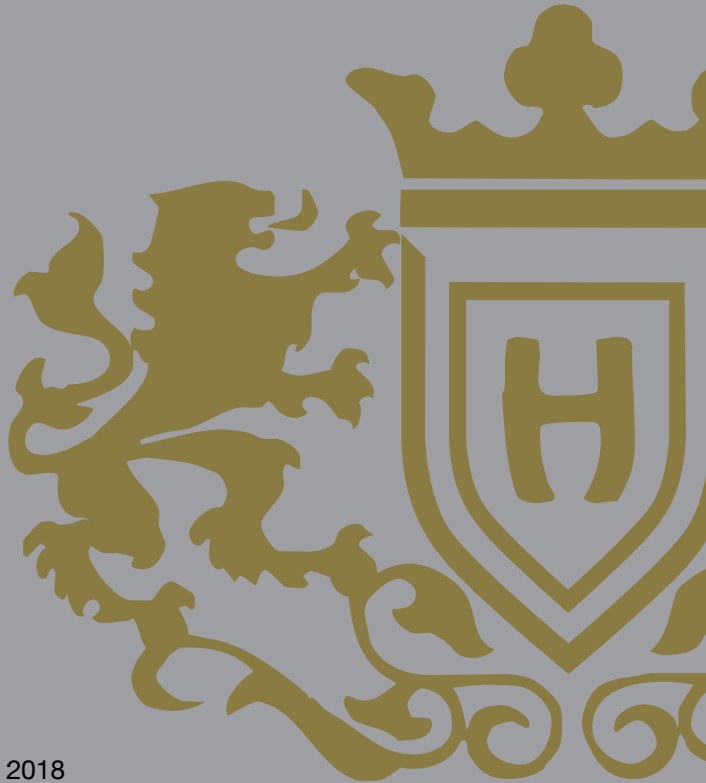




Century Insurance
A Lakson Group Company

Your **Trust**
Our **Assurance**



Quarterly Report March 2018
(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. 1.8 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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Financial Statement Window Takaful Operations

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Our Vision

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

Our Mission

- To become a company of choice for its valued Clients, Stockholders and Employees.
- To ensure continued growth of the financial strength and resilience of the company so that it may be able to withstand any unexpected shocks or cyclical economic downturns.
- The Company culture to be known for Integrity and Ethical behavior.
- The Company to be known as one of the best insurance companies of the country.

Corporate Information

Board of Directors

Mr. Iqbal Ali Lakhani - Chairman
Mr. Amin Mohammed Lakhani
Mr. Bilal Ali Lakhani (from April 12, 2018)
Ms. Anushka Zulfiqar Lakhani
Mr. Tasleemuddin Ahmed Batlay
Mr. A. Aziz H. Ebrahim (upto February 02, 2018)
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

Shariah Advisor

Mufti Muhammad Shakir Siddiqui

Audit Committee

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

Investment Committee

Mr. Iqbal Ali Lakhani - Chairman
Mr. Tasleemuddin Ahmed Batlay
Mr. Mohammad Hussain Hirji
Mr. Sabza Ali Pirani

Ethics, Human Resource & Remuneration Committee

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

External Auditors

M/s. KPMG Taseer Hadi & Co.
Chartered Accountants

Share Registrar

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

Bankers

Al Baraka Bank (Pakistan) Limited
Bank Alfalah Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
NRSP Microfinance Bank Limited
Silkbank Limited
Standard Chartered Bank (Pakistan) Limited
Telenor Microfinance Bank Limited
United Bank Limited

Registered & Corporate Office

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

Head Office

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

Website: www.cicl.com.pk

UAN: 111-111-717

NTN: 0710008-6

Directors' Review

On behalf of the Board of Directors, we are pleased to present to you the un-audited financial statements for the first quarter ended March 31, 2018.

General Review

The overall operational performance of the Company has improved in the first quarter of 2018 as compared to the same period in 2017. Net premium is up by Rs. 19.5 million (14%). Net claims have increased by Rs. 14 million (26%). Management expense has increased by Rs. 1.3 million (2%) and underwriting profit stood at Rs. 27 million. Investment & other income has decreased by Rs. 3 million (10%). Earnings per share stood at Rs. 0.75.

Operating Results

The comparative financial highlights for the first quarter ended March 31, 2018, and 2017 are presented below:-

Rupees in millions (except for EPS)	March 31, 2018	March 31, 2017	Increase / (Decrease)	
			Amount	%
Gross written premium	221	220	-	-
Net premium	162	142	20	14
Underwriting results	27	28	(1)	(4)
Investment & other income	30	33	(3)	(9)
Profit before tax	56	60	(4)	(7)
Profit after tax	38	54	(16)	(30)
Earnings per share (EPS) Rs.	0.75	1.08 Restated	(0.33)	(31)
Total assets	2,822	2,655	167	6
Paid-up capital	503	457	46	10
Total equity	1,840	1,764	77	4

As compared to the first quarter of 2017, the gross written premium for Fire class of business has increased by Rs. 2.9 million (7%), Marine by Rs. 3.9 million (10%) and Miscellaneous by Rs. 2.3 million (19%). However, gross written premium for Motor and Accident and Health classes have decreased by Rs. 4.3 million (4%) and Rs. 4.6 million (38%) respectively.

Window Takaful Operations

Participant Takaful Fund (PTF)

The Gross Written Contribution for the first quarter 2018 is Rs. 5.1 million. Net contribution revenue is Rs. 2.1 million and the surplus for the period for PTF is Rs. 0.83 million.

Operator's Fund (OPF)

Gross wakala fee for the first quarter 2018 is Rs. 1.8 million. Net Wakala fee income is Rs. 0.98 million. Management expenses are Rs. 0.985 million and loss before tax is Rs. 0.16 million.

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, we 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



Mohammad Hussain Hirji
Director & Chief Executive

Karachi: April 26, 2018

ونڈ وکافل آپریشنز

شراکت داروں کا وکافل فنڈ

پہلی سہ ماہی 2018 میں شراکت داروں کا مجموعی کنٹری بیوشن فنڈ 5.1 ملین رہا۔ سہ ماہی کے لیے شراکت داروں کی خالص کنٹری بیوشن 2.1 ملین اور سر پلس فنڈ 0.83 ملین روپے رہا۔

آپریٹو فنڈ

مجموعی وکافل سہ ماہی 2018ء 1.8 ملین ہے۔ خالص وکافل سہ ماہی کی آمدنی 0.98 ملین۔ انتظامی اخراجات 0.985 ملین اور قرض از ٹیکس نقصان 0.16 ملین ہے۔

مستقبل کے خدو خال

کمپنی کی انتظامیہ کاروبار میں منافع اور مارکیٹ شیئر میں اضافے کی مستحکم رفتار کو برقرار رکھنے کے لیے ٹھوس اقدامات کر رہی ہے۔ ہم منافع بخش ترقی کی رفتار کو برقرار رکھنے کے لیے نئی اور جدید مصنوعات کی شناخت، دیگر شہروں میں کلائنٹ کی خدمت کی غرض سے اضافی برانچوں کے قیام اور بیمہ فروخت کے عمل 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

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

Mohammad Hussain Kirji

محمد حسین کیریجی

ڈائریکٹر اور چیف ایگزیکٹو

اقبال علی لاکھانی

چیئرمین

کراچی: 26 اپریل 2018

بورڈ آف ڈائریکٹرز کی طرف سے ہم سمرٹ کے ساتھ 31 مارچ 2018 کو ختم ہونے والی پہلی سہ ماہی غیر آڈٹ شدہ مالیاتی گوشوارے پیش کر رہے ہیں۔

عمومی جائزہ

مجموعی طور پر پہلی سہ ماہی 2018 میں کمپنی کی آپریشنل کارکردگی میں 2017 کے مقابلے میں اضافہ ہوا ہے۔ خالص پربینٹم میں 19.5 ملین روپے (14 فیصد) کا اضافہ ہوا اور خالص کلیمز میں بھی 14 ملین روپے (26 فیصد) کا اضافہ ہوا۔ انتظامی اخراجات میں 1.3 ملین (2 فیصد) کا اضافہ اور انڈر رائٹنگ آمدنی 27 ملین روپے سے مستحکم ہے۔ سرمایہ کاری اور دیگر آمدنی میں 3 ملین روپے (10 فیصد) کی کمی ہوئی۔ فی شیئر آمدنی 0.75 روپے سے مستحکم رہی۔

کاروباری امور کے نتائج

پہلی سہ ماہی 31 مارچ 2018 اور 2017 کے تقابلی مالیاتی جھلمکیاں درج ذیل ہیں:

روپے ملین میں (EPS کے علاوہ)	31 مارچ 2018 (رقم)	31 مارچ 2017 (رقم)	اضافہ / (کمی) (%)
مجموعی پربینٹم	221	220	-
خالص پربینٹم	162	142	14
انڈر رائٹنگ آمدنی	27	28	(4)
سرمایہ کاری اور دیگر آمدنی	30	33	(9)
آمدنی قبل از ٹیکس	56	60	(7)
آمدنی بعد از ٹیکس	38	54	(30)
فی حصص آمدنی (EPS) روپے	0.75	1.08 (تسج شدہ)	(31)
کل اثاثہ جات	2,822	2,655	6
ادا شدہ سرمایہ	503	457	10
کل ایکویٹی	1,840	1,764	4

پہلی سہ ماہی 2017 کے مقابلے میں مجموعی پربینٹم برائے آئینہ آتش زدگی میں 2.9 ملین روپے (7 فیصد)، بجری بیمہ میں 3.9 ملین روپے (10 فیصد) بیمہ متفرقی میں 2.3 ملین روپے (19 فیصد) کا اضافہ ہوا۔ جبکہ مجموعی پربینٹم برائے موٹر بیمہ اور حادثہ وصحت میں 4.3 ملین روپے (4 فیصد) اور 4.6 ملین روپے (38 فیصد) بااثر تیب کمی ہوئی۔

Condensed Interim Statement of Financial Position

As at March 31, 2018

		(Un-audited) March 31, 2018	(Re-stated) (Audited) December 31, 2017
	Note	----- (Rupees) -----	
Assets			
Property and equipment	6	70,561,595	65,669,519
Intangible assets		314,874	472,587
Investment in associates		41,872,663	42,137,247
Investments	7		
Equity securities	7.1	1,439,716,971	1,102,099,243
Debt securities	7.2	136,474,516	129,899,296
Term deposits	7.3	50,000,000	245,000,000
Loan and other receivable	8	20,434,912	238,537,198
Insurance / reinsurance receivable			
Due from insurance contract holders		267,031,346	314,279,731
Amounts due from other insurers / reinsurers		63,143,110	65,764,134
Reinsurance recoveries due but unpaid		64,645,861	46,684,875
Reinsurance recoveries against outstanding claims	15	108,585,161	74,912,821
Salvage recoveries accrued		5,626,000	2,426,000
Deferred commission expense	16	28,826,551	32,232,773
Deferred taxation		-	35,264,815
Prepayments	9	133,592,819	170,714,966
Cash and bank	10	336,616,837	116,781,242
Total assets of Window Takaful Operations - Operator's fund		54,720,310	52,756,001
Total Assets		2,822,163,526	2,735,632,448

		(Un-audited) March 31, 2018	(Re-stated) (Audited) December 31, 2017
	Note	----- (Rupees) -----	
Equity and Liabilities			
Authorized share capital (70,000,000 Ordinary share of Rs.10 each)		700,000,000	700,000,000
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		502,968,030	502,968,030
Share premium		254,024,260	254,024,260
Reserves		119,000,000	119,000,000
Unappropriated profit		964,418,363	854,541,801
Total Equity		1,840,410,653	1,730,534,091
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	15	198,842,313	165,560,979
Unearned premium reserve	14	334,882,202	383,008,819
Unearned reinsurance commission	16	30,027,627	38,529,301
Deferred taxation		2,112,231	-
Premiums received in advance		583,167	804,781
Insurance and reinsurance payables	11	215,014,640	225,151,644
Other creditors and accruals	12	141,458,544	140,516,479
Taxation - provision less payment		53,407,580	47,993,747
		976,328,304	1,001,565,750
Total liability of Window Takaful Operations - Operator's fund		5,424,569	3,532,607
Total Equity and Liabilities		2,822,163,526	2,735,632,448
Contingencies and commitments	13		

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Taseemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the three months period ended March 31, 2018

		March 31, 2018	(Re-stated) March 31, 2017
	Note	----- (Rupees) -----	
Net insurance premium	14	161,784,196	142,267,075
Net insurance claims	15	(69,643,372)	(55,489,599)
Net commission and other acquisition costs	16	1,789,937	6,233,003
Insurance claims and acquisition expenses		(67,853,435)	(49,256,596)
Management Expenses		(66,745,434)	(65,474,046)
Underwriting results		27,185,327	27,536,433
Investment income	17	27,637,117	29,466,043
Other income		2,045,851	2,282,796
Other expenses		(1,192,087)	(607,207)
Results of operating activities		55,676,208	58,678,065
Share of profit of associates - net		-	1,119,351
		55,676,208	59,797,416
Loss from Window Takaful Operations		(163,622)	-
Profit before tax		55,512,586	59,797,416
Taxation – current		(11,097,376)	(16,738,636)
– deferred		(6,567,346)	11,174,657
		(17,664,722)	(5,563,979)
Profit after tax		37,847,864	54,233,437
Other comprehensive income			
Items that will be reclassified to profit and loss account			
Unrealized gain on available-for-sale investments		102,631,166	26,821,736
Unrealized gain on available-for-sale investments - Takaful Operator's Fund (net-of tax)		186,882	-
Realized upon sale/redemption of available-for-sale investments		-	(14,676,862)
Impact of tax		(30,789,350)	(1,499,181)
		72,028,698	10,645,694
Items that will not be reclassified to profit and loss account			
Share in associates' reserves		-	13,993
Other comprehensive income for the period		72,028,698	10,659,687
Total comprehensive income for the period		109,876,562	64,893,124
			Re-stated
Earnings per share of Rs.10 each - basic and diluted	18	0.75	1.08

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-Audited)

For the three months period ended March 31, 2018

	March 31, 2018	March 31, 2017
	----- (Rupees) -----	
Operating cash flows		
(a) Underwriting activities		
Premiums received	211,359,481	213,587,810
Reinsurance premiums paid	(98,394,759)	(118,942,782)
Claims paid	(104,228,259)	(83,246,727)
Reinsurance and other recoveries received	18,598,525	17,759,507
Commissions paid	(17,926,352)	(18,103,655)
Commissions received	12,836,494	40,546,645
Management expenses paid	(62,905,281)	(66,054,823)
Net cash (outflow) from underwriting activities	(40,660,152)	(14,454,025)
(b) Other operating activities		
Income tax paid	(5,683,543)	(5,348,535)
Other operating receipts / (payments)	(6,448,299)	911,234
Net cash outflow from other operating activities	(12,131,842)	(4,437,301)
Total cash outflow from operating activities	(52,791,994)	(18,891,326)
Investment activities		
Profit / return received	6,594,388	6,529,368
Dividends received	970,864	2,331,614
Payments for investments	(287,587,096)	(462,317,361)
Proceeds from investments	504,126,131	457,431,447
Fixed capital expenditure	(9,060,437)	(705,833)
Proceeds from sale of property and equipment	813,564	2,830,000
Total cash inflow from investing activities	215,857,415	6,099,235
Financing activities - dividends paid	-	(46,851)
Net cash inflow / (outflow) from all activities	163,065,421	(12,838,942)
Cash at beginning of the period	172,751,416	107,820,416
Cash at end of the period	335,816,837	94,981,474

Condensed Interim Statement of Cash Flows (Un-Audited)

For the three months period ended March 31, 2018

	March 31, 2018	March 31, 2017
	----- (Rupees) -----	
Reconciliation to profit and loss account		
Operating cash flows	(52,791,994)	(18,891,326)
Depreciation / amortization expense	(3,020,591)	(3,038,494)
(Loss) / profit on disposal of fixed assets	(491,919)	988,552
Profit on disposal of investments	3,887,834	21,391,035
Dividend income	2,704,063	2,785,392
Investment and other income	21,561,518	9,435,278
Increase / (decrease) in assets other than cash	38,812,898	(17,906,382)
Decrease in liabilities other than running finance	27,349,677	59,469,382
Loss from Window Takaful Operations	(163,622)	-
Profit after taxation	37,847,864	54,233,437

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	240,000	170,080
- Policy stamps and bond papers in hand	1,307,628	894,760
	1,547,628	1,064,840

Current and other accounts

- Current accounts *	3,290,033	8,020,243
- Savings accounts	330,979,176	85,896,391
	334,269,209	93,916,634
	335,816,837	94,981,474

* This does not include local currency account with a lien amounting to Rs. 0.8 million (March 31, 2017: Rs. 0.8 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 23 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

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

For the three months period ended March 31, 2018

	Attributable to equity holders of the Company					Total
	Share capital Issued, subscribed and paid-up	Capital reserves	Revenue reserves		Total reserves	
			Share premium	General reserve		
----- (Rupees) -----						
Balance as at January 01, 2017	457,243,660	254,024,260	119,000,000	879,048,427	1,252,072,687	1,709,316,347
Effect of change in accounting policy (note no 5.2.1)	-	-	-	147,955,431	147,955,431	147,955,431
Balance as at January 01, 2017 as restated (note no 5.2.1)	457,243,660	254,024,260	119,000,000	1,027,003,858	1,400,028,118	1,857,271,778
Total comprehensive income for the period ended March 31, 2017	-	-	-	64,893,124	64,893,124	64,893,124
Balance as at March 31, 2017	457,243,660	254,024,260	119,000,000	1,091,896,982	1,464,921,242	1,922,164,902
Balance as at January 01, 2018	502,968,030	254,024,260	119,000,000	891,722,749	1,264,747,009	1,767,715,039
Effect of change in accounting policy (note no 5.2.1) (including Takaful Operator's Fund)	-	-	-	(37,180,948)	(37,180,948)	(37,180,948)
Balance as at January 01, 2018 as restated (note no 5.2.1)	502,968,030	254,024,260	119,000,000	854,541,801	1,227,566,061	1,730,534,091
Total comprehensive income for the period ended March 31, 2018	-	-	-	109,876,562	109,876,562	109,876,562
Balance as at March 31, 2018	502,968,030	254,024,260	119,000,000	964,418,363	1,337,442,623	1,840,410,653

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Taseemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-Audited)

For the three months period ended March 31, 2018

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 repealed Companies Ordinance, 1984 (now Companies Act 2017). The Company is listed on the Pakistan Stock Exchange Limited and is engaged in general insurance business. The registered office of the Company is situated at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the three months period ended March 31, 2018 are un-audited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Acts, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Acts, 2017 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 annexure II of Insurance Rule, 2017 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, 2017 (note: 5.2.1).

Total assets, total liabilities and profit / (loss) of the Window Takaful Operations of the Company referred to as the Operator's Fund has been presented in these financial statements in accordance with the requirements of Circular 25 of 2015 dated July 9, 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 JUDGMENTS

In preparing these condensed interim financial statements, the estimates / judgments and associated assumptions made by management in applying the Company's accounting policies and reported amounts of assets, liabilities, income and expenses are the same as those applied in the annual financial statements as at and for the year ended December 31, 2017 except note 5.2.1)

5. SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT

- 5.1 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, 2017. 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, 2017, except as follows;

5.2 Changes in accounting policies

5.2.1 Adoption of new Insurance Rules, 2017 and Insurance Accounting Regulations, 2017

SECP has issued the Insurance Rules, 2017 including the new Insurance Accounting Regulations, 2017 and format for the preparation of financial statements. The new Insurance Rules are effective for the current period financial statements. Under the new Insurance Rule, 2017, certain changes have been made to the presentation of the financial statements which include the following:

- 5.2.2 The Company has changed its accounting policy in relation to the available-for-sale investments to comply with the requirements of IAS 39 - Financial Instruments - Recognition and Measurement. These investment are now carried at fair value. Surplus / (deficit) on revaluation from one reporting date to another is taken to other comprehensive income in the statement of comprehensive income. On derecognition or impairment in available-for-sale investments, the cumulative gain or loss previously reported in other comprehensive income is transfer to profit and loss for the period within statement of comprehensive income. Previously the investment were carried at lower of cost and market value. This change in the accounting policy has been applied retrospectively and comparative information has been restated in accordance with the requirement of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The impact of change in accounting policy are summarized below:

Statement of financial position and statement of changes in equity	---Rupees---
Increase in equity as at January 1, 2017	147,955,431
Increase in equity as at March 31, 2017	158,601,125
Decrease equity as at December 31, 2017	(37,180,948)
Increase in equity as at March 31, 2018	34,847,751
Increase in investment as at March 31, 2018	102,631,166
Increase in deferred tax liability as at March 31, 2018	30,789,350
Statement of comprehensive income	
Increase in total comprehensive income for the period ended March 31, 2017	10,659,687
Increase in total comprehensive income for the period ended March 31, 2018	72,028,698

- 5.2.3 Certain changes have been made to the presentation of the financial statement which include the following:

- Changes in the subsequence of assets / liabilities in the financial position;
- Discontinuation of separate statements of premium, claims, commission and investment income, which are now presented (on aggregate basis) into the notes of the financial statement (note 14, 15 & 16);
- Underwriting results in relation to various classes of business which were previously on the face of the profit and loss account are now presented in a separate note 21.

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-Audited)

For the three months period ended March 31, 2018

	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017
		----- (Rupees) -----	
6. PROPERTY AND EQUIPMENT			
Operating assets	6.1	61,396,595	62,203,019
Capital work in progress	6.2	9,165,000	3,466,500
		<u>70,561,595</u>	<u>65,669,519</u>
6.1 Operating assets			
Opening written down value		62,203,019	65,091,484
Add: Additions during the period / year - at cost			
- Motor vehicles		3,400,000	8,876,003
- Computers and related accessories		94,000	388,450
- Office equipment		-	2,292,955
- Furniture and fixtures		25,650	317,000
- Office improvement		-	620,190
		<u>3,519,650</u>	<u>12,494,598</u>
Less: Written down value of deletions		1,305,483	3,518,217
Depreciation for the period / year		3,020,591	11,864,846
		<u>4,326,074</u>	<u>15,383,063</u>
		<u>61,396,595</u>	<u>62,203,019</u>
6.2 Capital work in progress			
Advance against purchase of vehicles		9,064,500	3,366,000
Advance against renovation of office		100,500	100,500
		<u>9,165,000</u>	<u>3,466,500</u>
7. INVESTMENTS			
7.1 INVESTMENT IN SECURITIES			
Available-for-sale	7.1.1	1,264,236,981	943,631,374
Held for trading		175,479,990	158,467,869
		<u>1,439,716,971</u>	<u>1,102,099,243</u>

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
7.1.1 Available-for-sale		
Related parties		
Mutual funds	562,025,222	511,532,660
Others		
Listed shares	70,472,181	63,612,189
Mutual funds	631,739,578	368,486,525
	<u>702,211,759</u>	<u>432,098,714</u>
	<u>1,264,236,981</u>	<u>943,631,374</u>

7.1.2 The aggregate cost of the available for sale securities is Rs. 1,214.869 million (2017: Rs. 996.869 million).

7.2 INVESTMENT IN DEBT SECURITIES

Held for trading

Government securities	18,479,052	22,980,437
-----------------------	------------	------------

Held-to-maturity

Government securities*	7.2.1 49,159,686	49,068,199
Commercial paper	7.2.1 53,810,218	52,850,660
Term finance certificate	7.2.2 -	-
	<u>102,969,904</u>	<u>101,918,859</u>

Available-for-sale-Sukuk	15,025,560	5,000,000
	<u>136,474,516</u>	<u>129,899,296</u>

* These securities are placed with State Bank of Pakistan as statutory deposit in accordance with the requirement of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.

7.2.1 The market value of held-to-maturity debt securities is Rs. 107.561 million (2017: Rs. 107.800 million).

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-Audited)

For the three months period ended March 31, 2018

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
Note	----- (Rupees) -----	
7.2.2 Term finance certificate		
Cost	293,292	293,292
Less: Provision for impairment	(293,292)	(293,292)
	<u>-</u>	<u>-</u>
7.3 INVESTMENT IN TERM DEPOSIT		
Deposit maturing with in 12 months	7.3.1 <u>50,000,000</u>	<u>245,000,000</u>
7.3.1	The rate of return on term deposit certificates issued by various banks ranges from 6.7% to 9.5% per annum (2017: 6.7% to 9.5%) depending on tenor. These term deposit certificate have maturities up to December 2018.	
8. LOAN AND OTHERS RECEIVABLE		
	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	----- (Rupees) -----	
Accrued investment income	8,040,903	8,370,688
Security deposits	6,031,167	6,029,167
Advance to employees	2,424,511	2,670,633
Advance against expenses	113,000	99,000
Receivable against sale of shares	1,670,155	218,900,569
Window Takaful Operations	2,043,590	1,297,833
Others	111,586	1,169,308
	<u>20,434,912</u>	<u>238,537,198</u>
9. Prepayments		
Prepaid reinsurance premium ceded	120,821,197	162,210,966
Prepayments	12,771,622	8,504,000
	<u>133,592,819</u>	<u>170,714,966</u>

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	----- (Rupees) -----	
10. CASH AND BANK		
Cash and cash equivalents		
Cash in hand	240,000	194,627
Policy stamps and bond papers in hand	1,307,628	1,264,081
	1,547,628	1,458,708
Current and other accounts		
Current accounts	4,090,033	9,365,911
Saving accounts	330,979,176	105,956,623
	335,069,209	115,322,534
	336,616,837	116,781,242
11. INSURANCE AND REINSURANCE PAYABLES		
Foreign reinsurers	39,719,342	30,073,147
Local reinsurers	159,787,214	165,183,254
Co-insurers	15,508,084	29,895,243
	215,014,640	225,151,644
12. OTHER CREDITORS AND ACCRUALS		
Agent commission payable	94,647,483	93,356,580
Federal excise duty	8,335,709	11,661,916
Federal insurance fees	674,706	953,289
Creditors	2,107,375	2,066,334
Retention money	103,260	103,260
Margin deposits	3,873,670	4,589,134
Staff retirement benefits	6,196,863	5,171,457
Payable against purchase of shares	693,209	251,868
Withholding tax payable	1,009,681	1,018,897
Accrued expenses	10,558,198	9,055,657
Deposits from employees against car scheme	8,046,640	7,820,421
Unclaimed Dividend	3,938,133	3,938,133
Others	1,273,617	529,533
	141,458,544	140,516,479
13. CONTINGENCIES AND COMMITMENTS		

The status of contingencies remain unchanged as disclosed in the annual financial statements as of December 31, 2017.

COMMITMENTS

There are no commitments as at March 31, 2018.

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-Audited)

For the three months period ended March 31, 2018

		(Un-audited)	
		March 31, 2018	March 31, 2017
		----- (Rupees) -----	
14. NET INSURANCE PREMIUM	Note		
Written Gross premium		220,518,665	220,312,897
Add : Unearned premium reserve opening		383,008,819	337,036,982
Less: Unearned premium reserve closing		334,882,202	311,290,088
		268,645,282	246,059,791
Premium earned		268,645,282	246,059,791
Less: Reinsurance premium ceded		65,471,317	62,443,270
Add: Prepaid reinsurance premium opening		162,210,966	165,539,475
Less: Prepaid reinsurance premium closing		120,821,197	124,190,029
Reinsurance expense		106,861,086	103,792,716
		161,784,196	142,267,075
15. NET INSURANCE CLAIMS EXPENSE			
Claim paid		104,228,259	83,246,727
Add : Outstanding claims including IBNR closing		198,842,313	170,785,522
Less: Outstanding claims including IBNR opening		165,560,979	164,787,530
		137,509,593	89,244,719
Claims expense		137,509,593	89,244,719
Less: Reinsurance and others recoveries received		34,193,881	12,737,964
Add: Reinsurance and others recoveries in respect of outstanding claims closing		108,585,161	82,198,904
Less: Reinsurance and others recoveries in respect of outstanding claims opening		74,912,821	61,181,748
Reinsurance and other recoveries revenue		67,866,221	33,755,120
		69,643,372	55,489,599
16. NET COMMISSION EXPENSE			
Commission paid or payable		22,090,433	21,942,842
Add : Deferred commission expense opening		32,232,773	30,829,820
Less: Deferred commission expense closing		28,826,551	28,538,033
Net commission		25,496,655	24,234,629
Less: Commission received or recoverable		18,784,918	19,230,551
Add: Unearned Reinsurance commission opening		38,529,301	43,125,928
Less: Unearned Reinsurance commission closing		30,027,627	31,888,847
Commission from reinsurers		27,286,592	30,467,632
		(1,789,937)	(6,233,003)

		(Un-audited)	
		March 31, 2018	March 31, 2017
17. INVESTMENT INCOME	Note	----- (Rupees) -----	
Income from equity securities			
Available-for-sale			
- Dividend income		719,400	482,150
Held for trading			
- Dividend income		1,984,663	2,303,242
Income from debt securities			
Held to maturity			
Return on government securities		1,570,939	1,560,098
Return on other fixed income securities and deposits		959,557	-
Available-for-sale			
Return on other fixed income securities and deposits		152,864	-
Income from term deposits			
Return on term deposits		1,387,974	4,251,164
		<u>6,775,397</u>	<u>8,596,654</u>
Net realized gain / (loss) on investments			
Available-for-sale financial assets realized gain on			
- Equity securities		-	16,653,411
Held for trading financial assets			
- Equity securities		2,860,578	3,610,987
- Debt securities		1,027,256	1,126,637
		<u>3,887,834</u>	<u>21,391,035</u>
Net unrealized gain / (loss) on investments			
Net unrealized gain / (loss) on investment at fair value through profit or loss		17,490,184	217,616
Total investment income		<u>17,490,184</u>	<u>217,616</u>
Add: Reversal of impairment in debt securities Held to maturity		-	4,253
Less: Investment related expenses		(516,298)	(743,515)
Investment income		<u>27,637,117</u>	<u>29,466,043</u>

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-Audited)

For the three months period ended March 31, 2018

	(Un-audited)	
	March 31, 2018	March 31, 2017 (Restated)
	----- (Rupees) -----	
18. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after tax for the period	37,847,864	54,233,437
	----- (Number) -----	
Weighted average number of Ordinary shares	50,296,803	50,296,803
	----- (Rupees) -----	
Earnings per share - basic and diluted	0.75	1.08

- 18.1** 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.

19. 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:

Transactions with related parties

Premium written	74,345,661	65,715,214
Commission expense	9,042,081	7,925,236
Claims paid	32,679,821	16,897,387
Investment in mutual funds	-	26,000,000
Sale of shares / units of mutual funds	-	22,307,736
Dividend received	264,585	264,585
Purchase of equipments	-	752,805
Expenses	6,731,989	4,764,567
Contribution to / provision for staff benefit plans	2,464,822	2,252,289
Remuneration to key management personnel	12,531,618	12,514,942

20. 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.

	March 31, 2018			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Asset measured at fair value				
At fair value through profit or loss - held-for-trading				
Investment in securities	175,479,990	-	-	175,479,990
At fair value through OCI				
Available-for-sale				
Investment in securities	70,472,181	1,193,764,800	-	1,264,236,981
Held-to-maturity				
Investment in debt securities		33,504,612		33,504,612
Asset not measured at fair value				
Held-to-maturity				
Investment in debt securities	-	-	-	107,560,643
Investment in term deposit	-	-	-	50,000,000
	245,952,171	1,227,269,412	-	1,630,782,226

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-Audited)

For the three months period ended March 31, 2018

	December 31, 2017			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
Asset measured at fair value				
At fair value through profit or loss - held-for-trading				
Investment in securities	158,467,869	-	-	158,467,869
At fair value through OCI				
Available-for-sale				
Investment in securities	63,612,189	880,019,185	-	943,631,374
Held-to-maturity				
Investment in debt securities	-	33,504,612	-	33,504,612
Asset not measured at fair value				
Held-to-maturity				
Investment in debt securities	-	-	-	107,800,060
Investment in term deposit	-	-	-	245,000,000
	<u>222,080,058</u>	<u>913,523,797</u>	<u>-</u>	<u>1,488,403,915</u>

21. SEGMENT INFORMATION

	For the three months period ended March 31, 2018					Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	
	(Rupees)					
Gross written premium (inclusive of Administrative Surcharges)	42,416,190	44,435,692	111,012,449	8,293,868	14,360,466	220,518,665
Insurance premium earned	83,613,491	46,544,474	72,360,628	49,801,631	16,325,058	268,645,282
Insurance premium ceded to reinsurers	(77,146,384)	(15,438,258)	(1,811,996)	(75,218)	(12,389,230)	(106,861,086)
Net Insurance premium	6,467,107	31,106,216	70,548,632	49,726,413	3,935,828	161,784,196
Commission income	17,767,161	5,886,340	41,279	23,693	3,568,119	27,286,591
Net underwriting income	24,234,268	36,992,556	70,589,911	49,750,106	7,503,947	189,070,787
Insurance claims	(50,541,122)	(12,946,653)	(33,426,457)	(38,425,212)	(2,170,149)	(137,509,593)
Insurance claims recovered from reinsurers	50,569,656	9,767,483	6,070,773	-	1,458,309	67,866,221
Net claims	28,534	(3,179,170)	(27,355,684)	(38,425,212)	(711,840)	(69,643,372)
Commission expense	(11,512,329)	(6,762,687)	(5,243,221)	(630,875)	(1,347,543)	(25,496,655)
Management expense	(12,838,310)	(13,449,562)	(33,600,666)	(2,510,345)	(4,346,551)	(66,745,434)
Net insurance claims and expenses	(24,322,105)	(23,391,419)	(66,199,571)	(41,566,432)	(6,405,934)	(161,885,461)
Underwriting results	(87,837)	13,601,137	4,390,340	8,183,674	1,098,013	27,185,327
Net investment income						27,637,117
Other income						2,045,851
Other expense						(1,192,087)
Share of profit of associated						-
Result of operating activities						28,490,881
Profit before tax from General Insurance Operations						55,676,208
Loss before tax from Window Takatful Operations						(163,622)
Profit before tax for the period						55,512,586

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-Audited)

For the three months period ended March 31, 2018

	For the three months period ended March 31, 2017					
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	Aggregate
	(Rupees)					
Gross written premium (inclusive of Administrative Surcharges)	39,459,154	40,522,482	115,278,248	12,922,466	12,130,547	220,312,897
Insurance premium earned	79,283,198	42,467,918	71,141,560	37,659,394	15,507,721	246,059,791
Insurance premium ceded to reinsurers	(73,497,425)	(17,998,326)	(1,895,821)	(90,731)	(10,310,413)	(103,792,716)
Net Insurance premium	5,785,773	24,469,592	69,245,739	37,568,663	5,197,308	142,267,075
Commission income	20,520,163	6,945,546	53,319	20,472	2,928,132	30,467,632
Net underwriting income	26,305,936	31,415,138	69,299,058	37,589,135	8,125,440	172,734,707
Insurance claims	(6,889,647)	(1,380,462)	(32,249,613)	(23,387,722)	(25,337,275)	(89,244,719)
Insurance claims recovered from reinsurers	6,326,642	1,070,882	3,411,619	-	22,945,977	33,755,120
Net claims	(563,005)	(309,580)	(28,837,994)	(23,387,722)	(2,391,298)	(55,489,599)
Commission expense	(10,762,879)	(6,248,135)	(4,916,807)	(1,027,218)	(1,279,590)	(24,234,629)
Management expense	(11,726,733)	(12,042,740)	(34,259,153)	(3,840,384)	(3,605,036)	(65,474,046)
Net insurance claims and expenses	(23,052,617)	(18,600,455)	(68,013,954)	(28,255,324)	(7,275,924)	(145,198,274)
Underwriting result	3,253,319	12,814,683	1,285,104	9,333,811	849,516	27,536,433
Net investment income						29,466,043
Other income						2,282,796
Other expense						(607,207)
Share of profit of associated						1,119,351
Result of operating activities						32,260,983
Profit before tax from General Insurance Operations						59,797,416
Profit before tax from Window Takaful Operations						-
Profit before tax for the period						59,797,416

22. GENERAL

22.1 As a result of adoption of Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 (note 5.2.1), corresponding figures have been rearranged where ever necessary, for purposes of comparison, there were no material reclassification to report except as disclosed in note 5.2.1 to the condensed interim financial statements as follows:

Nature	Transfer From	Transfer to	Rupees
Term deposit receipt	Cash and Bank Balance	Investment	245,000,000
Accrued Investment income	Accrued Investment income	Loan and other receivable	6,063,108
Sundry receivables	Sundry receivables	Loan and other receivable	232,474,090
Other liabilities	Other liabilities	Other creditors and accruals	16,347,688
Accrued expense	Accrued expenses	Other creditors and accruals	9,055,657

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

23. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue in accordance with a resolution of the Board of Directors on April 26, 2018.



Iqbal Ali Lakhani
Chairman



Amin Mohammed Lakhani
Director



Taseemuddin Ahmed Batlay
Director



Mohammad Hussain Hirji
Director & Chief Executive



Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Financial Position

As at March 31, 2018

	Note	(Un-audited) March 31, 2018			(Re-stated) (Audited) December 31, 2017		
		Operator's Fund	Participants' Takaful Fund	Aggregate	Operator's Fund	Participants' Takaful Fund	Aggregate
----- (Rupees) -----							
ASSETS							
Investments	7						
Equity securities		25,389,355	-	25,389,355	25,122,381	-	25,122,381
Debt securities		-	500,000	500,000	-	500,000	500,000
		25,389,355	500,000	25,889,355	25,122,381	500,000	25,622,381
Sundry receivables	8	189,725	30,234	219,959	172,731	10,291	183,022
Takaful and re-takaful receivable							
Due from takaful participants		-	811,293	811,293	-	1,083,016	1,083,016
Amounts due from other takaful / re-takaful operators		-	1,229,375	1,229,375	-	1,261,681	1,261,681
Re-takaful recoveries due but unpaid		-	-	-	-	86,104	86,104
Deferred commission expense	14	686,162	-	686,162	442,992	-	442,992
Wakala and mudarib fee receivable		3,781,284	-	3,781,284	1,965,245	-	1,965,245
Deferred wakala fee	16	-	2,354,091	2,354,091	-	1,527,297	1,527,297
Prepaid re-takaful contribution ceded		-	1,965,704	1,965,704	-	740,562	740,562
Taxation		418,633	-	418,633	369,546	-	369,546
		5,075,804	6,390,697	11,466,501	2,950,514	4,708,951	7,659,465
Cash and bank	9	24,255,151	7,373,782	31,628,933	24,683,106	2,474,694	27,157,800
Total Assets		54,720,310	14,264,479	68,984,789	52,756,001	7,683,645	60,439,646

	(Un-audited) March 31, 2018			(Re-stated) (Audited) December 31, 2017		
	Operator's Fund	Participants' Takaful Fund	Aggregate	Operator's Fund	Participants' Takaful Fund	Aggregate
Note ----- (Rupees) -----						
EQUITY AND LIABILITIES						
Reserves attributable to:						
Operator's Fund						
Statutory fund	50,000,000	-	50,000,000	50,000,000	-	50,000,000
Accumulated loss	(704,259)	-	(704,259)	(776,606)	-	(776,606)
	49,295,741	-	49,295,741	49,223,394	-	49,223,394
Waqf / Participants' Takaful Fund						
Ceded Money	-	500,000	500,000	-	500,000	500,000
Accumulated surplus / (deficit)	-	658,788	658,788	-	(174,543)	(174,543)
	-	1,158,788	1,158,788	-	325,457	325,457
Liabilities						
PTF Underwriting provisions						
Provision for outstanding claims (including IBNR)	13	-	198,058	198,058	-	-
Provision for unearned contribution	12	-	6,303,736	6,303,736	-	4,050,516
Provision for unearned re-takaful rebate	15	-	357,840	357,840	-	134,362
Unearned Wakala fee	16	2,354,091	-	2,354,091	1,527,297	-
Wakala and mudarib fee payable		-	3,781,284	3,781,284	-	1,965,245
Deferred taxation		116,806	-	116,806	36,714	-
Contribution received in advance		-	388,406	388,406	-	155,243
Amounts due to other takaful / re-takaful operators		-	1,869,768	1,869,768	-	741,858
Other creditors and accruals	10	2,953,672	206,599	3,160,271	1,968,596	310,964
Total liabilities		5,424,569	13,105,691	18,530,260	3,532,607	7,358,188
Total fund and liabilities		54,720,310	14,264,479	68,984,789	52,756,001	7,683,645
				60,439,646		

Contingency and Commitments

11

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the three month period ended March 31, 2018

	Note	March 31, 2018 ---- (Rupees) ----
Participants' Takaful Fund - revenue account		
Net contribution revenue	12	2,083,474
Wakala expense	16	(983,967)
Net claims	13	(263,998)
Direct expenses		(113,670)
Re-takaful rebate earned	15	90,381
		812,220
Net investment income	17	21,111
Surplus for the period		833,331
Other comprehensive income		-
Total comprehensive surplus for the period		833,331
Operator's Fund - revenue account		
Wakala fee income	16	983,967
Commission expense	14	(298,913)
Management expenses		(985,757)
		(300,703)
Mudarib's share of PTF investment income		5,278
Net investment income	17	167,503
		(127,922)
Other expenses		(35,700)
Loss before tax		(163,622)
Taxation		49,087
Loss after tax		(114,535)
Other Comprehensive Income		
Items that will be reclassified to profit and loss account		
- Unrealized gain on available-for-sale investments		266,974
- Impact of tax		(80,092)
		186,882
Total comprehensive profit for the period		72,347

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


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Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-Audited)

For the three month period ended March 31, 2018

March 31, 2018

Note	March 31, 2018		
	Operator's Fund	Participants' Takaful Fund	Aggregate
----- (Rupees) -----			
Operating cash flows			
(a) Takaful activities			
	-	5,299,594	5,299,594
Contribution received	-	(538,634)	(538,634)
Re-takaful contributions paid	-	(65,940)	(65,940)
Claims paid	-	86,104	86,104
Re-takaful and other recoveries received	(421,268)	-	(421,268)
Commission paid	-	85,191	85,191
Re-takaful rebate received	-	(90,381)	(90,381)
Other underwriting payments (management expenses)	(421,268)	4,775,934	4,354,666
Net cash (outflows) / inflows from takaful activities			
(b) Other operating activities			
	(17,680)	-	(17,680)
Income tax paid	(158,200)	-	(158,200)
General, administration and management expenses paid	-	122,333	122,333
Other operating receipts - net	(175,880)	122,333	(53,547)
Net cash (outflows) / inflows from other operating activities			
Total cash (outflows) / inflows from operating activities	(597,148)	4,898,267	4,301,119
Investment activities			
	169,193	821	170,014
Profit / return received	24,683,106	2,474,694	27,157,800
Cash at beginning of period			
Cash at end of the period - net cash inflows from all activities	24,255,151	7,373,782	31,628,933

Definition of cash

Cash comprises of cash in hand, policy stamps, bond papers, bank balances and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Taseemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Changes In Funds (Un-Audited)

For the three month period ended March 31, 2018

	Operator's Fund		
	Statutory Fund	Accumulated profit / (loss)	Total
	----- (Rupees) -----		
Balances as at January 1, 2018	50,000,000	(862,273)	49,137,727
Effect of change in accounting policy (note no 6.2.1)		85,667	85,667
Changes in fund for the period ended March 31, 2018	50,000,000	(776,606)	49,223,394
Total comprehensive profit for the period ended March 31, 2018	-	72,347	72,347
Balance as at March 31, 2018	50,000,000	(704,259)	49,295,741

	Participants' Takaful Fund		
	Ceded money	Accumulated (deficit) / surplus	Total
	----- (Rupees) -----		
Balances as at January 1, 2018	500,000	(174,543)	325,457
Changes in fund for the period ended March 31, 2018			
Surplus for the period ended March 31, 2018	-	833,331	833,331
Balance as at March December 31, 2018	500,000	658,788	1,158,788

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-Audited)

For the three month period ended March 31, 2018

1. STATUS AND NATURE OF BUSINESS

Century Insurance Company Limited (“the Operator”) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act 2017) on October 10, 1985. The Operator is listed on Pakistan Stock Exchange and is engaged in general insurance business. The registered office of the Operator is situated at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi.

For the purpose of carrying on the takaful business, the Operator formed a Waqf for Participants’ Fund (“PTF”) by executing the Waqf deed dated August 17, 2017 by investing a ceded money of Rs. 0.5 million. The ceded money is required to be invested in shariah compliant investments and any profit thereon can be utilized only to pay benefits to participants or defray PTF expenses. Waqf Deed governs the relationship of Operator and participants for management of Takaful Operations, investments of Participants’ Funds and investments of the Operator’s Funds approved by the shariah advisor of the Operator.

2. Statement of Compliance

These condensed interim financial statements of the Company for the three months period ended March 31, 2018 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 Acts, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Acts, 2017 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 annexure II of Insurance Rules, 2017 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, 2017 (note: 6.2.1).

3. Basis of measurement

These financial statements have been prepared under the historical cost convention.

4. Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Operations’ functional currency.

5. Use of estimates and judgments

In preparing these financial statements, management has made judgment, estimates and assumptions that affect the application of the Operation’s accounting policies and reported amounts of assets, liabilities, Income and expenses. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively.

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-Audited)

For the three month period ended March 31, 2018

6 SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT

6.1 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 of the Operator for the period ended December 31, 2017. The financial and insurance risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Operator for the period ended December 31, 2017, except as follows;

6.2 Changes in accounting policies

6.2.1 Adoption of new Insurance Rules, 2017 and Insurance Accounting Regulations, 2017

SECP has issued the Insurance Rule, 2017 including the new Insurance Accounting Regulations, 2017 and format for the preparation of financial statements. The new Insurance Rules are effective for the current period financial statements. Under the new Insurance Rule, 2017, certain changes have been made to the presentation of the financial statements which include the following:

6.2.2 The Company has changed its accounting policy in relation to the available-for-sale investments to comply with the requirements of IAS 39 - Financial Instruments - Recognition and Measurement. These investment are now carried at fair value. Surplus / (deficit) on revaluation from one reporting date to another is taken to other comprehensive income in the statement of comprehensive income. On derecognition or impairment in available-for- sale investments, the cumulative gain or loss previously reported in other comprehensive income is transfer to profit and loss for the period within statement of comprehensive income. Previously the investment were carried at lower of cost and market value. This change in the accounting policy has been applied retrospectively and comparative information has been restated in accordance with the requirement of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The impact of change in accounting policy are summarized below:

Statement of financial position and statement of changes in fund (Operator's fund)

	---Rupees---
Increase in operator fund as at January 1, 2018	85,667
Increased in investment and fund as at December 31, 2017	122,381
Increased in fund as at March 31, 2018	272,549
increased in investment as at March 31, 2018	389,355
Increased in deferred tax liability as at March 31, 2018	116,806

Statement of comprehensive income

Increased in total comprehensive income for the period ended March 31, 2018	72,347
---	--------

6.2.3 Certain changes have been made to the presentation of the financial statement which include the following:

Changes in the subsequence of assets / liabilities in the financial position;

Discontinuation of separate statements of premium, claims, commission and investment income, which are now presented (on aggregate basis) into the notes of the financial statement (note 19);

7 INVESTMENTS

7.1 INVESTMENT IN SECURITIES

		OPF	
		March 31, 2018 (Un-audited)	December 31, 2017 (Audited)
		----- (Rupees) -----	
Available-for-sale			
- Quoted mutual fund	7.1.1	25,389,355	25,122,381

7.1.1 The cost of available for sale securities is Rs. 25 million (December 31, 2017: Rs. 25 million).

7.2 INVESTMENT IN DEBT SECURITIES

		PTF	
Held to Maturity			
- Certificate of Islamic Investment		500,000	500,000

8 SUNDRY RECEIVABLES

March 31, 2018 (Un-audited)			
	OPF	PTF	Aggregate
	----- (Rupees) -----		
Accrued investment income	57,415	30,234	87,649
Advance tax	132,310	-	132,310
	189,725	30,234	219,959

December 31, 2017 (Audited)			
	OPF	PTF	Aggregate
	----- (Rupees) -----		
Accrued investment income	58,101	10,291	68,392
Advance tax	114,630	-	114,630
	172,731	10,291	183,022

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-Audited)

For the three month period ended March 31, 2018

9 CASH AND BANK

	March 31, 2018 (Un-audited)		
	OPF	PTF	Aggregate
	----- (Rupees) -----		
Cash and cash equivalents			
Cash in hand	10,000	-	10,000
Current and other accounts			
Saving accounts	24,245,151	7,373,782	31,618,933
	<u>24,255,151</u>	<u>7,373,782</u>	<u>31,628,933</u>

	December 31, 2017 (Audited)		
	OPF	PTF	Aggregate
	----- (Rupees) -----		
Cash and cash equivalents			
Cash in hand	10,000	-	10,000
Current and other accounts			
Saving accounts	24,673,106	2,474,694	27,147,800
	<u>24,683,106</u>	<u>2,474,694</u>	<u>27,157,800</u>

10 OTHER CREDITORS AND ACCRUALS

	March 31, 2018 (Un-audited)		
	OPF	PTF	Aggregate
	----- (Rupees) -----		
Commission payable	632,615	-	632,615
Federal excise duty and sales tax	-	169,403	169,403
Federal insurance fee payable	-	13,337	13,337
Accrued expense	2,123,590	17,908	2,141,498
Audit fee payable	187,500	-	187,500
Tax deducted at source	9,967	5,951	15,918
	<u>2,953,672</u>	<u>206,599</u>	<u>3,160,271</u>

	December 31, 2017 (Audited)		
	OPF	PTF	Aggregate
	----- (Rupees) -----		
Commission payable	511,800	-	511,800
Federal excise duty and sales tax	-	283,230	283,230
Federal insurance fee payable	-	21,843	21,843
Accrued expense	1,297,833	-	1,297,833
Audit fee payable	150,000	-	150,000
Tax deducted at source	8,963	5,891	14,854
	<u>1,968,596</u>	<u>310,964</u>	<u>2,279,560</u>

11 CONTINGENCIES AND COMMITMENTS

The status of contingencies remain unchanged as disclosed in the annual financial statements as of December 31, 2017.

	(Un-audited) March 31, 2018
	--- (Rupees) ---
12 NET TAKAFUL CONTRIBUTION	
Written Gross contribution	5,118,404
Add : Unearned contribution reserve opening	4,050,516
Less: Unearned contribution reserve closing	6,303,736
Contribution earned	2,865,184
Less: Re-takaful Contribution ceded	2,006,852
Add: Prepaid re-takaful contribution ceded opening	740,562
Less: Prepaid re-takaful contribution ceded closing	1,965,704
Re-takaful expense	781,710
	2,083,474
13 NET TAKAFUL CLAIMS EXPENSE	
Claim paid	65,940
Add : Outstanding claims including IBNR closing	198,058
Less: Outstanding claims including IBNR opening	-
Claims expense	263,998
Less: Re-takaful and others recoveries received	-
Add: Re-takaful and others recoveries in respect of outstanding claims closing	-
Less: Re-takaful and others recoveries in respect of outstanding claims opening	-
Re-takaful and recoveries revenue	-
	263,998
14 COMMISSION EXPENSE	
Commission paid or payable	542,083
Add : Deferred commission expense opening	442,992
Less: Deferred commission expense closing	686,162
Net commission	298,913

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-Audited)

For the three month period ended March 31, 2018

(Un-audited)
March 31,
2018
--- (Rupees) ---

15	REBATE FROM RE-TAKAFUL	
	Rebate received or receivable	313,859
	Add: Unearned Re-takaful opening	134,362
	Less: Unearned Re-takaful closing	357,840
	Rebate from re-takaful	90,381
16	NET WAKALA FEE	
	Gross Wakala Fee	1,810,761
	Add: Deferred Wakala Fee - Opening	1,527,297
	Less: Deferred Wakala Fee - Closing	(2,354,091)
		(826,794)
		983,967
17	INVESTMENT INCOME	
	Participants' Takaful Fund	
	Profit on bank deposits	20,764
	Return on Certificate of Islamic Investment	5,625
	Less: mudarib's fee	(5,278)
	Net investment income - PFT	21,111
	Operator's Fund	
	Net investment income - Profit on bank deposits	167,503
18	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:

19 SEGMENT INFORMATION

	For the three months period ended March 31, 2018				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Participant's Takaful Fund					
Gross written Contribution (inclusive of Administrative Surcharges)	1,656,511	166,893	3,270,365	24,635	5,118,404
Takaful contribution earned	873,729	207,984	1,765,345	18,126	2,865,184
Re-takaful expenses	(389,159)	(102,546)	(283,961)	(6,044)	(781,710)
Net Takaful contribution	484,570	105,438	1,481,384	12,082	2,083,474
Rebate earned	74,050	15,382	-	949	90,381
	558,620	120,820	1,481,384	13,031	2,173,855
Claim expense	-	-	(263,998)	-	(263,998)
Re-takaful and other recoveries revenue	-	-	-	-	-
Net claims expense	-	-	(263,998)	-	(263,998)
Wakala fee expense	(255,184)	(60,010)	(662,840)	(5,934)	(983,967)
Direct expenses	(36,788)	(3,706)	(72,629)	(547)	(113,670)
Net Takaful claims and expenses	(291,972)	(63,716)	(999,467)	(6,481)	(1,361,635)
Surplus before investment income	266,648	57,104	481,917	6,550	812,219
Net investment income					21,111
Surplus for the period					833,330

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-Audited)

For the three month period ended March 31, 2018

Operator's Fund

	For the three months period ended March 31, 2018				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Wakala fee income	255,184	60,010	662,840	5,933	983,967
Commission Expense	(85,203)	(20,549)	(190,468)	(2,693)	(298,913)
Management Expense	(319,029)	(32,142)	(629,842)	(4,744)	(985,757)
	<u>(149,047)</u>	<u>7,319</u>	<u>(157,470)</u>	<u>(1,504)</u>	<u>(300,703)</u>
Investment Income					172,781
Other Expense					(35,700)
Loss before Taxation					<u>(163,622)</u>

20 GENERAL

- 20.1 As a result of adoption of Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 (note 6.2.1), corresponding figures have been rearranged wherever necessary, for purposes of comparison, there were no material reclassification to report except as disclosed in note 6.2.1 to the condensed interim financial statements as follows:

Nature	Transfer from	Transfer to	Rupees
Accrued investment income	Accrued investment income	Sundry receivables	7,783
Accrued expenses	Accrued expenses	Other creditors and accruals	1,447,833

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

21 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue in accordance with a resolution of the Board of Directors on April 26, 2018.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Network

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