



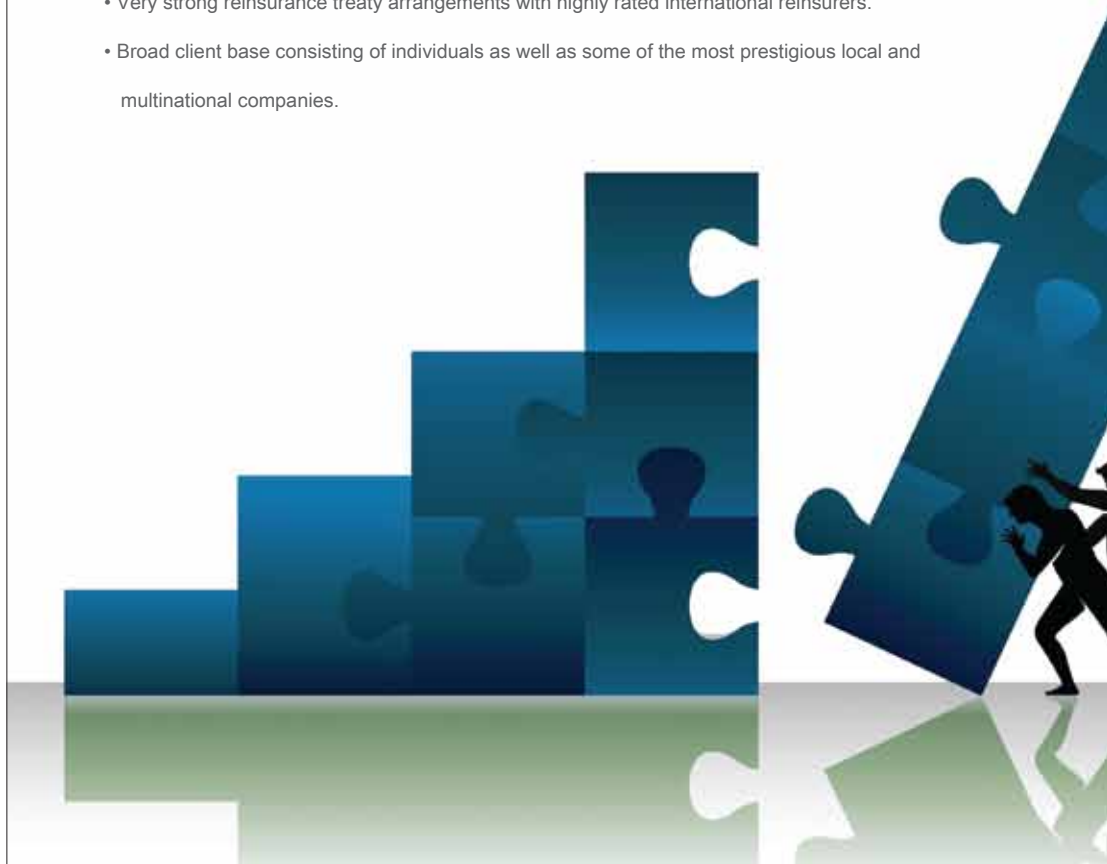
Century Insurance  
A Lakson Group Company

Your Trust,  
Our Assurance

Quarterly Report March 2016  
(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. 1.7 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, Shareholders and Employees.
- To maximize growth and profitability of the Company and provide excellent financial returns to our 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. Sadrudin Ismail Mohamed

### Advisor

Mr. Sultan Ali Lakhani

### Chief Financial Officer

Mr. Sabza Ali Pirani

### Company Secretary

Mr. Mansoor Ahmed

### Audit Committee

Mr. Sadrudin Ismail Mohamed - Chairman  
Mr. Zulfiqar Ali Lakhani  
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

### Share Registrar

M/s. FAMCO Associates (Private) Limited  
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

Habib Bank Limited  
Habib Metropolitan Bank Limited  
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

11<sup>th</sup> 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 2016.

### General Review

The overall operational performance of the Company has improved in the first quarter of 2016 as compared to the same period in 2015. Gross written premium is up by Rs. 50 million (24%) and net premium is also up by Rs. 64 million (59%). Underwriting profit has increased by Rs. 8 million (28%) and investment & other income by Rs. 8 million (66%) resulting in an earnings per share of Re. 0.52.

### Operating Results

The comparative financial highlights for the first quarter ended 31 March 2016 and 2015 are presented below:-

Rupees in millions (except for EPS)	31 March 2016	31 March 2015	Increase / (Decrease)	
			Amount	%
Gross written premium	255	205	50	24
Net premium	173	109	64	59
Underwriting profit	36	28	8	28
Investment & other income	20	12	8	66
Profit before tax	25	13	12	90
Profit after tax	24	11	13	119
Total assets	2,615	2,000	615	31
Paid-up capital	457	457	-	-
Total equity	1,778	1,196	582	49
Earnings per share (EPS) Re.	0.52	0.24	0.28	118

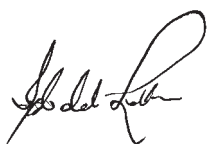
As compared to 1QFY15, the gross written premium for Fire class of business has increased by Rs. 3 million (7%), Marine by Rs. 1 million (3%), Motor by Rs. 52 million (95%) and Health by Rs. 2 million (4%). However, the gross written premium for Miscellaneous class of business has decreased by Rs. 8 million (42%).

### Future Outlook

The management is making concerted efforts to increase market share and profitability and the business of the Company is expected to continue to grow at a steady pace. We shall continue to strive to identify new and innovative products, expand the branch network to serve clients in new cities and recruit, train and motivate sales staff so as to maintain the momentum of profitable growth. We are hopeful that this will result in improved sustainability and enhanced shareholder equity in the future.

### Acknowledgments

On behalf of all the Directors, I would like to 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. I also wish to place on record our 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


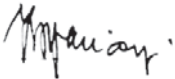


Karachi: 28 April 2016

## Condensed Interim Balance Sheet

As at March 31, 2016

		(Un-audited) March 31, 2016	(Audited) December 31, 2015
Note		-----	----- (Rupees) -----
<b>Share capital and reserves</b>			
Authorised share capital [50,000,000 (31 December 2015: 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		947,631,609	923,622,571
Reserves		373,024,260	373,024,260
		1,777,899,529	1,753,890,491
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		147,838,969	157,298,790
Provision for unearned premium		369,390,909	388,001,402
Commission income unearned		33,051,135	40,664,654
Total underwriting provisions		550,281,013	585,964,846
<b>Creditors and accruals</b>			
Premiums received in advance		851,568	2,229,476
Amount due to other insurers / reinsurers	6	164,318,347	199,147,518
Accrued expenses		7,147,558	7,202,891
Other creditors and accruals	7	112,250,200	109,640,261
		284,567,673	318,220,146
<b>Other liabilities</b>			
Unclaimed dividend		2,216,585	2,282,987
<b>TOTAL LIABILITIES</b>		837,065,271	906,467,979
<b>TOTAL EQUITY AND LIABILITIES</b>		2,614,964,800	2,660,358,470
<b>CONTINGENCIES AND COMMITMENTS</b>	8		



		(Un-audited) March 31, 2016	(Audited) December 31, 2015
	Note	-----	(Rupees) -----
<b>Cash and bank deposits</b>			
Cash and other equivalents		822,914	1,013,229
Current and other accounts		84,407,588	172,438,187
		85,230,502	173,451,416
<b>Investments</b>	9	1,800,627,553	1,732,983,684
<b>Deferred taxation</b>		10,277,233	9,520,206
<b>Current assets - others</b>			
Premiums due but unpaid		280,639,538	266,758,993
Amount due from other insurers / reinsurers		93,107,711	96,375,488
Reinsurance recoveries due but unpaid		29,854,217	49,657,347
Salvage recoveries accrued		1,800,000	2,420,000
Accrued investment income		6,403,717	-
Reinsurance recoveries against outstanding claims		61,531,319	60,249,843
Taxation - net		14,442,547	14,378,136
Deferred commission expense		28,727,477	30,015,561
Prepayments		130,334,428	156,734,791
Sundry receivables	10	16,515,033	11,615,106
		663,355,987	688,205,265
<b>Fixed assets - Tangible and intangible</b>	11		
Office improvement		5,127,636	5,373,775
Furniture and fixtures		5,393,144	5,636,673
Office equipment		4,459,693	4,692,080
Computer and related accessories		857,659	917,780
Motor vehicles		35,600,575	31,759,228
Capital work-in-progress		2,530,500	6,160,500
Computer software		1,504,318	1,657,863
		55,473,525	56,197,899
<b>TOTAL ASSETS</b>		<b>2,614,964,800</b>	<b>2,660,358,470</b>
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.			
<div>   Iqbal Ali Lakhani Chairman </div> <div>   Tasleemuddin Ahmed Batlay Director </div> <div>   A. Aziz H. Ebrahim Director </div> <div>   Mohammad Hussain Hirji Director &amp; Chief Executive </div>			
Quarterly Report March 2016			7

## Condensed Interim Profit and Loss Account (Un-audited)

For the three months period ended March 31, 2016


	Fire and property	Marine aviation and transport	Motor	Health	Miscellaneous	March 31, 2016 Aggregate	March 31, 2015 Aggregate
<b>Revenue account</b>	------(Rupees)-----						
Net premium revenue	4,547,418	24,592,650	59,649,141	77,677,276	6,745,146	173,211,631	108,982,485
Net claims	(609,352)	(3,412,189)	(29,131,645)	(76,305,366)	(1,691,943)	(111,150,495)	(60,341,054)
Management expenses	(5,313,690)	(4,399,214)	(12,356,208)	(6,247,990)	(1,219,329)	(29,536,431)	(25,431,123)
Net commission	8,456,781	(454,647)	(4,197,971)	(1,540,068)	1,087,087	3,351,182	5,024,637
<b>Underwriting result</b>	7,081,157	16,326,600	13,963,317	(6,416,148)	4,920,961	35,875,887	28,234,945
Net investment income						17,417,160	10,533,253
Return on bank accounts						2,091,539	2,038,324
Other income - net						310,715	153,398
General and administration expenses						(30,797,569)	(27,162,127)
Share of profit / (loss) of associates - net						540,721	(518,979)
<b>Profit before tax</b>						25,438,453	13,278,814
Taxation – Net						(1,493,526)	(2,359,980)
<b>Profit after tax</b>						23,944,927	10,918,834
<b>Profit and loss appropriation account</b>							
Balance at commencement of the year						923,622,571	355,042,959
Profit after tax for the period						23,944,927	10,918,834
Other comprehensive income - share in associates' reserves						64,111	84,987
<b>Balance of unappropriated profit at end of the period</b>						947,631,609	366,046,780
Earnings per share of Rs.10 each – basic and diluted				(Note-13)		0.52	0.24

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 Comprehensive Income (Un-audited)

For the three months period ended March 31, 2016


	March 31, 2016	March 31, 2015
	----- (Rupees) -----	
Profit after tax for the period	23,944,927	10,918,834
Other comprehensive income		
- Share in associates' reserve	64,111	84,987
Total comprehensive income for the period	<u>24,009,038</u>	<u>11,003,821</u>

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 March 31, 2016

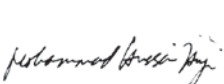
	Share capital	Capital reserves	Reserves		Total
	Issued, subscribed and paid-up	Share premium	General reserve	Revenue reserves Retained earnings	Total reserves
				(Rupees)	
Balance as at January 01, 2015	457,243,660	254,024,260	119,000,000	355,042,959	728,067,219
1,185,310,879					
Changes in equity for the three months period ended March 31, 2015					
Profit after tax	-	-	-	10,918,834	10,918,834
Other comprehensive income	-	-	-	84,987	84,987
Total comprehensive income	-	-	-	11,003,821	11,003,821
Balance as at March 31, 2015	457,243,660	254,024,260	119,000,000	366,046,780	739,071,040
1,196,314,700					
Balance as at January 01, 2016	457,243,660	254,024,260	119,000,000	923,622,571	1,296,646,831
1,753,890,491					
Changes in equity for the three months period ended March 31, 2016					
Profit after tax	-	-	-	23,944,927	23,944,927
Other comprehensive income	-	-	-	64,111	64,111
Total comprehensive income	-	-	-	24,009,038	24,009,038
Balance as at March 31, 2016	457,243,660	254,024,260	119,000,000	947,631,609	1,320,655,869
1,777,899,529					

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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 Cash Flows (Un-audited)

For the three months period ended March 31, 2016

	March 31, 2016	March 31, 2015
	----- (Rupees) -----	
Operating cash flows		
<b>(a) Underwriting activities</b>		
Premiums received	228,859,520	177,058,894
Reinsurance premiums paid	(94,507,094)	(51,128,841)
Claims paid	(132,603,754)	(84,418,025)
Reinsurance and other recoveries received	33,362,264	7,101,357
Commissions paid	(26,738,142)	(23,696,782)
Commissions received	28,488,397	11,084,386
Net cash inflow from underwriting activities	36,861,191	36,000,989
<b>(b) Other operating activities</b>		
Income tax paid	(2,314,964)	(1,354,728)
General management expenses paid	(57,336,052)	(49,499,125)
Other operating (payments) / receipts	(5,063,592)	800,833
Net cash outflow from other operating activities	(64,714,608)	(50,053,020)
Total cash outflow from all operating activities	(27,853,417)	(14,052,031)
Investment activities		
Profit / return received	5,474,798	5,250,881
Dividends received	-	299,863
Payments for investments	(375,037,082)	(395,214,869)
Proceeds from disposal of investments	310,846,894	244,069,458
Fixed capital expenditure	(3,484,732)	(1,845,640)
Proceeds from disposal of fixed assets	1,899,027	168,500
Total cash outflow from investing activities	(60,301,095)	(147,271,807)
Financing activities - dividends paid	(66,402)	(6,250)
Net cash outflow from all activities	(88,220,914)	(161,330,088)
Cash at beginning of the period	172,751,416	244,504,916
Cash at end of the period	84,530,502	83,174,828

## Condensed Interim Statement of Cash Flows (Un-audited)

For the three months period ended March 31, 2016

	March 31, 2016	March 31, 2015
	----- (Rupees) -----	
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	(27,853,417)	(14,052,031)
Depreciation / amortisation expense	(2,590,794)	(2,238,223)
Profit on disposal of fixed assets	280,715	151,829
Profit on disposal of investments	10,258,947	23,618,844
Dividend income	2,578,357	1,054,652
Investment and other income	7,675,711	(12,216,182)
(Decrease) / increase in assets other than cash	(35,740,898)	127,167,417
Decrease / (increase) in liabilities other than running finance	69,336,306	(112,567,472)
Profit after taxation	<u>23,944,927</u>	<u>10,918,834</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	202,469	224,154
- Policy stamps and bond papers in hand	620,445	309,658
	<u>822,914</u>	<u>533,812</u>

#### Current and other accounts

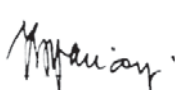
- Current accounts*	3,103,119	1,827,640
- Savings accounts	80,604,469	80,813,376
	<u>83,707,588</u>	<u>82,641,016</u>
	<u>84,530,502</u>	<u>83,174,828</u>

\* This does not include local currency account with a lien amounting to Rs.0.7 million (March 31, 2015: Rs.0.7 million), with a commercial bank for letters of credit arranged through the bank for securing claims arising outside Pakistan.

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



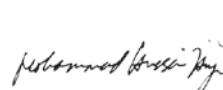
Iqbal Ali Lakhani  
Chairman



Tasleemuddin Ahmed Batlay  
Director



A. Aziz H. Ebrahim  
Director



Mohammad Hussain Hirji  
Director & Chief Executive

## Condensed Interim Statement of Premiums (Un-audited)

For the three months period ended March 31, 2016

### Business underwritten inside Pakistan

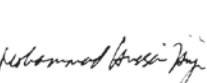
Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		March 31, 2016	March 31, 2015
(Rupees)										
Direct and facultative										
1. Fire and property damage	45,930,859	126,098,308	93,888,308	78,140,859	42,428,640	121,947,321	90,782,520	73,593,441	4,547,418	4,128,498
2. Marine, aviation and transport	38,026,248	13,750,109	13,559,791	38,216,566	13,906,692	5,177,121	5,459,897	13,623,916	24,592,650	20,922,422
3. Motor	106,805,490	81,537,451	126,830,479	61,512,462	3,173,522	3,570,170	4,880,371	1,863,321	59,649,141	37,082,165
4. Health	54,006,835	140,418,351	116,747,910	77,677,276	-	-	-	-	77,677,276	41,486,669
5. Miscellaneous	10,539,723	26,197,183	18,364,421	18,372,485	7,181,077	23,239,598	18,793,336	11,627,339	6,745,146	5,362,731
Grand total	255,309,155	388,001,402	369,390,909	273,919,648	66,689,931	153,934,210	119,916,124	100,708,017	173,211,631	108,982,485

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 Claims (Un-audited)

For the three months period ended March 31, 2016

### Business underwritten inside Pakistan

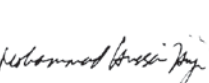
Class	Claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		March 31, 2016	March 31, 2015
		(Rupees)								
Direct and facultative										
1. Fire and property damage	3,578,032	26,849,493	28,768,499	5,497,038	2,568,642	23,205,855	25,524,899	4,887,686	609,352	10,921,364
2. Marine, aviation and transport	3,531,071	10,383,008	12,817,305	5,965,368	2,164,750	5,186,350	5,574,779	2,553,179	3,412,189	401,973
3. Motor	22,042,742	28,023,913	37,538,554	31,557,383	2,359,419	502,193	568,512	2,425,738	29,131,645	14,583,574
4. Health	95,627,727	47,587,825	28,265,464	76,305,366	-	-	-	-	76,305,366	27,408,529
5. Miscellaneous	7,824,182	44,454,551	40,449,147	3,818,778	3,619,151	31,355,445	29,863,129	2,126,835	1,691,943	7,025,614
Grand total	132,603,754	157,298,790	147,838,969	123,143,933	10,711,962	60,249,843	61,531,319	11,993,438	111,150,495	60,341,054

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 Expenses (Un-audited)

For the three months period ended March 31, 2016

### Business underwritten inside Pakistan

Class	Commission paid or payable a	Deferred commission		Net commission expenses d=a+b-c	Other management expenses e (Rupees)	Underwriting expenses f=d+e	Commission from reinsurers* g	Net underwriting expense	
		Opening b	Closing c					March 31, 2016 h=f-g	March 31, 2015
Direct and facultative									
1. Fire and property damage	6,924,475	17,120,401	13,112,597	10,932,279	5,313,690	16,245,969	19,389,060	(3,143,091)	(2,917,545)
2. Marine, aviation and transport	5,579,827	2,035,876	2,040,123	5,575,580	4,399,214	9,974,794	5,120,933	4,853,861	4,165,802
3. Motor	7,064,047	5,966,715	8,776,004	4,254,758	12,356,208	16,610,966	56,787	16,554,179	10,058,304
4. Health	2,129,368	2,766,122	3,355,422	1,540,068	6,247,990	7,788,058	-	7,788,058	7,146,349
5. Miscellaneous	1,050,386	2,126,447	1,443,331	1,733,502	1,219,329	2,952,831	2,820,589	132,242	1,953,576
Grand total	22,748,103	30,015,561	28,727,477	24,036,187	29,536,431	53,572,618	27,387,369	26,185,249	20,406,486

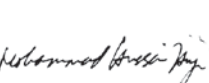
\* Commission from reinsurers is arrived at after taking the impact of opening and closing unearned commission.

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

  
Iqbal Ali Lakhani  
Chairman

  
Tasleemuddin Ahmed Batlay  
Director

  
A. Aziz H. Ebrahim  
Director

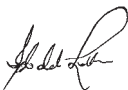
  
Mohammad Hussain Hirji  
Director & Chief Executive

## Condensed Interim Statement of Investment Income (Un-audited)

For the three months period ended March 31, 2016

	March 31, 2016	March 31, 2015
	----- (Rupees) -----	
<b>Income from trading investments</b>		
Gain on sale of trading investments - net	54,986	4,707,832
Dividend income	1,546,002	1,054,652
Unrealised gain / (loss) on re-measurement of securities to fair value	3,159,705	(16,055,139)
	<b>4,760,693</b>	<b>(10,292,655)</b>
<b>Income from non-trading investments</b>		
<b>Held to maturity</b>		
- Return on Government Securities	1,573,031	2,159,964
<b>Available-for-sale</b>		
- Return on Government Securities	96,593	-
- Dividend income	1,032,355	-
	<b>1,128,948</b>	<b>-</b>
Gain on sale of non-trading investments - net	10,203,961	18,911,012
Reversal for impairment in investment classified as held to maturity	-	6,250
Investments related expenses	(249,473)	(251,318)
<b>Net investment income</b>	<b>17,417,160</b>	<b>10,533,253</b>

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 March 31, 2016

### 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 Pakistan Stock Exchange Limited (formerly: Karachi Stock Exchange, in which the Lahore and Islamabad stock exchanges have merged) and is engaged in general insurance business. The registered office of the Company is situated at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi.

### 2. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the three months period ended March 31, 2016 are un-audited 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 December 31, 2015.

### 3. BASIS OF MEASUREMENT

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

### 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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 December 31, 2015.

### 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 December 31, 2015. 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, 2015.

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

For the three months period ended March 31, 2016

	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	----- (Rupees) -----	
<b>6. AMOUNT DUE TO OTHER INSURERS / REINSURERS</b>		
Foreign reinsurers	31,270,852	46,643,036
Local reinsurers	122,141,357	129,941,759
Co-insurers	10,906,138	22,562,723
	<u>164,318,347</u>	<u>199,147,518</u>
<b>7. OTHER CREDITORS AND ACCRUALS</b>		
Creditors	1,212,728	1,289,383
Federal excise duty	9,094,947	5,520,185
Federal insurance fees	803,726	456,003
Retention money	178,722	218,546
Commission payable	67,865,260	70,934,542
Workers' welfare fund	15,641,531	15,241,531
Margin deposits	4,934,688	4,270,832
Payable to gratuity fund	4,220,809	3,758,322
Payable against purchase of shares	644,934	-
Withholding tax payable	1,034,382	1,226,789
Deposits from employees against car scheme	4,026,980	4,156,273
Others	2,591,493	2,567,855
	<u>112,250,200</u>	<u>109,640,261</u>

### 8. CONTINGENCIES

During the year, the Company received orders under section 122(5A) passed by the Additional Commissioner Inland Revenue for the Tax Years 2009 to 2013 wherein prior year assessments were revised by treating dividend income as single basket income and taxing it at 35% instead of fixed rate of 10% resulting in aggregate demand of Rs.22.6 million. The Company had filed appeals against the said orders with CIT (Appeals) that was rejected by the CIT Appeals through a combined order for five years. Thereafter, the Company filed an appeal against the order of CIT (Appeal) with Appellate Tribunal Revenue which is pending adjudication.

The Company, based on its tax advisor opinion, is confident that the ultimate outcome of the appeal will be in its favor. Hence, no provision for the said demand has been made in these financial statements.

### COMMITMENTS

There are no commitments as at March 31, 2016.

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

For the three months period ended March 31, 2016

		(Un-audited) March 31, 2016	(Audited) December 31, 2015
Note		(Rupees)	
<b>9. INVESTMENTS</b>			
	<b>In related parties</b>		
	Investments in associates - equity accounting *	9.1 37,347,543	40,568,071
	Available-for-sale - quoted *	9.2 606,655,814	606,655,814
		644,003,357	647,223,885
	<b>Others</b>		
	Investment at fair value through profit or loss - held-for-trading		
	Quoted shares	124,519,220	132,284,225
	<b>Held to maturity</b>		
	Government securities *	49,365,285	50,797,539
	Term finance certificates - quoted	9.3 -	-
		49,365,285	50,797,539
	<b>Available-for-sale - quoted *</b>	984,509,876	904,448,220
	Less: Provision for impairment (net of reversals)	(1,770,185)	(1,770,185)
		982,739,691	902,678,035
		<b>1,800,627,553</b>	<b>1,732,983,684</b>

\* The market value of investments as at March 31, 2016 was Rs.1,728.955 million (December 31, 2015: Rs.1,629.640 million).

9.1 The result of associates have been recorded based on latest available financial information for the year ended 31 December 2015.

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

For the three months period ended March 31, 2016

(Un-audited) (Audited)  
March 31, December 31,  
2016 2015  
.....(Rupees).....

### 9.2 Available-for-sale - quoted mutual funds

Number of units		Face value per unit (Rupees)	Name of entity Open-end mutual funds	(Un-audited) March 31, 2016	(Audited) December 31, 2015
2016	2015				
2,389,053	1,692,930	100	Lakson Income Fund	250,000,000	175,000,000
3,482,756	3,482,756	100	Lakson Equity Fund	356,655,814	356,655,814
-	749,097	100	Lakson Money Market Fund	-	75,000,000
				<u>606,655,814</u>	<u>606,655,814</u>

### 9.3 Term finance certificate

Cost	311,265	311,265
Less : Provision for impairment	(311,265)	(311,265)
	<u>-</u>	<u>-</u>

### 10. SUNDRY RECEIVABLES

Profit on bank deposits - saving accounts	662,387	1,040,362
Security deposits	5,834,667	5,782,667
Advance to employees	2,484,147	2,413,674
Advance against expenses	356,600	1,460,000
Receivable against sale of shares	6,053,721	-
Others	1,123,511	918,403
	<u>16,515,033</u>	<u>11,615,106</u>

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

For the three months period ended March 31, 2016

	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	.....(Rupees).....	
<b>11. FIXED ASSETS - TANGIBLE AND INTANGIBLE</b>		
Opening written down value	56,197,899	48,379,332
Add: Additions during the period / year - at cost		
- Motor vehicles	6,872,500	6,149,863
- Office equipment	135,797	2,832,315
- Computer and related accessories	106,435	721,090
- Office improvement	-	1,258,293
- Furniture and fixtures	-	1,243,039
- Computer software	-	1,842,500
	7,114,732	14,047,100
Less: Written down value of deletion / written off	1,618,312	2,567,902
Depreciation / amortisation for the period / year	2,590,794	9,071,131
	4,209,106	11,639,033
Less: Capital work-in-progress - Opening	6,160,500	750,000
Add: Capital work-in-progress - Closing	2,530,500	6,160,500
Closing written down value	55,473,525	56,197,899

## 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.

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

For the three months period ended March 31, 2016

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).....	
	March 31, 2016	March 31, 2015
	.....(Rupees).....	
Premium written	58,452,180	60,057,476
Commission expense	6,931,858	6,935,134
Claims paid	18,952,202	18,994,817
Investment in mutual funds	75,000,000	125,300,000
Sale of units of mutual funds	78,141,561	123,785,525
Dividend received	3,825,360	-
Expenses	3,760,627	3,987,823
Contribution to / provision for staff benefit plans	1,607,577	1,677,505
Remuneration to key management personnel	21,141,200	24,040,045

### 13. EARNINGS PER SHARE - BASIC AND DILUTED

Profit after tax for the period	23,944,927	10,918,834
	.....(Number).....	
Weighted average number of ordinary shares	45,724,366	45,724,366
	.....(Rupees).....	
Earnings per share - basic and diluted	0.52	0.24



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

For the three months period ended March 31, 2016

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.

### 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 March 31, 2016 and December 31, 2015:

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	Un-audited March 31, 2016	Audited December 31, 2015
(Rupees in '000)												
Segment assets	129,420	162,274	13,075	12,399	14,225	10,039	3,355	2,766	50,100	56,721	210,175	244,199
Unallocated corporate assets											2,404,790	2,416,159
Consolidated corporate assets											2,614,965	2,660,358
Segment liabilities	148,608	185,961	28,471	25,964	164,537	109,702	145,013	188,006	63,653	76,332	550,282	585,965
Unallocated corporate liabilities											286,783	320,503
Consolidated corporate liabilities											837,065	906,468

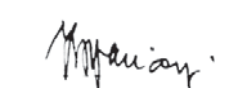
### 15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue in accordance with a resolution of the Board of Directors on April 28, 2016.

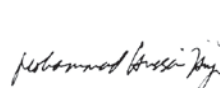
### 16. GENERAL

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

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\*Mobile apps are also available for download for android  
and ios devices

## Network

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### Karachi Lakson Square Office

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Century Insurance



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