

**CRESCENT STAR INSURANCE LIMITED**  
**CORPORATE BRIEFING SESSION**

# BRIEF HISTORY

Crescent Star Insurance Limited (the Company/CSIL) was incorporated in Pakistan as a Public Limited Company in the year 1957 under the Companies Act, 1913 (now the Companies Act, 2017). The Company is listed on the Pakistan Stock Exchange and its registered office is situated at 2nd Floor, Nadir House, I. I. Chundrigar road, Karachi, Pakistan.

The Company is engaged in providing non-life general insurance services mainly in spheres of Fire and property damage, Marine, aviation and transport, Motor, Accident & health and Miscellaneous. The Company while having a paid up capital of PKR 1.076 billion which is nearly double the minimum required, also maintains an asset base of PKR.1.598 billion and equity of PKR.1.278 billion. Through its strategy of prudent underwriting and selection of business classes CSIL maintains a very low loss ratio which is one of the best in the industry. CSIL also has one of the best assets to liability ratio.

The Company maintains a breakup value of Rs.11.86/ share.

## KEY FINANCIAL HIGHLIGHTS

(RUPEES IN MILLION)

	Jun 2024	Dec 2023	Dec 2022	Dec 2021	Dec 2020	Dec 2019	Dec 2018	Dec 2017	Dec 2016	Dec 2015
Gross Premium	43.11	359.26	177.08	91.61	105.07	115.99	114.62	113.28	190.29	265.77
Net Premium	143.75	277.82	118.29	95.59	112.64	110.85	111.27	109.61	206.35	236.91
Paid-up Capital	1,076.95	1,076.95	1,076.95	1,076.95	1,076.95	1,076.95	1,076.95	826.83	826.83	620.13
Reserve & Retained Earnings	400.39	306.35	232.12	201.30	152.00	96.81	49.86	112.43	37.16	13.60
Discount on Issue of Right Shares	(199.65)	(199.65)	(199.65)	(199.65)	(199.65)	(199.65)	(199.65)	(199.65)	(199.65)	(199.65)
Investments	422.26	429.61	259.62	247.52	241.78	167.16	165.58	241.15	188.47	78.06
Underwriting Provisions	147.85	264.03	165.41	109.44	107.91	114.61	109.01	123.76	143.20	185.98
Total Assets	1,598.51	1,588.44	1,467.09	1,404.57	1,333.07	1,254.77	1,179.59	1,243.01	1,009.12	838.22
Profit Before Tax	121.18	39.74	35.67	51.88	66.16	63.58	(49.24)	40.02	25.62	89.86
Profit After Tax	114.70	68.10	26.93	46.84	54.58	49.13	(63.10)	73.17	23.56	81.68
Right shares issued-%	-	-	-	-	-	-	-	-	-	33.33
Return on Total Assets-%	7.18	4.29	1.84	3.34	4.09	3.92	(5.35)	5.89	2.33	9.74
Return on Shareholders' Equity-%	8.98	5.75	2.43	4.34	5.30	5.04	(6.81)	9.89	3.55	18.82
Break-up Value per Share	11.86	10.99	10.30	10.02	9.56	9.05	8.61	8.94	8.03	8.32
Earnings per Share in Rupees	1.07	0.63	0.25	0.43	0.51	0.46	(0.60)	0.88	0.30	1.33
Market Value of Share	2.81	2.29	1.56	2.05	2.82	2.15	1.71	4.09	10.52	12.99
P/E Ratio	2.62	3.62	6.24	4.71	5.56	4.67	(2.85)	4.65	35.07	9.77

## Industry Comparison

INSURANCE COMPANIES	CSIL	ASIA	EASTWEST	PREMIER	SHAHEEN	TPL
For the Year =>	2023	2023	2023	2023	2023	2023
Current Ratio	3.64	1.47	1.62	0.98	1.92	1.50
Total assets/ net worth	1.46	2.07	5.99	3.03	1.23	5.97

### EXPENSES

Claim Expense	3.39%	39.86%	48.49%	110.93%	26.62%	47.70%
Management Expense	128.81%	49.12%	16.53%	56.77%	65.81%	37.09%
Commission Expense	(4.24)%	22.18%	19.80%	3.97%	19.39%	9.07%

INSURANCE COMPANIES	ASKARI	ATLAS	UBL	IGI	ALFALAH	ALPHA	CENTURY	HABIB	RELIANCE
For the Year =>	2023	2023	2023	2023	2023	2023	2023	2023	2023
Current Ratio	1.40	1.54	1.28	1.12	1.39	2.46	2.19	1.33	2.11
Total assets/ net worth	7.00	9.55	7.66	16.70	5.94	1.15	4.28	4.54	1.88

### EXPENSES

Claim Ratio	63.77%	33.81%	48.52%	59.45%	-54.02%	63.85%	52.36%	51.08%	25.98%
Management Expense	31.10%	35.07%	41.60%	28.56%	-22.05%	52.03%	36.37%	57.55%	41.66%
Commission Expense	-2.55%	-11.82%	7.74%	4.48%	-22.40%	22.43%	-9.34%	6.95%	21.43%

\*\* Source: IAP- Insurance Year Book 2022-23

## **OVERVIEW OF COMPANY'S INVESTMENT PORTFOLIO**

The Company has a vibrant investment portfolio with steel and foods being the major components.

### **Dost Steel Limited (DSL)**

The Company has adjusted / received part payment amounting to Rs. 117,768,000 and remaining balance will be received in due course. Out of total balance adjusted / received, DSL's new sponsors have paid Din Corporation (Private) Limited balance of Rs. 57,768,000 against which the Company has received shares of equivalent amount of Crescent Star Foods (Private) Limited.

### **Crescent Star Foods (Private) Limited (CSF)**

The Company's subsidiary Crescent Star Foods (Private) Limited is in the process of merger with and into PICIC Insurance Limited which will effectively make CSF a listed Company. Unfortunately the merger process has been extraordinarily delayed. However, we are hopeful that the merger will be sanctioned soon.

After the merger the surviving entity PICIC Insurance Limited plans to in addition to insurance undertake FMCG business. Listing of the Company will open other avenues of investment as well and the sponsors have prepared a detailed business plan which will be shared with the shareholders once the merger is sanctioned by the Court. The Company expects to benefit from the allocation of swap shares which will be considered as investment in securities.

## **FUTURE OUTLOOK OF THE COMPANY**

The Company is threading on sound footing with prudent underwriting and low claim ratio. We expect healthy growth in the premium. Challenges remain however the Company remains vibrant to these challenges and is confident to overcome them.

A major hindrance to growth is Bank enlistment. Due to unfair practices adopted by banks the Company is denied bank enlistment which is a fundamental right of doing business and is unlawful under Insurance Ordinance and Competition Act. However, the Company has captured a significant business in non-bank related underwriting. The future of the Company is bright and we expect to grow further.