



askari general insurance co. ltd.

Extracts from minutes of 74th Meeting of the Board of Directors

The following makes part of the minutes of 74th meeting of the Board of Directors held on 21st March 2016:

TO OFFER RIGHT SHARES (R-4) @ 30% at Rs. 20/-.

Resolved that "the ordinary paid-up capital of askari general insurance co. ltd. (the Company) be and is hereby increased by issue of further 11,650,320.9 ordinary shares to be offered as 30% Right Shares in the ratio of 30 new shares for every 100 shares held at Rs. 20 per share (inclusive of premium of Rs. 10 per share) under the provisions of Section 86 of the Companies Ordinance, 1984. Such Right Shares shall rank pari-passu in all respects with the existing shares of the Company and will be offered to those shareholders whose names appear in the members' register of the Company at the close of business on 14th April, 2016".

Further Resolved that "a sum of Rs. 38,834,403 out of the profit be capitalized and applied for the issue of 3,883,440.3 ordinary shares of Rs. 10 each and allotted as fully paid bonus shares to those members whose names appear in the members register of the Company at the close of business on 14th April, 2016 in the ratio of 10 shares for every hundred shares held."

Further Resolved that "a final cash dividend @ 15% i.e. Rs. 1.5 per share be and is hereby recommended by the Board of Directors of askari general insurance company limited (the Company) for distribution among those members whose



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names appear in the Register of Members of the Company at the close of business on 14th April, 2016.

Further Resolved that “the bonus shares so distributed shall rank pari passu in all respects with the existing shares of the Company but shall not be eligible for dividend declared for the year ended 31st December 2015.”

Further Resolved that “the bonus share issue of 10% declared in the same meeting shall not be eligible for right shares to be issued for the year ended 31st December 2015.”

Further Resolved that “the right shares so issued shall not be eligible for dividend declared for the year ended 31st December 2015.”



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**Statement to be submitted under section 5 (ii) of
The Companies (Issue of Capital) Rules, 1996**

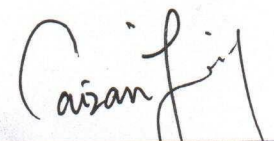
Quantum of the rights issue	<ul style="list-style-type: none">• 30% i.e. 30 shares for every 100 shares.
Issue price per share	<ul style="list-style-type: none">• Rs. 20 per share including premium of Rs. 10 per share
Purpose of the right issue	<ul style="list-style-type: none">• To meet the minimum capital requirements laid down by the Securities and Exchange Commission of Pakistan for non-life insurance companies.
Benefits to the company and use of funds	<ul style="list-style-type: none">• Company will be able to meet minimum capital requirements.• It will enhance the risk retention capacity of the company thereby allowing it to undertake high volume and better quality business.

Financial Projections for five years

	2016	2017	2018	2019	2020
	----- Rupees in thousands -----				
Gross Premium	2,305,815	2,766,978	3,458,723	3,977,531	4,574,161
Net premium revenue	1,255,673	1,506,808	1,883,510	2,166,036	2,490,941
Underwriting results	386,537	476,378	598,249	698,087	814,136
Investment income	124,686	194,455	222,065	254,741	293,393
Profit before interest and tax	327,470	458,489	556,185	656,571	775,272
Profit after tax	231,259	320,954	391,498	463,984	549,696
Accumulated Profits	714,662	883,793	1,080,086	1,311,509	1,583,614
Total Assets	3,931,589	4,450,354	5,039,270	5,725,873	6,523,243
Total Liabilities	2,552,084	2,860,942	3,206,808	3,605,179	4,061,642
Net equity	1,379,505	1,589,412	1,832,462	2,120,694	2,461,601
Paid-up share capital	543,682	584,458	631,214	688,024	756,826
EPS - basic and diluted (times)	4.25	5.49	6.20	6.74	7.26
Bonus share issue (%)	10%	7.50%	8.00%	9.00%	10.00%
Cash dividend payout (Rs./share)	1.50	2.00	2.50	2.75	3.00
Right share issue (%)	30%	-	-	-	-

Disclaimer: The financial projections provided herein above are based on bona fide business perceptions of the Directors regarding performance of the business in the current business environment and policies of the government. Askari general insurance co. ltd. and/or its directors do not accept any responsibility for the conclusions drawn and/or any investment decisions by any person on the basis of above financial projections.

For and on behalf of askari general insurance co. ltd.



Faizan Zafar
Company Secretary



KPMG Taseer Hadi & Co.
Chartered Accountants
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Company Secretary
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Our ref I-923-2016

21 March 2016

Dear Sir,

AUDITORS' CERTIFICATE ON FREE RESERVE AS REQUIRED UNDER COMPANIES (ISSUE OF CAPITAL) RULES, 1996

We have been requested to provide you with a certificate under the Rule 6 of the Companies (Issue of Capital) Rule, 1996 (the Rules), that free reserves of askari general insurance company limited (the Company) will be more than 15 percent of the issued paid up capital after issuance of 3,883,440 bonus shares.

Scope of certificate

We understand that pursuant to the requirements of Rule 6. Our certificate is required to be filed with Pakistan Stock Exchange and Securities and Exchange Commission of Pakistan (SECP).

Management responsibility

It is the management responsibility to comply with the requirements of the Rules.

Auditors responsibility

Our responsibility is to certify the Company's compliance with the requirement of the Rules 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 the procedures as mentioned below:

- a) Obtained working of free reserves of the Company after proposed issue of bonus shares, based on audited financial statements for the year ended 31 December 2015;

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- b) Obtained certified details of all contingent liabilities as at 31 December 2015;
- c) Obtained a representation letter from the Company that free reserves of the Company are 15% of the enhanced capital after issue of bonus shares and all contingent liabilities has been deducted while calculating the minimum residual reserve;
- d) Verified the working of free reserve to ensure that same is drawn up as required by the Rules and is based on the audited financial statement of the Company for the year ended 31 December 2015; and
- e) Verified that all contingent liabilities as disclosed in the audited financial statements of the Company for the year ended 31 December 2015 has been deducted while calculating the minimum residual reserve.

Certificate

Based on procedures mentioned above, we certify that the free reserve of the Company as disclosed in the audited financial statements for the year ended 31 December 2015, will be more than 15 percent of the increased paid-up capital of the Company after the proposed issue of 3,883,440 bonus shares of Rs. 10 each and all contingent liabilities which have been disclosed in the audited financial statements of the Company for the year ended 31 December 2015, have been deducted while calculating the minimum residual reserve.

Restriction on use and distribution

Our report is given in our capacity as statutory auditors of the Company and is issued solely for the purpose set forth in the scope paragraph and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours faithfully

