

Nine Months Report September 2013 (Un-audited)

excellence



Century Insurance
A Lakson Group Company

Vision

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

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



Excellence

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

Excellence Is What We Practice....

Mission

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

Century Insurance at a Glance

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

Contents

- 03 Corporate Information
- 04 Directors' Review
- 06 Balance Sheet
- 08 Profit and Loss Account
- 09 Statement of Comprehensive Income
- 10 Statement of Changes in Equity
- 11 Statement of Cash Flows
- 13 Statement of Premiums
- 14 Statement of Claims
- 15 Statement of Expenses
- 16 Statement of Investment Income
- 17 Notes to the Financial Statements

Corporate Information

Board of Directors

Mr. Iqbal Ali Lakhani - Chairman
Mr. Zulfikar Ali Lakhani
Mr. Amin Mohammed Lakhani
Mr. Tasleemuddin A. Batlay
Mr. A. Aziz H. Ebrahim
Mr. Muhammad Abdul Qadir (up to October 5, 2013)
Mr. Mohammad Hussain Hirji - Chief Executive
Mr. Mansoor Ahmed (effective from October 24, 2013)

Advisor

Mr. Sultan Ali Lakhani

Chief Financial Officer

Mr. Sabza Ali Pirani

Company Secretary

Mr. Mansoor Ahmed

Audit Committee

Mr. Zulfikar 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. Zulfikar 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 nine months period ended September 30, 2013.

General Review

The overall performance of the Company has improved in the third quarter of 2013 as compared to the same period in 2012. Gross premium is up by Rs. 51 million (10%); net premium is also up by Rs. 19 million (9%). Net claims have increased by Rs. 15 million (17%) and underwriting profit has marginally decreased by Rs. 2 million (3%).

Investment and Other Income has increased by Rs. 9 million (10%) resulting in enhanced Profit after Tax of Rs. 3 million and an Earnings per Share of Rs. 2.04.

Operating Results

The comparative financial highlights for the nine months period ended September 30, 2013 and 2012 are presented below:-

Rupees in millions (except for EPS)	Sep 30, 2013	Sep 30, 2012	Increase / (Decrease) Amount	%
Gross written premium	558	507	51	10
Net premium	227	208	19	9
Underwriting profit	62	64	(2)	(3)
Investment & other income	100	91	9	10
Profit before tax	98	98	-	-
Profit after tax	93	90	3	3
Total assets	1,789	1,776	13	1
Paid-up capital	457	457	-	-
Total equity	1,060	996	64	6
Earnings per share (EPS) Rs.	2.04	1.96	0.08	4

As compared to 3QFY12, the gross premium from Fire, Marine, Motor and Miscellaneous business classes has increased by Rs. 15 million (7%), Rs. 11 million (13%), Rs. 16 million (14%) and Rs. 10 million (9%) respectively.

Also, during the period under review, the Company has recorded investment and other income of Rs. 100 million as compared to Rs. 91 million for 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: October 24, 2013

Condensed Interim Balance Sheet

As at September 30, 2013

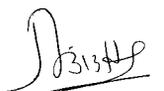
	(Un-audited) September 30, 2013	(Audited) December 31, 2012
Note	(Rupees) -----	
Share capital and reserves		
Authorised share capital [50,000,000 (31 December 2012: 50,000,000) Ordinary shares of Rs.10 each]	500,000,000	500,000,000
Paid-up share capital	457,243,660	457,243,660
Retained earnings	229,280,411	193,291,941
Reserves	373,024,260	373,024,260
	1,059,548,331	1,023,559,861
Underwriting provisions		
Provision for outstanding claims (including IBNR)	139,953,808	145,787,410
Provision for unearned premium	282,591,795	181,537,399
Commission income unearned	39,381,679	28,404,710
Total underwriting provisions	461,927,282	355,729,519
Creditors and accruals		
Premiums received in advance	702,159	414,553
Amount due to other insurers / reinsurers	166,210,287	153,280,123
Accrued expenses	5,144,589	4,760,992
Other creditors and accruals	94,153,443	73,388,100
	266,210,478	231,843,768
Other liabilities		
Unclaimed dividend	1,391,617	976,351
TOTAL LIABILITIES	729,529,377	588,549,638
TOTAL EQUITY AND LIABILITIES	1,789,077,708	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) September 30, 2013	(Audited) December 31, 2012
Note		(Rupees)	
Cash and bank deposits			
		895,443	334,188
		32,578,222	90,176,594
		33,473,665	90,510,782
	9	1,075,818,560	998,097,022
		1,606,912	2,636,469
Current assets - others			
		199,396,772	87,101,787
		102,038,919	96,327,619
		29,336,338	35,989,672
		5,780,000	3,770,000
		3,874,911	2,265,134
		76,835,821	87,134,182
		16,992,649	18,360,038
		28,042,669	18,912,357
		162,475,718	119,079,483
	10	6,263,389	7,968,204
		631,037,186	476,908,476
Fixed assets			
	11		
Tangible and intangible			
		5,503,317	5,521,569
		4,232,088	4,614,141
		3,944,095	3,774,896
		1,110,576	1,054,227
		31,424,994	27,780,774
		926,300	1,102,800
		15	108,343
		47,141,385	43,956,750
TOTAL ASSETS		1,789,077,708	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 nine months period ended September 30, 2013

	Three months period ended September 30, 2013				September 30, 2013	September 30, 2012
	Fire and property	Marine aviation and transport	Motor	Miscellaneous	Aggregate	Aggregate
------(Rupees)-----						
Revenue account						
Net premium revenue	9,252,241	20,875,743	34,882,846	20,981,850	85,992,680	75,420,251
Net claims	(5,260,669)	(2,814,448)	(22,126,469)	(6,919,455)	(37,121,041)	(26,506,249)
Management expenses	(6,385,832)	(3,815,972)	(6,447,031)	(8,381,231)	(25,030,066)	(18,741,661)
Net commission	5,310,271	(1,135,212)	(2,684,153)	9,941	1,500,847	1,103,162
Underwriting result	2,916,011	13,110,111	3,625,193	5,691,105	25,342,420	31,275,503
Net investment income					23,822,669	30,849,870
Return on bank accounts					1,312,290	1,550,853
Other income - net					340,793	409,585
General and administration expenses					(23,958,086)	(19,648,807)
Share of profit of associates - net					1,940,927	343,749
Profit before tax					28,801,013	44,780,753
Taxation - net					(2,216,814)	(4,289,959)
Profit after tax					26,584,199	40,490,794
Earnings per share of Rs.10 each - basic and diluted		(note 13)			0.58	0.89

	Nine months period ended September 30, 2013				September 30, 2013	September 30, 2012
	Fire and property	Marine aviation and transport	Motor	Miscellaneous	Aggregate	Aggregate
------(Rupees)-----						
Revenue account						
Net premium revenue	21,876,089	60,588,936	98,325,416	46,177,491	226,967,932	207,976,042
Net claims	(9,537,483)	(10,624,147)	(57,857,642)	(26,526,375)	(104,545,647)	(90,424,527)
Management expenses	(26,034,684)	(11,105,498)	(15,582,723)	(13,059,135)	(65,782,040)	(57,663,427)
Net commission	15,961,666	(3,348,243)	(8,005,088)	854,644	5,462,979	3,960,688
Underwriting result	2,265,588	35,511,048	16,879,963	7,446,625	62,103,224	63,848,776
Net investment income					92,443,146	79,932,462
Return on bank accounts					3,908,777	5,574,368
Other income - net					426,424	1,442,601
General and administration expenses					(64,259,456)	(57,046,914)
Share of profit of associates - net					3,014,466	4,515,508
Impairment in value of investment in associates					-	(251,524)
Profit before tax					97,636,581	98,015,277
Taxation - current					(3,434,516)	(8,873,880)
- deferred					(1,029,557)	636,146
					(4,464,073)	(8,237,734)
Profit after tax					93,172,508	89,777,543
Profit and loss appropriation account						
Balance at commencement of the period					193,291,941	122,016,975
Profit after tax for the period					93,172,508	89,777,543
Other comprehensive income - share in associates' reserves					(28,580)	128,426
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					229,280,411	166,198,578
Earnings per share of Rs.10 each - basic and diluted		(note 13)			2.04	1.96

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 nine months period ended September 30, 2013

	Three months period ended		Nine months period ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
	----- (Rupees) -----			
Net profit for the period	26,584,199	40,490,764	93,172,508	89,777,543
Other comprehensive income				
Share in associates' reserve	(182,941)	116,897	(28,580)	128,426
Total comprehensive income for the period	<u>26,401,258</u>	<u>40,607,661</u>	<u>93,143,928</u>	<u>89,905,969</u>

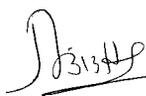
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



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)

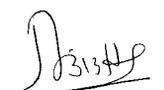
For the nine months period ended September 30, 2013

	Share capital	Capital reserves	Reserves			Total
	Issued, subscribed and paid-up	Share premium	Revenue reserves		Total reserves	
			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 nine months period ended September 30, 2012						
Profit after tax for the nine months period	-	-	-	89,777,543	89,777,543	89,777,543
Other comprehensive income						
- share in associates' reserve	-	-	-	128,426	128,426	128,426
Total comprehensive income for the nine months period ended September 30, 2012	-	-	-	89,905,969	89,905,969	89,905,969
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 September 30, 2012	<u>457,243,660</u>	<u>254,024,260</u>	<u>119,000,000</u>	<u>166,198,578</u>	<u>539,222,838</u>	<u>996,466,498</u>
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
Changes in equity for the nine months period ended September 30, 2013						
Profit after tax for the nine months period	-	-	-	93,172,508	93,172,508	93,172,508
Other comprehensive income						
- share in associates' reserve	-	-	-	(28,580)	(28,580)	(28,580)
Total comprehensive income for the nine months period ended September 30, 2013	-	-	-	93,143,928	93,143,928	93,143,928
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 September 30, 2013	<u>457,243,660</u>	<u>254,024,260</u>	<u>119,000,000</u>	<u>229,280,411</u>	<u>602,304,671</u>	<u>1,059,548,331</u>

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 Cash Flows (Un-Audited)

For the nine months period ended September 30, 2013

	September 30, 2013	September 30, 2012
------(Rupees)-----		
Operating cash flows		
(a) Underwriting activities		
Premiums received	439,020,230	431,274,114
Reinsurance premiums paid	(260,192,977)	(209,192,075)
Claims paid	(151,904,137)	(152,181,133)
Reinsurance and other recoveries received	59,658,030	65,704,517
Commissions paid	(41,262,399)	(48,022,155)
Commissions received	63,750,886	49,102,206
Net cash inflow from underwriting activities	109,069,633	136,685,474
(b) Other operating activities		
Income tax paid	(2,067,127)	(2,229,617)
General management expenses paid	(126,316,079)	(107,090,019)
Other operating receipts	2,233,415	1,452,217
Net cash (outflow) from other operating activities	(126,149,791)	(107,867,419)
Total cash (outflow) / inflow from all operating activities	(17,080,158)	28,818,055
Investment activities		
Profit / return received	9,347,753	12,544,931
Dividends received	6,675,125	6,250,842
Payments for investments	(605,119,729)	(476,718,128)
Proceeds from disposal of investments	615,854,195	434,431,189
Fixed capital expenditure	(10,866,504)	(7,201,464)
Proceeds from disposal of fixed assets	883,515	1,635,500
Total cash inflow / (outflow) from investing activities	16,774,355	(29,057,130)
Financing activities - dividends paid	(56,740,192)	(45,492,450)
Net cash outflow from all activities	(57,045,994)	(45,731,525)
Cash at beginning of the period	89,819,659	96,819,659
Cash at end of the period	32,773,665	51,088,134

Condensed Interim Statement of Cash Flows (Un-Audited)

For the nine months period ended September 30, 2013

	September 30, 2013	September 30, 2012
Reconciliation to profit and loss account	------(Rupees)-----	
Operating cash flows	(17,080,158)	28,818,055
Depreciation / amortisation expense	(5,816,480)	(7,217,207)
Profit on disposal of fixed assets	297,427	351,564
Profit on disposal of investments	83,344,692	65,360,244
Dividend income	8,301,625	6,775,842
Investment and other income	13,268,706	21,366,867
Increase in assets other than cash	151,399,347	232,888,250
Increase in liabilities other than running finance	(140,542,651)	(258,566,072)
Profit after taxation	<u>93,172,508</u>	<u>89,777,543</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	105,320	103,335
- Policy stamps and bond papers in hand	790,123	647,469
- Cheques in hand	-	1,570,000
	<u>895,443</u>	<u>2,320,804</u>

Current and other accounts

- Current accounts *	3,664,749	4,310,948
- Savings accounts	28,213,473	44,456,382
	31,878,222	48,767,330
	<u>32,773,665</u>	<u>51,088,134</u>

* This does not include lien on a local currency account, amounting to Rs. 0.7 million (September 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 nine months period ended September 30, 2013

Business underwritten inside Pakistan

Three months period ended September 30, 2013										
Class	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		September 30, 2013	September 30, 2012
		(Rupees)								
Direct and facultative										
1. Fire and property damage	50,161,671	149,130,316	132,414,875	66,877,112	42,813,371	140,679,235	125,867,735	57,624,871	9,252,241	8,243,203
2. Marine, aviation and transport	30,879,720	10,676,787	9,078,486	32,478,021	9,085,863	7,074,117	4,557,702	11,602,278	20,875,743	18,369,332
3. Motor	52,817,033	58,565,674	74,208,161	37,174,546	2,394,776	3,910,578	4,013,654	2,291,700	34,882,846	31,860,957
4. Miscellaneous	70,125,703	29,551,998	66,890,273	32,787,428	21,483,820	14,807,816	24,486,058	11,805,578	20,981,850	16,946,759
Grand total	203,984,127	247,924,775	282,591,795	169,317,107	75,777,830	166,471,746	158,925,149	83,324,427	85,992,680	75,420,251

Nine months period ended September 30, 2013										
Class	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		September 30, 2013	September 30, 2012
		(Rupees)								
Direct and facultative										
1. Fire and property damage	220,784,839	88,273,669	132,414,875	176,843,633	197,464,235	83,171,044	125,867,735	154,767,544	21,876,089	19,046,667
2. Marine, aviation and transport	94,179,193	6,597,533	9,078,486	91,698,240	30,655,281	5,011,725	4,557,702	31,109,304	60,588,936	55,017,092
3. Motor	132,147,910	49,434,211	74,208,161	107,373,960	5,837,464	7,224,734	4,013,654	9,048,544	98,325,416	91,721,711
4. Miscellaneous	110,746,845	37,231,986	66,890,273	81,088,558	37,990,117	21,407,008	24,486,058	34,911,067	46,177,491	42,190,572
Grand total	557,858,787	181,537,399	282,591,795	456,804,391	271,947,097	116,814,511	158,925,149	229,836,459	226,967,932	207,976,042

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 nine months period ended September 30, 2013

Business underwritten inside Pakistan

Class	Three months period ended September 30, 2013									
	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		September 30, 2013	September 30, 2012
(Rupees)										
Direct and facultative										
1. Fire and property damage	16,039,857	25,188,618	33,465,477	24,316,716	9,730,489	20,131,201	29,456,759	19,056,047	5,260,689	1,540,971
2. Marine, aviation and transport	3,398,629	14,325,271	14,498,763	3,572,121	876,153	7,591,708	7,473,228	757,673	2,814,448	924,049
3. Motor	19,038,248	41,296,757	51,371,026	29,112,517	5,276,048	6,566,695	8,276,695	6,986,048	22,126,469	17,885,592
4. Miscellaneous	17,565,186	50,595,081	40,618,542	7,588,647	625,317	31,585,264	31,629,139	669,192	6,919,455	6,155,637
Grand total	56,041,920	131,405,727	139,953,808	64,590,001	16,508,007	65,874,868	76,835,821	27,468,960	37,121,041	26,506,249

Class	Nine months period ended September 30, 2013									
	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		September 30, 2013	September 30, 2012
(Rupees)										
Direct and facultative										
1. Fire and property damage	28,171,974	45,014,470	33,465,477	16,622,981	19,882,547	42,253,808	29,456,759	7,085,498	9,537,483	5,051,658
2. Marine, aviation and transport	12,326,023	12,455,831	14,498,763	14,368,955	3,263,594	6,992,014	7,473,228	3,744,808	10,624,147	11,111,740
3. Motor	72,543,478	46,431,774	51,371,026	77,482,730	18,605,588	7,257,195	8,276,695	19,625,088	57,857,642	53,904,954
4. Miscellaneous	38,862,662	41,885,335	40,618,542	37,595,869	10,071,520	30,631,165	31,629,139	11,069,494	26,526,375	20,356,175
Grand total	151,904,137	145,787,410	139,953,808	146,070,535	51,823,249	87,134,182	76,835,821	41,524,888	104,545,647	90,424,527

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 nine months period ended September 30, 2013

Business underwritten inside Pakistan

Class	Three months period ended September 30, 2013								
	Commission paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expenses	Commission from reinsurers*	Net underwriting expense	
		Opening	Closing					September 30, 2013	September 30, 2012
					(Rupees)				
Direct and facultative									
1. Fire and property damage	7,709,946	19,893,930	18,148,812	9,455,064	6,385,832	15,840,896	14,765,335	1,075,561	30,748
2. Marine, aviation and transport	4,505,025	1,577,501	1,349,140	4,733,386	3,815,972	8,549,358	3,598,174	4,951,184	3,552,546
3. Motor	2,379,568	5,191,246	4,876,832	2,693,982	6,447,031	9,141,013	9,829	9,131,184	6,825,233
4. Miscellaneous	2,913,101	3,236,875	3,667,885	2,482,091	8,381,231	10,863,322	2,492,032	8,371,290	7,229,972
Grand total	17,507,640	29,899,552	28,042,669	19,364,523	25,030,066	44,394,589	20,865,370	23,529,219	17,638,499

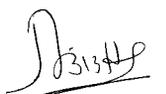
Class	Nine months period ended September 30, 2013								
	Commission paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expenses	Commission from reinsurers*	Net underwriting expense	
		Opening	Closing					September 30, 2013	September 30, 2012
					(Rupees)				
Direct and facultative									
1. Fire and property damage	31,250,570	11,833,261	18,148,812	24,935,019	26,034,684	50,969,703	40,896,685	10,073,018	9,048,632
2. Marine, aviation and transport	13,639,793	985,021	1,349,140	13,275,674	11,105,498	24,381,172	9,927,431	14,453,741	12,013,075
3. Motor	9,265,507	3,647,511	4,876,832	8,036,186	15,582,723	23,618,909	31,098	23,587,811	20,604,122
4. Miscellaneous	7,466,726	2,446,564	3,667,885	6,245,405	13,059,135	19,304,540	7,100,049	12,204,491	12,036,910
Grand total	61,622,596	18,912,357	28,042,669	52,492,284	65,782,040	118,274,324	57,955,263	60,319,061	53,702,739

* 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 nine months period ended September 30, 2013

	Three months period ended		Nine months period ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
----- (Rupees) -----				
Income from trading investments				
Gain on sale of trading investments - net	7,518,908	6,425,408	20,133,582	26,271,816
Dividend income	1,010,625	1,224,345	4,825,875	3,869,471
Unrealised (loss)/gain on re-measurement of securities to fair value - net	(5,743,267)	4,837,998	(1,570,345)	6,484,719
	<u>2,786,266</u>	<u>12,487,751</u>	<u>23,389,112</u>	<u>36,626,006</u>
Income from non-trading investments				
Held to maturity				
Return on government securities	2,394,865	2,303,824	7,057,786	6,818,139
Return on other fixed income securities and deposits - term finance certificates	100,082	385,874	431,598	1,211,622
Available-for-sale				
Dividend income	814,000	110,905	3,475,750	2,906,371
	<u>3,308,947</u>	<u>2,800,603</u>	<u>10,965,134</u>	<u>10,936,132</u>
Gain on sale of non-trading investments - net	18,560,400	16,261,009	63,211,110	39,088,428
Provision for impairment in value of available-for-sale securities - net	-	-	-	(4,428,566)
Investments related expenses	(832,944)	(699,493)	(5,122,210)	(2,289,538)
Net investments income	<u>23,822,669</u>	<u>30,849,870</u>	<u>92,443,146</u>	<u>79,932,462</u>

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 nine months period ended September 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 nine months period ended September 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 nine months period ended September 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.

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

For the nine months period ended September 30, 2013

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.

	(Un-audited) September 30, 2013	(Audited) December 31, 2012
	----- (Rupees) -----	
6. AMOUNT DUE TO OTHER INSURERS/REINSURERS		
Foreign reinsurers	29,329,045	50,033,421
Local reinsurers	115,415,816	86,105,022
Co-insurers	21,465,426	17,141,680
	166,210,287	153,280,123
7. OTHER CREDITORS AND ACCRUALS		
Creditors	1,733,450	1,336,077
Federal excise duty	5,637,750	3,222,596
Federal insurance fees	599,923	226,111
Retention money	51,277	142,469
Commission payable	70,190,382	54,261,220
Provision for workers' welfare fund	7,798,617	6,098,617
Margin deposits	2,419,123	4,652,209
Payable to gratuity fund	947,550	-
Payable against purchase of shares	-	319,152
Payable against construction of new branch	-	269,040
Withholding tax payable	450,684	221,286
Deposits from employees against car scheme	4,320,074	2,639,057
Others	4,613	266
	94,153,443	73,388,100
8. CONTINGENCIES		

There are no contingencies outstanding as at September 30, 2013.

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

For the nine months period ended September 30, 2013

		(Un-audited) September 30, 2013	(Audited) December 31, 2012
	Note	----- (Rupees) -----	
9. INVESTMENTS			
In related parties			
Investments in associates - equity accounting *	9.1	30,546,487	25,595,566
Available-for-sale - quoted mutual funds *		613,967,452	579,643,888
		644,513,939	605,239,454
Others			
Investment at fair value through profit and loss - held-for-trading			
Quoted shares		112,103,585	95,760,162
Held to maturity			
Government securities *		70,012,133	67,950,621
Term finance certificates - quoted *		3,655,608	10,807,814
		73,667,741	78,758,435
Available-for-sale			
Quoted equity securities / mutual funds *	9.2	288,592,760	271,481,557
Less: Provision for impairment (net of reversals)		(43,059,465)	(53,142,586)
		245,533,295	218,338,971
		1,075,818,560	998,097,022

* The market value of investments as at September 30, 2013 was Rs. 1,174.09 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 June 30, 2013.

		(Un-audited) September 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		43,059,465	53,142,586

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

For the nine months period ended September 30, 2013

	(Un-audited) September 30, 2013	(Audited) December 31, 2012
------(Rupees)-----		
10. SUNDRY RECEIVABLES		
Profit on bank deposits - saving accounts	492,475	486,856
Security deposits	3,683,289	1,836,325
Advance to employees	1,763,094	1,284,293
Advance against expenses	191,430	85,000
Receivables from supplier	-	1,982,000
Receivable against sale of shares	-	2,177,919
Others	133,101	115,811
	6,263,389	7,968,204
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	727,904	515,400
- Furniture and fixtures	158,539	1,552,170
- Office equipment	915,235	2,124,233
- Computers and related accessories	605,600	665,883
- Motor vehicles	7,356,425	2,923,400
	9,763,703	7,781,086
Less: Written down value of deletion	586,088	3,968,306
Depreciation / amortisation for the period / year	5,816,480	9,682,124
	6,402,568	13,650,430
Less: Capital work-in-progress-Opening	1,102,800	-
Add: Capital work-in-progress-Closing	926,300	1,102,800
	47,141,385	43,956,750
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

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

For the nine months period ended September 30, 2013

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		Nine months period ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
	------(Rupees)-----			
Premium written	54,281,690	54,342,156	247,259,249	227,409,539
Commission expense	4,275,950	3,902,495	28,406,390	27,889,510
Claims paid	11,838,982	1,448,722	23,621,885	15,522,950
Dividend paid	-	-	43,826,682	35,071,612
Dividend Income	224,504	-	224,504	-
Investment in associates	-	-	2,189,540	-
Expenses	5,220,112	2,946,192	14,288,357	9,351,143
Contribution to / provision for staff benefit plans	1,088,494	650,766	3,385,243	3,514,210
Remuneration to key management personnel	17,280,824	13,337,398	44,246,026	38,499,753

	------(Un-audited)-----			
	Three months period ended		Nine months period ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
	------(Rupees)-----			
13. EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after tax for the period	26,584,199	40,490,764	93,172,508	89,777,543
	------(Number)-----			
Weighted average number of ordinary shares	45,724,366	45,724,366	45,724,366	45,724,366
	------(Rupees)-----			
Earnings per share- basic and diluted	0.58	0.89	2.04	1.96

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 nine months period ended September 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 September 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	Audited
									September 30, 2013	December 31, 2012
	(Rupees in '000)									
Segment assets	173,473	137,258	13,380	12,989	17,167	18,129	59,783	54,485	263,804	222,861
Unallocated corporate assets									1,525,274	1,389,248
Consolidated corporate assets									1,789,078	1,612,109
Segment liabilities	198,093	154,922	24,928	20,802	125,589	95,898	113,317	84,108	461,927	355,730
Unallocated corporate liabilities									267,602	232,820
Consolidated corporate liabilities									729,529	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 October 24, 2013.

16. GENERAL

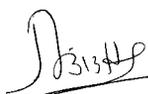
Figures in these condensed interim financial statements have been rounded off to the nearest rupee, unless otherwise stated.



Iqbal Ali Lakhani
Chairman



Tasleemuddin A. Batlay
Director



A. Aziz H. Ebrahim
Director



Mohammad Hussain Hirji
Director & Chief Executive

Company Offices

Head Office:

11th Floor, Lakson Square,
Building No. 3, Sarwar Shaheed Road,
Karachi-74200.
Tel: (021) 35671603, 35657445-9 (5 Lines)
Fax: (021) 35671665
Email: info@cicl.com.pk

Karachi Marketing Office:

10th Floor, Lakson Square,
Building No. 3, Sarwar Shaheed Road,
Karachi-74200.
Tel: (021) 35698550
Fax: (021) 35689518

Clifton Branch:

Office No. 504-505, Marine Point,
DC-1, Block-9, Clifton, Karachi.
Tel: (021) 35309234-36
Fax: (021) 35309237

Islamabad Branch:

Office No. 6, Mezzanine Floor, Kashmir Plaza,
Jinnah Avenue, Blue Area, Islamabad.
Tel: (051) 2801327-29
Fax: (051) 2870228

Faisalabad Branch:

1st Floor, FM Plaza, 15-D,
Peoples Colony, Faisalabad.
Tel: (041) 8554450-52
Fax: (041) 8554453

Rawalpindi Branch:

Suite No. 3, 1st Floor,
Majeed Plaza, Bank Road,
Rawalpindi.
Tel: (051) 5512251-52
Fax: (051) 5110996

Lahore Branch:

1st Floor, 14-Ali Block,
New Garden Town, Lahore.
Tel: (042) 35911025-26
35911125-26
Fax: (042) 35911176

Sialkot Branch:

1st Floor, Karim Plaza,
Iqbal Town, Defence Road, Sialkot.
Tel: (052) 3241704-07
Fax: (052) 3241703

Multan Branch:

Office No. 55-57, 1st Floor,
Business City Plaza, Bosan Road,
Multan.
Tel: (061) 6211241-43
Fax: (061) 6211244



Century Insurance

UAN: 111-111-717
www.cici.com.pk

YCOM
35810392-6