



# CENTURY INSURANCE COMPANY LIMITED

Registered Office & Corporate Department  
Lakson Square, Building No. 2, Sarwar Shaheed Road, Karachi-74200, Pakistan.  
NTN : 0710008-6

February 27, 2017

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Dear Sir,

## **FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2016**

We have to inform you that the Board of Directors of our Company in their meeting held on Monday February 27, 2017 at 10:30 a.m. at the Registered office of the Company at Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi considered and approved the audited financial statements of the Company for the year ended December 31, 2016 and recommended the following:

### **i) CASH DIVIDEND**

A final cash dividend for the year ended December 31, 2016 @Rs.1.75 per share of Rs.10/- each i.e. 17.50%.

**AND**

### **ii) BONUS SHARES**

It has been recommended by the Board of Directors to issue Bonus Shares in the proportion of one (1) share for every ten (10) share(s) held i.e. 10%.

The financial results of the Company are as per Annexure 'A' attached.

The Annual General Meeting of the Company will be held on Friday April 28, 2017 at 10:30 a.m. at Avari Towers Hotel, Fatima Jinnah Road, Karachi.

The above entitlement will be paid to the Shareholders whose names will appear in the Register of members on April 28, 2017.



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The Share transfer Books of the Company will be closed from April 22, 2017 to April 28, 2017 (both days inclusive). Transfers received by the Shares Registrar of the Company, M/s. FAMCO Associates (Private) Limited, 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi up to the close of business on April 21, 2017 will be treated in time for entitlement of the cash Dividend and Bonus shares to the transferees.

We will be sending you 200 copies of printed accounts for distribution amongst the Trading Right Entitlement (TRE) Certificate Holders of the Exchange.

Kindly acknowledge.

Yours faithfully,

**For CENTURY INSURANCE COMPANY LIMITED**

**(TASLEEMUDDIN A. BATLAY)**  
Director

- Encls: i) Annexure 'A'  
ii) Free Reserve Certificate from the Auditors

C.C : The Commissioner  
Securities & Exchange Commission of Pakistan  
NIC Building, Blue Area,  
Jinnah Avenue  
Islamabad



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**ANNEXURE 'A'**

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2016

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	2016 Aggregate	2015 Aggregate
----- (Rupees) -----							
<b>Revenue account</b>							
Net premium revenue	23,443,334	103,220,765	246,707,418	270,788,662	15,090,394	<b>659,250,573</b>	515,004,996
Net claims	(3,862,401)	(13,737,232)	(88,360,308)	(278,091,042)	(6,399,397)	<b>(390,450,380)</b>	(299,836,085)
Management expenses	(45,488,472)	(22,957,428)	(38,490,384)	(26,709,323)	(8,557,454)	<b>(142,203,061)</b>	(112,008,675)
Net commission	35,902,496	2,907,023	(17,620,739)	(6,167,899)	6,978,353	<b>21,999,234</b>	25,101,232
<b>Underwriting result</b>	9,994,957	69,433,128	102,235,987	(40,179,602)	7,111,896	<b>148,596,366</b>	128,261,468
Net investment income						<b>223,483,200</b>	634,704,287
Other income - net						<b>8,251,759</b>	8,005,744
General and administration expenses						<b>(118,003,154)</b>	(115,905,817)
Share of profit / (loss) of associates - net of tax						<b>2,334,451</b>	(471,876)
Impairment in value of investment in associates - net						-	(5,334,047)
<b>Profit before tax</b>						<b>264,662,622</b>	649,259,759
Taxation - net						<b>(78,795,459)</b>	(10,947,006)
<b>Profit after tax</b>						<b>185,867,163</b>	638,312,753
<b>Profit and loss appropriation account:</b>							
<b>Balance at commencement of the year</b>						<b>923,622,571</b>	355,042,959
<b>Profit after tax for the year</b>						<b>185,867,163</b>	638,312,753
<b>Other comprehensive income</b>							
Share in associates' reserves - net of tax						<b>89,546</b>	(163,863)
Remeasurement of post retirement benefits obligation						<b>(1,908,914)</b>	(982,495)
Final cash dividend of Rs.5 (50%) for the year ended December 31, 2015 [December 31, 2015: Rs.1.5 (15%) for the year 2014]						<b>(228,621,939)</b>	(68,586,783)
<b>Balance of unappropriated profit at end of the year</b>						<b>879,048,427</b>	923,622,571
<b>Earnings per share of Rs.10 each - basic and diluted</b>						<b>4.06</b>	13.96



AC/HY/639/17  
27 February 2017

The Board of Directors  
Century Insurance Company Limited (the Company)  
11th Floor, Lakson Square Building No. 3  
Sarwar Shaheed Road  
Karachi

Dear Sir

## **CERTIFICATE ON STATEMENT OF FREE RESERVES AS AT 31 DECEMBER 2016**

We have been requested to provide you with a certificate on the "Free Reserves" (in terms of meaning given in the Companies (Issue of Capital) Rules, 1996) of the Company as at 31 December 2016 as required under Rule 6(iii) of the Companies (Issue of Capital) Rules, 1996.

### **Scope of Certificate**

This certificate is issued in accordance with the requirement of Rule 6(iii) of the Companies (Issue of Capital) Rules, 1996.

### **Management Responsibility**

It is the management responsibility to ensure compliance with Rule 6 of the Companies (Issue of Capital) Rules, 1996. The responsibility for preparation and fair presentation of Statement of Free Reserve is primarily that of the management of the Company. The management's responsibilities include causing the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularities. This certification does not relieve the management of its responsibilities.

### **Auditors' Responsibility**

Our responsibility is to certify that the free reserves retained after the proposed issues of bonus shares are more than 15 percent of the enhanced paid-up capital, in accordance with the '*Guidelines for issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms*' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to trace the amounts reported in the Statement of Free Reserves to the audited financial statements of the Company for the year ended 31 December 2016 and checking whether Free Reserves are computed in accordance with the requirement of Rule 6) of the Companies (Issue of Capital) Rules, 1996.

*WPR*

### **Certificate**

Based on the procedures mentioned above, we certify that the Free Reserves (in terms of meaning given in the Companies (Issue of Capital) Rules, 1996) retained after the proposed issues of bonus shares as reported in the Statement of Free Reserves as at 31 December 2016 are more than 15 percent of the enhanced paid-up capital (attached Annexure for working).

### **Restriction on use and distribution**

This certificate is issued in accordance with requirements of Rule 6(iii) of the Companies (Issue of Capital) Rules, 1996 and on the specific request of the management of the Company and is not to be used for any other purpose. This certificate may be submitted to Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange. Accordingly, this should not be distributed to any other party without prior written consent from us. This certificate is restricted to the facts stated herein.

Yours truly



EY Ford Rhodes  
Chartered Accountants  
Karachi



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Lakson Square, Building No. 3, 11th Floor, Sarwar Shaheed Road, Karachi-74200, Pakistan.  
Phones : 92-21-3567 1603, 3567 1629, 3568 0769, 3565 7445-9 (5 Lines) Fax : 92-21-3567 1665 Email : info@cicl.com.pk  
UAN : 111-111-717 Website : www.cicl.com.pk NTN : 0710008-6

## CENTURY INSURANCE COMPANY LTD. STATEMENT OF FREE RESERVES AS AT 31 DECEMBER 2016

Free Reserves for the purpose of issue of Bonus Shares of the value of Rs.1,067,369 based on the audited financial statements for the year ended 31 December 2016 are as follows:

	Rupees in '000
Reserves	373,024
Retained earnings	879,048
Free reserves	<u>1,252,072</u>
Less:	
Contingent tax liabilities	15,572
Commitments	301
Intangible assets	1,044
Unrealised gain on remeasurement of securities to fair value	40,116
Deferred tax assets	1,928
Proposed cash dividend @ 17.5%	80,018
Proposed bonus issue @ 10%	45,724
	<u>184,703</u>
	<u><u>1,067,369</u></u>

The Free Reserves retained after the proposed issue of Bonus Shares are more than 15% of the enhanced paid-up capital of the Company of Rs.502,968,026.

For the purpose of this letter, the term "Free Reserves" has been deemed to have the meaning given to it in the Rule 6 of the Companies (Issue of Capital) Rules, 1996.

  
Chief Executive Officer

  
Chief Financial Officer

Dated: 27 February 2017

Extr

To be read in conjunction with our certificate no. AC/HY/639/17 dated 27 February 2017.