

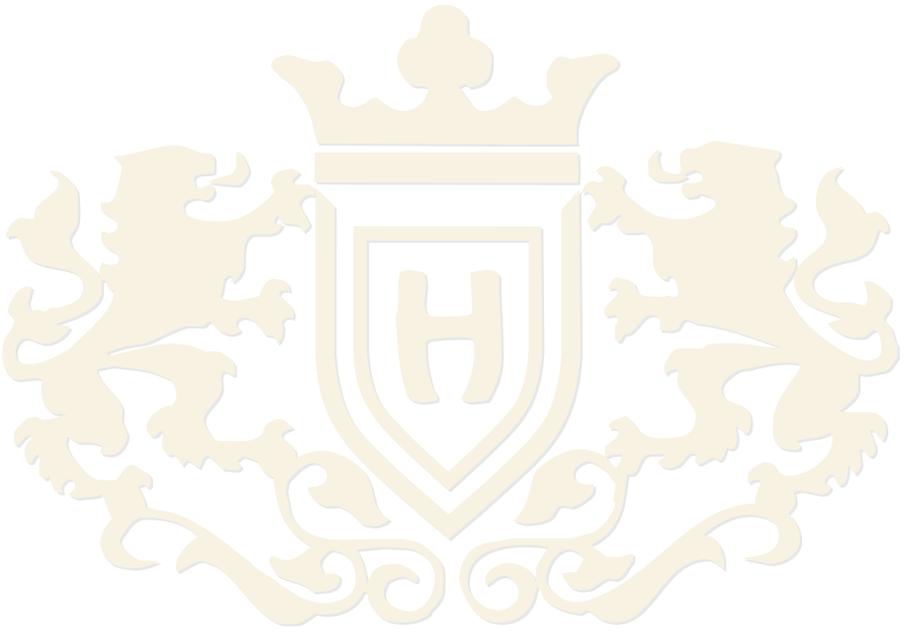


Century Insurance  
A Lakson Group Company

Your Trust, Our Assurance

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Nine Months Report September 2014 (Un-audited)



## **Century Insurance at a Glance**

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

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## **Our Vision**

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

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

## **Our Mission**

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

# Corporate Information

## Board of Directors

Mr. Iqbal Ali Lakhani - Chairman  
Mr. Zulfiqar Ali Lakhani  
Mr. Amin Mohammed Lakhani  
Mr. Tasleemuddin Ahmed Batlay  
Mr. A. Aziz H. Ebrahim  
Mr. Mohammad Hussain Hirji - Chief Executive  
Mr. Khalid Rafi (effective from April 30, 2014 and upto October 27, 2014)  
Mr. Mansoor Ahmed (up to April 30, 2014)

## Advisor

Mr. Sultan Ali Lakhani

## Chief Financial Officer

Mr. Sabza Ali Pirani

## Company Secretary

Mr. Mansoor Ahmed

## Audit Committee

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

## Underwriting Committee

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

## Claim Settlement Committee

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

## Reinsurance & Co-Insurance Committee

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

## Human Resource & Remuneration Committee

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

## External Auditors

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

## Shares Registrar

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

## Bankers

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

## Registered & Corporate Office

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

## Head Office

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

**Website:** www.cicl.com.pk

**UAN:** 111-111-717

**NTN:** 0710008-6

## Directors' Review

On behalf of the Board of Directors, I am pleased to present to you the un-audited financial statements for the nine months period ended September 30, 2014.

### General Review

The overall performance of the Company has improved in the third quarter of 2014 as compared to the same period in 2013. Gross premium is up by Rs. 83 million (15%) and net premium is also up by Rs. 77 million (34%). Underwriting profit has increased by Rs. 15 million (24%) resulting in an Earnings per share of Rs. 2.11.

### Operating Results

The comparative financial highlights for the nine months ending September 30, 2014 and 2013 are presented below:-

Rupees in millions (except for EPS)	30 Sep 2014	30 Sep 2013	Increase / (Decrease) Amount	%
Gross written premium	641	558	83	15
Net premium	304	227	77	34
Underwriting profit	77	62	15	24
Investment & other income	98	100	(2)	(2)
Profit before tax	101	98	3	3
Profit after tax	97	93	4	4
Total assets	1,986	1,789	197	11
Paid-up capital	457	457	-	-
Total equity	1,139	1,060	79	7
Earnings per share (EPS) Rs.	2.11	2.04	0.07	3

As compared to 3QFY13, the gross premium from Fire class of business has increased by Rs. 17 million (8%), Marine by Rs. 14 million (15%), Health by Rs. 54 million (104%) and Miscellaneous by Rs. 1 million (2%). However, the gross premium from Motor class has decreased by Rs. 3 million (2%).

Also, during the period under review, the Company has recorded investment and other income of Rs. 98 million as compared to Rs. 100 million in 3QFY13. 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.

Mr. Khalid Rafi, Director of the Company has resigned due to personal reasons. The Board appreciates his services during his tenure as Director.

### 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. The Company started offering health insurance in 2013 with cashless services being offered through a wide network of hospitals throughout the country and this has been a source of considerable growth in premium income. 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 shareholders' 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: October 27, 2014

# Condensed Interim Balance Sheet

As at September 30, 2014

	(Un-audited) September 30, 2014	(Audited) December 31, 2013
Note	-----	(Rupees) -----
<b>Share capital and reserves</b>		
Authorised share capital [50,000,000 (31 December 2013: 50,000,000) Ordinary shares of Rs.10 each]	500,000,000	500,000,000
Paid-up share capital	457,243,660	457,243,660
Retained earnings	309,177,466	281,338,081
Reserves	373,024,260	373,024,260
	1,139,445,386	1,111,606,001
<b>Underwriting provisions</b>		
Provision for outstanding claims (including IBNR)	164,691,373	137,310,372
Provision for unearned premium	313,621,772	221,969,685
Commission income unearned	45,104,829	30,577,853
Total underwriting provisions	523,417,974	389,857,910
<b>Creditors and accruals</b>		
Premiums received in advance	1,421,707	556,745
Amount due to other insurers / reinsurers	211,080,022	135,283,314
Accrued expenses	4,453,198	4,949,864
Other creditors and accruals	104,226,548	95,303,875
	321,181,475	236,093,798
<b>Other liabilities</b>		
Unclaimed dividend	1,874,576	1,371,364
<b>TOTAL LIABILITIES</b>	<b>846,474,025</b>	<b>627,323,072</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,985,919,411</b>	<b>1,738,929,073</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>8</b>	

		(Un-audited) September 30, 2014	(Audited) December 31, 2013
	Note	-----	(Rupees) -----
<b>Cash and bank deposits</b>			
Cash and other equivalents		672,333	770,881
Current and other accounts		46,212,509	104,506,846
		46,884,842	105,277,727
<b>Investments</b>	9	1,203,299,717	1,112,661,320
<b>Deferred taxation</b>		4,136,801	3,519,347
<b>Current assets - others</b>			
Premiums due but unpaid		255,840,472	119,497,864
Amount due from other insurers / reinsurers		74,175,909	81,790,907
Reinsurance recoveries due but unpaid		36,582,685	26,000,087
Salvage recoveries accrued		3,755,000	3,580,000
Accrued investment income		863,013	2,500,343
Reinsurance recoveries against outstanding claims		78,400,460	63,273,974
Taxation - net		14,986,463	16,975,981
Deferred commission expense		30,475,852	21,299,627
Prepayments		180,140,551	126,287,945
Sundry receivables	10	8,049,176	9,168,596
		683,269,581	470,375,324
<b>Fixed assets</b>			
<b>Tangible and intangible</b>			
Office improvement		5,544,569	4,789,286
Furniture and fixtures		5,557,105	4,078,998
Office equipment		3,297,030	3,871,049
Computer and related accessories		1,010,017	1,053,902
Motor vehicles		32,169,733	31,446,199
Capital work-in-progress		750,000	1,855,905
Computer software		16	16
		48,328,470	47,095,355
<b>TOTAL ASSETS</b>		<b>1,985,919,411</b>	<b>1,738,929,073</b>

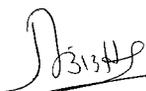
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Iqbal Ali Lakhani  
Chairman



Tasleemuddin Ahmed Batlay  
Director



A. Aziz H. Ebrahim  
Director



Mohammad Hussain Hirji  
Director & Chief Executive

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

For the three and nine months period ended September 30, 2014

	Three months period ended September 30, 2014					September 30, 2014	September 30, 2013
	Fire and property	Marine aviation and transport	Motor	Health	Miscellaneous	Aggregate	Aggregate
----- (Rupees) -----							
<b>Revenue account</b>							
Net premium revenue	9,696,532	28,246,642	35,727,219	32,765,977	6,933,292	113,369,662	85,992,680
Net claims	(5,197,210)	(11,441,203)	(13,697,783)	(22,736,131)	(7,203,890)	(60,276,217)	(37,121,041)
Management expenses	(6,170,312)	(4,395,362)	(3,977,686)	(7,789,192)	(2,781,952)	(25,114,504)	(25,030,066)
Net commission	5,451,450	(2,511,674)	(3,003,261)	(449,975)	58,296	(455,164)	1,500,847
<b>Underwriting result</b>	3,780,460	9,898,403	15,048,489	1,790,679	(2,994,254)	27,523,777	25,342,420
Net investment income						23,971,489	23,822,669
Return on bank accounts						1,419,644	1,312,290
Other income - net						36,543	340,793
General and administration expenses						(26,337,688)	(23,958,086)
Share of profit of associates - net						1,202,877	1,940,927
<b>Profit before tax</b>						27,816,642	28,801,013
Taxation - net						(1,546,449)	(2,216,814)
<b>Profit after tax</b>						26,270,193	26,584,199
Earnings per share of Rs.10 each - basic and diluted			(note 13)			0.57	0.58

	Nine months period ended September 30, 2014					September 30, 2014	September 30, 2013
	Fire and property	Marine aviation and transport	Motor	Health	Miscellaneous	Aggregate	Aggregate
----- (Rupees) -----							
<b>Revenue account</b>							
Net premium revenue	21,345,352	75,067,455	110,707,338	77,361,061	19,304,807	303,786,013	226,967,932
Net claims	(8,922,437)	(22,256,577)	(51,028,728)	(60,808,526)	(13,115,283)	(156,131,551)	(104,545,647)
Management expenses	(26,939,064)	(12,207,290)	(14,568,941)	(12,031,430)	(6,789,465)	(72,536,190)	(65,782,040)
Net commission	17,270,291	(5,750,697)	(9,055,307)	(1,305,823)	517,063	1,675,527	5,462,979
<b>Underwriting result</b>	2,754,142	34,852,891	36,054,362	3,215,282	(82,878)	76,793,799	62,103,224
Net investment income						92,175,427	92,443,146
Return on bank accounts						3,648,409	3,908,777
Other income - net						691,916	426,424
General and administration expenses						(73,791,730)	(64,259,456)
Share of profit of associates - net						1,209,076	3,014,466
<b>Profit before tax</b>						100,726,897	97,636,581
Taxation - current						(4,766,999)	(3,434,516)
- deferred						617,454	(1,029,557)
						(4,149,545)	(4,464,073)
<b>Profit after tax</b>						96,577,352	93,172,508
<b>Profit and loss appropriation account</b>							
Balance at commencement of the period						281,338,081	192,682,416
Profit after tax for the period						96,577,352	93,172,508
Other comprehensive income / (loss) - share in associates' reserves						(151,237)	(28,580)
Final cash dividend of Rs.1.50 (15%) for the year ended December 31, 2013							
[Rs.1.25 (12.5%) for the year ended December 31, 2012]						(68,586,730)	(57,155,458)
<b>Balance of unappropriated profit at end of the period</b>						309,177,466	228,670,886
Earnings per share of Rs.10 each - basic and diluted			(note 13)			2.11	2.04

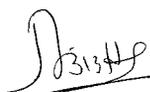
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Iqbal Ali Lakhani  
Chairman



Tasleemuddin Ahmed Batlay  
Director



A. Aziz H. Ebrahim  
Director



Mohammad Hussain Hirji  
Director & Chief Executive

# Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the three and nine months period ended September 30, 2014

	Three months period ended		Nine months period ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
	----- (Rupees) -----			
Profit after tax for the period	26,270,193	26,584,199	96,577,352	93,172,508
Other comprehensive income / (loss)				
- Share in associates' reserves	(340,211)	(182,941)	(151,237)	(28,580)
<b>Total comprehensive income for the period</b>	<b>25,929,982</b>	<b>26,401,258</b>	<b>96,426,115</b>	<b>93,143,928</b>

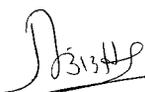
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Director



Mohammad Hussain Hirji  
Director & Chief Executive

# Condensed Interim Statement of Changes in Equity (Un-Audited)

For the nine months period ended September 30, 2014

	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, 2013	457,243,660	254,024,260	119,000,000	192,682,416	565,706,676	1,022,950,336
<b>Changes in equity for the nine months period ended September 30, 2013</b>						
Profit after tax for the period	-	-	-	93,172,508	93,172,508	93,172,508
Other comprehensive income / (loss)						
- share in associates' reserve	-	-	-	(28,580)	(28,580)	(28,580)
Total comprehensive income for the period	-	-	-	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>228,670,886</u>	<u>601,695,146</u>	<u>1,058,938,806</u>
Balance as at January 01, 2014	457,243,660	254,024,260	119,000,000	281,338,081	654,362,341	1,111,606,001
<b>Changes in equity for the nine months period ended September 30, 2014</b>						
Profit after tax for the period	-	-	-	96,577,352	96,577,352	96,577,352
Other comprehensive income / (loss)						
- share in associates' reserve	-	-	-	(151,237)	(151,237)	(151,237)
Total comprehensive income for the period	-	-	-	96,426,115	96,426,115	96,426,115
Final cash dividend of Rs.1.50 (15%) for the year ended December 31, 2013	-	-	-	(68,586,730)	(68,586,730)	(68,586,730)
Balance as at September 30, 2014	<u>457,243,660</u>	<u>254,024,260</u>	<u>119,000,000</u>	<u>309,177,466</u>	<u>682,201,726</u>	<u>1,139,445,386</u>

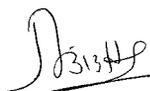
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Director & Chief Executive

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

For the nine months period ended September 30, 2014

	September 30, 2014	September 30, 2013
------(Rupees)-----		
<b>Operating cash flows</b>		
<b>(a) Underwriting activities</b>		
Premiums received	517,959,123	439,020,230
Reinsurance premiums paid	(187,987,647)	(260,192,977)
Claims paid	(208,305,572)	(151,904,137)
Reinsurance and other recoveries received	49,043,938	59,658,030
Commissions paid	(65,959,334)	(41,262,399)
Commissions received	43,816,658	63,750,886
Net cash inflow from underwriting activities	148,567,166	109,069,633
<b>(b) Other operating activities</b>		
Income tax paid	(6,173,891)	(2,067,127)
General management expenses paid	(147,061,525)	(126,316,079)
Other operating receipts	8,054,222	2,233,415
Net cash outflow from other operating activities	(145,181,194)	(126,149,791)
<b>Total cash inflow / (outflow) from all operating activities</b>	<b>3,385,972</b>	<b>(17,080,158)</b>
<b>Investment activities</b>		
Profit / return received	6,455,048	9,347,753
Dividends received	2,567,000	6,675,125
Payments for investments	(791,138,876)	(605,119,729)
Proceeds from disposal of investments	795,348,646	615,854,195
Fixed capital expenditure	(11,435,195)	(10,866,504)
Proceeds from disposal of fixed assets	4,508,038	883,515
<b>Total cash inflow from investing activities</b>	<b>6,304,661</b>	<b>16,774,355</b>
<b>Financing activities - dividends paid</b>	<b>(68,083,518)</b>	<b>(56,740,192)</b>
<b>Net cash outflow from all activities</b>	<b>(58,392,885)</b>	<b>(57,045,994)</b>
Cash at beginning of the period	104,577,727	89,819,659
<b>Cash at end of the period</b>	<b>46,184,842</b>	<b>32,773,665</b>

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

For the nine months period ended September 30, 2014

	September 30, 2014	September 30, 2013
Reconciliation to profit and loss account	------(Rupees)-----	
Operating cash flows	3,385,972	(17,080,158)
Depreciation / amortisation expense	(6,308,391)	(5,816,480)
Profit on disposal of fixed assets	605,749	297,427
Profit on disposal of investments	90,762,082	83,344,692
Dividend income	2,442,000	8,301,625
Investment and other income	10,239,324	13,268,706
Increase in assets other than cash	214,098,357	151,399,347
Increase in liabilities other than running finance	(218,647,741)	(140,542,651)
Profit after taxation	<u>96,577,352</u>	<u>93,172,508</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	192,560	105,320
- Policy stamps and bond papers in hand	479,773	790,123
	<u>672,333</u>	<u>895,443</u>

Current and other accounts

- Current accounts *	1,520,152	3,664,749
- Savings accounts	43,992,357	28,213,473
	<u>45,512,509</u>	<u>31,878,222</u>
	<u>46,184,842</u>	<u>32,773,665</u>

\* This does not include local currency account with a lien amounting to Rs.0.7 million (September 30, 2013: Rs.0.7 million), with a commercial bank for letters of credit arranged through the bank for securing claims arising outside Pakistan.

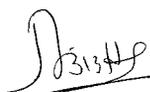
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Chairman



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Director



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Mohammad Hussain Hirji  
Director & Chief Executive

# Condensed Interim Statement of Premiums (Un-Audited)

For the three and nine months period ended September 30, 2014

Business underwritten inside Pakistan

		Three months period ended September 30, 2014									
Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	Net premium revenue		
		Opening	Closing			Opening	Closing		September 30, 2014	September 30, 2013	
(Rupees)											
<b>Direct and facultative</b>											
1.	Fire and property damage	56,675,519	151,199,410	139,472,533	68,402,396	50,663,886	145,913,230	137,871,252	58,705,864	9,696,532	9,252,241
2.	Marine, aviation and transport	39,636,122	10,189,575	12,811,207	37,014,490	12,645,077	4,261,383	8,138,612	8,767,848	28,246,642	20,875,743
3.	Motor	36,240,919	67,829,952	65,737,120	38,333,751	3,060,155	4,803,434	5,257,057	2,606,532	35,727,219	34,882,846
4.	Health	69,228,464	29,335,142	65,797,629	32,765,977	-	-	-	-	32,765,977	13,172,478
5.	Miscellaneous	24,988,087	22,945,808	29,803,283	18,130,612	17,612,552	18,447,950	24,863,182	11,197,320	6,933,292	7,809,372
	<b>Grand total</b>	<b>226,769,111</b>	<b>281,499,887</b>	<b>313,621,772</b>	<b>194,647,226</b>	<b>83,981,670</b>	<b>173,425,997</b>	<b>176,130,103</b>	<b>81,277,564</b>	<b>113,369,682</b>	<b>85,992,680</b>

		Nine months period ended September 30, 2014									
Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	Net premium revenue		
		Opening	Closing			Opening	Closing		September 30, 2014	September 30, 2013	
(Rupees)											
<b>Direct and facultative</b>											
1.	Fire and property damage	237,881,132	96,158,457	139,472,533	194,567,056	217,119,604	93,973,352	137,871,252	173,221,704	21,345,352	21,876,089
2.	Marine, aviation and transport	107,794,534	8,609,854	12,811,207	103,593,181	31,397,410	5,266,928	8,138,612	28,525,726	75,067,455	60,588,936
3.	Motor	128,648,725	58,066,030	65,737,120	120,977,635	9,972,441	5,554,913	5,257,057	10,270,297	110,707,338	98,325,416
4.	Health	106,241,630	36,917,060	65,797,629	77,361,061	-	-	-	-	77,361,061	27,670,176
5.	Miscellaneous	59,953,296	22,218,284	29,803,283	52,368,297	38,956,628	18,970,044	24,863,182	33,063,490	19,304,807	18,507,315
	<b>Grand total</b>	<b>640,519,317</b>	<b>221,969,685</b>	<b>313,621,772</b>	<b>548,867,230</b>	<b>297,446,083</b>	<b>123,765,237</b>	<b>176,130,103</b>	<b>245,081,217</b>	<b>303,786,013</b>	<b>226,967,932</b>

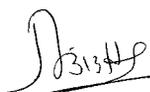
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Iqbal Ali Lakhani  
Chairman



Tasleemuddin Ahmed Batlay  
Director



A. Aziz H. Ebrahim  
Director



Mohammad Hussain Hirji  
Director & Chief Executive

# Condensed Interim Statement of Claims (Un-Audited)

For the three and nine months period ended September 30, 2014

Business underwritten inside Pakistan

Class	Three months period ended September 30, 2014									
	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, 2014	September 30, 2013
(Rupees)										
<b>Direct and facultative</b>										
1. Fire and property damage	5,550,287	26,352,579	26,729,151	5,926,859	4,999,962	21,637,824	17,367,511	729,649	5,197,210	5,260,669
2. Marine, aviation and transport	8,407,340	18,485,972	40,784,243	30,705,611	3,526,186	7,818,313	23,556,535	19,264,408	11,441,203	2,814,448
3. Motor	17,904,891	34,134,700	31,847,174	15,617,365	3,323,882	2,648,250	1,243,950	1,919,582	13,697,783	22,126,469
4. Health	25,498,872	14,016,411	12,603,992	24,086,453	4,763,271	3,514,530	101,581	1,350,322	22,736,131	7,128,219
5. Miscellaneous	3,629,842	46,628,330	52,726,813	9,728,325	1,467,054	35,073,502	36,130,883	2,524,435	7,203,890	(208,764)
<b>Grand total</b>	<b>60,991,232</b>	<b>139,617,992</b>	<b>164,691,373</b>	<b>86,064,613</b>	<b>18,080,355</b>	<b>70,692,419</b>	<b>78,400,460</b>	<b>25,788,396</b>	<b>60,276,217</b>	<b>37,121,041</b>

Class	Nine months period ended September 30, 2014									
	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, 2014	September 30, 2013
(Rupees)										
<b>Direct and facultative</b>										
1. Fire and property damage	25,054,636	23,326,872	26,729,151	28,456,915	18,351,313	16,184,346	17,367,511	19,534,478	8,922,437	9,537,483
2. Marine, aviation and transport	24,194,163	15,435,113	40,784,243	49,543,293	10,374,358	6,644,177	23,556,535	27,286,716	22,256,577	10,624,147
3. Motor	77,409,768	42,246,940	31,847,174	67,010,002	19,085,774	4,348,450	1,243,950	15,981,274	51,028,728	57,857,642
4. Health	62,936,855	13,381,999	12,603,992	62,158,848	4,763,271	3,514,530	101,581	1,350,322	60,808,526	22,651,918
5. Miscellaneous	18,710,150	42,919,448	52,726,813	25,517,515	11,853,820	32,582,471	36,130,883	15,402,232	13,115,283	3,874,457
<b>Grand total</b>	<b>208,305,572</b>	<b>137,310,372</b>	<b>164,691,373</b>	<b>235,686,573</b>	<b>64,428,536</b>	<b>63,273,974</b>	<b>78,400,460</b>	<b>79,555,022</b>	<b>156,131,551</b>	<b>104,545,647</b>

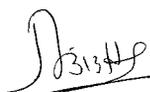
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Iqbal Ali Lakhani  
Chairman



Tasleemuddin Ahmed Batlay  
Director



A. Aziz H. Ebrahim  
Director



Mohammad Hussain Hirji  
Director & Chief Executive

# Condensed Interim Statement of Expenses (Un-Audited)

For the three and nine months period ended September 30, 2014

Business underwritten inside Pakistan

Class	Three months period ended September 30, 2014							Net underwriting expense	
	Commission paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expenses	Commission from reinsurers*	September 30,	September 30,
		Opening	Closing					2014	2013
					(Rupees)				
Direct and facultative									
1. Fire and property damage	8,410,406	20,513,765	19,183,734	9,740,437	6,170,312	15,910,749	15,191,887	718,862	1,075,561
2. Marine, aviation and transport	5,809,457	1,503,747	1,909,529	5,403,675	4,395,362	9,799,037	2,892,001	6,907,036	4,951,184
3. Motor	2,384,675	5,873,176	5,203,733	3,054,118	3,977,686	7,031,804	50,857	6,980,947	9,131,184
4. Health	647,825	686,014	883,864	449,975	7,789,192	8,239,167	-	8,239,167	3,075,740
5. Miscellaneous	3,092,869	2,538,697	3,294,992	2,336,574	2,781,952	5,118,526	2,394,870	2,723,656	5,295,550
<b>Grand total</b>	<b>20,345,232</b>	<b>31,115,399</b>	<b>30,475,852</b>	<b>20,984,779</b>	<b>25,114,504</b>	<b>46,099,283</b>	<b>20,529,615</b>	<b>25,569,668</b>	<b>23,529,219</b>

Class	Nine months period ended September 30, 2014							Net underwriting expense	
	Commission paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expenses	Commission from reinsurers*	September 30,	September 30,
		Opening	Closing					2014	2013
					(Rupees)				
Direct and facultative									
1. Fire and property damage	34,192,282	12,886,461	19,183,734	27,895,009	26,939,064	54,834,073	45,165,300	9,668,773	10,073,018
2. Marine, aviation and transport	15,693,116	1,277,394	1,909,529	15,060,981	12,207,290	27,268,271	9,310,284	17,957,987	14,453,741
3. Motor	10,319,602	4,028,682	5,203,733	9,144,551	14,568,941	23,713,492	89,244	23,624,248	23,587,811
4. Health	1,656,024	533,663	883,864	1,305,823	12,031,430	13,337,253	-	13,337,253	6,065,715
5. Miscellaneous	7,249,815	2,573,427	3,294,992	6,528,250	6,789,465	13,317,715	7,045,313	6,272,402	6,138,776
<b>Grand total</b>	<b>69,110,839</b>	<b>21,299,627</b>	<b>30,475,852</b>	<b>59,934,614</b>	<b>72,536,190</b>	<b>132,470,804</b>	<b>61,610,141</b>	<b>70,860,663</b>	<b>60,319,061</b>

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

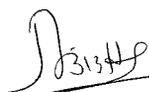
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Iqbal Ali Lakhani  
Chairman



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Director



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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, 2014

	Three months period ended		Nine months period ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
	----- (Rupees) -----			
<b>Income from trading investments</b>				
Gain on sale of trading investments - net	-	7,518,908	12,208,310	20,133,582
Dividend income	-	1,010,625	-	4,825,875
Unrealised loss on re-measurement of securities to fair value - net	-	(5,743,267)	-	(1,570,345)
	-	2,786,266	12,208,310	23,389,112
<b>Income from non-trading investments</b>				
<b>Held to maturity</b>				
Return on government securities	1,572,413	2,394,865	4,660,676	7,057,786
Return on other fixed income securities and deposits - term finance certificates	-	100,082	-	431,598
<b>Available-for-sale</b>				
Dividend income	-	814,000	2,442,000	3,475,750
	1,572,413	3,308,947	7,102,676	10,965,134
Gain on sale of non-trading investments - net	22,399,076	18,560,400	78,553,772	63,211,110
Reversal for impairment in investment classified as held to maturity	-	-	29,247	-
Investments related expenses	-	(832,944)	(5,718,578)	(5,122,210)
<b>Net investment income</b>	<b>23,971,489</b>	<b>23,822,669</b>	<b>92,175,427</b>	<b>92,443,146</b>

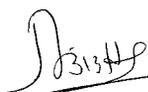
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Director



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Director & Chief Executive

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

For the nine months period ended September 30, 2014

## 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, 2014 are unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on a format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003 and International Accounting Standard 34 - Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2013.

## 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 / judgements 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, 2013.

## 5. SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2013. The financial and insurance risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended December 31, 2013, except as follows:

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

For the nine months period ended September 30, 2014

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

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

#### New / Revised Standards, Interpretations and Amendments

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

IAS 32 – Financial Instruments: Presentation – (Amendment)  
– Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment)  
– Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment)  
– Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

The adoption of the above revision and amendments of the standards did not have any effect on the condensed interim financial statements.

	(Un-audited) September 30, 2014	(Audited) December 31, 2013
----- (Rupees) -----		
<b>6. AMOUNT DUE TO OTHER INSURERS / REINSURERS</b>		
Foreign reinsurers	43,145,023	18,911,946
Local reinsurers	143,484,770	94,269,407
Co-insurers	24,450,229	22,101,961
	<u>211,080,022</u>	<u>135,283,314</u>
<b>7. OTHER CREDITORS AND ACCRUALS</b>		
Creditors	1,897,359	1,852,169
Federal excise duty	10,939,728	5,287,161
Federal insurance fees	760,018	386,218
Retention money	51,277	106,572
Commission payable	74,496,599	67,676,593
Provision for workers' welfare fund	6,954,280	9,175,156
Margin deposits	2,792,708	2,405,708
Payable to gratuity fund	1,766,628	4,061,306
Withholding tax payable	805,079	145,674
Deposits from employees against car scheme	3,758,259	4,198,510
Others	4,613	8,808
	<u>104,226,548</u>	<u>95,303,875</u>

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

For the nine months period ended September 30, 2014

### 8. CONTINGENCIES AND COMMITMENTS

#### Contingencies

There are no contingencies outstanding as at September 30, 2014.

	(Un-audited) September 30, 2014	(Audited) December 31, 2013
Note ----- (Rupees) -----		

#### Commitments

### 8.1 Capital work-in-progress

Software development	8.1.1	750,000	750,000
Office renovation		-	2,580,445
		<u>750,000</u>	<u>3,330,445</u>

8.1.1 This represents the balance payable on account of development of BI software as per the agreement.

	(Un-audited) September 30, 2014	(Audited) December 31, 2013
Note ----- (Rupees) -----		

### 9. INVESTMENTS

#### In related parties

Investments in associates - equity accounting *	9.1	44,312,065	43,254,226
Available-for-sale - quoted mutual funds *	9.2	773,851,629	598,596,198
		818,163,694	641,850,424

#### Others

Investment at fair value through profit or loss - held-for-trading			
Quoted shares		-	124,102,509

#### Held to maturity

Government securities *		48,093,833	47,920,825
Term finance certificate	9.3	-	-
		48,093,833	47,920,825

#### Available-for-sale

Quoted equity securities / mutual funds *		380,101,655	341,847,027
Less: Provision for impairment (net of reversals)	9.4	(43,059,465)	(43,059,465)
		337,042,190	298,787,562
		<u>1,203,299,717</u>	<u>1,112,661,320</u>

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

For the nine months period ended September 30, 2014

\* The market value of investments as at September 30, 2014 was Rs.1,680.64 million (December 31, 2013: Rs.1,314.39 million).

9.1 The result of associates have been accounted for based on latest available financial information for the period ended June 30, 2014.

9.2 Available-for-sale - quoted mutual funds

9.2.1 Related parties

Number of units		Face value per unit (Rupees)	Name of entity Open-end mutual funds	(Un-audited)	(Audited)
2014	2013			September 30, 2014	December 31, 2013
----- (Rupees) -----					
1,777,374	2,354,959	100	Lakson Income Fund	155,714,265	202,786,094
947,433	2,841,121	100	Lakson Money Market Fund	85,013,748	250,132,681
			Lakson Asset Allocation		
11,875	518,535	100	Emerging Market Fund	1,201,778	53,677,415
4,659,530	-	100	Lakson Equity Fund	481,674,468	-
			Lakson Asset Allocation		
511,002	931,586	100	Developed Market Fund	50,247,370	92,000,008
				773,851,629	598,596,198

9.2.2 Market value of investment in related parties classified as available-for-sale is Rs.849.11 million (December 31, 2013: Rs.680.57 million).

(Un-audited)	(Audited)
September 30, 2014	December 31, 2013
----- (Rupees) -----	

9.3 Term finance certificate

Cost	330,015	359,350
Less : Provision for impairment	(330,015)	(359,350)
	-	-

9.4 Provision for impairment - net of reversal

Opening provision	43,059,465	53,142,586
Realised on disposal	-	(10,083,121)
Closing provision	43,059,465	43,059,465

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

For the nine months period ended September 30, 2014

	(Un-audited) September 30, 2014	(Audited) December 31, 2013
----- (Rupees) -----		
<b>10. SUNDRY RECEIVABLES</b>		
Profit on bank deposits - saving accounts	657,852	464,492
Security deposits	4,388,389	3,686,889
Advance to employees	1,842,419	2,013,371
Advance against expenses	183,978	102,978
Advance against right shares	-	2,826,000
Others	976,538	74,866
	<u>8,049,176</u>	<u>9,168,596</u>
<b>11. FIXED ASSETS - TANGIBLE AND INTANGIBLE</b>		
Opening written down value	47,095,355	43,956,750
Add: Additions during the period / year - at cost		
- Office improvement	1,574,800	697,905
- Furniture and fixtures	2,160,840	192,289
- Office equipment	413,077	1,121,134
- Computers and related accessories	462,083	727,650
- Motor vehicles	7,930,300	9,022,725
	12,541,100	11,761,703
Less: Written down value of deletions	3,893,689	1,597,719
Depreciation / amortisation for the period / year	6,308,391	7,778,484
	10,202,080	9,376,203
Less: Capital work-in-progress - Opening	1,855,905	1,102,800
Add: Capital work-in-progress - Closing	750,000	1,855,905
Closing written down value	<u>48,328,470</u>	<u>47,095,355</u>

## 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:

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

For the nine months period ended September 30, 2014

	----- (Un-audited) -----			
	Three months period ended		Nine months period ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
	----- (Rupees) -----			
Premium written	94,673,843	54,281,690	287,651,402	247,259,249
Commission expense	6,549,842	4,275,950	30,680,282	28,406,390
Claims paid	12,736,780	11,292,476	24,519,683	23,075,379
Dividend paid	-	-	52,592,018	43,826,682
Dividend Income	-	224,504	-	224,504
Investment in associates	-	-	-	2,189,540
Expenses	6,012,456	5,220,112	18,368,146	14,288,357
Contribution to / provision for staff benefit plans	1,522,680	1,088,494	4,647,330	3,385,243
Remuneration to key management personnel	19,480,319	17,280,824	51,739,664	44,246,026
<b>13. EARNINGS PER SHARE - BASIC AND DILUTED</b>				
Profit after tax for the period	26,270,193	26,584,199	96,577,352	93,172,508
	----- (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	0.57	0.58	2.11	2.04

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, 2014

## 14. OPERATING SEGMENTS

Class of business wise revenue and results have been disclosed in the condensed interim statement of premiums and condensed interim profit and loss account respectively, prepared in accordance with the requirements of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following table presents information regarding segment assets and liabilities as at September 30, 2014 and December 31, 2013:

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	Un-audited September 30, 2014	Audited December 31, 2013
(Rupees in '000)												
Segment assets	174,422	123,044	33,605	13,188	11,705	13,932	985	4,048	64,289	54,126	285,006	208,339
Unallocated corporate assets											1,700,913	1,530,590
Consolidated corporate assets											1,985,919	1,738,929
Segment liabilities	201,946	141,119	56,562	25,793	97,783	100,345	78,402	50,299	88,725	70,128	523,418	387,685
Unallocated corporate liabilities											323,066	239,638
Consolidated corporate liabilities											846,474	627,323

## 15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue in accordance with a resolution of the Board of Directors on October 27, 2014.

## 16. GENERAL

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

  
Iqbal Ali Lakhani  
Chairman

  
Tasleemuddin Ahmed Batlay  
Director

  
A. Aziz H. Ebrahim  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive



# Network

## Registered and Corporate Office

Lakson Square, Building # 2, Sarwar Shaheed Road,  
Karachi-74200.  
Tel: (021) 35698000

## 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@iccl.com.pk

## Karachi Lakson Square Office

10<sup>th</sup> Floor, Lakson Square, Building # 3,  
Sarwar Shaheed Road, Karachi-74200.  
Tel: (021) 35698550 Fax: (021) 35689518

## 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

## Lahore Regional Office

1<sup>st</sup> Floor, 14 Ali Block, New Garden Town, Lahore.  
UAN: (042) 111-111-717 Fax: (042) 35911176

## Islamabad Regional Office

Office # 6, Kashmir Plaza, Jinnah Avenue,  
Blue Area, Islamabad.  
UAN: (051) 111-111-717 Fax: (051) 2870228

## Faisalabad Office

1<sup>st</sup> Floor, FM Plaza, 15-D, People's Colony, Faisalabad.  
UAN: (041) 111-111-717 Fax: (041) 8554453

## Sialkot Office

1<sup>st</sup> Floor, Karim Plaza, Iqbal Town,  
Defence Road, Sialkot.  
UAN: (052) 111-111-717 Fax: (052) 3241703

## Multan Office

Office # 55-57, 1<sup>st</sup> Floor, Business City Plaza,  
Bosan Road, Multan.  
Tel: (061) 6211241-43 Fax: (061) 6211244



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