

excellence



Century Insurance
A Lakson Group Company

Vision

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

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



Excellence

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

Excellence Is What We Practice....

Mission

- To become a company of choice for our valued Clients, Stockholders and Employees.
- To maximize growth and profitability of the Company and provide excellent financial returns to its valued Shareholders.
- The Company culture to be known for Integrity and Ethical behavior.
- The Company to be known as one of the best insurance companies of the country.

Century Insurance at a Glance

- Century Insurance is a Lakson Group Company.
- Operating since 1989, dealing in all areas of general insurance business.
- One of the premier general insurance companies of Pakistan.
- Rated “A+” with Stable outlook by JCR - VIS which signifies High Financial Capacity to meet Policyholders and Contract obligations.
- Total equity in excess of Rs. 1 billion.
- Twice awarded ‘Top 25 Companies Award’ by the Karachi Stock Exchange.
- Very strong reinsurance treaty arrangements with very highly rated reinsurers.
- Client base consists of prestigious local and foreign corporates.

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Corporate Information

Board of Directors

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

Advisor

Mr. Sultan Ali Lakhani

Chief Financial Officer

Mr. Sabza Ali Pirani

Company Secretary

Mr. Mansoor Ahmed

Audit Committee

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

Underwriting Committee

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

Claim Settlement Committee

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

Reinsurance & Co-Insurance Committee

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

Human Resource & Remuneration Committee

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

External Auditors

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

Shares Registrar

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

Bankers

Allied Bank Limited
Bank Al-Habib Limited
Citibank, N.A.
Habib Bank Limited
Habib Metropolitan Bank Limited
HSBC Bank Middle East Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Registered & Corporate Office

Lakson Square, Building No. 2, Sarwar Shaheed
Road, Karachi-74200.

Head Office

11th Floor, Lakson Square, Building No. 3,
Sarwar Shaheed Road, Karachi-74200.

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 half year ended 30 June 2013.

General Review

The overall performance of the Company has improved in the first half of 2013 as compared to the same period in 2012. Gross premium is up by Rs. 31 million (10%); net premium is also up by Rs. 8 million (6%) even though net claims have increased by Rs. 3.5 million (5%). Underwriting profit has increased by Rs. 4 million (12%).

Investment and Other Income has increased by Rs. 14 million (24%) resulting in enhanced Profit after Tax of Rs. 18 million and an Earnings per Share of Rs. 1.46.

Operating Results

The comparative financial highlights for the half year ended 30 June 2013 and 2012 are presented below:-

Rupees in millions (except for EPS)	30 June 2013	30 June 2012	Increase / (Decrease)	
			Amount	%
Gross written premium	354	323	31	10
Net premium	141	133	8	6
Underwriting profit	37	33	4	12
Investment & other income	72	58	14	24
Profit before tax	69	53	16	30
Profit after tax	67	49	18	37
Total assets	1,772	1,761	11	1
Paid-up capital	457	457	-	-
Total equity	1,033	956	77	8
Earnings per share (EPS) Rs.	1.46	1.08	0.38	35

As compared to HY12, the gross premium from Fire, Marine, Motor and Miscellaneous business classes has increased by Rs. 19 million (13%), Rs. 7 million (12%), Rs. 4 million (6%) and Rs. 1 million (3%) respectively.

Also, during the period under review, the Company has recorded investment and other income of Rs. 72 million as compared to Rs. 58 million of the same period last year. Your Company will continue to place special emphasis on generating a significant portion of its investment income from sustainable sources such as fixed income and dividends.

Future Outlook

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

Acknowledgments

The Directors of your Company would like to take this opportunity to thank the Securities and Exchange Commission of Pakistan (SECP), Insurance Association of Pakistan (IAP), State Bank of Pakistan (SBP) and 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 stakeholders, who continue to place their trust and confidence in the Company and assure them of our best efforts to ensure optimum utilization of their investment in the Company.

Finally the Directors wish to place on record their appreciation for 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: August 21, 2013

Auditors' Report to Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying

- i. condensed interim balance sheet;
- ii. condensed interim profit and loss account;
- iii. condensed interim statement of comprehensive income;
- iv. condensed interim statement of changes in equity;
- v. condensed interim statement of cash flows;
- vi. condensed interim statement of premiums;
- vii. condensed interim statement of claims;
- viii. condensed interim statement of expenses; and
- ix. condensed interim statement of investment income

and notes to the financial statements of Century Insurance Company Limited for the six-month period ended 30 June 2013 (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

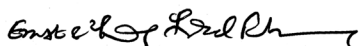
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



A member firm of Ernst & Young Global Limited

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Chartered Accountants

Engagement Partner: Shabbir Yunus

Date: August 21, 2013

Karachi

Condensed Interim Balance Sheet

As at June 30, 2013

		(Un-audited) June 30, 2013	(Audited) December 31, 2012
	Note	----- (Rupees) -----	
Share capital and reserves			
Authorised share capital [50,000,000 (31 December 2012: 50,000,000) Ordinary shares of Rs.10 each]		500,000,000	500,000,000
Paid-up share capital		457,243,660	457,243,660
Retained earnings		202,879,153	193,291,941
Reserves		373,024,260	373,024,260
		1,033,147,073	1,023,559,861
Underwriting provisions			
Provision for outstanding claims (including IBNR)		131,405,727	145,787,410
Provision for unearned premium		247,924,775	181,537,399
Commission income unearned		42,305,740	28,404,710
Total underwriting provisions		421,636,242	355,729,519
Creditors and accruals			
Premiums received in advance		1,683,554	414,553
Amount due to other insurers / reinsurers	6	198,135,458	153,280,123
Accrued expenses		4,244,460	4,760,992
Other creditors and accruals	7	112,022,248	73,388,100
		316,085,720	231,843,768
Other liabilities			
Unclaimed dividend		1,629,572	976,351
TOTAL LIABILITIES		739,351,534	588,549,638
TOTAL EQUITY AND LIABILITIES		1,772,498,607	1,612,109,499
CONTINGENCIES	8		

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

		(Un-audited) June 30, 2013	(Audited) December 31, 2012
	Note	----- (Rupees) -----	
Cash and bank deposits			
Cash and other equivalents		988,993	334,188
Current and other accounts		79,973,176	90,176,594
		80,962,169	90,510,782
Investments	9	1,011,071,029	998,097,022
Deferred taxation		2,817,575	2,636,469
Current assets - others			
Premiums due but unpaid		239,227,496	87,101,787
Amount due from other insurers / reinsurers		67,086,645	96,327,619
Reinsurance recoveries due but unpaid		31,298,557	35,989,672
Salvage recoveries accrued		4,380,000	3,770,000
Accrued investment income		1,946,494	2,265,134
Reinsurance recoveries against outstanding claims		65,874,868	87,134,182
Taxation - net		17,419,309	18,360,038
Deferred commission expense		29,899,552	18,912,357
Prepayments		167,898,803	119,079,483
Sundry receivables	10	6,232,913	7,968,204
		631,264,637	476,908,476
Fixed assets	11		
Tangible and intangible			
Office improvement		5,707,502	5,521,569
Furniture and fixtures		4,258,288	4,614,141
Office equipment		3,875,037	3,774,896
Computer and related accessories		1,142,558	1,054,227
Motor vehicles		28,321,197	27,780,774
Capital work-in-progress		3,078,600	1,102,800
Computer software		15	108,343
		46,383,197	43,956,750
TOTAL ASSETS		1,772,498,607	1,612,109,499


Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Batlay
Director


A. Aziz H. Ebrahim
Director


Mohammad Hussain Hirji
Director & Chief Executive


Condensed Interim Profit and Loss Account (Un-audited)

For the three and six months period ended June 30, 2013

Three months period ended June 30, 2013						
	Fire and property	Marine aviation & transport	Motor	Miscellaneous	June 30, 2013 Aggregate	June 30, 2012 Aggregate
	(Rupees) -					
Revenue account						
Net premium revenue	6,387,165	22,167,906	31,202,249	13,315,000	73,072,320	67,155,890
Net claims	620,366	(3,584,686)	(16,170,836)	(12,917,495)	(32,052,651)	(48,371,173)
Management expenses	(13,628,043)	(2,384,959)	(1,469,683)	(2,851,399)	(20,334,084)	(19,271,826)
Net commission	5,090,135	(1,464,843)	(2,601,644)	346,164	1,369,812	196,199
Underwriting result	(1,530,377)	14,733,418	10,960,086	(2,107,730)	22,055,397	(290,910)
Net investment income					45,035,986	9,146,361
Return on bank accounts					1,247,494	1,805,581
Other income - net					79,828	425,473
General and administration expenses					(20,040,894)	(18,320,755)
Share of profit of associates - net					807,063	4,171,759
Impairment in value of investment in associates					-	(251,524)
Profit / (loss) before tax					49,184,874	(3,314,015)
Taxation - net					(1,112,396)	3,181,434
Profit / (loss) after tax					48,072,478	(132,581)

Six months period ended June 30, 2013						
	Fire and property	Marine aviation and transport	Motor	Miscellaneous	June 30, 2013 Aggregate	June 30, 2012 Aggregate
	(Rupees) -					
Revenue account						
Net premium revenue	12,623,848	39,713,193	63,442,570	25,195,641	140,975,252	132,555,791
Net claims	(4,276,814)	(7,809,699)	(35,731,173)	(19,606,920)	(67,424,606)	(63,918,278)
Management expenses	(19,648,852)	(7,289,526)	(9,135,692)	(4,677,904)	(40,751,974)	(38,921,766)
Net commission	10,651,395	(2,213,031)	(5,320,935)	844,703	3,962,132	2,857,526
Underwriting result	(650,423)	22,400,937	13,254,770	1,755,520	36,760,804	32,573,273
Net investment income					68,620,477	49,082,592
Return on bank accounts					2,596,487	4,023,515
Other income - net					85,631	1,033,016
General and administration expenses					(40,301,370)	(37,398,107)
Share of profit of associates - net					1,073,539	4,171,759
Impairment in value of investment in associates					-	(251,524)
Profit before tax					68,835,568	53,234,524
Taxation - current					(2,428,365)	(3,719,532)
- deferred					181,106	(228,213)
					(2,247,259)	(3,947,745)
Profit after tax					66,588,309	49,286,779
Profit and loss appropriation account						
Balance at commencement of the period					193,291,941	122,016,975
Profit after tax for the period					66,588,309	49,286,779
Other comprehensive income - share in associates' reserves					154,361	11,529
Final cash dividend of Rs.1.25 (12.5%) for the year ended December 31, 2012						
[Re.1 (10%) for the year ended December 31, 2011]					(57,155,458)	(45,724,366)
Balance of unappropriated profit at end of the period					202,879,153	125,590,917
Earnings per share of Rs.10 each - basic and diluted			(note 13)		1.46	1.08

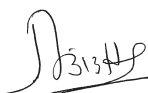
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Iqbal Ali Lakhani
Chairman



Tasleemuddin A. Batlay
Director



A. Aziz H. Ebrahim
Director



Mohammad Hussain Hirji
Director & Chief Executive

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three and six months period ended June 30, 2013


	Three months period ended		Six months period ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	----- (Rupees) -----			
Net profit for the period	48,072,478	(132,581)	66,588,309	49,286,779
Other comprehensive income				
Share in associates' reserve	(170,089)	11,529	154,361	11,529
Total comprehensive income for the period	47,902,389	(121,052)	66,742,670	49,298,308

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


Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Batlay
Director


A. Aziz H. Ebrahim
Director


Mohammad Hussain Hirji
Director & Chief Executive

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

For the six months period ended June 30, 2013

	Share capital	Reserves			Total	
	Issued, subscribed and paid-up	Capital reserves	Revenue reserves		Total reserves	
		Share premium	General reserve	Retained earnings		
		(Rupees)				
Balance as at January 01, 2012	457,243,660	254,024,260	119,000,000	122,016,975	495,041,235	952,284,895

Changes in equity for the six months period ended June 30, 2012


Profit after tax for the six months period	-	-	-	49,286,779	49,286,779	49,286,779
Other comprehensive income - share in associates' reserve	-	-	-	11,529	11,529	11,529
Total comprehensive income for the six months period ended June 30, 2012	-	-	-	49,298,308	49,298,308	49,298,308
Final cash dividend of Re.1 (10%) for the year ended December 31, 2011	-	-	-	(45,724,366)	(45,724,366)	(45,724,366)
Balance as at June 30, 2012	457,243,660	254,024,260	119,000,000	125,590,917	498,615,177	955,858,837

Balance as at January 01, 2013	457,243,660	254,024,260	119,000,000	193,291,941	566,316,201	1,023,559,861
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Changes in equity for the six months period ended June 30, 2013

Profit after tax for the six months period	-	-	-	66,588,309	66,588,309	66,588,309
Other comprehensive income - share in associates' reserve	-	-	-	154,361	154,361	154,361
Total comprehensive income for the six months period ended June 30, 2013	-	-	-	66,742,670	66,742,670	66,742,670
Final cash dividend of Rs.1.25 (12.5%) for the year ended December 31, 2012	-	-	-	(57,155,458)	(57,155,458)	(57,155,458)
Balance as at June 30, 2013	457,243,660	254,024,260	119,000,000	202,879,153	575,903,413	1,033,147,073

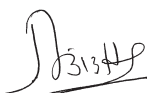
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Iqbal Ali Lakhani
Chairman



Tasleemuddin A. Batlay
Director



A. Aziz H. Ebrahim
Director



Mohammad Hussain Hirji
Director & Chief Executive

Condensed Interim Statement of Cash Flows (Un-audited)

For the six months period ended June 30, 2013

	June 30, 2013	June 30, 2012
	----- (Rupees) -----	
Operating cash flows		
(a) Underwriting activities		
Premiums received	233,948,229	245,030,494
Reinsurance premiums paid	(128,366,503)	(111,651,323)
Claims paid	(95,862,217)	(113,811,459)
Reinsurance and other recoveries received	40,634,159	42,800,790
Commissions paid	(29,534,394)	(31,673,371)
Commissions received	23,006,532	23,314,520
Net cash inflow from underwriting activities	43,825,806	54,009,651
(b) Other operating activities		
Income tax paid	(1,487,636)	(1,603,482)
General management expenses paid	(80,240,242)	(72,626,687)
Other operating receipts	24,996,170	25,452,664
Net cash (outflow) from other operating activities	(56,731,708)	(48,777,505)
Total cash (outflow) / inflow from all operating activities	(12,905,902)	5,232,146
Investment activities		
Profit / return received	6,648,455	9,158,403
Dividends received	6,491,000	5,418,842
Payments for investments	(374,121,361)	(287,540,430)
Proceeds from disposal of investments	427,022,691	277,104,839
Fixed capital expenditure	(6,213,651)	(6,609,956)
Proceeds from disposal of fixed assets	23,515	1,416,000
Total cash inflow / (outflow) from investing activities	59,850,649	(1,052,302)
Financing activities - dividends paid	(56,502,237)	(45,399,842)
Net cash outflow from all activities	(9,557,490)	(41,219,998)
Cash at beginning of the period	89,819,659	96,819,659
Cash at end of the period	80,262,169	55,599,661

Condensed Interim Statement of Cash Flows (Un-audited)

For the six months period ended June 30, 2013

	June 30, 2013	June 30, 2012
	----- (Rupees) -----	
Reconciliation to profit and loss account		
Operating cash flows	(12,905,902)	5,232,146
Depreciation / amortisation expense	(3,787,200)	(4,701,831)
Profit on disposal of fixed assets	23,515	215,783
Profit on disposal of investments	57,265,384	42,673,827
Dividend income	6,477,000	5,440,592
Investment and other income	12,923,016	11,534,984
Increase in assets other than cash	156,741,169	262,865,750
Increase in liabilities other than running finance	(150,148,673)	(273,974,472)
Profit after taxation	<u>66,588,309</u>	<u>49,286,779</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

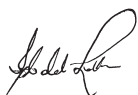
- Cash	92,805	82,128
- Policy stamps and bond papers in hand	896,188	716,946
- Cheques in hand	-	1,570,000
	<u>988,993</u>	<u>2,369,074</u>

Current and other accounts

- Current accounts *	3,496,352	4,900,509
- Savings accounts	75,776,824	48,330,078
	<u>79,273,176</u>	<u>53,230,587</u>
	<u>80,262,169</u>	<u>55,599,661</u>

* This does not include lien on a local currency account, amounting to Rs. 0.7 million (June 30, 2012: 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 A. Batlay
Director



A. Aziz H. Ebrahim
Director



Mohammad Hussain Hirji
Director & Chief Executive

Condensed Interim Statement of Premiums (Un-audited)

For the three and six months period ended June 30, 2013

Business underwritten inside Pakistan

Class	Three months period ended June 30, 2013									
	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		June 30, 2013	June 30, 2012
	(Rupees)									
Direct and facultative										
1. Fire and property damage	135,442,463	63,785,493	149,130,316	50,097,640	125,140,705	59,249,005	140,679,235	43,710,475	6,387,165	5,742,966
2. Marine, aviation and transport	34,641,180	8,140,042	10,676,787	32,104,435	12,899,184	4,111,462	7,074,117	9,936,529	22,167,906	18,792,505
3. Motor	34,536,966	58,319,584	58,565,674	34,290,876	1,492,069	5,507,136	3,910,578	3,088,627	31,202,249	29,876,384
4. Miscellaneous	29,948,532	24,454,199	29,551,998	24,850,733	11,262,639	15,080,910	14,807,816	11,535,733	13,315,000	12,744,035
Grand total	234,569,141	154,699,318	247,924,775	141,343,684	150,794,597	83,948,513	166,471,746	68,271,364	73,072,320	67,155,890

Class	Six months period ended June 30, 2013									
	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		June 30, 2013	June 30, 2012
	(Rupees)									
Direct and facultative										
1. Fire and property damage	170,623,168	88,273,669	149,130,316	109,766,521	154,650,864	83,171,044	140,679,235	97,142,673	12,623,848	10,803,464
2. Marine, aviation and transport	63,299,473	6,597,533	10,676,787	59,220,219	21,569,418	5,011,725	7,074,117	19,507,026	39,713,193	36,647,760
3. Motor	79,330,877	49,434,211	58,565,674	70,199,414	3,442,688	7,224,734	3,910,578	6,756,844	63,442,570	59,860,754
4. Miscellaneous	40,621,142	37,231,986	29,551,998	48,301,130	16,506,297	21,407,008	14,807,816	23,105,489	25,195,641	25,243,813
Grand total	353,874,660	181,537,399	247,924,775	287,487,284	196,169,267	116,814,511	166,471,746	146,512,032	140,975,252	132,555,791

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



Iqbal Ali Lakhani
Chairman



Tasleemuddin A. Batlay
Director



A. Aziz H. Ebrahim
Director



Mohammad Hussain Hirji
Director & Chief Executive

Condensed Interim Statement of Claims (Un-audited)

For the three and six months period ended June 30, 2013

Business underwritten inside Pakistan

Class	Three months period ended June 30, 2013									Net claims expense	
	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			
		Opening	Closing			Opening	Closing			June 30, 2013	June 30, 2012
(Rupees)											
Direct and facultative											
1. Fire and property damage	1,850,716	23,233,827	25,188,618	3,805,507	1,135,756	16,841,084	20,131,201	4,425,873		(620,366)	3,079,994
2. Marine, aviation and transport	6,967,799	15,558,807	14,325,271	5,734,263	2,218,805	7,660,936	7,591,708	2,149,577		3,584,686	5,966,535
3. Motor	29,081,435	44,115,366	41,296,757	26,262,826	7,006,490	3,481,195	6,566,695	10,091,990		16,170,836	28,594,304
4. Miscellaneous	10,574,010	42,783,471	50,595,081	18,385,620	7,143,811	33,260,950	31,585,264	5,468,125		12,917,495	10,730,340
Grand total	48,473,960	125,691,471	131,405,727	54,188,216	17,504,862	61,244,165	65,874,868	22,135,565		32,052,651	48,371,173


Class	Six months period ended June 30, 2013									Net claims expense	
	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			
		Opening	Closing			Opening	Closing			June 30, 2013	June 30, 2012
(Rupees)											
Direct and facultative											
1. Fire and property damage	12,132,117	45,014,470	25,188,618	(7,693,735)	10,152,058	42,253,808	20,131,201	(11,970,549)		4,276,814	3,510,687
2. Marine, aviation and transport	8,927,394	12,455,831	14,325,271	10,796,834	2,387,441	6,992,014	7,591,708	2,987,135		7,809,699	10,187,691
3. Motor	53,505,230	46,431,774	41,296,757	48,370,213	13,329,540	7,257,195	6,566,695	12,639,040		35,731,173	36,019,362
4. Miscellaneous	21,297,476	41,885,335	50,595,081	30,007,222	9,446,203	30,631,165	31,585,264	10,400,302		19,606,920	14,200,538
Grand total	95,862,217	45,787,410	131,405,727	81,480,534	35,315,242	87,134,182	65,874,868	14,055,928		67,424,606	63,918,278

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


Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Batlay
Director


A. Aziz H. Ebrahim
Director


Mohammad Hussain Hirji
Director & Chief Executive

Condensed Interim Statement of Expenses (Un-audited)

For the three and six months period ended June 30, 2013

Business underwritten inside Pakistan

Class	Three months period ended June 30, 2013								
	Commission paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expenses	Commission from reinsurers*	Net underwriting expense	
		Opening	Closing					June 30, 2013	June 30, 2012
		(Rupees)							
Direct and facultative									
1. Fire and property damage	18,075,197	8,692,404	19,893,930	6,873,671	13,628,043	20,501,714	11,963,806	8,537,908	7,907,476
2. Marine, aviation and transport	4,982,931	1,220,383	1,577,501	4,625,813	2,384,959	7,010,772	3,160,970	3,849,802	3,355,622
3. Motor	2,922,094	4,880,322	5,191,246	2,611,170	1,469,683	4,080,853	9,526	4,071,327	5,279,787
4. Miscellaneous	3,089,186	2,057,405	3,236,875	1,909,716	2,851,399	4,761,115	2,255,880	2,505,235	2,532,742
Grand total	29,069,408	16,850,514	29,899,552	16,020,370	20,334,084	36,354,454	17,390,182	18,964,272	19,075,627

Class	Six months period ended June 30, 2013								
	Commission paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expenses	Commission from reinsurers*	Net underwriting expense	
		Opening	Closing					June 30, 2013	June 30, 2012
		(Rupees)							
Direct and facultative									
1. Fire and property damage	23,540,624	11,833,261	19,893,930	15,479,955	19,648,852	35,128,807	26,131,350	8,997,457	9,017,884
2. Marine, aviation and transport	9,134,768	985,021	1,577,501	8,542,288	7,289,526	15,831,814	6,329,257	9,502,557	8,460,529
3. Motor	6,885,939	3,647,511	5,191,246	5,342,204	9,135,692	14,477,896	21,269	14,456,627	13,778,889
4. Miscellaneous	4,553,625	2,446,564	3,236,875	3,763,314	4,677,904	8,441,218	4,608,017	3,833,201	4,806,938
Grand total	44,114,956	18,912,357	29,899,552	33,127,761	40,751,974	73,879,735	37,089,893	36,789,842	36,064,240

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

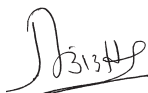
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Iqbal Ali Lakhani
Chairman



Tasleemuddin A. Batlay
Director



A. Aziz H. Ebrahim
Director



Mohammad Hussain Hirji
Director & Chief Executive

Condensed Interim Statement of Investment Income (Un-audited)

For the three and six months period ended June 30, 2013


	Three months period ended		Six months period ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	(Rupees)			
Income from trading investments				
Gain on sale of trading investments - net	10,762,025	9,683,882	12,614,674	19,846,408
Dividend income	849,000	225,457	3,815,250	2,645,126
Unrealised gain/(loss) on re-measurement of securities to fair value - net	3,427,677	(8,254,221)	4,172,922	1,646,721
	15,038,702	1,655,118	20,602,846	24,138,255
Income from non-trading investments				
Held to maturity				
Return on government securities	2,366,125	2,276,199	4,662,921	4,514,315
Return on other fixed income securities and deposits - term finance certificates	112,426	378,113	331,516	825,748
Available-for-sale				
Dividend income	2,661,750	1,207,293	2,661,750	2,795,466
	5,140,301	3,861,605	7,656,187	8,135,529
Gain on sale of non-trading investments - net	25,631,164	5,286,210	44,650,710	22,827,419
Provision for impairment in value of available-for-sale securities - net	-	(779,496)	-	(4,428,566)
Investments related expenses	(774,181)	(877,076)	(4,289,266)	(1,590,045)
Net investments income	45,035,986	9,146,361	68,620,477	49,082,592

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


Iqbal Ali Lakhani
Chairman


Tasleemuddin A. Batlay
Director


A. Aziz H. Ebrahim
Director


Mohammad Hussain Hirji
Director & Chief Executive

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

For the six months period ended June 30, 2013

1. STATUS AND NATURE OF BUSINESS

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

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the six months period ended June 30, 2013 are unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures made in these 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, 2012.

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 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 December 31, 2012.

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, 2012. The financial and insurance risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended December 31, 2012, except as follows:

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

For the six months period ended June 30, 2013

5.1 New, amended and revised International Financial Reporting (IFRSs) standards and interpretations

The Company has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current period:

IAS 1 - Presentation of financial statements - Presentation of items of other comprehensive income (Amendment)

IAS 19 - Employee Benefits - (Revised)

IFRS 7 - Financial Instruments: Disclosures - (Amendment)

- Amendments enhancing disclosures about offsetting of financial assets and financial liabilities

The adoption of the above revision and amendments of the standards did not have any effect on the financial statements except as described in note 5.2 below.

Further, certain new standards have been issued by IASB which are effective for accounting periods beginning on or after January 01, 2013 but are yet to be notified by the SECP for the purpose of applicability in Pakistan.

5.2 Change in accounting policy

During the period, the Company has adopted IAS 19 (Revised). Amendments to IAS 19 range from fundamental changes to simple clarification and re-wording. The significant changes include the following:

For defined benefit plans, the ability to defer recognition of actuarial gains and losses (i.e., the corridor approach) has been removed. As revised, actuarial gains and losses are recognised in other comprehensive income when they occur. Amounts recorded in profit and loss account are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit asset (liability) are recognised in other comprehensive income with no subsequent recycling to profit and loss account.

The distinction between short-term and other long-term employee benefits will be based on the expected timing of settlement rather than the employee's entitlement to the benefits.

Objectives for disclosures of defined benefit plans are explicitly stated in the revised standard, along with new or revised disclosure requirements. These new disclosures include quantitative information of the sensitivity of the defined benefit obligation to a reasonably possible change in each significant actuarial assumption.

The management believes that the impact of the above change is not material to the condensed interim financial statements and, as such, the effects thereof have not been accounted for in the current period.

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

For the six months period ended June 30, 2013

	Note	(Un-audited) June 30, 2013	(Audited) December 31, 2012
----- (Rupees) -----			
6. AMOUNT DUE TO OTHER INSURERS / REINSURERS			
Foreign reinsurers		52,925,825	50,033,421
Local reinsurers		124,813,469	86,105,022
Co-insurers		20,396,164	17,141,680
		<u>198,135,458</u>	<u>153,280,123</u>
7. OTHER CREDITORS AND ACCRUALS			
Creditors		1,311,962	1,336,077
Federal excise duty		26,312,223	3,222,596
Federal insurance fees		1,713,696	226,111
Retention money		51,277	142,469
Commission payable		67,657,389	54,261,220
Provision for workers' welfare fund		7,298,617	6,098,617
Margin deposits		2,362,518	4,652,209
Payable to gratuity fund		631,700	-
Payable against purchase of shares		-	319,152
Payable against construction of new branch		-	269,040
Withholding tax payable		569,114	221,286
Deposits from employees against car scheme		4,109,139	2,639,057
Others		4,613	266
		<u>112,022,248</u>	<u>73,388,100</u>
8. CONTINGENCIES			
There are no contingencies outstanding as at June 30, 2013.			
9. INVESTMENTS			
In related parties			
Investments in associates - equity accounting *	9.1	29,013,005	25,595,566
Available-for-sale - quoted mutual funds *		642,200,257	579,643,888
		<u>671,213,262</u>	<u>605,239,454</u>
Others			
Investment at fair value through profit and loss - held-for-trading			
Quoted shares		46,367,870	95,760,162
Held to maturity			
Government securities *		69,300,993	67,950,621
Term finance certificates - quoted *		3,655,608	10,807,814
		<u>72,956,601</u>	<u>78,758,435</u>
Available-for-sale			
Quoted equity securities / mutual funds *		263,592,761	271,481,557
Less: Provision for impairment (net of reversals)	9.2	(43,059,465)	(53,142,586)
		<u>220,533,296</u>	<u>218,338,971</u>
		<u>1,011,071,029</u>	<u>998,097,022</u>

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

For the six months period ended June 30, 2013

* The market value of investments as at June 30, 2013 was Rs. 1,120.54 million (December 31, 2012: Rs. 1,020.65 million).

- 9.1 The result of associates have been recorded based on latest available financial information for the period ended March 31, 2013.

	Note	(Un-audited) June 30, 2013	(Audited) December 31, 2012
		----- (Rupees) -----	
9.2 Provision for impairment - net of reversal			
Opening provision		53,142,586	116,028,709
Realised on disposal		(10,083,121)	(62,886,123)
Closing provision		<u>43,059,465</u>	<u>53,142,586</u>
10. SUNDRY RECEIVABLES			
Profit on bank deposits - saving accounts		383,594	486,856
Security deposits		3,376,325	1,836,325
Advance to employees		917,518	1,284,293
Advance against expenses		441,465	85,000
Receivables from supplier		-	1,982,000
Receivable against sale of shares		-	2,177,919
Receivable from provident fund		1,000,000	-
Others		114,011	115,811
		<u>6,232,913</u>	<u>7,968,204</u>
11. FIXED ASSETS - TANGIBLE AND INTANGIBLE			
Opening written down value		43,956,750	48,723,294
Add: Additions during the period / year - at cost			
- Office improvement		673,070	515,400
- Furniture and fixtures		-	1,552,170
- Office equipment		580,055	2,124,233
- Computers and related accessories		443,000	665,883
- Motor vehicles		2,541,725	2,923,400
		<u>4,237,850</u>	<u>7,781,086</u>
Less: Written down value of deletion		3	3,968,306
Depreciation / amortisation for the period / year		<u>3,787,200</u>	<u>9,682,124</u>
		3,787,203	13,650,430
Add: Capital work-in-progress	11.1	1,975,800	1,102,800
Closing written down value		<u>46,383,197</u>	<u>43,956,750</u>

- 11.1 Capital work-in-progress as at period end amounting to Rs. 3.078 million (December 31, 2012: Rs. 1.103 million) consists of advances to suppliers against renovation of branch and purchase of motor vehicles.

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

For the six months period ended June 30, 2013

12. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, companies under common control, companies with common directors, major shareholders, employees' retirement benefit plans, directors and key management personnel. All transactions involving related parties arising in the normal course of business are conducted at agreed terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements. Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes and actuarial advice. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

	(Un-audited)			
	Three months period ended June 30, 2013	June 30, 2012	Six months period ended June 30, 2013	June 30, 2012
	(Rupees)			
Premium written	155,653,330	127,361,846	192,977,559	173,067,383
Commission expense	19,575,211	18,124,131	24,130,440	23,987,015
Claims paid	5,270,864	7,258,297	11,782,903	14,074,228
Dividend paid	43,826,682	35,071,612	43,826,682	35,071,612
Investment in associates	2,189,540	-	2,189,540	-
Expenses	3,270,695	3,345,528	9,068,245	6,404,951
Contribution to / provision for staff benefit plans	1,243,195	1,687,209	2,296,749	2,863,444
Remuneration to key management personnel	14,186,772	11,729,506	26,965,202	25,162,355

	(Un-audited)	
	June 30, 2013	June 30, 2012
	(Rupees)	

13. EARNINGS PER SHARE - BASIC AND DILUTED

Profit after tax for the period	66,588,309	49,286,779
	(Number)	
Weighted average number of ordinary shares	45,724,366	45,724,366
	(Rupees)	
Earnings per share- basic and diluted	1.46	1.08

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 six months period ended June 30, 2013

14. OPERATING SEGMENTS

Class of business wise revenue and results have been disclosed in the condensed interim statement of premiums and condensed interim profit and loss account respectively, prepared in accordance with the requirements of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following table presents information regarding segment assets and liabilities as at June 30, 2013 and December 31, 2012:

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	Un-audited June 30, 2013	Audited Dec 31, 2012
----- (Rupees in '000) -----										
Segment assets	180,704	137,258	16,243	12,989	15,669	18,129	49,630	54,485	262,247	222,861
Unallocated corporate assets									1,510,252	1,389,248
Consolidated corporate assets									1,772,499	1,612,109
Segment liabilities	210,731	154,922	27,308	20,802	99,873	95,898	83,724	84,108	421,636	355,730
Unallocated corporate liabilities									317,715	232,820
Consolidated corporate liabilities									739,351	588,550

15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue in accordance with a resolution of the Board of Directors on August 21, 2013.

16. GENERAL

16.1 Figures of the profit and loss account for the quarters ended June 30, 2013 and June 30, 2012 have not been subjected to limited scope review by the auditors as they are only required to review half-yearly figures.

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



Iqbal Ali Lakhani
Chairman



Tasleemuddin A. Batlay
Director



A. Aziz H. Ebrahim
Director



Mohammad Hussain Hirji
Director & Chief Executive

Company Offices

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Century Insurance

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