



Century Insurance  
A Lakson Group Company

BIG  
Dream  
BETTER  
Results

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Quarterly Report March 2017  
(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

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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 Mission

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- To become a company of choice for our valued Clients, Shareholders and Employees.
- To maximize growth 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. Amin Mohammed Lakhani  
Ms. Anushka Zulfiqar Lakhani (from February 27, 2017)  
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. Amin Mohammed Lakhani  
Mr. Tasleemuddin Ahmed Batlay

## Investment Committee

Mr. A. Aziz H. Ebrahim - Chairman  
Mr. Iqbal Ali Lakhani  
Mr. Mohammad Hussain Hirji  
Mr. Sabza Ali Pirani

## Ethics, Human Resource & Remuneration Committee

Mr. Amin Mohammed Lakhani - Chairman  
Mr. Tasleemuddin Ahmed Batlay  
Mr. Mohammad Hussain Hirji

## External Auditors

M/s. EY Ford Rhodes  
Chartered Accountants

## Share Registrar

M/s. FAMCO Associates (Private) Limited  
8-F, Next to Hotel Faran, Nursery,  
Block-6, P.E.C.H.S., Shakra-e-Faisal,  
Karachi.  
Tel: (021) 34380101-2  
Fax: (021) 34380106  
Email: info.shares@famco.com.pk  
Website: www.famco.com.pk

## Bankers

Bank Alfalah Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
NIB Bank Limited  
NRSP Microfinance 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](http://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 2017.

### General Review

The overall operational performance of the Company has improved in the first quarter of 2017 as compared to the same period in 2016. Although net premium is down by Rs. 31 million (18%), net claims have fallen by Rs. 56 million (50%) resulting in an increase in underwriting profit by Rs. 25 million (69%). Investment & other income too, has increased by Rs. 13 million (65%) resulting in earnings per share of Rs. 1.19.

### Operating Results

The comparative financial highlights for the first quarter ended 31 March 2017 and 2016 are presented below:-

Rupees in millions (except for EPS)	31 March 2017	31 March 2016	Increase / (Decrease)	
			Amount	%
Gross written premium	220	255	(35)	(14)
Net premium	142	173	(31)	(18)
Underwriting profit	61	36	25	69
Investment & other income	33	20	13	65
Profit before tax	60	25	35	140
Profit after tax	54	24	30	125
Earnings per share (EPS) Rs.	1.19	0.52	0.67	129
Total assets	2,655	2,615	40	2
Paid-up capital	457	457	-	-
Total equity	1,764	1,778	(14)	(1)

As compared to 1QFY16, the gross written premium for Marine class of business has increased by Rs. 2.5 million (7%), Motor by Rs. 8.5 million (8%) and Miscellaneous by Rs. 1.6 million (15%). However, the gross written premium for Fire class of business has decreased by Rs. 6.5 million (14%) and Accident and Health by Rs. 41 million (76%) mainly due to the pruning of unprofitable accounts.

### 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: 26 April 2017

### مستقبل کے خدو خال

کمپنی کی انتظامیہ کاروبار میں منافع اور مارکیٹ شیئر میں اضافے کی مستحکم رفتار کو برقرار رکھنے کے لیے ٹھوس اقدامات کر رہی ہے۔ ہم منافع بخش ترقی کی رفتار کو برقرار رکھنے کے لیے نئی اور جدید مصنوعات کی شناخت، دیگر شہروں میں کلائنٹ کی خدمت کی غرض سے اضافی برانچوں کے قیام اور بیمہ فروخت کے عملے کی حوصلہ افزائی اور تربیت کرتے رہیں گے۔ ہم امید کرتے ہیں کہ مندرجہ بالا اقدامات مستقبل میں حصص یافتگان کی ایکویٹی میں اضافے اور بہتر پائیداری کا باعث بنیں گے۔

### اعترافات

میں تمام ڈائریکٹرز کی جانب سے اپنے حصص یافتگان کا شکریہ ادا کرتا ہوں جنہوں نے کمپنی پر اپنا بھروسہ اور اعتماد رکھا اور ان کے کمپنی میں سرمایہ کاری کے بہترین استعمال کی یقین دہانی کراتا ہوں۔ اور میں انتظامیہ اور عملے کے اراکین کی لگن، وفاداری اور انتھک محنت کو سراہتا ہوں جنہوں نے کمپنی کی ترقی اور کاروباری امور کی کامیابی میں اپنا کردار ادا کیا۔



اقبال علی لاکھانی  
چیئرمین

کراچی: 26 اپریل 2017

## ڈائریکٹرز کی جائزہ رپورٹ

بورڈ آف ڈائریکٹرز کی طرف سے میں مسرت کے ساتھ 31 مارچ 2017 کو ختم ہونے والی پہلی سہ ماہی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کر رہا ہوں۔

### عمومی جائزہ

مجموعی طور پر پہلی سہ ماہی 2017 میں کمپنی کی آپریشنل کارکردگی میں 2016 کے مقابلے میں اضافہ ہوا ہے۔ اگرچہ خالص پرمیٹیم میں 31 ملین روپے (18 فیصد) کی کمی ہوئی اور خالص کلیجز میں بھی 56 ملین روپے (50 فیصد) کی کمی ہوئی جس کے نتیجے میں انڈر رائٹنگ آمدنی میں 25 ملین روپے (69 فیصد) اضافہ ہوا ہے۔ سرمایہ کاری اور دیگر آمدنی میں بھی 13 ملین روپے (65 فیصد) کا اضافہ ہوا ہے جس کے نتیجے میں فی شیئر آمدنی 1.19 روپے رہی۔

### کاروباری امور کے نتائج

پہلی سہ ماہی 31 مارچ 2017 اور 2016 کے تقابلی مالیاتی جھلکیاں درج ذیل ہیں:

روپے ملین میں (EPS کے علاوہ)	31 مارچ 2017	31 مارچ 2016	رقم	اضافہ / کمی (%)
مجموعی پرمیٹیم	220	255	(35)	(14)
خالص پرمیٹیم	142	173	(31)	(18)
انڈر رائٹنگ آمدنی	61	36	25	69
سرمایہ کاری اور دیگر آمدنی	33	20	13	65
آمدنی قبل از ٹیکس	60	25	35	140
آمدنی بعد از ٹیکس	54	24	30	125
فی شیئر آمدنی (EPS) روپے	1.19	0.52	0.67	129
کل اثاثہ جات	2,655	2,615	40	2
اداشت اسرمایہ	457	457	-	-
کل ایکویٹی	1,764	1,778	(14)	(1)

پہلی سہ ماہی 2016 کے مقابلے میں مجموعی پرمیٹیم برائے بحری بیمہ میں 2.5 ملین روپے (7 فیصد)، موٹر بیمہ میں 8.5 ملین روپے (8 فیصد) اور بیمہ متفرق میں 1.6 ملین روپے (15 فیصد) اضافہ ہوا۔ جبکہ مجموعی پرمیٹیم برائے بیمہ آتش زدگی میں 6.5 ملین روپے (14 فیصد) اور بیمہ حادثہ و صحت میں 41 ملین روپے (76 فیصد) کی کمی ہوئی جسکی بنیادی وجہ غیر منافع بخش اکاؤنٹس کا خاتمہ ہے۔

## Condensed Interim Balance Sheet

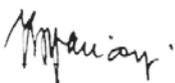
As at March 31, 2017

	Note	(Un-audited) March 31, 2017	(Audited) December 31, 2016
----- (Rupees) -----			
<b>Share capital and reserves</b>			
Authorised share capital [70,000,000 (31 December 2016: 70,000,000) Ordinary shares of Rs.10 each]		700,000,000	700,000,000
Paid-up share capital		457,243,660	457,243,660
Retained earnings		933,295,857	879,048,427
Reserves		373,024,260	373,024,260
		1,763,563,777	1,709,316,347
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		170,785,522	164,787,530
Provision for unearned premium		311,290,088	337,036,982
Commission income unearned		31,888,847	43,125,928
Total underwriting provisions		513,964,457	544,950,440
<b>Creditors and accruals</b>			
Premiums received in advance		235,286	202,327
Amount due to other insurers / reinsurers	6	215,412,553	260,739,918
Accrued expenses		11,467,992	9,350,972
Taxation - net		41,114,306	29,724,205
Other creditors and accruals	7	106,143,683	102,839,797
		374,373,820	402,857,219
<b>Other liabilities</b>			
Unclaimed dividend		3,512,338	3,559,189
<b>TOTAL LIABILITIES</b>		<b>891,850,615</b>	<b>951,366,848</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,655,414,392</b>	<b>2,660,683,195</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		

		(Un-audited) March 31, 2017	(Audited) December 31, 2016
	Note	----- (Rupees) -----	
<b>Cash and bank deposits</b>			
Cash and other equivalents		1,064,840	999,878
Current and other accounts		94,716,634	107,620,939
Deposits maturing within 12 months		300,000,000	300,000,000
		<b>395,781,474</b>	<b>408,620,817</b>
<b>Investments</b>	9	1,525,014,914	1,498,426,580
<b>Deferred taxation</b>		13,102,734	1,928,077
<b>Current assets - others</b>			
Premiums due but unpaid		241,170,559	245,046,777
Amount due from other insurers / reinsurers		97,120,774	95,986,394
Reinsurance recoveries due but unpaid		47,067,642	52,297,380
Salvage recoveries accrued		3,870,000	4,378,000
Accrued investment income		1,335,693	617,330
Reinsurance recoveries against outstanding claims		82,198,904	61,181,748
Deferred commission expense		28,538,033	30,829,820
Prepayments		137,904,492	173,959,315
Sundry receivables	10	14,427,818	15,355,504
		<b>653,633,915</b>	<b>679,652,268</b>
<b>Fixed assets - Tangible and intangible</b>	11		
Office improvement		5,071,869	5,297,616
Furniture and fixtures		6,401,930	6,661,830
Office equipment		5,158,369	4,697,433
Computer and related accessories		755,811	896,573
Motor vehicles		49,350,226	47,538,032
Capital work-in-progress		253,000	5,920,272
Computer software		890,150	1,043,697
		<b>67,881,355</b>	<b>72,055,453</b>
<b>TOTAL ASSETS</b>		<b>2,655,414,392</b>	<b>2,660,683,195</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

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

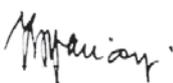
For the three months period ended March 31, 2017

	Fire and property	Marine aviation and transport	Motor	Accident and Health	Miscellaneous	March 31, 2017 Aggregate	March 31, 2016 Aggregate
------(Rupees)-----							
<b>Revenue account</b>							
Net premium revenue	5,785,773	24,469,592	69,245,739	37,568,663	5,197,308	142,267,075	173,211,631
Net claims	(563,005)	(309,580)	(28,837,994)	(23,387,722)	(2,391,298)	(55,489,599)	(111,150,495)
Management expenses	(5,795,318)	(5,951,487)	(16,930,775)	(1,897,907)	(1,781,599)	(32,357,086)	(29,536,431)
Net commission	9,757,284	697,411	(4,863,488)	(1,006,746)	1,648,542	6,233,003	3,351,182
Underwriting result	9,184,734	18,905,936	18,613,482	11,276,288	2,672,953	60,653,393	35,875,887
Net investment income						25,214,879	17,417,160
Return on bank accounts						5,513,818	2,091,539
Other income - net						1,020,142	310,715
General and administration expenses						(33,724,167)	(30,797,569)
Share of profit of associates - net						1,119,351	540,721
<b>Profit before tax</b>						59,797,416	25,438,453
Taxation - net						(5,563,979)	(1,493,526)
<b>Profit after tax</b>						54,233,437	23,944,927
<b>Profit and loss appropriation account</b>							
Balance at commencement of the year						879,048,427	923,622,571
Profit after tax for the period						54,233,437	23,944,927
Other comprehensive income - share in associates' reserves						13,993	64,111
<b>Balance of unappropriated profit at end of the period</b>						933,295,857	947,631,609
Earnings per share of Rs.10 each - basic and diluted (Note-13)						1.19	0.52

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)

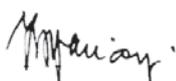
For the three months period ended March 31, 2017

	March 31, 2017	March 31, 2016
	----- (Rupees) -----	
Profit after tax for the period	54,233,437	23,944,927
Other comprehensive income		
- Share in associates' reserves	13,993	64,111
Total comprehensive income for the period	<u>54,247,430</u>	<u>24,009,038</u>

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



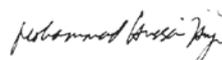
Iqbal Ali Lakhani  
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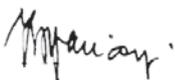
## Condensed Interim Statement of Changes in Equity (Un-audited)

For the three months period ended March 31, 2017

	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 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	23,944,927
Other comprehensive income	-	-	-	64,111	64,111	64,111
Total comprehensive income	-	-	-	24,009,038	24,009,038	24,009,038
Balance as at March 31, 2016	<u>457,243,660</u>	<u>254,024,260</u>	<u>119,000,000</u>	<u>947,631,609</u>	<u>1,320,655,869</u>	<u>1,777,899,529</u>
Balance as at January 01, 2017	457,243,660	254,024,260	119,000,000	879,048,427	1,252,072,687	1,709,316,347
Changes in equity for the three months period ended March 31, 2017						
Profit after tax	-	-	-	54,233,437	54,233,437	54,233,437
Other comprehensive income	-	-	-	13,993	13,993	13,993
Total comprehensive income	-	-	-	54,247,430	54,247,430	54,247,430
Balance as at March 31, 2017	<u>457,243,660</u>	<u>254,024,260</u>	<u>119,000,000</u>	<u>933,295,857</u>	<u>1,306,320,117</u>	<u>1,763,563,777</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 Cash Flows (Un-audited)

For the three months period ended March 31, 2017

	March 31, 2017	March 31, 2016
	----- (Rupees) -----	
<b>Operating cash flows</b>		
(a) Underwriting activities		
Premiums received	213,587,810	228,859,520
Reinsurance premiums paid	(118,942,782)	(94,507,094)
Claims paid	(83,246,727)	(132,603,754)
Reinsurance and other recoveries received	17,759,507	33,362,264
Commissions paid	(18,103,655)	(26,738,142)
Commissions received	40,546,645	28,488,397
Net cash inflow from underwriting activities	51,600,798	36,861,191
(b) Other operating activities		
Income tax paid	(5,348,535)	(2,314,964)
General management expenses paid	(66,054,823)	(57,336,052)
Other operating receipts / (payments)	911,234	(5,063,592)
Net cash outflow from other operating activities	(70,492,124)	(64,714,608)
<b>Total cash outflow from all operating activities</b>	<b>(18,891,326)</b>	<b>(27,853,417)</b>
<b>Investment activities</b>		
Profit / return received	6,529,368	5,474,798
Dividends received	2,331,614	-
Payments for investments	(462,317,361)	(375,037,082)
Proceeds from disposal of investments	457,431,447	310,846,894
Fixed capital expenditure	(705,833)	(3,484,732)
Proceeds from disposal of fixed assets	2,830,000	1,899,027
Total cash inflow / (outflow) from investing activities	6,099,235	(60,301,095)
Financing activities - dividends paid	(46,851)	(66,402)
Net cash outflow from all activities	(12,838,942)	(88,220,914)
Cash at beginning of the period	407,820,416	172,751,416
Cash at end of the period	394,981,474	84,530,502

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

For the three months period ended March 31, 2017

	March 31, 2017	March 31, 2016
	----- (Rupees) -----	
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	(18,891,326)	(27,853,417)
Depreciation / amortisation expense	(3,038,494)	(2,590,794)
Profit on disposal of fixed assets	988,552	280,715
Profit on disposal of investments	21,391,035	10,258,947
Dividend income	2,785,392	2,578,357
Investment and other income	9,435,278	7,675,711
Decrease in assets other than cash	(17,906,382)	(35,740,898)
Decrease in liabilities other than running finance	59,469,382	69,336,306
Profit after taxation	<u>54,233,437</u>	<u>23,944,927</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	170,080	202,469
- Policy stamps and bond papers in hand	894,760	620,445
	<u>1,064,840</u>	<u>822,914</u>

#### Current and other accounts

- Current accounts*	8,020,243	3,103,119
- Savings accounts	85,896,391	80,604,469
	<u>93,916,634</u>	<u>83,707,588</u>

#### Deposits maturing within 12 months

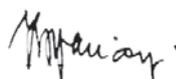
- Term deposits	300,000,000	-
	<u>394,981,474</u>	<u>84,530,502</u>

\* This does not include local currency account with a lien amounting to Rs.0.8 million (March 31, 2016: 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.



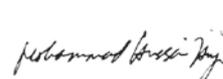
Iqbal Ali Lakhani  
Chairman



Tasleemuddin Ahmed Batlay  
Director



A. Aziz H. Ebrahim  
Director



Mohammad Hussain Hirji  
Director & Chief Executive

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

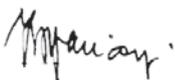
For the three months period ended March 31, 2017

### 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, 2017	March 31, 2016
(Rupees)										
Direct and facultative										
1. Fire and property damage	39,459,154	139,919,287	100,095,243	79,283,198	35,995,598	135,407,771	97,905,944	73,497,425	5,785,773	4,547,418
2. Marine, aviation and transport	40,522,482	16,216,428	14,270,992	42,467,918	15,661,473	6,584,718	4,247,865	17,998,326	24,469,592	24,592,650
3. Motor	115,278,248	99,853,420	143,990,108	71,141,560	2,543,623	3,398,962	4,046,764	1,895,821	69,245,739	59,649,141
4. Accident and Health	12,922,466	59,357,776	34,620,848	37,659,394	71,391	209,148	189,808	90,731	37,568,663	77,677,276
5. Miscellaneous	12,130,547	21,690,071	18,312,897	15,507,721	8,171,185	19,938,876	17,799,648	10,310,413	5,197,308	6,745,146
<b>Grand total</b>	<b>220,312,897</b>	<b>337,036,982</b>	<b>311,290,088</b>	<b>246,059,791</b>	<b>62,443,270</b>	<b>165,539,475</b>	<b>124,190,029</b>	<b>103,792,716</b>	<b>142,267,075</b>	<b>173,211,631</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

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

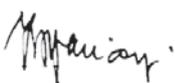
For the three months period ended March 31, 2017

### Business underwritten inside Pakistan

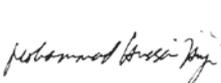
Class	Claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		March 31, 2017	March 31, 2016
.....(Rupees).....										
Direct and facultative										
1. Fire and property damage	5,625,029	28,071,691	29,336,309	6,889,647	5,033,999	23,899,956	25,192,599	6,326,642	563,005	609,352
2. Marine, aviation and transport	4,973,111	13,234,339	9,641,690	1,380,462	2,782,287	4,982,973	3,271,568	1,070,882	309,580	3,412,189
3. Motor	22,148,665	39,123,549	49,224,497	32,249,613	3,411,619	371,712	371,712	3,411,619	28,837,994	29,131,645
4. Accident and Health	48,237,201	41,639,154	16,789,675	23,387,722	-	-	-	-	23,387,722	76,305,366
5. Miscellaneous	2,262,721	42,718,797	65,793,351	25,337,275	1,510,059	31,927,107	53,363,025	22,945,977	2,391,298	1,691,943
<b>Grand total</b>	<b>83,246,727</b>	<b>164,787,530</b>	<b>170,785,522</b>	<b>89,244,719</b>	<b>12,737,964</b>	<b>61,181,748</b>	<b>82,198,904</b>	<b>33,755,120</b>	<b>55,489,599</b>	<b>111,150,495</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

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

For the three months period ended March 31, 2017

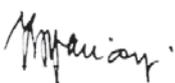
### Business underwritten inside Pakistan

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, 2017 h=f-g	March 31, 2016
<b>Direct and facultative</b>									
1. Fire and property damage	5,880,043	18,278,532	13,395,696	10,762,879	5,795,318	16,558,197	20,520,163	(3,961,966)	(3,143,091)
2. Marine, aviation and transport	5,943,502	2,440,646	2,136,013	6,248,135	5,951,487	12,199,622	6,945,546	5,254,076	4,853,861
3. Motor	8,243,969	7,228,906	10,556,068	4,916,807	16,930,775	21,847,582	53,319	21,794,263	16,554,179
4. Accident and Health	702,221	1,338,393	1,013,396	1,027,218	1,897,907	2,925,125	20,472	2,904,653	7,788,058
5. Miscellaneous	1,173,107	1,543,343	1,436,860	1,279,590	1,781,599	3,061,189	2,928,132	133,057	132,242
<b>Grand total</b>	<b>21,942,842</b>	<b>30,829,820</b>	<b>28,538,033</b>	<b>24,234,629</b>	<b>32,357,086</b>	<b>56,591,715</b>	<b>30,467,632</b>	<b>26,124,083</b>	<b>26,185,249</b>

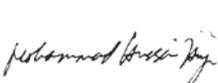
\* Commission from reinsurers is arrived at after taking the impact of opening and closing unearned commission.

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)

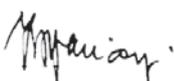
For the three months period ended March 31, 2017

	March 31, 2017	March 31, 2016
	----- (Rupees) -----	
<b>Income from trading investments</b>		
Gain on sale of trading investments - net	4,737,624	54,986
Dividend income	2,303,242	1,546,002
Unrealised gain on re-measurement of securities to fair value	217,616	3,159,705
	<u>7,258,482</u>	<u>4,760,693</u>
<b>Income from non-trading investments</b>		
<b>Held to maturity</b>		
Return on Government Securities	1,560,098	1,573,031
<b>Available-for-sale</b>		
Return on Government Securities	-	96,593
Dividend income	482,150	1,032,355
	<u>482,150</u>	<u>1,128,948</u>
Gain on sale of non-trading investments - net	16,653,411	10,203,961
Reversal for impairment in investment classified as held to maturity	4,253	-
Investments related expenses	(743,515)	(249,473)
<b>Net investments income</b>	<u>25,214,879</u>	<u>17,417,160</u>

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



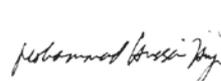
Iqbal Ali Lakhani  
Chairman



Tasleemuddin Ahmed Batlay  
Director



A. Aziz H. Ebrahimi  
Director



Mohammad Hussain Hirji  
Director & Chief Executive

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

For the three months period ended March 31, 2017

### 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 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, 2017 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, 2016.

### 3. BASIS OF MEASUREMENT

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

### 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, 2016.

### 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, 2016. 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, 2016.

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

For the three months period ended March 31, 2017

	(Un-audited) March 31, 2017	(Audited) December 31, 2016
	----- (Rupees) -----	
<b>6. AMOUNT DUE TO OTHER INSURERS / REINSURERS</b>		
Foreign reinsurers	38,169,893	60,113,996
Local reinsurers	160,681,502	171,703,972
Co-insurers	16,561,158	28,921,950
	<u>215,412,553</u>	<u>260,739,918</u>
<b>7. OTHER CREDITORS AND ACCRUALS</b>		
Creditors	2,508,626	2,085,221
Federal excise duty	9,641,647	9,230,240
Federal insurance fees	836,210	706,688
Retention money	65,851	65,851
Commission payable	77,127,901	73,927,799
Payable against purchase of shares	-	3,053,518
Margin deposits	3,176,619	3,186,601
Withholding tax payable	1,208,437	677,716
Payable to gratuity fund	5,893,437	4,984,383
Deposits from employees against car scheme	5,510,285	4,751,775
Others	174,670	170,005
	<u>106,143,683</u>	<u>102,839,797</u>
<b>8. CONTINGENCIES</b>		

During the year 2016, the Company received orders under section 122(5A) passed by the Additional Commissioner Inland Revenue (ACIR) for the tax years 2015 on issue of treating dividend income as single basket income and to be taxed @ 35% instead of fixed rate of 10% resulting aggregate demand of Rs.0.936 million. The Company has filed appeal against the said orders to CIT (Appeals) which is pending adjudication. It is further submitted that Appeal on similar issue in respect of tax year 2014 have been decided in Company's favor by the CIT (Appeals).

During the year 2015, the Company received orders under section 122(5A) passed by the ACIR for the tax years 2009 to 2013 wherein prior year assessments were revised on similar issue as mentioned above resulting in aggregate demand of Rs.26.35 million. The Company had paid Rs.2.9 million in protest against demand for tax year 2009 before going in appeal and applied for rectification of remaining order in respect of short credits allowed. The ACIR issued revised orders and now aggregated demand is Rs.14.609 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.

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

For the three months period ended March 31, 2017

The Company, based on the opinion of its tax advisor, 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 condensed interim financial statements.

### COMMITMENTS

There are no commitments as at March 31, 2017.

		(Un-audited) March 31, 2017	(Audited) December 31, 2016
	Note	----- (Rupees) -----	
<b>9. INVESTMENTS</b>			
<b>In related parties</b>			
Investments in associates - equity accounting *	9.1	39,153,236	38,284,477
Available-for-sale - quoted mutual funds *	9.2	504,533,137	494,109,919
		<b>543,686,373</b>	<b>532,394,396</b>
<b>Others</b>			
<b>Investment at fair value through profit or loss - held-for-trading</b>			
Quoted shares		206,023,865	204,596,954
Government securities		5,000,000	1,018,782
		<b>211,023,865</b>	<b>205,615,736</b>
<b>Held to maturity</b>			
Government securities *		49,677,140	51,117,042
Term finance certificates - quoted	9.3	-	-
		<b>49,677,140</b>	<b>51,117,042</b>
<b>Available-for-sale</b>			
Quoted equity securities and mutual funds *		722,397,721	711,069,591
Less: Provision for impairment (net of reversals)		(1,770,185)	(1,770,185)
		<b>720,627,536</b>	<b>709,299,406</b>
		<b>1,525,014,914</b>	<b>1,498,426,580</b>

\* The market value of investments as at March 31, 2017 was Rs.1,590.428 million (December 31, 2016: Rs.1,545.804 million).

9.1 The result of associates have been recorded based on latest available financial information for the year ended December 31, 2016.

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

For the three months period ended March 31, 2017

				(Un-audited) March 31, 2017	(Audited) December 31, 2016	
				.....(Rupees).....		
<b>9.2</b>	<b>Available-for-sale - quoted mutual funds</b>					
	Number of units		Face value			
	2017	2016	per unit (Rupees)			
			Name of entity Open-end mutual funds			
	2,701,906	2,673,098	100	Lakson Equity Fund	287,533,137	277,109,919
	1,896,737	1,896,737	100	Lakson Tactical Fund	217,000,000	217,000,000
					<u>504,533,137</u>	<u>494,109,919</u>
<b>9.3</b>	<b>Term finance certificate</b>					
	Cost			293,292	297,545	
	Less : Provision for impairment			(293,292)	(297,545)	
				<u>-</u>	<u>-</u>	
<b>10.</b>	<b>SUNDRY RECEIVABLES</b>					
	Profit on bank deposits - saving accounts			3,066,556	1,082,107	
	Security deposits			5,936,167	5,936,167	
	Advance to employees			2,547,923	2,226,647	
	Advance against expenses			376,000	774,604	
	Receivable against sale of shares			1,261,257	4,979,685	
	Others			1,239,915	356,294	
				<u>14,427,818</u>	<u>15,355,504</u>	

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

For the three months period ended March 31, 2017

	(Un-audited) March 31, 2017	(Audited) December 31, 2016
	.....(Rupees).....	
<b>11. FIXED ASSETS - TANGIBLE AND INTANGIBLE</b>		
Opening written down value	72,055,453	56,197,899
Add: Additions during the period / year - at cost		
- Motor vehicles	5,488,000	25,518,000
- Office equipment	878,305	1,567,798
- Computer and related accessories	6,800	629,735
- Office improvement	-	1,057,588
- Furniture and fixtures	-	2,076,060
	6,373,105	30,849,181
Less: Written down value of deletion / written off	1,841,437	4,098,224
Depreciation / amortisation for the period / year	3,038,494	10,653,175
	4,879,931	14,751,399
Less: Capital work-in-progress – Opening	5,920,272	6,160,500
Add: Capital work-in-progress – Closing	253,000	5,920,272
Closing written down value	<u>67,881,355</u>	<u>72,055,453</u>

### 12. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of group companies; directors and their close family members; staff retirement funds; key management personnel and major shareholders of the Company. The associated companies are associated either based on holding in equity or due to the same management and / or common directors. 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.

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

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

For the three months period ended March 31, 2017

	..... (Un-audited) .....	
	March 31, 2017	March 31, 2016
	..... (Rupees) .....	
Premium written	65,715,214	58,452,180
Commission expense	7,925,236	6,931,858
Claims paid	16,897,387	18,952,202
Investment in mutual funds	26,000,000	75,000,000
Sales of units of mutual funds	22,307,736	78,141,561
Dividend received	264,585	3,825,360
Purchase of equipments	752,805	-
Expenses	4,764,567	3,760,627
Contribution to / provision for staff benefit plans	2,252,289	1,607,577
Remuneration to key management personnel	24,839,109	21,141,200
<b>13. EARNINGS PER SHARE - BASIC AND DILUTED</b>		
Profit after tax for the period	54,233,437	23,944,927
	..... (Number) .....	
Weighted average number of ordinary shares	45,724,366	45,724,366
	..... (Rupees) .....	
Earnings per share - basic and diluted	1.19	0.52

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 March 31, 2017

### 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, 2017 and December 31, 2016:

	Fire and property damage		Marine, aviation and transport		Motor		Accident & Health		Miscellaneous		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	Un-audited March 31, 2017	Audited December 31, 2016
----- (Rupees in '000) -----												
Segment assets	136,494	177,586	9,655	14,088	14,975	11,000	1,203	1,548	72,600	53,409	234,927	257,631
Unallocated corporate assets											2,420,487	2,403,052
Consolidated corporate assets											2,655,414	2,660,683
Segment liabilities	154,734	203,097	25,498	32,026	193,378	139,072	51,457	101,043	88,898	69,713	513,965	544,951
Unallocated corporate liabilities											377,886	406,416
Consolidated corporate liabilities											891,851	951,367

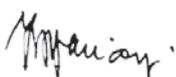
### 15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue in accordance with a resolution of the Board of Directors on April 26, 2017.

### 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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- 📖 Knowledge center
- 📊 Risk profiler\*
- 📊 Financial calculator
- 📱 Subscription to Alerts (event notifications, corporate and regulatory actions)
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\*Mobile apps are also available for download for android and ios devices

# NETWORK

## Registered and Corporate Office

Lakson Square, Building # 2, Sarwar Shaheed Road, Karachi-74200.

Tel: (021) 35698000 Fax: (021) 35683410

## Karachi Lakson Square Office

10<sup>th</sup> Floor, Lakson Square, Building # 3, Sarwar Shaheed Road, Karachi-74200.

Tel: (021) 35698550 Fax: (021) 35689518

## Lahore Regional Office

1<sup>st</sup> Floor, 14 Ali Block, New Garden Town, Lahore.

UAN: (042) 111-111-717 Fax: (042) 35911176

## Faisalabad Office

2<sup>nd</sup> Floor, Legacy Tower, Kohinoor City, Faisalabad.

UAN: (041) 111-111-717 Fax: (041) 8554453

## Multan Office

Office # 55-57, 1<sup>st</sup> Floor, Business City Plaza, Bosan Road, Multan.

Tel: (061) 6211241-43 Fax: (061) 6211244

## Head Office

11<sup>th</sup> Floor, Lakson Square, Building # 3, Sarwar Shaheed Road, Karachi-74200.

UAN: (021) 111-111-717 Fax: (021) 35671665

Email: [info@cicl.com.pk](mailto:info@cicl.com.pk)

## Karachi Clifton Office

Office # 504-505, 5<sup>th</sup> Floor, Marine Point, DC 1, Block-9, Clifton, Karachi.

Tel: (021) 35309234-36 Fax: (021) 35309237

## Islamabad Office

Office # 6, Kashmir Plaza, Jinnah Avenue, Blue Area, Islamabad.

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## Sialkot Office

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