



Century Insurance  
A Lakson Group Company

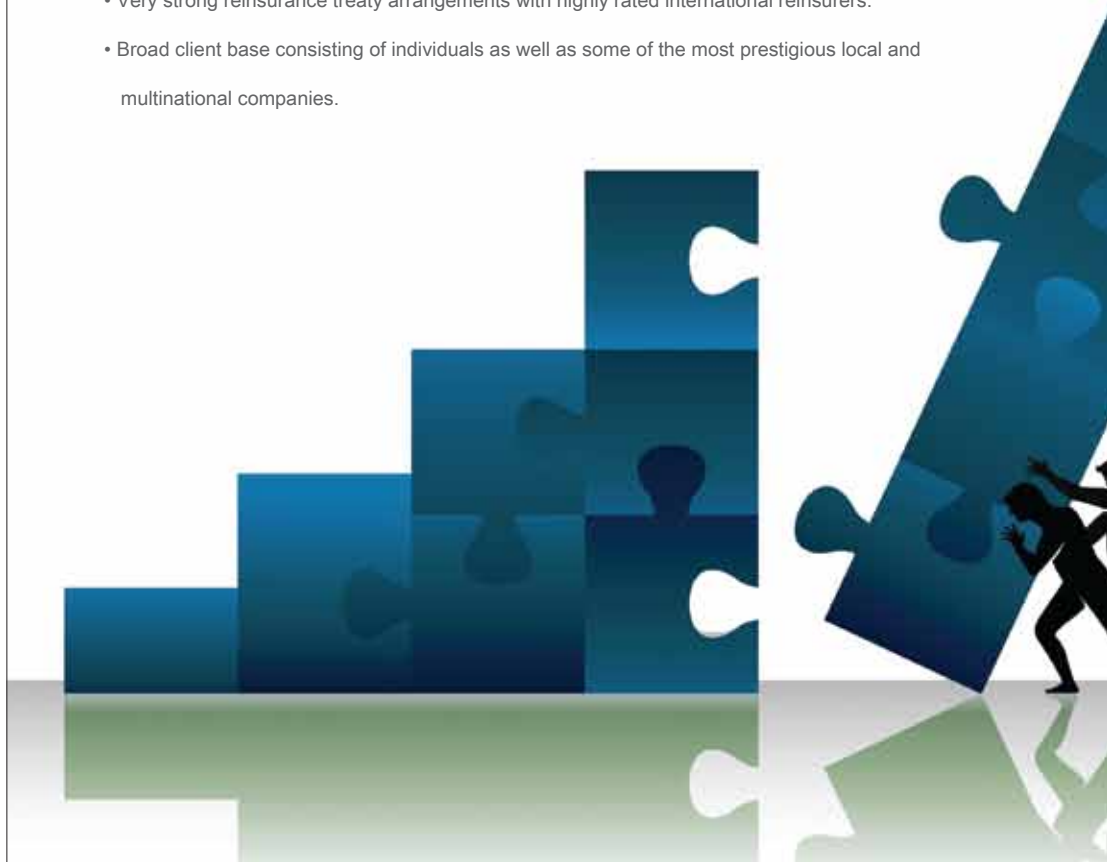
Your Trust,  
Our Assurance



Half Yearly Report June 2016  
(Un-audited)

## Century Insurance at a Glance

- Century Insurance is a Lakson Group Company.
- Operating since 1989, dealing in all areas of general insurance business.
- One of the premier general insurance companies of Pakistan.
- Rated “A+” with a stable outlook by JCR – VIS, signifying a ‘high capacity to meet policyholders’ and contractual obligations’.
- Total equity in excess of Rs. 1.5 billion.
- Twice awarded ‘Top 25 Companies Award’ by the Karachi Stock Exchange.
- Very strong reinsurance treaty arrangements with highly rated international reinsurers.
- Broad client base consisting of individuals as well as some of the most prestigious local and multinational companies.



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## Our Vision

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

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

## Our Mission

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

## Corporate Information

### Board of Directors

Mr. Iqbal Ali Lakhani - Chairman  
Mr. Zulfiqar Ali Lakhani  
Mr. Amin Mohammed Lakhani  
Mr. Tasleemuddin Ahmed Batlay  
Mr. A. Aziz H. Ebrahim  
Mr. Mohammad Hussain Hirji - Chief Executive  
Mr. Sadrudin Ismail Mohamed

### Advisor

Mr. Sultan Ali Lakhani

### Chief Financial Officer

Mr. Sabza Ali Pirani

### Company Secretary

Mr. Mansoor Ahmed

### Audit Committee

Mr. Sadrudin Ismail Mohamed - Chairman  
Mr. Zulfiqar Ali Lakhani  
Mr. Amin Mohammed Lakhani  
Mr. Tasleemuddin Ahmed Batlay

### Underwriting Committee

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

### Claim Settlement Committee

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

### Reinsurance & Co-Insurance Committee

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

### Human Resource & Remuneration Committee

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

### Investment Committee

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

### External Auditors

M/s. EY Ford Rhodes  
Chartered Accountants

### Share Registrar

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

### Bankers

Habib Bank Limited  
Habib Metropolitan Bank Limited  
NIB Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
United Bank Limited

### Registered & Corporate Office

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

### Head Office

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

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

**UAN:** 111-111-717

**NTN:** 0710008-6

## Directors' Review

On behalf of the Board of Directors, I am pleased to present to you the un-audited financial statements for the half year ended 30 June 2016.

### General Review

The overall operational performance of the Company has improved in the first half of 2016 as compared to the same period in 2015. Gross written premium is up by Rs. 79 million (16%) and net premium is also up by Rs. 135 million (61%). Underwriting profit has increased by Rs. 16 million (28%). Investment & other income is lower by Rs. 129 million (62%). Earnings per share stood at Rs. 1.49.

### Operating Results

The comparative financial highlights for the half year ended 30 June 2016 and 2015 are presented below:-

Rupees in millions (except for EPS)	30 June	30 June	Increase / (Decrease)	
	2016	2015	Amount	%
Gross written premium	568	489	79	16
Net premium	355	220	135	61
Underwriting profit	73	57	16	28
Investment & other income	79	208	(129)	(62)
Profit before tax	89	210	(121)	(58)
Profit after tax	68	191	(123)	(64)
Earnings per share (EPS) Rs.	1.49	4.17	(2.68)	(64)
Total assets	2,643	2,325	318	14
Paid-up capital	457	457	-	-
Total equity	1,593	1,307	286	22

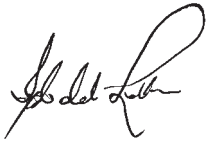
As compared to HY15, the gross written premium for Fire class of business has increased by Rs. 15 million (8%), Marine by Rs. 3 million (4%) and Motor by Rs. 68 million (68%). However, the gross written premium for Health class of business has decreased by Rs. 1 million (1%) and Miscellaneous by Rs. 8 million (26%).

### Future Outlook

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

### Acknowledgments

On behalf of all the Directors, I would like to thank our shareholders who continue to place their trust and confidence in the Company and assure them of our best efforts to ensure optimum utilization of their investment in the Company. I also wish to place on record our appreciation of the devotion, loyalty and hard work of the management and members of the staff that have contributed towards the growth of the Company and success of its operations.



Iqbal Ali Lakhani  
Chairman

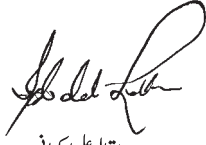
Karachi: 25 August 2016

### مستقبل کے خدوخال

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

### اعترافات

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



اقبال علی لاکھانی  
چیئرمین

کراچی: 25 اگست 2016



## ڈائریکٹرز کی جائزہ رپورٹ

بورڈ آف ڈائریکٹرز کی طرف سے میں مسرت کے ساتھ 30 جون 2016 کو ختم ہونے والی ششماہی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کر رہا ہوں۔

### عمومی جائزہ

مجموعی طور پر پہلی ششماہی 2016 میں کمپنی کی آپریشنل کارکردگی میں 2015 کے مقابلے میں اضافہ ہوا ہے۔ مجموعی پریبینم میں 79 ملین روپے (16 فیصد) اور خالص پریبینم میں 135 ملین روپے (61 فیصد) کا اضافہ ہوا ہے۔ انڈر رائٹنگ آمدنی میں 16 ملین روپے (28 فیصد) کا اضافہ ہوا ہے۔ سرمایہ کاری اور دیگر آمدنی میں 129 ملین روپے (62 فیصد) کی کمی ہوئی ہے۔ فی شیئر آمدنی 1.49 روپے رہی۔

### کاروباری امور کے نتائج

ششماہی 30 جون 2016 اور 2015 کے تقابلی مالیاتی جھلمکیاں درج ذیل ہیں:

روپے بلین میں (EPS کے علاوہ)	30 جون 2016 (رقم)	30 جون 2015 (رقم)	اضافہ / (کمی) (%)	(رقم)
مجموعی پریبینم	568	489	79	16
خالص پریبینم	355	220	135	61
انڈر رائٹنگ آمدنی	73	57	16	28
سرمایہ کاری اور دیگر آمدنی	79	208	(129)	(62)
آمدنی قبل از ٹیکس	89	210	(121)	(58)
آمدنی بعد از ٹیکس	68	191	(123)	(64)
فی حصص آمدنی (EPS) روپے	1.49	4.17	(2.68)	(64)
کل اثاثہ جات	2,643	2,325	318	14
اداشت سرمایہ	457	457	-	-
کل ایکویٹی	1,593	1,307	286	22

پہلی ششماہی 2015 کے مقابلے میں۔ مجموعی پریبینم برائے نیمہ آتش زدگی میں 15 ملین روپے (8 فیصد)، بحری بیمہ میں 3 ملین روپے (4 فیصد) اور موٹر بیمہ میں 68 ملین روپے (68 فیصد) کا اضافہ ہوا۔ جبکہ مجموعی پریبینم برائے بیمہ صحت میں 1 ملین روپے (1 فیصد) اور بیمہ متفرق میں 8 ملین روپے (26 فیصد) کی کمی ہوئی۔



EY Ford Rhodes  
Chartered Accountants  
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ey.com/pk

## AUDITOR'S 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 2016** (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.

**EYFR**

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.

A handwritten signature in black ink, appearing to read 'Shaikh Ahmed Salman'.

Chartered Accountants

Engagement Partner: Shaikh Ahmed Salman

Date: August 25, 2016

Karachi

## Condensed Interim Balance Sheet

As at June 30, 2016

		(Un-audited) June 30, 2016	(Audited) December 31, 2015
	Note	----- (Rupees) -----	
<b>Share capital and reserves</b>			
Authorised share capital [70,000,000 (December 31, 2015: 50,000,000) Ordinary shares of Rs.10 each]		700,000,000	500,000,000
Paid-up share capital		457,243,660	457,243,660
Retained earnings		763,054,708	923,622,571
Reserves		373,024,260	373,024,260
		1,593,322,628	1,753,890,491
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		155,868,297	157,298,790
Provision for unearned premium		403,622,254	388,001,402
Commission income unearned		51,981,173	40,664,654
Total underwriting provisions		611,471,724	585,964,846
<b>Creditors and accruals</b>			
Premiums received in advance		2,121,852	2,229,476
Amount due to other insurers / reinsurers	6	280,745,218	199,147,518
Accrued expenses		6,189,238	7,202,891
Other creditors and accruals	7	144,993,751	109,640,261
		434,050,059	318,220,146
<b>Other liabilities</b>			
Unclaimed dividend		4,139,877	2,282,987
<b>TOTAL LIABILITIES</b>		<b>1,049,661,660</b>	<b>906,467,979</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,642,984,288</b>	<b>2,660,358,470</b>
<b>CONTINGENCY AND COMMITMENTS</b>	8		


		(Un-audited) June 30, 2016	(Audited) December 31, 2015
Note		----- (Rupees) -----	
<b>Cash and bank deposits</b>			
		706,780	1,013,229
		75,306,734	172,438,187
	9	76,013,514	173,451,416
<b>Investments</b>			
	10	1,642,019,562	1,732,983,684
<b>Deferred taxation</b>			
		5,923,503	9,520,206
<b>Current assets - others</b>			
		386,251,762	266,758,993
		88,859,453	96,375,488
		43,044,779	49,657,347
		1,920,000	2,420,000
		54,647	-
		64,155,131	60,249,843
		7,055,459	14,378,136
		39,365,298	30,015,561
	11	212,766,383	156,734,791
		10,815,921	11,615,106
		854,288,833	688,205,265
<b>Fixed assets - Tangible and intangible</b>			
	12	4,894,381	5,373,775
		5,163,416	5,636,673
		4,196,109	4,692,080
		930,118	917,780
		38,037,454	31,759,228
		10,166,623	6,160,500
		1,350,775	1,657,863
		64,738,876	56,197,899
<b>TOTAL ASSETS</b>		<b>2,642,984,288</b>	<b>2,660,358,470</b>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

  
Iqbal Ali Lakhani  
Chairman

  
Tasleemuddin Ahmed Batlay  
Director

  
A. Aziz H. Ebrahim  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive

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

For the three and six months period ended June 30, 2016

	Three months period ended June 30, 2016					June 30, 2016 Aggregate	June 30, 2015 Aggregate
	Fire and property	Marine aviation and transport	Motor	Accident and Health	Miscellaneous		
	------(Rupees)-----						
<b>Revenue account</b>							
Net premium revenue	7,944,548	26,608,644	62,255,836	83,280,489	1,916,490	<b>182,006,007</b>	110,883,649
Net claims	(770,012)	(2,778,087)	(16,801,213)	(93,062,682)	(3,157,116)	<b>(116,569,110)</b>	(59,108,963)
Management expenses	(17,642,251)	(4,541,831)	(6,428,682)	(3,810,475)	(1,399,308)	<b>(33,822,547)</b>	(26,790,006)
Net commission	9,400,284	(51,782)	(3,405,284)	(1,904,164)	1,703,492	<b>5,742,546</b>	3,317,060
<b>Underwriting result</b>	<b>(1,067,431)</b>	<b>19,236,944</b>	<b>35,620,657</b>	<b>(15,496,832)</b>	<b>(936,442)</b>	<b>37,356,896</b>	<b>28,301,740</b>
Net investment income						<b>56,077,862</b>	193,684,491
Return on bank accounts						<b>2,183,248</b>	1,925,621
Other income - net						<b>31,921</b>	95,292
General and administration expenses						<b>(32,954,631)</b>	(26,682,026)
Share of profit / (loss) of associates - net						<b>681,665</b>	(157,977)
<b>Profit before tax</b>						<b>63,376,961</b>	<b>197,167,141</b>
Taxation - net						<b>(19,334,533)</b>	(17,526,550)
<b>Profit after tax</b>						<b>44,042,428</b>	<b>179,640,591</b>
Earnings per share of Rs.10 each - basic and diluted (note 13)						<b>0.96</b>	<b>3.93</b>

Six months period ended June 30, 2016


	Fire and property	Marine aviation and transport	Motor	Accident and Health	Miscellaneous	June 30, 2016 Aggregate	June 30, 2015 Aggregate
------(Rupees)-----							
<b>Revenue account</b>							
Net premium revenue	12,491,966	51,201,294	121,904,977	160,957,234	8,662,167	355,217,638	219,866,134
Net claims	(1,379,364)	(6,190,276)	(45,932,858)	(169,368,048)	(4,849,059)	(227,719,605)	(119,450,017)
Management expenses	(22,955,941)	(8,941,045)	(18,784,890)	(10,058,465)	(2,618,637)	(63,358,978)	(52,221,129)
Net commission	17,857,065	(506,429)	(7,603,255)	(3,520,992)	2,867,339	9,093,728	8,341,697
<b>Underwriting result</b>	6,013,726	35,563,544	49,583,974	(21,990,271)	4,061,810	73,232,783	56,536,685
Net investment income						73,495,022	204,217,744
Return on bank accounts						4,274,787	3,963,945
Other income - net						342,636	248,690
General and administration expenses						(63,752,200)	(53,844,153)
Share of profit / (loss) of associates - net						1,222,386	(676,956)
<b>Profit before tax</b>						88,815,414	210,445,955
Taxation – current						(16,627,584)	(18,015,955)
– prior						(603,773)	(3,149,380)
– deferred						(3,596,702)	1,278,805
						(20,828,059)	(19,886,530)
<b>Profit after tax</b>						67,987,355	190,559,425
<b>Profit and loss appropriation account</b>							
Balance at commencement of the period						923,622,571	355,042,959
Profit after tax for the period						67,987,355	190,559,425
Other comprehensive income - share in associates' reserves						66,721	179,251
Final cash dividend of Rs.5 (50%) for the year ended December 31, 2015 [Rs.1.5 (15%) for the year ended December 31, 2014]						(228,621,939)	(68,586,786)
<b>Balance of unappropriated profit at end of the period</b>						763,054,708	477,194,849
Earnings per share of Rs.10 each - basic and diluted (note 13)						1.49	4.17

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

  
Iqbal Ali Lakhani  
Chairman

  
Tasleemuddin Ahmed Batlay  
Director

  
A. Aziz H. Ebrahim  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive

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

For the three and six months period ended June 30, 2016

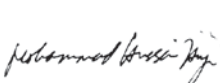
	Three months period ended		Six months period ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	----- (Rupees) -----			
Net profit for the period	44,042,428	179,640,591	67,987,355	190,559,425
Other comprehensive income				
Share in associates' reserves	2,610	94,264	66,721	179,251
<b>Total comprehensive income for the period</b>	<b>44,045,038</b>	<b>179,734,855</b>	<b>68,054,076</b>	<b>190,738,676</b>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

  
Iqbal Ali Lakhani  
Chairman

  
Tasleemuddin Ahmed Batlay  
Director

  
A. Aziz H. Ebrahim  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive



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

For the six months period ended June 30, 2016


	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, 2015	457,243,660	254,024,260	119,000,000	355,042,959	728,067,219	1,185,310,879
<b>Changes in equity for the six months period ended June 30, 2015</b>						
Profit after tax	-	-	-	190,559,425	190,559,425	190,559,425
Other comprehensive income - share in associates' reserve	-	-	-	179,251	179,251	179,251
Total comprehensive income	-	-	-	190,738,676	190,738,676	190,738,676
Final cash dividend of Rs.1.5 (15%) for the year ended December 31, 2014	-	-	-	(68,586,786)	(68,586,786)	(68,586,786)
Balance as at June 30, 2015	<u>457,243,660</u>	<u>254,024,260</u>	<u>119,000,000</u>	<u>477,194,849</u>	<u>850,219,109</u>	<u>1,307,462,769</u>
Balance as at January 01, 2016	457,243,660	254,024,260	119,000,000	923,622,571	1,296,646,831	1,753,890,491
<b>Changes in equity for the six months period ended June 30, 2016</b>						
Profit after tax	-	-	-	67,987,355	67,987,355	67,987,355
Other comprehensive income - share in associates' reserve	-	-	-	66,721	66,721	66,721
Total comprehensive income	-	-	-	68,054,076	68,054,076	68,054,076
Final cash dividend of Rs.5 (50%) for the year ended December 31, 2015	-	-	-	(228,621,939)	(228,621,939)	(228,621,939)
Balance as at June 30, 2016	<u>457,243,660</u>	<u>254,024,260</u>	<u>119,000,000</u>	<u>763,054,708</u>	<u>1,136,078,968</u>	<u>1,593,322,628</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

  
Iqbal Ali Lakhani  
Chairman

  
Tasleemuddin Ahmed Batlay  
Director

  
A. Aziz H. Ebrahim  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive

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

For the six months period ended June 30, 2016

	June 30, 2016	June 30, 2015
	----- (Rupees) -----	
<b>Operating cash flows</b>		
(a) Underwriting activities		
Premiums received	465,423,663	294,673,957
Reinsurance premiums paid	(180,833,583)	(138,691,465)
Claims paid	(256,900,227)	(161,555,861)
Reinsurance and other recoveries received	62,131,956	54,729,307
Commissions paid	(49,080,273)	(35,700,900)
Commissions received	56,376,749	39,284,515
Net cash inflow from underwriting activities	97,118,285	52,739,553
(b) Other operating activities		
Income tax paid	(9,908,679)	(6,110,262)
General management expenses paid	(124,010,947)	(100,769,026)
Other operating receipts	8,951,927	17,636,863
Net cash outflow from other operating activities	(124,967,699)	(89,242,425)
<b>Total cash outflow from operating activities</b>	<b>(27,849,414)</b>	<b>(36,502,872)</b>
<b>Investment activities</b>		
Profit / return received	7,793,693	7,570,642
Dividends received	8,438,061	7,459,453
Payments for investments	(1,710,158,625)	(1,596,347,682)
Proceeds from disposal of investments	1,864,542,857	1,515,810,703
Fixed capital expenditure	(15,340,455)	(4,569,363)
Proceeds from disposal of fixed assets	1,901,030	1,219,425
Total cash inflow / (outflow) from investing activities	157,176,561	(68,856,822)
Financing activities - dividends paid	(226,765,049)	(67,691,218)
Net cash outflow from all activities	(97,437,902)	(173,050,912)
Cash at beginning of the period	172,751,416	244,504,727
Cash at end of the period	75,313,514	71,453,815

June 30, 2016	June 30, 2015
------------------	------------------

----- (Rupees) -----

#### Reconciliation to profit and loss account

Operating cash flows	(27,849,414)	(36,502,872)
Depreciation / amortisation expense	(5,181,163)	(4,486,825)
Profit on disposal of fixed assets	282,713	282,695
Profit on disposal of investments	52,813,339	196,401,866
Dividend income	4,667,348	7,307,590
Investment and other income	22,500,638	4,671,532
Increase in assets other than cash	162,090,685	347,961,318
Increase in liabilities other than running finance	(141,336,791)	(325,075,879)
Profit after taxation	<u>67,987,355</u>	<u>190,559,425</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	182,256	224,863
- Policy stamps and bond papers in hand	524,524	1,047,782
	<u>706,780</u>	<u>1,272,645</u>

#### Current and other accounts

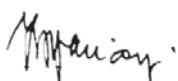
- Current accounts*	3,887,045	7,560,134
- Savings accounts	70,719,689	62,621,036
	<u>74,606,734</u>	<u>70,181,170</u>
	<u>75,313,514</u>	<u>71,453,815</u>

\* This does not include local currency account with a lien amounting to Rs.0.7 million (June 30, 2015: Rs.0.7 million), with a commercial bank for letters of credit arranged through the bank for securing claims arising outside Pakistan.

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



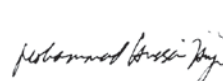
Iqbal Ali Lakhani  
Chairman



Tasleemuddin Ahmed Batlay  
Director



A. Aziz H. Ebrahim  
Director



Mohammad Hussain Hirji  
Director & Chief Executive

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

For the three and six months period ended June 30, 2016

### Business underwritten inside Pakistan

Class	Three months period ended June 30, 2016									
	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		June 30, 2016	June 30, 2015
(Rupees)										
Direct and facultative										
1. Fire and property damage	159,941,379	93,888,308	179,827,772	74,001,915	150,029,217	90,782,520	174,754,370	66,057,367	7,944,548	6,455,392
2. Marine, aviation and transport	42,158,354	13,559,791	13,050,469	42,667,676	15,029,405	5,459,897	4,430,270	16,059,032	26,608,644	22,960,122
3. Motor	61,660,153	126,830,479	124,104,947	64,385,685	1,477,733	4,880,371	4,228,255	2,129,849	62,255,836	35,829,644
4. Accident and Health	36,029,296	117,289,296	70,135,696	83,182,896	76,381	-	173,974	(97,593)	83,280,489	43,811,081
5. Miscellaneous	13,114,249	17,823,035	16,503,370	14,433,914	9,906,667	18,793,336	16,182,579	12,517,424	1,916,490	1,827,410
<b>Grand total</b>	<b>312,903,431</b>	<b>369,390,909</b>	<b>403,622,254</b>	<b>278,672,086</b>	<b>176,519,403</b>	<b>119,916,124</b>	<b>199,769,448</b>	<b>96,666,079</b>	<b>182,006,007</b>	<b>110,883,649</b>


Class	Six months period ended June 30, 2016									
	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		June 30, 2016	June 30, 2015
(Rupees)										
Direct and facultative										
1. Fire and property damage	205,872,238	126,098,308	179,827,772	152,142,774	192,457,857	121,947,321	174,754,370	139,650,808	12,491,966	10,583,890
2. Marine, aviation and transport	80,184,602	13,750,109	13,050,469	80,884,242	28,936,097	5,177,121	4,430,270	29,682,948	51,201,294	43,882,544
3. Motor	168,465,643	81,537,451	124,104,947	125,898,147	4,651,255	3,570,170	4,228,255	3,993,170	121,904,977	72,911,809
4. Accident and Health	90,205,786	141,164,946	70,135,696	161,235,036	133,252	318,524	173,974	277,802	160,957,234	85,328,249
5. Miscellaneous	23,484,317	25,450,588	16,503,370	32,431,535	17,030,873	22,921,074	16,182,579	23,769,368	8,662,167	7,159,642
<b>Grand total</b>	<b>568,212,586</b>	<b>388,001,402</b>	<b>403,622,254</b>	<b>562,591,734</b>	<b>243,209,334</b>	<b>153,934,210</b>	<b>199,769,448</b>	<b>197,374,096</b>	<b>355,217,638</b>	<b>219,866,134</b>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

  
Iqbal Ali Lakhani  
Chairman

  
Tasleemuddin Ahmed Batlay  
Director

  
A. Aziz H. Ebrahim  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive

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

For the three and six months period ended June 30, 2016

### Business underwritten inside Pakistan

Class	Three months period ended June 30, 2016									
	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		June 30, 2016	June 30, 2015
.....(Rupees).....										
Direct and facultative										
1. Fire and property damage	2,575,843	28,768,499	32,599,250	6,406,594	2,202,745	25,524,899	28,958,736	5,636,582	770,012	(3,860,218)
2. Marine, aviation and transport	6,078,186	12,817,305	12,669,066	5,929,947	3,817,260	5,574,779	4,909,379	3,151,860	2,778,087	2,681,805
3. Motor	22,246,847	37,538,554	35,622,620	20,330,913	3,529,700	568,512	568,512	3,529,700	16,801,213	19,573,168
4. Accident and Health	87,847,061	28,265,464	33,481,085	93,062,682	-	-	-	-	93,062,682	41,555,702
5. Miscellaneous	5,548,536	40,449,147	41,496,276	6,595,665	3,583,174	29,863,129	29,718,504	3,438,549	3,157,116	(841,494)
<b>Grand total</b>	<b>124,296,473</b>	<b>147,838,969</b>	<b>155,868,297</b>	<b>132,325,801</b>	<b>13,132,879</b>	<b>61,531,319</b>	<b>64,155,131</b>	<b>15,756,691</b>	<b>116,569,110</b>	<b>59,108,963</b>

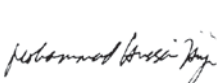
Class	Six months period ended June 30, 2016									
	Claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		June 30, 2016	June 30, 2015
.....(Rupees).....										
Direct and facultative										
1. Fire and property damage	6,153,875	26,849,493	32,599,250	11,903,632	4,771,387	23,205,855	28,958,736	10,524,268	1,379,364	7,061,146
2. Marine, aviation and transport	9,609,257	10,383,008	12,669,066	11,895,315	5,982,010	5,186,350	4,909,379	5,705,039	6,190,276	3,083,778
3. Motor	44,289,589	28,023,913	35,622,620	51,888,296	5,889,119	502,193	568,512	5,955,438	45,932,858	34,156,742
4. Accident and Health	183,474,788	47,587,825	33,481,085	169,368,048	-	-	-	-	169,368,048	70,269,787
5. Miscellaneous	13,372,718	44,454,551	41,496,276	10,414,443	7,202,325	31,355,445	29,718,504	5,565,384	4,849,059	4,878,564
<b>Grand total</b>	<b>256,900,227</b>	<b>157,298,790</b>	<b>155,868,297</b>	<b>255,469,734</b>	<b>23,844,841</b>	<b>60,249,843</b>	<b>64,155,131</b>	<b>27,750,129</b>	<b>227,719,605</b>	<b>119,450,017</b>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

  
Iqbal Ali Lakhani  
Chairman

  
Tasleemuddin Ahmed Batlay  
Director

  
A. Aziz H. Ebrahim  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive

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

For the three and six months period ended June 30, 2016

### Business underwritten inside Pakistan

Class	Three months period ended June 30, 2016								
	Commission paid or payable a	Deferred commission		Net commission expenses d=a+b-c	Other management expenses e (Rupees)	Underwriting expenses f=d+e	Commission from reinsurers* g	Net underwriting expense	
		Opening b	Closing c					June 30, 2016 h=f-g	June 30, 2015
<b>Direct and facultative</b>									
1. Fire and property damage	21,135,285	13,112,597	24,050,622	10,197,260	17,642,251	27,839,511	19,597,544	8,241,967	9,171,434
2. Marine, aviation and transport	6,206,915	2,040,123	1,970,331	6,276,707	4,541,831	10,818,538	6,224,925	4,593,613	2,852,528
3. Motor	4,508,896	8,776,004	9,816,244	3,468,656	6,428,682	9,897,338	63,372	9,833,966	6,974,794
4. Accident and Health	713,621	3,355,422	2,106,249	1,962,794	3,810,475	5,773,269	58,630	5,714,639	4,521,467
5. Miscellaneous	1,248,673	1,443,331	1,421,852	1,270,152	1,399,308	2,669,460	2,973,644	(304,184)	(47,277)
<b>Grand total</b>	<b>33,813,390</b>	<b>28,727,477</b>	<b>39,365,298</b>	<b>23,175,569</b>	<b>33,822,547</b>	<b>56,998,116</b>	<b>28,918,115</b>	<b>28,080,001</b>	<b>23,472,946</b>

Class	Six months period ended June 30, 2016								
	Commission paid or payable a	Deferred commission		Net commission expenses d=a+b-c	Other management expenses e (Rupees)	Underwriting expenses f=d+e	Commission from reinsurers* g	Net underwriting expense	
		Opening b	Closing c					June 30, 2016 h=f-g	June 30, 2015
<b>Direct and facultative</b>									
1. Fire and property damage	28,059,760	17,120,401	24,050,622	21,129,539	22,955,941	44,085,480	38,986,604	5,098,876	6,253,889
2. Marine, aviation and transport	11,786,742	2,035,876	1,970,331	11,852,287	8,941,045	20,793,332	11,345,858	9,447,474	7,018,330
3. Motor	11,572,943	5,966,715	9,816,244	7,723,414	18,784,890	26,508,304	120,159	26,388,145	17,033,098
4. Accident and Health	2,842,989	2,842,882	2,106,249	3,579,622	10,058,465	13,638,087	58,630	13,579,457	11,649,910
5. Miscellaneous	2,299,059	2,049,687	1,421,852	2,926,894	2,618,637	5,545,531	5,794,233	(248,702)	1,924,205
<b>Grand total</b>	<b>56,561,493</b>	<b>30,015,561</b>	<b>39,365,298</b>	<b>47,211,756</b>	<b>63,358,978</b>	<b>110,570,734</b>	<b>56,305,484</b>	<b>54,265,250</b>	<b>43,879,432</b>


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

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

  
Iqbal Ali Lakhani  
Chairman

  
Tasleemuddin Ahmed Batlay  
Director

  
A. Aziz H. Ebrahim  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive

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

For the three and six months period ended June 30, 2016


	Three months period ended		Six months period ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	----- (Rupees) -----			
<b>Income from trading investments</b>				
Gain / (loss) on sale of trading investments - net	3,550,571	(1,157,378)	3,605,557	3,550,454
Dividend income	1,497,716	1,083,739	3,043,718	2,138,391
Unrealised gain / (loss) on re-measurement of securities to fair value - net	10,358,379	13,381,239	13,518,084	(2,673,900)
	<u>15,406,666</u>	<u>13,307,600</u>	<u>20,167,359</u>	<u>3,014,945</u>
<b>Income from non-trading investments</b>				
<b>Held to maturity</b>				
- Return on government securities	1,564,678	1,643,539	3,137,709	3,803,503
<b>Available-for-sale</b>				
- Dividend income	591,275	5,169,199	1,623,630	5,169,199
Gain on sale of non-trading investments - net	38,907,228	173,940,400	49,207,782	192,851,412
Reversal for impairment in investment classified as held to maturity	5,036	-	5,036	6,250
Investments related expenses	(397,021)	(376,247)	(646,494)	(627,565)
<b>Net investment income</b>	<u>56,077,862</u>	<u>193,684,491</u>	<u>73,495,022</u>	<u>204,217,744</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

  
Iqbal Ali Lakhani  
Chairman

  
Tasleemuddin Ahmed Batlay  
Director

  
A. Aziz H. Ebrahim  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive

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

For the six months period ended June 30, 2016

### 1. STATUS AND NATURE OF BUSINESS

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

### 2. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the six months period ended June 30, 2016 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, 2015.

### 3. BASIS OF MEASUREMENT

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

### 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these condensed interim financial statements, the estimates / judgments and associated assumptions made by management in applying the Company's accounting policies and reported amounts of assets, liabilities, income and expenses are the same as those applied in the annual financial statements as at and for the year ended December 31, 2015.

### 5. SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2015. The financial and insurance risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended December 31, 2015, except as follows:



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

For the six months period ended June 30, 2016

### 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 accounting standard and the amendments and interpretation of IFRSs which became effective for the during the period:

- IFRS 10 Consolidated Financial Statements, IFRS 12 – Disclosure of Interests in Other Entities and IAS 28 – Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)
- IFRS 11 Joint Arrangements – Accounting for Acquisition of Interest in Joint Operation (Amendment)
- IAS 1 Presentation of Financial Statements – Disclosure Initiative (Amendment)
- IAS 16 Property, Plant and Equipment and IAS 38 – Intangible assets – Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
- IAS 16 Property, Plant and Equipment and IAS 41 – Agriculture - Agriculture: Bearer Plants (Amendment)
- IAS 27 Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

#### Improvements to Accounting Standards Issued by the IASB

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Changes in methods of disposal
- IFRS 7 Financial Instruments: Disclosures – Servicing contracts
- IFRS 7 Financial Instruments: Disclosures – Applicability of the offsetting disclosures to condensed interim financial statements
- IAS 19 Employee Benefits – Discount rate: regional market issue
- IAS 34 Interim Financial Reporting – Disclosure of information 'elsewhere in the interim financial report'

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

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

For the six months period ended June 30, 2016

	(Un-audited) June 30, 2016	(Audited) December 31, 2015
Note	(Rupees) -----	
<b>6. AMOUNT DUE TO OTHER INSURERS / REINSURERS</b>		
Foreign reinsurers	76,344,616	46,643,036
Local reinsurers	174,110,866	129,941,759
Co-insurers	30,289,736	22,562,723
	<u>280,745,218</u>	<u>199,147,518</u>
<b>7. OTHER CREDITORS AND ACCRUALS</b>		
Creditors	1,582,652	1,289,383
Federal excise duty	28,314,656	5,520,185
Federal insurance fees	2,238,609	456,003
Retention money	91,021	218,546
Commission payable	85,083,633	70,934,542
Provision for workers' welfare fund	17,054,091	15,241,531
Margin deposits	4,360,602	4,270,832
Staff retirement benefits	1,524,977	3,758,322
Zakat payable	150,676	-
Withholding tax payable	211,671	1,226,789
Deposits from employees against car scheme	4,306,163	4,156,273
Others	75,000	2,567,855
	<u>144,993,751</u>	<u>109,640,261</u>

7.1 These are interest free deposits, retain from amounts due to reinsurers.

### 8. CONTINGENCY AND COMMITMENTS

#### 8.1 Contingency

During the year 2015, the Company received orders under section 122(5A) passed by the Additional Commissioner Inland Revenue (ACIR) for the Tax Years 2009 to 2013 wherein prior year assessments were revised by treating dividend income as single basket income and taxing it at 35% instead of fixed rate of 10% resulting in aggregate demand of Rs.26.35 million. The Company had paid Rs.2.9 million in protest against tax year 2009 before going in appeal and rectification of initial issue orders. The ACIR issued revised orders and now aggregated demand is Rs.19.07 million. Company had filed appeals against the said orders with CIT (Appeals) that was rejected by the CIT (Appeals) through a combined order for five years. Thereafter, the Company filed an appeal against the order of CIT (Appeal) with Appellate Tribunal Revenue which is pending adjudication.

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

For the six months period ended June 30, 2016

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

### 8.2 Commitments

#### 8.2.1 Capital work-in-progress

		(Un-audited) June 30, 2016	(Audited) December 31, 2015
	Note	----- (Rupees) -----	
Office renovation	8.2.1.1	2,452,506	-

8.2.1.1 This represents remaining balance on account of renovation charges for Company's branch office located in Faisalabad as per the agreement.

9. Current and other accounts comprised of balances held with conventional banks only.

### 10. INVESTMENTS

#### In related parties

Investment in associates *	10.1	37,678,756	40,568,071
Available-for-sale - quoted mutual funds *	10.2	672,449,679	606,655,814
		710,128,435	647,223,885

#### Others

##### Investment at fair value through profit or loss - held-for-trading

Quoted shares		157,800,064	132,284,225
Government securities		7,959,281	-
		165,759,345	132,284,225

##### Held to maturity

Government securities *		50,935,248	50,797,539
Term finance certificate	10.3	-	-
		50,935,248	50,797,539

##### Available-for-sale

Quoted equity securities / mutual funds *		716,966,719	904,448,220
Less: Provision for impairment (net of reversals)		(1,770,185)	(1,770,185)
		715,196,534	902,678,035
		1,642,019,562	1,732,983,684

\* The market value of investments as at June 30, 2016 was Rs.1,577.206 million (December 31, 2015: Rs.1,629.640 million).

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

For the six months period ended June 30, 2016

- 10.1 The results of associates have been accounted for under equity accounting based on latest unaudited financial information for the period ended March 31, 2016.

	(Un-audited) June 30, 2016	(Audited) December 31, 2015
	.....(Rupees).....	

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

#### 10.2.1 Related parties

Number of units		Face value per unit (Rupees)	Name of entity Open-end mutual funds		
2016	2015				
1,999,486	749,097	100	Lakson Money Market Fund	200,000,000	75,000,000
2,681,913	3,482,756	100	Lakson Equity Fund	272,449,679	356,655,814
1,935,558	-	100	Lakson Tactical Fund	200,000,000	-
-	1,692,930	100	Lakson Income Fund	-	175,000,000
				<u>672,449,679</u>	<u>606,655,814</u>

- 10.2.2 Market value of investment in related parties classified as available-for-sale is Rs.705.463 million (December 31, 2015 : Rs.614.022 million).

### 10.3 Term finance certificate

Cost	306,229	311,265
Less : Provision for impairment	(306,229)	(311,265)
	<u>-</u>	<u>-</u>

### 11. PREPAYMENTS

Prepaid reinsurance premium ceded	199,769,448	153,934,210
Others	12,996,935	2,800,581
	<u>212,766,383</u>	<u>156,734,791</u>

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

For the six months period ended June 30, 2016

	(Un-audited) June 30, 2016	(Audited) December 31, 2015
	.....(Rupees).....	
<b>12. FIXED ASSETS - TANGIBLE AND INTANGIBLE</b>		
Opening written down value	56,197,899	48,379,332
Add: Additions during the period / year - at cost		
- Motor vehicles	10,740,000	6,149,863
- Computers and related accessories	346,635	721,090
- Office equipment	247,697	2,832,315
- Office improvement	-	1,258,293
- Furniture and fixtures	-	1,243,039
- Computer software	-	1,842,500
	11,334,332	14,047,100
Less: Written down value of deletions	1,618,315	2,567,902
Depreciation / amortisation for the period / year	5,181,163	9,071,131
	6,799,478	11,639,033
Less: Capital work-in-progress - opening	6,160,500	750,000
Add: Capital work-in-progress - closing	10,166,623	6,160,500
Closing written down value	<u>64,738,876</u>	<u>56,197,899</u>

### 13. DISCLOSURE OF SHARE ISLAMIC INDEX SCREENING

As per circular no. 14 of 2016 dated April 21, 2016 of Securities and Exchange Commission of Pakistan to use All Shares Islamic Index as a benchmark to measure the price performance of investment in Shariah company shares. As per said circular following income are shariah and non-shariah compliant arrangement.

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

For the six months period ended June 30, 2016

	(Un-audited) June 30, 2016
<b>13.1 Capital Gain realized</b>	
Shariah compliant	3,049,631
Non-shariah compliant	49,763,708
	<u>52,813,339</u>
<b>13.2 Dividend income</b>	
The break-up of dividend income is as follows:	
<b>Under all shares Islamic index</b>	
Cherat Cement Company Limited	53,515
Cherat Packaging Limited	20,100
Engro Corporation Limited	375,740
Engro Fertilizer Company Limited	446,490
Fauji Cement Limited	154,350
Fauji Fertilizer Company Limited	237,970
ICI Pakistan Limited	39,631
Kot Addu Power Company	359,125
Kohat Cement Company Limited	47,000
Lalpir Power Limited	55,901
Mari Petroleum Company Limited	20,100
Millat Tractors Limited	20,000
Pak Suzuki Motor Company Limited	29,475
Pioneer Cement Limited	238,073
Pakistan Petroleum Limited	76,651
Honda Atlas Cars (Pakistan) Limited	24,708
	<u>2,198,829</u>
<b>Non Shariah</b>	
Adamjee Insurance Company Limited	40,500
Allied Bank Limited	69,185
Bestway Cement Limited	212,250
Habib Bank Limited	210,354
The Hub Power Company Limited	980,000
Indus Motor Company Limited	211,200
MCB Bank Limited	193,264
National Bank of Pakistan	375
Oil & Gas Development Company Limited	83,886
Pakistan State Oil	90,500
Pakistan Oilfields Limited	99,750
United Bank Limited	277,255
	<u>2,468,519</u>

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

For the six months period ended June 30, 2016

	(Un-audited) June 30, 2016
<b>13.3 Capital gain unrealised</b>	
Shariah compliant	8,470,067
Non-shariah compliant	5,048,017
	<u>13,518,084</u>

13.4 All loans and advances appearing in these condensed interim financial statements are either interest free or carry interest / mark-up as per the Company's policy.

13.5 All bank balances and profit thereon except disclosed in annexed condensed interim financial statements are under mark-up arrangements from conventional side of bank.

#### 14. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of group companies, directors and their close family members, staff retirement funds, key management personnel and major shareholders of the Company. The associated companies are associated either based on holding in equity or due to the same management and / or common directors. All transactions involving related parties arising in the normal course of business are conducted at agreed terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements. Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes.

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

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

For the six months period ended June 30, 2016

	(Un-audited)			
	Three months period ended		Six months period ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	(Rupees)			
Premium written	204,536,974	179,407,120	262,989,154	239,464,596
Commission expense	22,633,253	20,638,976	29,565,111	27,574,110
Claims paid	17,107,228	11,419,159	36,059,430	30,413,976
Dividend paid	47,188,862	52,592,018	47,188,862	52,592,018
Investment in mutual funds	600,000,000	800,000,000	675,000,000	925,300,000
Sale of shares / units of mutual funds	556,361,829	806,700,774	634,503,390	930,486,299
Dividend received	-	-	3,825,360	-
Expenses	5,303,794	4,042,590	9,064,421	8,030,413
Contribution to / provision for staff benefit plans	2,445,008	1,787,747	4,052,585	3,465,252
Remuneration to key management personnel	26,047,662	15,402,962	47,188,862	39,443,007

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

Profit after tax for the period	44,042,428	179,640,591	67,987,355	190,559,425
	(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	0.96	3.93	1.49	4.17

15.1 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, 2016

### 16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of all financial assets and financial liabilities approximate their fair values, except for certain equity and debt instruments, held whose fair values have been disclosed in their respective notes to these financial statements.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

**Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides an analysis of fair values of financial instruments that are measured or disclosed at fair value.

	June 30, 2016			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
<b>Asset measured at fair value</b>				
<b>At fair value through profit or loss - held-for-trading</b>				
Quoted shares (fair value disclosed only)	165,759,345	-	-	165,759,345
Available-for-sale Equity securities (fair value disclosed only)	72,193,343	-	-	72,193,343
Mutual fund units (fair value disclosed only)	-	1,386,107,625	-	1,386,107,625
	<u>237,952,688</u>	<u>1,386,107,625</u>	<u>-</u>	<u>1,624,060,313</u>

	December 31, 2015			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
<b>Asset measured at fair value</b>				
<b>At fair value through profit or loss - held-for-trading</b>				
Quoted shares (fair value disclosed only)	132,284,225	-	-	132,284,225
Available-for-sale Equity securities (fair value disclosed only)	75,200	-	-	75,200
Mutual fund units (fair value disclosed only)	-	1,498,951,476	-	1,498,951,476
	<u>132,359,425</u>	<u>1,498,951,476</u>	<u>-</u>	<u>1,631,310,901</u>

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

For the six months period ended June 30, 2016

### 17. 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, 2016 and December 31, 2015:

	Fire and property damage		Marine, aviation and transport		Motor		Accident & Health		Miscellaneous		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	Un-audited June 30, 2016	Audited December 31, 2015
	(Rupees)											
Segment assets	227,763,728	162,274,000	11,309,980	12,399,000	14,613,011	10,039,000	2,280,223	3,161,406	47,322,935	56,326,206	303,289,877	244,199,612
Unallocated corporate assets											2,339,694,411	2,416,158,658
Consolidated corporate assets											2,642,984,288	2,660,358,470
Segment liabilities	258,317,699	185,961,000	27,383,267	25,964,000	159,838,129	109,702,000	103,661,284	188,828,558	62,271,346	75,509,891	611,471,725	585,965,439
Unallocated corporate liabilities											438,189,935	320,502,540
Consolidated corporate liabilities											1,049,661,660	906,467,979

### 18. GENERAL

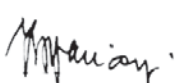
18.1 Figures of the profit and loss account for the quarters ended June 30, 2016 and June 30, 2015 have not been subjected to limited scope review by the auditors as they are only required to review half-yearly figures.

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


### 19. 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 25, 2016.

  
Iqbal Ali Lakhani  
Chairman

  
Tasleemuddin Ahmed Batlay  
Director

  
A. Aziz H. Ebrahim  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive







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