

the dawn of change



Central Insurance Company Limited
Quarterly Accounts (Unaudited)
For the Quarter Ended March 31, 2011





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Company Information

As at March 31, 2011

Board of Directors

Isar Ahmad (Chairman)
A. Samad Dawood (Chief Executive)
Aleem A. Dani
Aziz Moon
Haroon Mahenti
Shafiq Ahmed
Shahid Hamid Pracha

Board Audit Committee

Shahid Hamid Pracha (Chairman)
Aziz Moon
Haroon Mahenti
Shafiq Ahmed

Board Compensation Committee

Isar Ahmad (Chairman)
A. Samad Dawood
Shahid Hamid Pracha

Board Investment Committee

Isar Ahmad (Chairman)
A. Samad Dawood
Shahid Hamid Pracha

COO & Company Secretary

Sulaiman S. Mehdi

CFO

Ghulam Haider

Internal Auditor

The Internal Audit Function has been outsourced to
Ernst & Young Ford Rhodes Sidat Hyder

Auditors

KPMG Taseer Hadi & Co. (Chartered Accountants)
Sheikh Sultan Trust Building No.2, Beaumont Road,
Karachi
Website: www.kpmg.com.pk

Tax Consultants

Tanuli Qazi Law Associates
346-Hotel Metropole, Club Road, Karachi

Legal Advisors

Zahid & Tariq Advocates
65, Hussain Manzil, Chestnut Street,
Garden East, Karachi

Bankers

Atlas Bank Limited
Bank Al Habib Limited
Barclays Bank PLC Pakistan
MCB Bank Limited
Meezan Bank Limited
Standard Chartered Bank

Registered Office

Dawood Centre, M.T. Khan Road
Karachi-75530

Branch Office, Lahore

35-A, Empress Road, Lahore-54000

Website

www.ceninsure.com

E-mail

info.cic@dawoodgroup.com

Rating Agency: JCR-VIS

Insurer Financial Strength Rating: "A"
Outlook: Stable

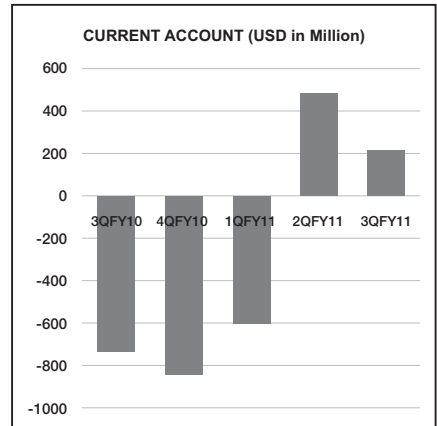
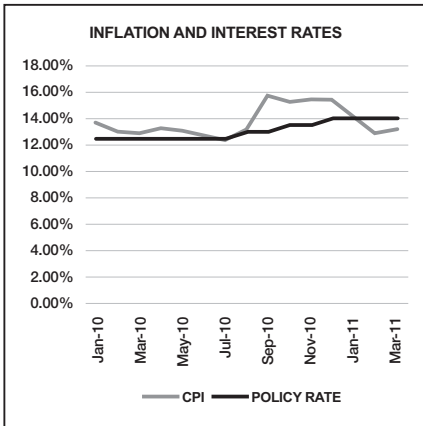
Directors' Review

The Board of Directors of Central Insurance Company Limited is pleased to present the condensed un-audited financial statements of the company for the quarter ended March 31, 2011.

THE ECONOMY

Pakistan's economy began 2011 on a mixed footing, with external macro-economic indicators showing marked improvement but domestic economic performance continuing to remain under pressure. The current account for 1Q2011 posted a surplus of USD 213 million on the back of higher textile exports and rising remittances. At the moment, this has allowed the economy to withstand the impact of high oil prices. A surplus on the current account has helped achieve stability in the currency.

On the domestic front, CPI inflation fell to an average of 13.4% in 1Q2011, as compared to 15.4% in the previous quarter. Meanwhile, the SBP kept interest rates unchanged in the March 2011 monetary policy, citing a favorable external account and reduced government borrowing from the SBP as the major reasons for maintaining stability.

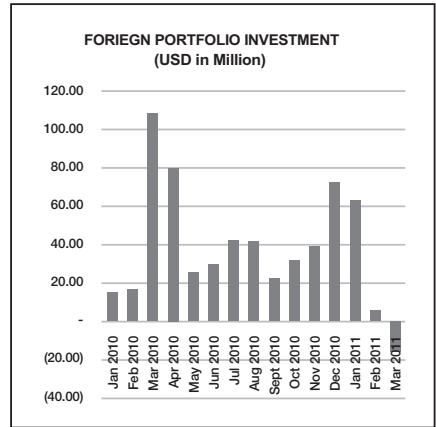
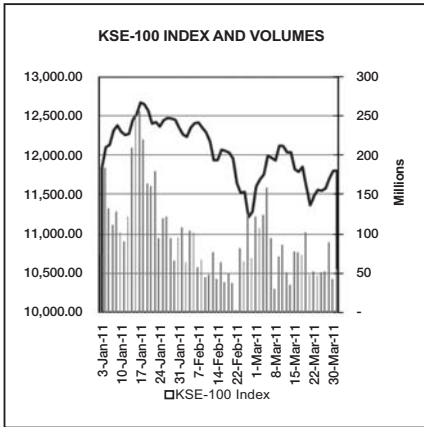


The energy crisis continued to put the brakes on the economy as power shortage maintained its trajectory, while surging oil prices made the available capacity more costly. With the Government unable to finance subsidies, electricity tariff has been increased during CY11, furthermore to ensure electricity production, gas supplies to industrial units has been disrupted. Electricity shortage is estimated to be in the range of 3000-5000MW and new capacities are mainly thermal, which would continue to put pressure on the balance of payment and the forex reserves. Moreover, the circular debt continues to increase, paralyzing the entire energy sector as the Government has failed to provide any resolution despite an outcry from all segments of the economy.

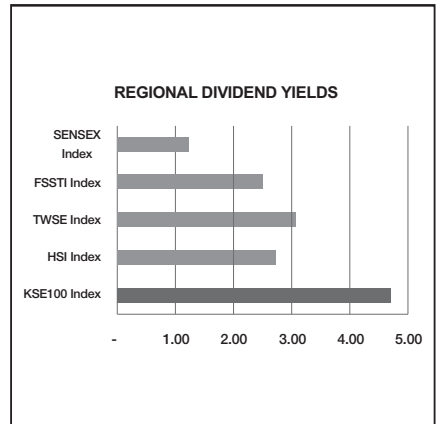
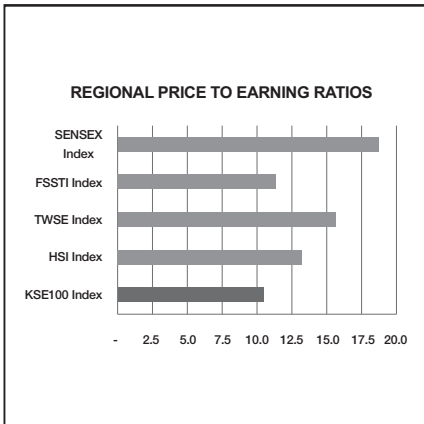
Medium term economic stability depends crucially on containing the fiscal deficit and inflationary pressures. The government has announced a set of additional tax measures for March-June 2011, which is expected to raise PKR 53 billion in additional revenues, but long-term solutions may have to come through the federal budget in June. Meanwhile, the global surge in commodity prices is expected to continue exerting an unfavorable upward pressure on inflation.

STOCK MARKET PERFORMANCE

The stock market performance remained lackluster during 1Q2011, with the benchmark KSE-100 index losing 213 points (-1.77%) during the quarter. Market participation was weak as average daily volumes were recorded at 122 million shares, down by 2% from the average daily volumes of 4QCY10. Despite the introduction of the Margin Trading System (MTS) in late March, volumes did not show any signs of improvement.



The Oil and Gas sector was an underperformer as the persistence of circular debt is concerning investors. Specifically, underperformance of the Oil and Gas sector was largely due to the price decline of the index heavy weight, OGDC. The chemicals sector was an outperformer, particularly due to strong performance of fertilizer companies, where rising prices of urea led to strong earnings growth. On the other hand, foreign interest became vague as an FIPI of USD 69 million was recorded during the quarter (including an outflow of USD 10 million during March), as against an inflow of USD 113 million during 4QCY10. Pakistan's market has not experienced the foreign selling pressure that has impacted many emerging markets in recent months. Cheap valuations and discounts to region are a major reason why Pakistan's market remains attractive to foreign investors.



COMPANY PERFORMANCE

INSURANCE

During the quarter under review, the gross premium loss of the company has been recorded at Rs.12.16 million compared to income of Rs.26.01 million in the corresponding quarter last year, reflecting decline of 147% mainly due to premature cancellation of policies for discontinuation of the company's insurance business. As a result, net premium income during the quarter under review declined by 75% to Rs.0.66 million compared to Rs.2.68 million in the corresponding quarter last year. The brief summary of the operational highlights for the quarter is as under:

Rupees in Million

Particulars	March 31, 2011	March 31, 2010	Change
Gross Premium	(12.159)	26.012	-147%
Net Premium	0.657	2.676	-75%
Net Claims	0.229	0.814	-72%
Underwriting Result	(2.829)	4.115	-169%
Investment & Other Income	349.514	69.174	405%
Profit before Tax	324.013	69.846	364%
Profit after Tax	320.488	65.112	392%
Earnings per Share (Rupees)	11.48	2.33	392%

UNDERWRITING RESULT

The underwriting loss of the company for the quarter ended March 31, 2011, was recorded at Rs.2.83 million compared to profit of Rs.4.12 million in the corresponding quarter last year reflecting a decline of 169% attributable to reduced net premium and commission income and increased management expenses.

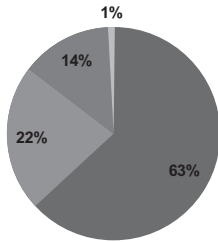
We are pleased to inform that, based on the Board's decision of 27th January, 2011, an Extraordinary General Meeting of the shareholders was convened on Thursday March 10, 2011, whereat all Special Resolutions proposed for: discontinuation of insurance business, revocation of the Company's Insurance Registration, continuation of Company's other businesses and in particular, business of investments in securities and financial instruments of all kinds, the change of name of the Company so as to remove the word "insurance" and alteration of the object Clauses of the Company's Memorandum of Association and provisions of the Articles of Association, were passed by more than required majority of shareholders without any dissent.

At present the company is involved in the process of revocation of the Company's Insurance Registration by the Securities and Exchange Commission of Pakistan ("SECP") under Section 9 of the Insurance Ordinance, 2000.

INVESTMENT INCOME

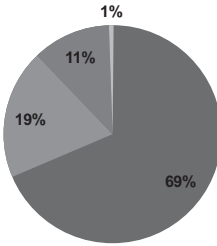
The combination of investments in high growth companies along with high yielding defensive plays, positions the company well to provide sustained long term capital growth whilst generating healthy cash flows to fund future investments. During the quarter ended March 31, 2011, dividends from our portfolio increased by 44% to Rs.57.93 million as opposed to Rs.40.15 million earned last quarter. The company also earned capital gains of Rs.145.08 million during the quarter as opposed to Rs.27.85 million recorded in the corresponding quarter last year reflecting a growth of 421%. Resultantly the total investment income for the quarter ended March 31, 2011 amounted to Rs.201.78 million compared to Rs.67.83 million in the corresponding quarter last year reflecting a growth of 197%.

ALLOCATIONS
(BOOK VALUE Rs.3,985.1 Million)



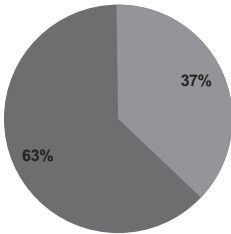
■ Related Parties ■ Others ■ Mutual Funds ■ PIB

ALLOCATIONS
(MARKET VALUE Rs.4,741.6 Million)



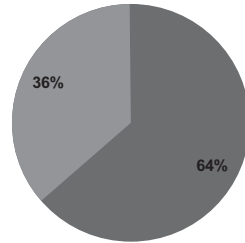
■ Related Parties ■ Others ■ Mutual Funds ■ PIB

DIVIDEND INCOME
(Rs.57.9 Million)



■ Related Parties ■ Others

CAPITAL GAINS
(Rs.145.0 Million)



■ Related Parties ■ Others

The market value of available for sale investments increased to Rs.4,741.61 million on March 31, 2011 from Rs.3,898.32 million on December 31, 2010 reflecting an increase of 22%. The reversal/(provision) of impairment in value of available for sale investments for the quarter ended March 31, 2011 amounted to Rs.147.58 million.

The break-up of investment income for the quarter is as under:

Rupees in Million

Particulars	March 31, 2011	March 31, 2010	Change
Dividend Income	57.934	40.148	44%
Return on Government Securities	0.790	0.386	105%
Amortization on PIBs	0.177	0.157	13%
Gain on Sale of 'available for sale' investments	145.075	27.854	421%
Reversal/(Provision) for impairment	147.576	-	100%
Investment related expenses	2.193	0.713	208%
Total Investment Income	349.359	67.832	415%

EARNINGS PER SHARE

During the quarter ended March 31, 2011, the company posted earnings per share of Rs.11.48 compared to Rs.2.33 in the corresponding quarter in 2010.

CREDIT RATING

On March 01, 2011, JCR-VIS has reaffirmed the Insurer Financial Strength (IFS) rating of Central Insurance Company Limited (CICL) at 'A'. Outlook of the rating remains 'Stable'.

RELATED PARTY TRANSACTIONS

During the quarter all transactions made with associated companies/related parties were duly approved by the Board of Directors of the company. All transactions with related parties are on arms length basis.

FUTURE OUTLOOK

The economy is showing early signs of revival and with the change in the business model of the company, whereby it would discontinue its insurance business in entirety and undertake only strategic and portfolio investment business, the outlook is positive. The management team is fully committed to effectively implement the new business model to deliver superior risk adjusted return to the shareholders.

ACKNOWLEDGEMENT

We would like to thank all our stakeholders, especially our valued investors, who have placed their confidence in us and also appreciate the efforts put in by the management team for their unwavering commitment and hard work. The Board would also like to place its appreciation for the Securities & Exchange Commission of Pakistan, State Bank of Pakistan, the management of the Karachi and Lahore Stock Exchanges and the Auditors for their continued support and cooperation.

On behalf of the Board

Isar Ahmad
Chairman

A. Samad Dawood
Chief Executive

Karachi, April 26, 2011

Balance Sheet

As at March 31, 2011

		(Rupees in '000)	
Note	31-Mar-11 (Unaudited)	31-Dec-10 (Audited)	
Share capital and reserves			
Authorised share capital	5	300,000	
Paid-up share capital	5	279,179	
Retained earnings	3,646,951	3,326,463	
Reserves	133,088	133,088	
	4,059,218	3,738,730	
Underwriting provisions			
Provision for outstanding claims (including IBNR)	55,131	71,416	
Provision for unearned premium	2,400	31,062	
Commission income unearned	185	1,974	
Total underwriting provision	57,716	104,452	
Deferred liabilities			
Staff retirement benefits	1,210	1,136	
Creditors and accruals			
Amounts due to other insurers / reinsurers	11,775	5,782	
Accrued expenses	13,975	8,438	
Other creditors and accruals	20,875	17,179	
	46,625	31,399	
Borrowings			
Short term running finance	-	33,852	
Other liabilities			
Unclaimed dividend	8,800	8,808	
TOTAL LIABILITIES	114,351	179,647	
TOTAL EQUITY AND LIABILITIES	4,173,569	3,918,377	
CONTINGENCIES AND COMMITMENTS	6		

The annexed notes 1 to 14 form an integral part of these condensed financial statements.

Isar Ahmad
Chairman

A. Samad Dawood
Chief Executive

Shahid Hamid Pracha
Director

Shafiq Ahmed
Director

(Rupees in '000)

	Note	31-Mar-11 (Unaudited)	31-Dec-10 (Audited)
Cash and bank deposits			
Cash and other equivalents		74	66
Current and other accounts		28,269	7,862
Deposits maturing within 12 months		2,368	2,368
		30,711	10,296
Loans - secured, considered good			
To employee		6,771	6,930
Investments	7	3,985,080	3,774,216
Deferred taxation		13,206	7,231
Other assets			
Premiums due but unpaid		640	1,440
Taxation - payment less provision		12,855	21,477
Amounts due from other insurers/reinsurers		30,748	13,692
Accrued investment income		52,706	657
Reinsurance recoveries against outstanding claims		32,132	48,337
Deferred commission expense		195	253
Prepayments - prepaid reinsurance premium ceded		2,312	29,495
Sundry receivable		4,315	2,409
		135,903	117,760
Fixed assets	8		
Tangible			
Furniture, fixtures and office equipment		803	791
Motor vehicles		1,084	1,140
Intangible - computer software		11	13
		1,898	1,944
TOTAL ASSETS		4,173,569	3,918,377

Isar Ahmad
Chairman

A. Samad Dawood
Chief Executive

Shahid Hamid Pracha
Director

Shafiq Ahmed
Director

Profit and Loss Account (Unaudited)

For the Quarter Ended March 31, 2011

Note	Fire and Property	Marine, Aviation and Transport	Motor	Others	Aggregate 31-Mar-11	Aggregate 31-Mar-10
----- (Rupees in '000) -----						
Revenue Account						
Net Premium Revenue	106	170	332	49	657	2,676
Net Claims	1	(166)	(45)	(19)	(229)	(814)
Expenses	(4,017)	-	(248)	(694)	(4,959)	(2,455)
Net Commission	17	389	1	1,295	1,702	4,708
Underwriting result	(3,893)	393	40	631	(2,829)	4,115
Investment income					201,783	67,832
Reversal / (Provision) for impairment in value of available for sale investments					147,576	-
Other income					155	1,342
Financial charges					(156)	(24)
General and administration expenses					(22,516)	(3,419)
					326,842	65,731
Profit before tax					324,013	69,846
Provision for taxation	9				(3,525)	(4,734)
Net Profit after tax					320,488	65,112
Profit and Loss Appropriation Account						
Balance at commencement of year					3,326,463	2,957,063
Profit after tax for the period					320,488	65,112
Balance Unappropriated Profit					3,646,951	3,022,175
Earnings per share						
Basic and Diluted (Rupees)	12				11.48	2.33

The annexed notes 1 to 14 form an integral part of these condensed financial statements.

Isar Ahmad
Chairman

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Chief Executive

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Director

Shafiq Ahmed
Director

Statement of Comprehensive Income (Unaudited)

For the Quarter Ended March 31, 2011

(Rupees in '000)

Profit after tax

Other comprehensive income

Total Comprehensive income for the quarter

	31-Mar-11	31-Mar-10
Profit after tax	320,488	65,112
Other comprehensive income	-	-
Total Comprehensive income for the quarter	320,488	65,112

The annexed notes 1 to 14 form an integral part of these condensed financial statements.

Isar Ahmad
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Chief Executive

Shahid Hamid Pracha
Director

Shafiq Ahmed
Director

Statement of Changes in Equity (Unaudited)

For the Quarter Ended March 31, 2011

	Share Capital	Capital Reserves			Revenue Reserves		Total
	Issued, subscribed and paid-up	Reserve for exceptional losses	Reserve for bonus shares	Capital gain reserve	General reserve	Retained earnings	
	(Rupees in '000)						
Balance as at January 01, 2010	203,039	10,535	-	2,553	120,000	2,957,063	3,293,190
Total comprehensive income for the year							
Net Profit for the year ended 31 December 2010	-	-	-	-	-	491,224	491,224
Transactions with owners recorded directly in equity							
Transfer to reserve for issue of bonus shares	-	-	50,760	-	-	(50,760)	-
Issue of bonus shares @ 25%	50,760	-	(50,760)	-	-	-	-
Final dividend Rs.1 per share for the year ended December 31, 2009	-	-	-	-	-	(20,304)	(20,304)
Transfer to reserve for issue of bonus shares	-	-	25,380	-	-	(25,380)	-
Issue of bonus shares @ 10%	25,380	-	(25,380)	-	-	-	-
Interim Dividend of Rs.1 per share	-	-	-	-	-	(25,380)	(25,380)
	76,140	-	-	-	-	(121,824)	(45,684)
Balance as at December 31, 2010	279,179	10,535	-	2,553	120,000	3,326,463	3,738,730
Total comprehensive income for the quarter							
Net Profit for the quarter ended March 31, 2011	-	-	-	-	-	320,488	320,488
Balance as at March 31, 2011	279,179	10,535	-	2,553	120,000	3,646,951	4,059,218

The annexed notes 1 to 14 form an integral part of these condensed financial statements.

Isar Ahmad
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Statement of Cash Flows (Unaudited)

For the Quarter Ended March 31, 2011

(Rupees in '000)

Operating activities

(a) Underwriting activities

Premiums (refunded) / received	(11,359)	5,311
Reinsurance premiums received / (paid)	17,330	(22,093)
Claims paid	(16,731)	(124)
Reinsurance and other recoveries (paid)/ received	(634)	1,109
Commission paid	(329)	(366)
Commission received	93	5,425
Other underwriting payments (management expenses)	(7,597)	(2,912)

Net cash outflow from underwriting activities

(19,227) (13,650)

(b) Other operating activities

Income tax paid	(878)	(2,702)
General management expenses paid	(5,764)	(2,265)
Other operating payments	(5,156)	(153)
Other operating receipts	2,546	843

Net cash outflow from other operating activities

(9,252) (4,277)

Total cash outflow from all operating activities

(28,479) (17,927)

Investment activities

Profit/return received	327	1,750
Dividend received	6,257	24,449
Payments for investments	(1,624,244)	(420,918)
Proceeds from disposal of investments	1,700,492	428,046
Fixed capital expenditure	(78)	(31)

Total cash inflow from investing activities

82,754 33,296

Financing activities

Dividends paid

(8) (27)

Total cash outflow from financing activities

(8) (27)

Net cash inflow from all activities

54,267 15,342

Cash at the beginning of the year

(23,556) 65,136

Cash at the end of the period

30,711 80,478

Isar Ahmad
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Director

Statement of Cash Flows (Unaudited)

For the Quarter Ended March 31, 2011

(Rupees in '000)

Reconciliation to profit and loss account

Operating cash flows	(28,479)	(17,927)
Depreciation expense	(123)	(143)
Profit on disposal of fixed assets	-	-
(Decrease) / increase in assets other than cash	(34,436)	29,904
Decrease / (increase) in liabilities other than running finance	28,037	(15,662)
	(35,001)	(3,828)

Others

Investment and other income	201,938	69,174
Reversal / (Provision) for impairment in value of available-for-sale investments	147,576	-

Deferred taxation

Profit after taxation

Definition of cash

Cash in hand and at banks, stamps in hand and short term placements with banks

Cash for the purposes of the Statement of Cash Flows consists of :

Cash and Other Equivalents

Cash in hand	10	68
Stamps in hand	64	135
	74	203

Current and Other Accounts

Current Accounts	541	541
Profit or loss sharing accounts	27,728	77,366
	28,269	77,907

Deposits maturing within 12 months

Statutory deposit with State Bank of Pakistan	368	368
Term deposit receipts with bank	2,000	2,000
	2,368	2,368
	30,711	80,478

The annexed notes 1 to 14 form an integral part of these condensed financial statements.

Isar Ahmad
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Chief Executive

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Director

Statement of Premiums (Unaudited)

For the Quarter Ended March 31, 2011

Class	Premiums written	Unearned premium reserve	Premiums earned	Re-insurance ceded	Prepaid Re-insurance	Re-insurance Ceded	Re-insurance	Net premium		
		Opening	Closing		Opening	Closing	expense	revenue		
----- (Rupees in '000) -----										
Direct and Facultative										
1. Fire and Property Damage	(13,294)	20,392	1,663	5,435	(13,282)	20,186	1,575	5,329	106	354
2. Marine, Aviation and Transport	-	1,562	3	1,559	-	1,389	-	1,389	170	654
3. Motor	(624)	1,195	(8)	579	162	85	-	247	332	1,528
4. Miscellaneous	1,759	7,913	742	8,930	1,783	7,835	737	8,881	49	140
Total	(12,159)	31,062	2,400	16,503	(11,337)	29,495	2,312	15,846	657	2,676

The annexed notes 1 to 14 form an integral part of these condensed financial statements.

Israr Ahmad
Chairman

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Chief Executive

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Director

Shafiq Ahmed
Director

Statement of Claims (Unaudited)

For the Quarter Ended March 31, 2011

Class	Claims paid	Outstanding claims		Claims expense	Re-insurance and other recoveries received		Reinsurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries	Net Claims Expense		
		Opening	Closing		Opening	Closing	Opening	Closing		31-Mar-11	31-Mar-10	
----- (Rupees in '000) -----												
Direct and Facultative												
1. Fire and Property Damage	123	16,984	16,398	(463)	116	7,609	7,031	(462)		(1)	(11)	
2. Marine, Aviation and Transport	16,377	25,939	9,653	91	16,260	18,660	2,325	(75)		166	609	
3. Motor	129	5,511	5,427	45	-	346	346	-		45	214	
4. Miscellaneous	102	22,982	23,653	773	46	21,722	22,430	754		19	2	
Total	16,731	71,416	55,131	446	16,422	48,337	32,132	217		229	814	

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Israr Ahmad
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Chief Executive

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Director

Shafiq Ahmed
Director

Statement of Expenses (Unaudited)

For the Quarter Ended March 31, 2011

Class	Commissions paid or payable	Opening Deferred commission	Closing Deferred commission	Net commission expense	Other management expenses	Underwriting expense	Commissions from Reinsurers	Net underwriting expense 31-Mar-11	Net underwriting expense 31-Mar-10
	a	b	c	d=a+b-c	e	f=d+e	g	h=f-g	
Direct and Facultative									
1. Fire and Property Damage	122	251	194	179	4,017	4,196	196	4,000	(2,470)
2. Marine, Aviation and Transport	-	-	-	-	-	-	389	(389)	(125)
3. Motor	-	2	1	1	248	249	2	247	489
4. Miscellaneous	-	-	-	-	694	694	1,295	(601)	(147)
Total	122	253	195	180	4,959	5,139	1,882	3,257	(2,253)

The annexed notes 1 to 14 form an integral part of these condensed financial statements.

Isar Ahmad
Chairman

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Chief Executive

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Director

Shafiq Ahmed
Director

Statement of Investment Income (Unaudited)

For the Quarter Ended March 31, 2011

	(Rupees in '000)	
	31-Mar-11	31-Mar-10
Income from non-trading investments		
Held-to-maturity		
Return on Government Securities	790	386
Amortisation on PIBs	177	157
Available-for-sale		
Dividend Income		
- Related parties	21,676	24,810
- Others	36,258	15,338
	57,934	40,148
Gain on sale of Available-for-Sale Investments	145,075	27,854
Investment related expenses	(2,193)	(713)
Net investment income	201,783	67,832

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Shafiq Ahmed
Director

Notes to the Condensed Financial Statements (Unaudited)

For the Quarter Ended March 31, 2011

1. STATUS AND NATURE OF BUSINESS

Central Insurance Company Limited, a Dawood Group Company ("the Company"), is a Public Limited Company incorporated in Pakistan on 23 April, 1960 under the Companies Act, 1913 (now Companies Ordinance, 1984). The Company is listed on the Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at Dawood Centre, Molvi Tamizuddin Khan Road, Karachi.

A Business Restructuring Plan (BRP) was presented in the Board meeting held on 27 January, 2011, by virtue of which the Company will discontinue its insurance business and will undertake only strategic and portfolio investment business and develop an effective asset allocation strategy to diversify risk and manage volatility.

As per the BRP it has been decided that the Company will not issue further insurance policies and all the subsisting policies which do not expire prior to revocation of registration will be cancelled or passed on to other insurance companies. The shareholders of the Company have also approved the BRP at the Extraordinary General Meeting held on 10 March, 2011. An application will be submitted to SECP in terms of Section 9 of the Insurance Ordinance, 2000 for revocation of the Company's insurance registration.

2. BASIS OF PRESENTATION

These condensed financial statements are unaudited and are being submitted to shareholders as required under section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi and Lahore Stock Exchanges. These condensed financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan and in the format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No.7 of 2003.

The condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the company's annual financial statements for the year ended 31 December, 2010.

These financial statements have been presented in Pakistan rupee, which is also the Company's functional currency and rounded to the nearest thousand rupees.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed financial statements are the same as those applied in the preparation of the financial statements of the company for the year ended 31 December, 2010.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements for the year ended 31 December, 2010.

5. SHARE CAPITAL

		(Rupees in '000)		
31-Mar-11	31-Dec-10		31-Mar-11	31-Dec-10
Authorised				
<u>30,000,000</u>	<u>30,000,000</u>	Ordinary shares of Rs.10 each	<u>300,000</u>	<u>300,000</u>
Issued, subscribed and paid-up-capital				
250,000	250,000	-Ordinary shares of Rs.10 each fully paid in cash.	2,500	2,500
27,667,963	27,667,963	-Ordinary shares of Rs.10 each issued as bonus shares.	276,679	276,679
<u>27,917,963</u>	<u>27,917,963</u>		<u>279,179</u>	<u>279,179</u>

6. CONTINGENCIES AND COMMITMENTS

The status of contingencies and commitments remained unchanged as disclosed in the financial statements for the year ended 31 December, 2010.

7. INVESTMENTS

(Rupees in '000)

Held-to-maturity
Available-for-sale

7.1

	31-Mar-11	31-Dec-10
	29,152	28,975
	3,955,928	3,745,241
	3,985,080	3,774,216

7.1 The change in held to maturity and available-for-sale investments during the three months period ended March 31, 2011 are as follow:

Held to maturity investment

Book value as of January 01
Investment made
Amortisation
Book value

	31-Mar-11	31-Dec-10
	28,975	18,949
	-	9,124
	177	902
	29,152	28,975

Available for sale investment

Book value as of January 01
Investment made
Investment sold
Reversal/(Provision) of impairment
Book value
Market value

	31-Mar-11	31-Dec-10
	3,745,241	3,230,927
	1,604,767	1,178,433
	(1,541,656)	(1,003,557)
	147,576	339,438
	3,955,928	3,745,241
	4,741,615	3,898,320

8. FIXED ASSETS

Opening book value
Add: Additions during the quarter / year
Less: Written down value of disposal during the quarter / year
Less: Depreciation during the quarter / year

	31-Mar-11	31-Dec-10
	1,944	2,558
	78	291
	2,022	2,849
	-	365
	124	540
	124	905
	1,898	1,944

9. TAXATION

Taxation -current
-deferred

	31-Mar-11	31-Mar-10
	9,500	4,500
	(5,975)	234
	3,525	4,734

10. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of related group companies, entities under common control, entities with common directors, major shareholders, key management personnel and staff retirement benefits fund.

Material transactions with related parties are given below:

		(Rupees in '000)	
		31-Mar-11	31-Mar-10
Premiums (refund) / underwritten		(9,036)	21,040
Premiums collected		5,155	12,323
Claims paid		16,606	115
Rent paid		925	804
Dividend received		21,676	24,810
Bonus shares received (face value)		102,149	14,030
Brokerage		2,193	713
Contribution to Provident Fund	10.1	345	36
Contribution to Staff Retirement Benefits	10.1	74	47
Key Management Personnel			
Remuneration	10.2	6,660	1,042

10.1 Contribution to the provident fund and staff retirement benefits are in accordance Company's staff services rules.

10.2 Remuneration to the key management personnel are in accordance with the terms of their employment.

10.3 Other transactions with the related parties are in accordance with the agreed terms.

11. SEGMENT REPORTING

Class of business wise revenue and results have been disclosed in the condensed statement of premiums and condensed profit and loss account respectively, prepared in accordance with the requirements of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002.

12. EARNINGS PER SHARE

	31-Mar-11	31-Mar-10
Profit after tax for the period	320,488	65,112
	(Number of shares)	
Weighted average number of ordinary shares outstanding as at the period end	27,917,963	27,917,963
	(Rupees)	
Earnings per share	11.48	2.33

No figure for diluted earnings per share has been presented as the company has not issued any instrument that would have an impact on earnings per share when exercised.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed financial statements were authorised for issue on 26 April, 2011 by the Board of Directors of the company.

14. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However no significant re-arrangements have been made.

Isar Ahmad
Chairman

A. Samad Dawood
Chief Executive

Shahid Hamid Pracha
Director

Shafiq Ahmed
Director

Central Insurance Company Limited

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