



HALF YEARLY REPORT JUNE 2014 (UN-AUDITED)



Crescent Star Insurance Limited

(Formerly: The Crescent Star Insurance Company Limited)

ESTD 1957

Nation Wide Network of Branches

Motor

Health

Fire

Marine

Engineering

Travel

Livestock

Crop

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COMPANY VISION

- To serve with excellence.
- Excellence achieved through our corporate mission.
- The brand name of CSI with a vision to expand with prudent approach and provide the Insurance Service to Pakistan Industry on sound footing.

COMPANY MISSION

- First and foremost to secure the interest of our policy holders by adopting proper risk management techniques, prudent financial planning and maintaining reinsurance arrangements with world-class reinsurers.
- To ensure profitability to our reinsurers who afford us underwriting capacity.
- To recognize human resources as the key element in progress and to provide our officers and field force due recompense for their efforts in building up the company.
- To generate operational profits and dividend return for our shareholders of the company.

VALUES

- Integrity
- Transparency
- Passion
- Team Work
- Corporate Social Responsibility

COMPANY INFORMATION

Board of Directors	Mr. Naim Anwar (Managing Director & CEO) Mr. Sakib Berjees Mr. Mudassar Zubair Mirza Syed Adnan Ali Zaidi Mr. Tariq Hussain Mr. Monavar Karamat Ahmad Syed Abid Raza Mrs. Farzana Munaf
Managing Director & Chief Executive	Mr. Naim Anwar
Management	Mr. Naim Anwar (Managing Director & CEO) Mr. Akbar Naqi Zaidi (Deputy Managing Director) Mr. Kashif Naeem (Executive Director) Mr. Malik Mehdi Muhammad (CFO)
Board Audit Committee	Mr. Mudassar Zubair Mirza (Chairman) Mr. Monavar Karamat Ahmad Syed Adnan Ali Zaidi
Board H.R & Remuneration Committee	Mr. Monavar Karamat Ahmad (Chairman) Mr. Naim Anwar Mr. Mudassar Zubair Mirza
Board Investment Committee	Syed Adnan Ali Zaidi (Chairman) Mr. Naim Anwar Mr. Monavar Karamat Ahmad
Company Secretary	Mr. Khuzaima Hakimi
CFO	Mr. Malik Mehdi Muhammad
Auditors	Rahman Sarfarz Rahim Iqbal Rafiq Chartered Accountants
Legal Advisor	Jameel Khan
Bankers	United Bank Limited Faysal Bank Limited Habib Bank Limited
Share Registrar	MG Associates Private Limited 2, Mustafa Avenue, F/4, Block 9 Behind "The Forum", Clifton, Karachi Tel #: 35877806-09 Fax #: 35877810
Registered & Head Officer	2 nd Floor, Nadir House I.I. Chundrigar Road P.O. BOX No. 4616, Karachi

DIRECTOR'S REVIEW

On behalf of the Board of Directors, I am pleased to present to you the unaudited financial statements for the six months period ended 30 June 2014.

General Review

It is very heartening to see the increase in gross premium written for the half year of 2014 in line with the new strategy of the Company. The Gross Premium has been recorded at PKR.164.858 million in comparison to PKR. 52.574 million during the corresponding figures last year which is 214% higher. The net premium for the half year has been recorded as PKR. 34.703 million compared with PKR. 22.120 million of the corresponding period. Profit after tax was down due to increase in expenses incurred in team building and preparation of getting into business to achieve the desired growth under new structural changes and enhancement of capital which will lead to larger corporate accounts. The expenses also have been higher affecting the profits due to one off expenses incurred in terms of fees and other expenses incurred for the enhancement of capital. Earnings per share stood at (0.49), which also reflects the calculation of the increased number of shares.

Performance Highlights

The comparative financial highlights for the half year ended 30 June 2014 and 2013 are presented below:

Rupees in millions (except for EPS)	30 June	30 June	Increase / (Decrease)	
	2014	2013	Amount	%
Gross written premium	164.858	52.574	112.284	214
Net premium	34.703	22.120	12.583	57
(Loss) / profit before tax	(19.464)	0.551	(20.015)	(3632)
(Loss) / profit after tax	(19.812)	0.316	(20.128)	(6370)
Total assets	607.259	195.840	411.419	210
Paid up capital	620.125	121.000	499.125	413
Earnings per share (EPS) Rs.	(0.49)	0.02	(0.51)	(2550)

Future Outlook

The underwriting results are expected to improve in the subsequent quarters. The major reason for the loss in underwriting results recorded in the half year has been due to new treaty arrangement which are on non proportional basis, which has been made keeping in view the strategy of the Company to move into larger corporate accounts for which larger underwriting capacities have been negotiated under treaty led by world top reinsurers under the lead of Hannover Re. As the premium volumes will increase in the rest of the 2014, the treaty cost will be absorbed evenly resulting into expected growth in underwriting profits. Further, the management is making concerted efforts to increase its market share and profitability and we are hopeful that this will result in enhancing shareholders' equity in the future. The growth will be achieved by efforts being made to get the Company accepted on the panel of major Banks enabling acceptance of the Company's policies. This can now be done due to the removal of the qualification of the Balance Sheet in earlier years. This has now been removed as the Company has enhanced paid up capital to an extent larger than the minimum required capital. Further, the Company's rating has also been upgraded to BBB+ by PACRA.

The growth in premium is not reflected in the profits due to the concept of earned premium, and this will reflect in profits in the next 12 months.

The management expects good returns from the investment properties on the books of the Company.

Acknowledgments

The Directors of your Company would like to take this opportunity to thank Securities and Exchange Commission of Pakistan, Karachi Stock Exchange, Lahore Stock Exchange and the Insurance Association of Pakistan, State Bank of Pakistan, the Banks and Financial Institutions for their continued support and cooperation.

The Directors would also like to express their gratitude and appreciation for the support provided by our valued Re Insurers. The Directors would like to thank the consultants who have worked hard and are continuously supporting the Company in getting required approvals and to meet all regulatory requirements and compliances. The Companys' management and the Board of Directors strongly believes in meeting all regulations and compliances which leads the Company to be a fully complaint Company in all respects.

We also thank the shareholders, and customers / policy holders and all stake holders for their support and confidence in the Company and its management. The Company and its Directors extend special thanks and appreciation to officers and members of the staff and the entire CSIL team for their devotion, dedication and hard work and their contribution to the growth of their Company.



Naim Anwar
Managing Director & CEO

Karachi: August 29, 2014

Auditor's Report

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Crescent Star Insurance Limited** as at **30 June 2014** and the related

- i) condensed interim statement of profit and loss account,
- ii) condensed interim statement of other comprehensive income,
- iii) condensed interim statement of changes in equity,
- iv) condensed interim statement of cash flows,
- v) condensed interim statement of premiums,
- vi) condensed interim statement of claims,
- vii) condensed interim statement of expenses,
- viii) condensed interim statement of investment income, and

notes to the accounts for the six month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim financial information for the quarter ended 30 June 2014 have not been reviewed as we are required to review only cumulative figures for the half year ended on that date.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The condensed interim financial information of the company for the six month period ended 30 June 2013 were reviewed by another firm of Chartered Accountants who vide their review report dated 27 August 2013 issued an adverse opinion in respect of non compliance with minimum capital requirement.



Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS
Engagement Partner: A. Rahman Mir
Lahore.

Date: August 29, 2014

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2014

		Un-Audited 30 June 2014	Audited 31 December 2013
	Note	(Rupees)	
Share Capital and Reserves			
Authorised Capital			
65,000,000 (2013: 65,000,000) ordinary shares of Rs. 10/- each		<u>650,000,000</u>	<u>650,000,000</u>
Issued, subscribed and paid-up share capital	7	620,125,000	121,000,000
Reserves	8	26,264,833	26,264,833
Discount on issue of right shares	9	(199,650,000)	-
Accumulated loss		(78,327,952)	(58,516,447)
		<u>368,411,881</u>	<u>88,748,386</u>
Underwriting Provisions			
Provision for outstanding claims (including IBNR)		51,414,320	32,371,431
Provision for unearned premium		150,122,134	27,978,971
Commission income unearned		92,895	955,317
Total underwriting provisions		<u>201,629,349</u>	<u>61,305,719</u>
Creditors and Accruals			
Premium received in advance		501,777	625,354
Amount due to others insurers /reinsurers	10	16,852,699	10,138,364
Accrued expenses		7,259,970	1,990,308
Other creditors and accruals	11	12,185,516	1,596,372
		<u>36,799,962</u>	<u>14,350,398</u>
Other Liabilities			
Unpresented dividend warrants		418,209	418,209
TOTAL LIABILITIES		<u>238,847,520</u>	<u>76,074,326</u>
TOTAL EQUITY AND LIABILITIES		<u>607,259,401</u>	<u>164,822,712</u>
Contingencies and Commitments	12		

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.



Naim Anwar
Chief Executive/Principal Officer



Mudassar Zubair Mirza
Director

		Un-Audited 30 June 2014	Audited 31 December 2013
	Note	(Rupees)	
Cash and Bank Deposits			
Cash and other equivalents	13	1,613,428	1,586,058
Current and other accounts	14	720,410	4,368,017
Deposits maturing with in 12 months	15	-	1,000,000
		2,333,838	6,954,075
Investments	16	61,415,201	14,679,869
Investment Properties	17	230,820,000	-
Deferred Taxation		13,543,178	13,543,178
Current Assets - Others			
Premium due but unpaid	18	181,567,387	45,023,277
Amounts due from other insurers / reinsurers		33,917,150	27,449,211
Accrued investment income		1,814,366	30,690
Reinsurance recoveries against outstanding claims		29,044,914	13,938,082
Deferred commission expense		13,423,318	4,036,241
Taxation - net		2,556,045	2,752,626
Prepayments		6,783,035	2,602,936
Advances for purchase of land		5,684,500	12,000,000
Sundry receivables		13,133,101	10,709,581
		287,923,816	118,542,644
Fixed Assets			
Tangible			
Furniture and fixture & office equipment		5,646,012	4,680,606
Motor vehicle		5,577,356	6,422,340
	19	11,223,368	11,102,946
TOTAL ASSETS		607,259,401	164,822,712


 Monavar Karamat Ahmad
 Director


 Syed Adnan Ali Zaidi
 Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2014

THREE MONTHS PERIOD ENDED JUNE 30, 2014

	Fire & Property	Marine Aviation & Transport	Motor	Accident & Health	Miscellaneous	30 June 2014 Aggregate	30 June 2013 Aggregate
Note	(Rupees)						
Revenue Account							
Net premium revenue	432,278	3,194,182	10,127,880	771,939	4,586,706	19,112,985	11,144,281
Net claims	(2,575,179)	247	(1,411,224)	(469,138)	(621,334)	(5,076,628)	(2,847,678)
Management expenses	1,227,661	1,644,347	(10,150,866)	(9,214,372)	(846,188)	(17,339,418)	(7,751,888)
Net commission	(613,249)	(1,393,679)	6,025,543	-	(915,443)	3,103,173	(3,266,556)
	(1,960,767)	250,915	(5,536,547)	(9,683,510)	(2,382,964)	(19,312,873)	(13,866,122)
Underwriting result	(1,528,489)	3,445,097	4,591,333	(8,911,571)	2,203,742	(199,888)	(2,721,841)
Investment income						1,680,613	1,611,057
Gain on sale of fixed assets						(135,624)	358,149
Other income						-	20
General and administrative expense						(6,861,416)	(2,087,715)
(Loss) / profit before tax						(5,516,315)	(2,840,330)
Provision for taxation						(191,266)	(179,853)
(Loss) / profit after tax						(5,707,581)	(3,020,183)
Earnings/(Loss) per share - basic and diluted						(0.26)	(0.27)

SIX MONTHS PERIOD ENDED JUNE 30, 2014

	Fire & Property	Marine Aviation & Transport	Motor	Accident & Health	Miscellaneous	30 June 2014 Aggregate	30 June 2013 Aggregate
Note	(Rupees)						
Revenue Account							
Net premium revenue	1,168,526	5,157,218	18,193,681	4,992,413	5,190,731	34,702,569	22,119,936
Net claims	(3,049,558)	(89,753)	(3,904,684)	(621,888)	(615,334)	(8,281,217)	(8,062,778)
Management expenses	(1,872,241)	(1,532,609)	(13,924,910)	(11,609,044)	(1,586,479)	(30,525,283)	(12,489,212)
Net commission	(697,140)	(1,798,019)	4,591,997	-	(1,913,063)	183,775	(4,195,185)
	(5,618,939)	(3,420,381)	(13,237,597)	(12,230,932)	(4,114,876)	(38,622,725)	(24,747,175)
Underwriting result	(4,450,413)	1,736,837	4,956,084	(7,238,519)	1,075,855	(3,920,156)	(2,627,239)
Investment income						2,213,946	1,681,838
Gain on sale of fixed assets						235,532	1,903,215
Other income						-	6,188,275
General and administrative expense						(17,993,451)	(6,595,098)
(Loss) / profit before tax						(19,464,129)	550,990
Provision for taxation						(347,376)	(234,759)
(Loss) / profit after tax						(19,811,505)	316,231
Profit and loss appropriation account							
Balance at commencement of the year						(58,516,447)	(81,090,630)
(Loss) / profit after tax for the period						(19,811,505)	316,231
Balance of accumulated loss at end of the period						(78,327,952)	(80,774,399)
Earnings/(Loss) per share - basic and diluted						(0.49)	0.02

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.



Naim Anwar
Chief Executive/Principal Officer



Mudassar Zubair Mirza
Director



Monavar Karamat Ahmad
Director



Syed Adnan Ali Zaidi
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2014

	Quarter ended		Half year	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	Aggregate	Aggregate	Aggregate	Aggregate
	(Rupees)			
(Loss) / profit after tax for the period	(5,707,581)	(3,020,184)	(19,811,505)	316,231
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>(5,707,581)</u>	<u>(3,020,184)</u>	<u>(19,811,505)</u>	<u>316,231</u>

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.


Naim Anwar

Chief Executive/Principal Officer


Mudassar Zubair Mirza

Director


Monavar Karamat Ahmad

Director


Syed Adnan Ali Zaidi

Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) **FOR THE SIX MONTHS ENDED JUNE 30, 2014**

	Share Capital Issued, subscribed and paid-up Capital	Discount on issue of right issue	Capital Reserve Reserve for exceptional losses	Revenue Reserve General reserve	Accumulated loss	Total
Balance as at January 01, 2013	121,000,000	-	1,767,568	24,497,265	(81,090,630)	66,174,203
Total comprehensive profit for the period	-	-	-	-	316,231	316,231
Balance as at June 30, 2013	121,000,000	-	1,767,568	24,497,265	(80,774,399)	66,490,434
Total Comprehensive income for the period	-	-	-	-	1,150,452	1,150,452
Revaluation surplus realised on sale of land	-	-	-	-	21,107,500	21,107,500
Balance as at December 31, 2013	121,000,000	-	1,767,568	24,497,265	(58,516,447)	88,748,386
Issue of right shares	499,125,000	-	-	-	-	499,125,000
Issue of right share at discount @ Rs. 4/- per share	-	(199,650,000)	-	-	-	(199,650,000)
Total comprehensive loss for the period	-	-	-	-	(19,811,505)	(19,811,505)
Balance as at June 30, 2014	620,125,000	(199,650,000)	1,767,568	24,497,265	(78,327,952)	368,411,881

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.



Naim Anwar

Chief Executive/Principal Officer



Mudassar Zubair Mirza

Director



Monavar Karamat Ahmad

Director



Syed Adnan Ali Zaidi

Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2014

	30 June 2014	30 June 2013
	----- (Rupees) -----	-----
Operating Cash Flows		
a) Underwriting activities		
Premium received	28,190,077	34,749,660
Reinsurance premium paid	(11,945,735)	(19,802,804)
Claims paid	(4,908,253)	(7,147,793)
Reinsurance and other recoveries received	563,093	11,308,620
Commission paid	(10,157,711)	(8,352,038)
Commission received	91,987	2,312,572
Net cash inflow from underwriting activities	1,833,458	13,068,217
b) Other operating activities		
Income tax paid	(150,795)	(79,986)
General management expenses paid	(31,677,058)	(18,529,353)
Other operating receipts /(payments)	3,891,980	(3,960,162)
Net cash flows from other operating activities	(27,935,873)	(22,569,501)
Total cash (outflow) from all operating activities	(26,102,415)	(9,501,284)
Investing activities		
Profit / return received	153,492	107,485
Dividend received	3,500	135,591
Payments for investments	(280,820,000)	(4,930,611)
Proceeds from disposal of investments	3,537,947	10,124,240
Fixed capital expenditure	(1,581,760)	(766,943)
Proceeds from disposal of fixed assets	714,000	3,017,000
Total cash (outflow) / inflow from investing activities	(277,992,821)	7,686,762
Financing activities		
Share Capital received	299,475,000	-
Total cash inflow from financing activities	299,475,000	-
Total cash inflow / (outflow) from all activities	(4,620,237)	(1,814,522)
Add: Cash at beginning of the year	6,954,075	8,665,555
Cash at the end of the year	2,333,838	6,851,033
Reconciliation to the Profit and Loss Account		
Operating cash flows	(26,102,415)	(9,501,284)
Depreciation expense	(982,870)	(911,214)
Profit on disposal of fixed assets	235,532	1,903,215
Investment Income	2,213,946	1,681,858
Increase in assets other than cash	167,597,496	26,643,263
Increase in liabilities other than running finance	(162,773,194)	(19,499,607)
Profit / (loss) after taxation	(19,811,505)	316,231

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.



Naim Anwar
Chief Executive/Principal Officer



Mudassar Zubair Mirza
Director



Monavar Karamat Ahmad
Director



Syed Adnan Ali Zaidi
Director

CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2014

THREE MONTHS PERIOD ENDED JUNE 30, 2014

Class of Business	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	30 June 2013	
		Opening	Closing			Opening	Closing		Net premium revenue	Net premium revenue
Rupees										
Direct and facultative										
Fire and property damage	5,203,806	6,055,291	8,426,415	2,832,682	(1,977)	7,429,152	5,026,771	2,400,404	432,278	256,359
Marine aviation and transport	3,262,905	3,434,476	1,880,686	4,816,695	-	1,622,513	-	1,622,513	3,194,182	403,324
Motor	69,078,247	13,136,965	71,853,325	10,361,887	-	770,520	536,513	234,007	10,127,880	7,004,888
Accident and health	58,486,374	6,857,608	64,572,043	771,939	-	-	-	-	771,939	-
Miscellaneous	7,367,862	1,108,176	3,389,665	5,086,373	240,000	1,479,418	1,219,751	499,667	4,586,706	3,479,710
Total	143,399,194	30,592,516	150,122,134	23,869,576	238,023	11,301,603	6,783,035	4,756,591	19,112,985	11,144,281

SIX MONTHS PERIOD ENDED JUNE 30, 2014

Business underwritten inside Pakistan

Class of Business	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	30 June 2014		30 June 2013	
		Opening	Closing			Opening	Closing		Net premium revenue	Net premium revenue		
Rupees												
Direct and facultative												
Fire and property damage	10,204,307	3,213,772	8,426,415	4,991,664	7,303,290	1,546,619	5,026,771	3,823,138	1,168,526		1,170,888	
Marine aviation and transport	8,450,410	1,580,628	1,880,686	8,150,352	2,391,041	602,093	-	2,993,134	5,157,218		3,540,142	
Motor	75,329,381	15,084,749	71,853,325	18,560,805	853,125	50,512	536,513	367,124	18,193,681		12,935,759	
Accident and health	62,303,374	7,261,082	64,572,043	4,992,413	-	-	-	-	4,992,413		-	
Miscellaneous	8,570,292	838,740	3,389,665	6,019,367	1,644,675	403,712	1,219,751	828,636	5,190,731		4,473,147	
Total	164,857,764	27,978,971	150,122,134	42,714,601	12,192,131	2,602,936	6,783,035	8,012,032	34,702,569		22,119,936	

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.



Naim Anwar

Chief Executive/Principal Officer



Mudassar Zubair Mirza

Director



Monavar Karamat Ahmad

Director



Syed Adnan Ali Zaidi

Director

CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2014

THREE MONTHS PERIOD ENDED JUNE 30, 2014

Business underwritten inside Pakistan

Class of Business	Claims paid	Outstanding claims		Claim expenses	Re-insurance and other recoveries received	Re-insurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	30 June 2014	30 June 2013
		Opening	Closing			Opening	Closing		Net Claims expenses	Net Claims expenses
									Rupees	Rupees
Fire and property damage	750,000	7,366,742	22,378,742	15,762,000	-	4,284,731	17,471,552	13,186,821	2,575,179	160,074
Marine aviation and transport	223,256	8,644,996	7,996,413	(425,327)	254,260	3,799,905	3,120,565	(425,080)	(247)	293,320
Motor	1,536,848	6,363,225	7,517,081	2,690,704	70,000	1,667,600	2,877,080	1,279,480	1,411,224	2,379,082
Accident and health	527,455	58,317	-	469,138	-	-	-	-	469,138	-
Miscellaneous	10,710	12,941,377	13,522,084	591,417	18,833	5,624,467	5,575,717	(29,917)	621,334	16,202
Total	3,048,269	35,374,657	51,414,320	19,087,932	343,093	15,376,703	29,044,914	14,011,304	5,076,628	2,847,678

SIX MONTHS PERIOD ENDED JUNE 30, 2014

Business underwritten inside Pakistan

Class of Business	Claims paid	Outstanding claims		Claim expenses	Re-insurance and other recoveries received	Re-insurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	30 June 2014	30 June 2013
		Opening	Closing			Opening	Closing		Net Claims expenses	Net Claims expenses
Direct and facultative										
Fire and property damage	-	5,566,742	22,378,742	16,812,000	-	3,709,110	17,471,552	13,762,442	3,049,558	614,522
Marine aviation and transport	573,256	8,644,996	7,996,413	(275,327)	474,260	3,959,905	3,120,565	(365,080)	89,753	666,196
Motor	3,570,265	4,890,182	7,517,081	5,197,164	70,000	654,600	2,877,080	2,292,480	3,904,684	6,553,608
Accident and health	754,022	132,134	-	621,888	-	-	-	-	621,888	-
Miscellaneous	10,710	12,937,377	13,522,084	595,417	18,833	5,614,467	5,575,717	(19,917)	615,334	228,452
Total	4,908,253	32,371,431	51,414,320	23,951,142	563,093	13,938,082	29,044,914	15,669,925	8,281,217	8,062,778

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.



Naim Anwar
Chief Executive/Principal Officer



Mudassar Zubair Mirza
Director



Monavar Karamat Ahmad
Director



Syed Adnan Ali Zaidi
Director

CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2014

THREE MONTHS PERIOD ENDED JUNE 30, 2014

Business underwritten inside Pakistan

Class of Business	Commission paid or payable	Deferred commission	Net commission expense	Other management expenses	Underwriting expenses	Commissions from re-insurers	30 June 2014 Net Underwriting expense	30 June 2013 Net Underwriting expense
Direct and facultative		Opening	Closing					
Fire and property damage	1,253,374	1,211,028	1,685,283	(1,227,651)	(448,512)	165,901	(614,413)	2,050,025
Marine aviation and transport	1,164,969	515,171	282,103	(1,644,347)	(246,310)	4,358	(250,668)	2,728,637
Motor	2,781,911	1,970,545	10,777,999	(6,025,543)	4,125,323	-	4,125,323	2,973,125
Accident and health	-	-	-	9,214,372	9,214,372	-	9,214,372	-
Miscellaneous	1,467,285	166,226	677,933	846,188	1,801,766	40,136	1,761,630	3,266,657
Total	6,667,539	3,863,000	13,423,318	(17,339,418)	14,446,639	210,395	14,236,244	11,018,444

Note: Commission from reinsurers is arrived at after taking impact of opening and closing unearned commission.

SIX MONTHS PERIOD ENDED JUNE 30, 2014

Business underwritten inside Pakistan

Class of Business	Commission paid or payable	Deferred commission	Net commission expense	Other management expenses	Underwriting expenses	Commissions from re-insurers	30 June 2014 Net Underwriting expense	30 June 2013 Net Underwriting expense
Fire and property damage		Opening	Closing					
Marine aviation and transport	2,206,469	237,094	282,103	1,532,609	3,694,069	363,441	3,330,628	3,749,900
Motor	3,923,290	2,262,712	10,777,999	(4,591,997)	9,332,913	-	9,332,913	6,627,181
Accident and health	-	-	-	11,609,044	11,609,044	-	11,609,044	-
Miscellaneous	1,792,494	893,680	677,933	1,586,479	3,594,720	95,178	3,499,542	3,760,520
Total	10,157,711	4,036,241	13,423,318	(30,525,283)	31,295,917	954,409	30,341,508	16,684,397

* Note: Commission from reinsurers is arrived at after taking impact of opening and closing unearned commission.

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.



Naim Anwar
Chief Executive/Principal Officer



Mudassar Zubair Mirza
Director



Monavar Karamat Ahmad
Director



Syed Adnan Ali Zaidi
Director

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2014

	Three Months Ended		Six Months Ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	(Rupees)		(Rupees)	
Income from Non-Trading Investments	1,440,534	71,148	1,937,168	1,41,651
Held-to-maturity				
Return on fixed income securities and deposits				
Available-for-sale				
Dividend income	1,355	135,313	3,500	135,591
(Loss) / gain on sale on available for sale investments	53,545	393,934	46,849	393,934
	54,900	529,247	50,349	529,525
Reversal / (provision) for impairment in Value of investments	205,455	1,010,662	259,560	1,010,662
Investment related expenses	(20,277)	-	(33,132)	-
Net investment income	1,680,613	1,611,057	2,213,946	1,681,838

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.



Naim Anwar

Chief Executive/Principal Officer



Mudassar Zubair Mirza

Director



Monavar Karamat Ahmad

Director



Syed Adnan Ali Zaidi

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2014

1. THE COMPANY AND ITS OPERATIONS

Crescent Star Insurance Limited (the Company) formerly known as "The Crescent Star Insurance Company Limited" was incorporated as a Public Limited Company in the year 1957 under the Companies Act, 1913 (now the Companies Ordinance, 1984). The Company is listed on the Karachi and Lahore Stock Exchanges and is situated at 2nd Floor, Nadir House, I.I. Chundrigar road, Karachi, Pakistan.

The Company is engaged in providing general insurance services in spheres of fire and property damage, Marine, aviation and transport, Motor and Miscellaneous.

2. STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company for the six months period ended June 30, 2014 has 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 Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules 2002. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 have been followed.

3. BASIS OF PRESENTATION

This condensed interim financial information has been prepared under historical cost convention using the accrual basis of accounting.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information is in conformity with approved accounting standards which requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2013.

5. SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information is the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2013. 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, 2013.

6. INSURANCE AND FINANCIAL RISK MANAGEMENT

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in annual financial statements of the Company for the year ended December 31, 2013.

7. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2014	2013		Un-Audited 30 June 2014	Audited 31 December 2013
----- (Number of shares) -----		Note	----- (Rupees) -----	
		Ordinary shares of Rs.10 each fully paid in cash		
9,133,453	9,133,453	Opening Balance	91,334,530	91,334,530
49,912,500	-	Issued during the period	499,125,000	-
59,045,953	9,133,453	Closing Balance	590,459,530	91,334,530
2,966,547	2,966,547	Ordinary shares of Rs.10 each issued as fully paid bonus shares	29,665,470	29,665,470
<u>62,012,500</u>	<u>12,100,000</u>		<u>620,125,000</u>	<u>121,000,000</u>

8. RESERVES

Reserve for exceptional losses	8.1	1,767,568	1,767,568
General reserve		24,497,265	24,497,265
		<u>26,264,833</u>	<u>26,264,833</u>

- 8.1 The reserve for exceptional losses represents the amount set aside in prior years upto December 31, 1978, in order to avail the deduction while computing the taxable income under the old Income Tax Act of 1922. Subsequent to the introduction of repealed Income Tax Ordinance, 1979, which did not permit the said deduction, the company discontinued the setting aside of amounts as reserved for exceptional losses.

9. DISCOUNT ON ISSUE OF RIGHT SHARES

199,650,000	-
-------------	---

The company has issued right shares with the approval of Board of Directors, SECP and KSE amounting to Rs. 499.125 Million comprising of 49,912,500 ordinary shares of Rs. 10/- each at a discount of Rs. 4/- per share.

10. AMOUNT DUE TO OTHER INSURERS/REINSURERS

Foreign Reinsurers	12,776,015	3,932,341
Local Reinsurers	-	2,845,982
Co-insurers	4,076,684	3,360,041
	<u>16,852,699</u>	<u>10,138,364</u>

11. OTHER CREDITORS AND ACCRUALS

Federal insurance fee	1,261,807	119,601
Federal excise duty	10,165,149	671,678
Withholding tax	201,021	487,259
Payable to staff provident fund	119,332	5,470
Sundry creditors	146,295	157,555
Bank balance overdrawn	291,912	154,809
	<u>12,185,516</u>	<u>1,596,372</u>

12. CONTINGENCIES AND COMMITMENTS

12.1 CONTINGENCIES

There have been no changes in the contingencies as disclosed in the annual financial statements of the company for the year ended December 31, 2013.

12.2 COMMITMENTS

There were no commitments as at June 30, 2014. (2013: Rs. 230.82 Million)

		Un-Audited 30 June 2014	Audited 31 December 2013
	Note	(Rupees)	
13. CASH AND OTHER EQUIVALENTS			
Cash with State Bank Of Pakistan		1,238,047	1,238,047
Cash in hand		242,900	137,933
Policy stamps		132,481	210,078
		<u>1,613,428</u>	<u>1,586,058</u>
14. CURRENT AND OTHER ACCOUNTS WITH BANKS			
Current accounts		688,640	4,250,047
PLS savings accounts		31,770	117,970
		<u>720,410</u>	<u>4,368,017</u>
15. DEPOSITS MATURING WITHIN 12 MONTHS			
Term deposits	15.1	-	1,000,000
15.1 This represents term deposits placed with various commercial banks carrying mark-up at the rates ranging between Nil (2013: 9% to 10%) per annum.			
16. INVESTMENTS			
Held to maturity			
Government Securities		50,000,000	-
Available for sale			
Ordinary equity securities & Mutual funds	16.1	11,947,600	17,549,625
Less: Provision for impairment		(532,399)	(2,869,756)
		<u>11,415,201</u>	<u>14,679,869</u>
		<u>61,415,201</u>	<u>14,679,869</u>
16.1 Securities amounting to Rs. 10.862 million (2013 : Rs. 10.862 million) 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.			
17. INVESTMENT PROPERTIES		<u>230,820,000</u>	<u>-</u>
This represents acquisition cost of freehold land incurred during the period.			
18. PREMIUM DUE BUT UNPAID			
Considered Good		181,567,387	45,023,277
Considered doubtful		29,449,028	29,449,028
		<u>211,016,415</u>	<u>74,472,305</u>
Provision for doubtful balances		(29,449,028)	(29,449,028)
		<u>181,567,387</u>	<u>45,023,277</u>
19. FIXED ASSETS			
Opening written down value		11,102,946	39,077,737
Additions during the period - at cost	19.1	1,581,760	3,235,738
Disposals during the period - at WDV	19.1	(478,468)	(29,341,285)
Depreciation charged		(982,870)	(1,869,244)
		<u>11,223,368</u>	<u>11,102,946</u>

19.1 Additions & disposals

	Additions (at Cost) (Rupees)		Disposal (at WDV) (Rupees)	
	30-Jun-14	31-Dec-13	30-Jun-14	31-Dec-13
Freehold Land	-	-	-	27,500,000
Furniture and Fixture	1,327,800	532,143	257,635	329,031
Office equipment	36,500	337,100	-	219,932
Equipment	217,460	457,872	-	98,398
Motor Vehicles	-	1,908,623	220,833	1,193,924
	<u>1,581,760</u>	<u>3,235,738</u>	<u>478,468</u>	<u>29,341,285</u>

Un-Audited
30 June 2014
Un-Audited
30 June 2013
(Rupees)

20. EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED

(Loss) / profit for the year attributable to Ordinary shareholders

(19,811,505) 316,231

Weighted average number of shares

40,129,015 14,858,800

(Loss) / Earnings Per share

(0.49) 0.02

20.1 No figure for diluted earnings/(loss) per share has been presented as the Company has not issued an instrument which would have an impact on earnings/(loss) per share, when exercised.

21. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise the Directors, major shareholders and the companies owned by such shareholders, entities owned by the Directors of the Company where they also hold directorships, staff retirement funds and key management personnel.

Key Management Personnel

Remuneration to directors, chief executive and executives of the Company

13,612,331 4,222,148

Staff retirement benefits

Provident fund contribution

648,045 173,894

(Refer note 11 for outstanding balance)

Other Related Parties

Advance for expenses paid to Car 4 U (Private) Limited

- 1,000,000

Un -Audited
30-Jun-14
Audited
31-Dec-13
(Rupees)

Balance receivable from Car 4 U (Private) Limited
(Included in Sundry receivables)

1,000,000 1,000,000

22. SEGMENT REPORTING

	Fire & Property		Marine & Transport		Motor		Accident and Health		Miscellaneous		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	Un-Audited 30 June 2014	Audited 31 December 2013
.....(Rupees).....												
Other Information												
Segment Assets	24,183,606	17,431,761	3,402,668	32,530,445	14,191,592	37,510,435	-	11,368,302	7,473,401	5,311,751	49,251,267	104,152,694
Unallocated corporate assets												
Consolidated total assets											558,008,134	60,670,018
											607,259,401	164,822,712
Segment Liabilities	30,843,070	12,116,210	9,877,099	22,610,782	79,370,406	26,072,200	64,572,043	7,901,711	16,966,731	3,692,014	201,629,349	72,392,917
Unallocated corporate liabilities												
Consolidated total liabilities											405,630,052	92,429,795
											607,259,401	164,822,712
Unallocated capital expenditures											1,581,760	3,235,738
Unallocated depreciation / amortisation											982,870	1,869,244

23. SUBSEQUENT EVENTS

There are no significant activities since 30 June 2014 affecting the condensed interim financial information apart from those disclosed in the condensed interim financial information.

24. GENERAL

24.1 Figures in these condensed interim financial statements have been rounded off to the nearest rupees.

24.2 The corresponding figures are rearranged wherever necessary for the purpose of comparison and are rounded off to nearest rupee. Appropriate disclosure is given in relevant note in case of material rearrangements.

25. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Company in its meeting held on **August 29, 2014**.



Naim Anwar
Chief Executive/Principal Officer



Mudassar Zubair Mirza
Director



Monavar Karamat Ahmad
Director



Syed Adnan Ali Zaidi
Director

BRANCH NETWORK

HEAD OFFICE

2nd Floor, Nadir House, I.I. Chundrig Road, Karachi. P.O. Box No. 4616 Karachi, Pakistan
U.A.N.: 111-274-000 Phones: 32415471-73 Fax (92-21) 32415474

BRANCH NAME	ADDRESS	CONTACT NO	FAX NO
NADIR HOUSE	3rd Floor, Nadir House, I.I. Chundrig Road, Karachi.	(021) 2415471-73	(021) 2415474
NEW UNIT	3rd Floor, Nadir House, I.I. Chundrig Road, Karachi.	(021) 2415471-73	(021) 2415474
CORPORATE	2nd Floor, Nadir House, I.I. Chundrig Road, Karachi.	(021) 2415471-73	(021) 2415474
QUETTA	1st Floor, Room No.2, Gul Complex, M.A. Jinnah Road, Quetta	(081) 2828097	(081) 2837363
CITY TOWER	801-C, City Tower, Main Boulevard, Lahore.	(042) 35788741-3	(042) 35788806
ISLAMABAD	Babar Centre, Office # 19, First Floor, F-8 Markaz, Islamabad.	(051) 2818073-74	(051) 2818075
FAISALABAD	Office No. 145, 1st Floor Centre Point, Jaranwalla Road	(041) 8559697	-
MULTAN	Opp: Hajveri Arcade, Kutchery Road, Multan	(061) 4571338	(061) 4514138
SIALKOT	Room Nos. 11 & 12, Al-Rehman Centre, Saga Chowk, Defence Road	(052) 3240271-3	-

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Crescent Star Insurance Limited

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