310,372	150,418,028	86,610,325	27,324,935	63,273,974	70,736,549	34,787,510	51,822,815	35,371,955

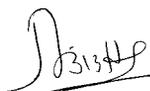
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Iqbal Ali Lakhani
Chairman



Tasleemuddin Ahmed 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 2014

Business underwritten inside Pakistan

Class	Commission paid or payable a	Deferred commission		Net commission expenses d=a+b-c	Other management expenses e	Underwriting expenses f=d+e	Commission from reinsurers* g	Net underwriting expense	
		Opening b	Closing c					31 March 2014 h=f-g	31 March 2013
(Rupees)									
Direct and facultative									
1. Fire and property damage	7,471,762	12,886,461	10,625,704	9,732,519	6,211,535	15,944,054	16,523,774	(579,720)	459,549
2. Marine, aviation and transport	5,000,466	1,277,394	1,429,541	4,848,319	4,806,368	9,654,687	3,378,166	6,276,521	5,652,755
3. Motor	4,824,292	4,028,682	5,764,296	3,088,678	7,659,090	10,747,768	15,716	10,732,052	10,385,300
4. Health	523,639	533,663	669,809	387,493	1,132,955	1,520,448	-	1,520,448	(245,962)
5. Miscellaneous	1,569,586	2,573,427	2,031,369	2,111,644	2,457,515	4,569,159	2,329,069	2,240,090	1,573,928
Grand total	19,389,745	21,299,627	20,520,719	20,168,653	22,267,463	42,436,116	22,246,725	20,189,391	17,825,570

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

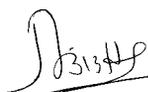
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Iqbal Ali Lakhani
Chairman



Tasleemuddin Ahmed 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 2014

	31 March 2014	31 March 2013
	----- (Rupees) -----	
Income from trading investments		
Gain on sale of trading investments - net	12,208,310	1,852,649
Dividend income	-	2,966,250
Unrealised gain on re-measurement of securities to fair value – net	-	745,245
	12,208,310	5,564,144
Income from non-trading investments		
Held to maturity		
Return on government securities	1,534,799	2,296,796
Return on other fixed income securities and deposits – term finance certificates	-	219,090
	1,534,799	2,515,886
Gain on sale of non-trading investments - net	18,092,034	19,019,546
Investments related expenses	(5,718,578)	(3,515,085)
Net investments income	26,116,565	23,584,491

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


Iqbal Ali Lakhani
Chairman


Tasleemuddin Ahmed 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 2014

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 condensed interim financial statements of the Company for the three months period ended 31 March 2014 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 condensed interim 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 condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2013.

3. BASIS OF MEASUREMENT

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

4. ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these condensed interim 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 2013.

5. SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended 31 December 2013. 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 2013.

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

For the three months period ended 31 March 2014

	(Un-audited) 31 March 2014	(Audited) 31 December 2013
	----- (Rupees)-----	
6. AMOUNT DUE TO OTHER INSURERS / REINSURERS		
Foreign reinsurers	14,645,413	18,911,946
Local reinsurers	105,602,613	94,269,407
Co-insurers	7,005,698	22,101,961
	<u>127,253,724</u>	<u>135,283,314</u>
7. OTHER CREDITORS AND ACCRUALS		
Creditors	1,517,028	1,852,169
Federal excise duty	4,602,727	5,287,161
Federal insurance fees	374,012	386,218
Retention money	241,319	106,572
Commission payable	69,675,263	67,676,593
Workers' welfare fund	9,175,155	9,175,156
Margin deposits	2,835,308	2,405,708
Payable to gratuity fund	588,876	4,061,306
Withholding tax payable	174,030	145,674
Deposits from employees against car scheme	3,901,252	4,198,510
Others	1,647,441	8,808
	<u>94,732,411</u>	<u>95,303,875</u>
8. CONTINGENCIES		
There are no contingencies as at 31 March 2014.		
COMMITMENTS		
Capital work in progress		
Office renovation	-	2,580,445
Software development	750,000	750,000
	<u>750,000</u>	<u>3,330,445</u>

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

For the three months period ended 31 March 2014

		(Un-audited) 31 March 2014	(Audited) 31 December 2013
	Note	----- (Rupees)-----	
9. INVESTMENTS			
In related parties			
Investments in associates - equity accounting *	9.1	44,076,686	43,254,226
Available-for-sale - quoted*		763,929,163	598,596,198
		808,005,849	641,850,424
Others			
Investment at fair value through profit and loss - held-for-trading			
Quoted shares		-	124,102,509
Held to maturity			
Government securities *		47,976,173	47,920,825
Available-for-sale - quoted*		391,847,030	341,847,027
Less: Provision for impairment (net of reversals)	9.2	(43,059,465)	(43,059,465)
		348,787,565	298,787,562
		<u>1,204,769,587</u>	<u>1,112,661,320</u>

* The market value of investments as at 31 March 2014 was Rs.1,818.16 million (31 December 2013: Rs.1,314.39 million).

9.1 The result of associates have been recorded based on latest available financial information for the year ended 31 December 2013.

		(Un-audited) 31 March 2014	(Audited) 31 December 2013
		----- (Rupees)-----	
9.2 Provision for impairment - net of reversal			
Opening provision		43,059,465	53,142,586
Realised on disposal		-	(10,083,121)
Closing provision		<u>43,059,465</u>	<u>43,059,465</u>

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

For the three months period ended 31 March 2014

	(Un-audited) 31 March 2014	(Audited) 31 December 2013
	------(Rupees)-----	
10. SUNDRY RECEIVABLES		
Profit on bank deposits - saving accounts	389,024	464,492
Security deposits	3,687,889	3,686,889
Advance to employees	2,059,588	2,013,371
Advance against expenses	204,078	102,978
Advance against right shares	-	2,826,000
Others	118,370	74,866
	6,458,949	9,168,596
11. FIXED ASSETS - Tangible and intangible		
Opening written down value	47,095,355	43,956,750
Add: Additions during the period / year - at cost		
- Office improvement	-	697,905
- Furniture and fixtures	-	192,289
- Office equipment	192,577	1,121,134
- Computer and related accessories	227,683	727,650
- Motor vehicles	2,795,600	9,022,725
	3,215,860	11,761,703
Less: Written down value of deletion	1,633,094	1,597,719
Depreciation/amortisation for the period / year	2,112,651	7,778,484
	3,745,745	9,376,203
Less: Capital work-in-progress-Opening	1,855,905	1,102,800
Add: Capital work-in-progress-Closing	4,550,850	1,855,905
	49,260,415	47,095,355
12. TRANSACTIONS WITH RELATED PARTIES		
<p>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</p>		

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

For the three months period ended 31 March 2014

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 information, are as follows:

	------(Un-audited)-----	
	31 March 2014	31 March 2013
	------(Rupees)-----	
Premiums written	47,469,738	37,324,229
Commission expense	5,734,131	4,555,229
Claims paid	9,218,674	6,512,039
Expenses	9,016,778	5,797,550
Contribution to / provision for staff benefit plans	1,465,634	1,053,554
Remuneration to key management personnel	16,940,004	12,778,430

	------(Un-audited)-----	
	31 March 2014	31 March 2013
	------(Rupees)-----	
13. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after tax for the period	26,373,729	18,515,831
	------(Number)-----	
Weighted average number of ordinary shares	45,724,366	45,724,366
	------(Rupees)-----	
Earnings per share - basic and diluted	0.58	0.40

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 2014

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 2014 and 31 December 2013:

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	Un-audited 31 March 2014	Audited 31 December 2013
	(Rupees in '000)											
Segment assets	105,167	123,044	12,442	13,188	15,486	13,932	4,184	4,048	54,172	54,126	191,451	208,338
Unallocated corporate assets											1,550,166	1,530,591
Consolidated corporate assets											1,741,617	1,738,929
Segment liabilities	119,946	141,119	25,654	25,793	119,019	100,345	41,039	50,299	68,753	70,128	374,411	387,684
Unallocated corporate liabilities											229,140	239,639
Consolidated corporate liabilities											603,550	627,323

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 24 April 2014.

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 Ahmed Batlay
Director



A. Aziz H. Ebrahim
Director



Mohammad Hussain Hirji
Director & Chief Executive

Network

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Email: info@cicl.com.pk

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