

CONTENTS

Vision/Mission Statement	02
Company Information	03
Director's Review	04
Balance Sheet	06
Profit & Loss Account	08
Statement of Comprehensive Income	09
Statement of Changes in Equity	10
Statement of Cash Flows	11
Statement of Premiums	12
Statement of Claims	13
Statement of Expenses	14
Statement of Investment Income	15
Notes to the Financial Statements	16
Branch Network	21

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 Syed Adnan Ali Zaidi Syed Abid Raza Mr. Jehangir Bashir Nawaz Mr. HanifDaud
Managing Director & Chief Executive	Mr. Naim Anwar
Management	Mr. Naim Anwar (Managing Director & CEO) Mr. Akbar Naqi Zaidi (Advisor to Managing Director) Mr. Kashif Naeem (Executive Director) Mr. M. Omar Zubair (General Manager Operations) Mr. Malik Mehdi Muhammad (CFO) Mr. Aamir Ahmed (Head of Sales) Syed Danish Hasan Rizvi (Head of Internal Audit) Engr. Ehteshamul Haq Malik (General Manager)
Board Audit Committee	Syed Adnan Ali Zaidi (Chairman) Syed Abid Raza Mr. Hanif Daud
Board H.R&Remuneration Committee	Mr. Jehangir Bashir Nawaz (Chairman) Mr. Hanif Daud Mr. Naim Anwar
Board Investment Committee	Mr. Hanif Daud (Chairman) Mr. Naim Anwar Syed Adnan Ali Zaidi
Company Secretary	Mr. Khuzaima Hakimi
C F O	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

Directors' Review

On behalf of the Board of Directors, I am pleased to present to you the un-audited financial statements for the nine months ended 30 September 2015.

General Review

The gross premium written for the nine months has been at Rs. 211.854 million as compared to Rs. 200.051 million for the corresponding figures last year which is 5.9% higher than the previous year. The net premium for the half year has been recorded as Rs. 180.346 million against Rs. 81.912 million of the corresponding period. The increase in net premium stands at 120% which is a substantial increase. Profit after tax was up by 563% as compared to the corresponding period. Earnings per share stood at Rs.1.60.

Performance Highlights

The comparative financial highlights for the six months ended 30 September 2015 and 2014 are presented below:-

Rupees in millions (except for EPS)	30 September	30 September	Increase / (Decrease)	
	2015	2014	Amount	%
Gross written premium	211.854	200.051	11.803	5.90
Net premium	180.346	81.912	98.434	120.17
Profit / (loss) before tax	106.687	(20.604)	127.291	617.798
Profit / (loss) after tax	99.107	(21.424)	120.531	562.60
Total assets	761.762	585.919	175.843	30.01
Paid-up capital	620.125	620.125	-	-
Earnings per share (EPS) Rs.	1.60	(0.45)	2.05	455.56

Future Outlook

Your Company is already on track to take off. The management's strategy on which hard efforts have been done over the last two years now seem to be converting into reality. While the core business of Insurance is growing in its natural way and converting slowly into earned premium maintaining a very stable growth rate, the Company plans for its investments into Dost Steels Limited (DSL), Golden Chick and Technology have all started to convert into reality. Your Company has already signed Franchise Agreement with Golden Chick American Tender Fried Chain of Restaurants through subsidiary under name of Crescent Star Foods (Private) Limited. I am happy to confirm that the restaurants will start opening up from February 2016 and the professional team has already been hired and sites identified and approved by the Franchise after a successful visit from them for three weeks in Pakistan.

In the meantime there has been substantial development on DSL restructuring and the Banks have accepted the proposal by CSIL in principle and the process will be completed shortly in line with your Company strategy and plan. The Company intends to invest up to PKR.450 million through underwriting of DSL shares.

The underwriting results for the nine months have been very encouraging and show an increase by 352%. It has started benefiting from the unearned premium maturing within the period. As more and more Banks are enlisting the Company on their panel, the Company expects to grow its Fire/Marine and Engineering business and the expected growth will benefit the results of 2016. Three year cycle of earned premium growth will reflect from 2016 results to strengthen the Financial Results of the Company.

It is, however, a matter of concern that the Banking Sector in Pakistan has a policy to discourage fair competition which is one of the biggest reason for low penetration of Insurance in Pakistan as compared to the rest of the world. Each Bank has their own unannounced criteria of issuing Bank Limits to each Insurance Company and the worst is that they have no spoken criteria to enlist Insurance Companies. The printing of approved panel of Insurance Companies is in sheer violation of Insurance Ordinance which clearly states "IT IS UNLAWFUL FOR ANY BANK TO PRINT A LIST OF APPROVED COMPANIES ON THEIR PANEL" Insurance Association of Pakistan has been struggling to take this matter up with all concerned including SECP / SBP and PBA. CSIL is thankful to IAP, however, the Company feels that it will now have to take more stronger view and efforts have to be made directly with the CCP and other forums available to get the monopolistic approach of Banks checked. We feel that the enlistment on Bank Panels is the only constraint in the growth of more profitable classes of Fire and Marine / Engineering and is hampering the overall efforts of the Company. The Company has decided to protect its FUNDAMENTAL RIGHT OF DOING BUSINESS and will utilize all resources to take up the matter with all concerned at all levels.

Your Company is now in compliance with all regulations and is on progress to fulfill its strategy and to be the fastest growing insurance company of Pakistan. The Branch Network has been expanded and professional team building has been done to achieve the desired growth. The Company has started new products eying towards individual clients in Health / Travel and other areas of Micro Insurance. A team of professionals are working on information technology to provide the backup needed for the technology based products reaching to the individual clients. The management expects this to be ready towards the end of 2015, and will provide a launching pad to many products for 2016.

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 Company' management and the Board of Directors strongly believe in meeting all regulations and compliances which leads the Company to be a fully compliant 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: October 21, 2015

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2015

	Un-Audited 30 September 2015	Audited 31 December 2014
Note	----- (Rupees) -----	
Share Capital and Reserves		
Authorised Capital		
65,000,000 (2014: 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	620,125,000
Discount on Issue of right shares	8 (199,650,000)	(199,650,000)
Reserves	9 26,264,833	26,264,833
Accumulated profit / (loss)	4,760,373	(94,346,615)
	451,500,206	352,393,218
Underwriting Provisions		
Provision for outstanding claims (including IBNR)	64,209,178	43,638,093
Provision for unearned premium	126,064,294	115,877,861
Commission income unearned	569	33,983
Total underwriting provisions	190,274,041	159,549,937
Creditors and Accruals		
Premiums received in advance	10,600,442	34,015
Amounts due to others insurers / reinsurers	20,340,281	15,724,531
Accrued expenses	16,399,571	11,295,673
Other creditors and accruals	10 63,831,534	29,849,287
Taxation - net	4,256,548	-
Borrowings		
Borrowing under musharaka arrangements	4,141,493	5,577,686
	119,569,869	62,481,192
Other Liabilities		
Unpresented dividend warrants	418,209	418,209
TOTAL LIABILITIES	<u>310,262,119</u>	<u>222,449,338</u>
TOTAL EQUITY AND LIABILITIES	<u>761,762,325</u>	<u>574,842,556</u>

Contingencies and Commitments

11

The annexed notes from 1 to 24 form an integral part of these financial statements



Naim Anwar
Chief Executive/Principal Officer



Hanif Daud
Director

		Un-Audited 30 September 2015	Audited 31 December 2014
	Note	----- (Rupees) -----	
Cash and Bank Deposits			
Cash and other equivalents	12	1,872,414	1,561,639
Current and other accounts	13	5,152,418	1,578,454
Deposits maturing within 12 months		-	1,000,000
		7,024,832	4,140,093
Investments			
	14	61,814,113	86,064,384
Investment Properties	15	-	183,932,750
Deferred Taxation		13,543,178	13,543,178
Current Assets - Others			
Premiums due but unpaid	16	191,456,297	175,172,599
Amounts due from other insurers / reinsurers		64,003,950	39,816,899
Accrued investment income		1,140,411	3,314,894
Reinsurance recoveries against outstanding claims		8,552,929	23,010,767
Taxation - payments less provision		-	2,201,814
Deferred commission expense		4,667,130	5,369,172
Prepaid reinsurance premium ceded		16,628,321	5,866,269
Sundry receivables	17	373,513,180	15,132,171
		659,962,218	269,884,585
Fixed Assets - Tangible Owned			
Furniture and fixtures & office equipments		9,008,080	6,302,429
Motor vehicles		10,409,904	10,975,137
		19,417,984	17,277,566
TOTAL ASSETS		761,762,325	574,842,556


Syed Abid Raza
Director


Syed Adnan Ali Zaidi
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015**

	Three months period ended September 2015						
	Fire & Property	Marine Aviation & Transport	Motor	Accident & Health	Miscellaneous	30 September 2015 Aggregate	30 September 2014 Aggregate
	Note -----(Rupees)-----						
Revenue Account							
Net premium revenue	857,543	2,130,982	33,438,384	15,400,576	2,835,026	54,662,511	47,208,969
Net claims	(2,125,000)	928,621	(10,906,600)	(13,232,753)	(8,449,617)	(33,785,349)	(7,397,851)
Management expenses	(1,807,902)	(2,001,045)	(12,286,989)	(9,420,910)	(2,106,825)	(27,623,671)	(16,944,026)
Net commission	140,409	(981,618)	(6,598,243)	(1,208,311)	1,211,343	(7,436,420)	(15,136,612)
Underwriting result	(3,792,493)	(2,054,042)	(29,791,832)	(23,861,974)	(9,345,099)	(68,845,440)	(39,478,489)
	(2,934,950)	76,940	3,646,552	(8,461,398)	(6,510,073)	(14,182,929)	7,730,480
Investment income						1,589,236	1,902,166
Gain on sale investment properties						116,067,250	9,544,110
Other income						2,397,841	192,776
General and administrative expense						(11,453,119)	(20,509,680)
Profit / (loss) before tax						94,418,279	(1,140,148)
Provision for taxation						(6,716,223)	(472,089)
Profit / (loss) after tax						87,702,056	(1,612,237)
Earnings/(Loss) per share - basic and diluted						1.41	(0.03)

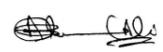
	Nine months period ended September 2015						
	Fire & Property Damage	Marine Aviation & Transport	Motor	Accident & Health	Miscellaneous	30 September 2015 Aggregate	30 September 2014 Aggregate
	Note -----(Rupees)-----						
Revenue Account							
Net premium revenue	3,240,858	4,418,090	114,568,391	51,009,145	7,109,322	180,345,806	81,911,538
Net claims	(7,991,214)	(1,167,626)	(23,075,788)	(27,330,894)	(12,406,311)	(71,971,833)	(15,679,068)
Management expenses	(4,535,730)	(3,676,998)	(31,965,172)	(31,453,928)	(4,536,158)	(76,167,986)	(47,469,309)
Net commission	(534,947)	(1,365,547)	(9,782,231)	(2,799,441)	(494,906)	(14,977,072)	(14,952,837)
Underwriting result	(9,821,033)	(1,792,081)	49,745,200	(10,575,118)	(10,328,053)	17,228,915	3,810,324
Investment income						7,562,421	4,116,112
Gain on sale investment properties						116,067,250	9,544,110
Other income						3,684,093	428,308
General and administrative expense						(37,857,574)	(38,503,131)
Profit / (loss) before tax						106,687,103	(20,604,277)
Provision for taxation						(7,580,115)	(819,465)
Profit / (loss) after tax						99,106,988	(21,423,742)
Profit and loss appropriation account							
Balance at commencement of the year						(94,346,615)	(58,516,447)
Total comprehensive income / (loss) for the period						99,106,988	(21,423,742)
Balance of accumulated profit / (loss) at end of the Period						4,760,373	(79,940,189)
Earnings/(Loss) per share - basic and diluted						1.60	(0.45)

The annexed notes from 1 to 24 form an integral part of these financial statements


Naim Anwar
Chief Executive/Principal Officer


Hanif Daud
Director


Syed Abid Raza
Director


Syed Adnan Ali Zaidi
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

	Quarter ended		Nine Months ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	------(Rupees)-----		------(Rupees)-----	
Profit / (loss) after tax for the period	94,418,279	(1,612,238)	99,106,988	(21,423,743)
Other comprehensive income:				
6 Items that may not be subsequently reclassified to Profit and Loss Account	-	-	-	-
Items that may be subsequently reclassified to Profit and Loss Account	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	94,418,279	(1,612,238)	99,106,988	(21,423,743)

The annexed notes from 1 to 24 form an integral part of these financial statements


Naim Anwar
 Chief Executive/Principal Officer


Hanif Daud
 Director


Syed Abid Raza
 Director


Syed Adnan Ali Zaidi
 Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

10

	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) / profit	Total
	------(Rupees)-----					
Balance as at January 01, 2014	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 year	-	-	-	-	(35,830,168)	(35,830,168)
Balance as at December 31, 2014	620,125,000	(199,650,000)	1,767,568	24,497,265	(94,346,615)	352,393,218
Total comprehensive income for the period	-	-	-	-	99,106,988	99,106,988
Balance as at September 30, 2015	620,125,000	(199,650,000)	1,767,568	24,497,265	4,760,373	451,500,206

The annexed notes from 1 to 24 form an integral part of these financial statements


Naim Anwar
Chief Executive/Principal Officer


Hanif Daud
Director


Syed Abid Raza
Director


Syed Adnan Ali Zaidi
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

	30 September 2015	30 September 2014
	----- (Rupees) -----	
Operating Cash Flows		
a) Underwriting activities		
Premium received	206,136,235	65,383,626
Reinsurance premium paid	(51,654,620)	(18,094,661)
Claims paid	(59,645,365)	(18,447,645)
Reinsurance and other recoveries received	22,702,455	2,926,643
Commission paid	(14,308,444)	(15,148,974)
Commission received	-	86,931
Net cash inflow from underwriting activities	<u>103,230,261</u>	16,705,920
b) Other operating activities		
Income tax paid	(1,121,753)	(749,581)
General management expenses paid	(72,188,115)	(64,571,045)
Other operating (payments) / receipts	(354,845,159)	(78,918,522)
Net cash flows from other operating activities	<u>(428,155,027)</u>	(144,239,147)
Total cash inflow / (outflow) from all operating activities	<u>(324,924,766)</u>	(127,533,227)
Investing activities		
Profit / return received	9,736,904	(415,484)
Dividend received	404	3,500
Payments for investments	(89,916)	(291,732,677)
Proceeds from disposal of investments	324,339,783	135,728,903
Fixed capital expenditure	(8,359,477)	(2,504,361)
Proceeds from disposal of fixed assets	3,618,000	1,067,000
Total cash inflow / (outflow) from investing activities	<u>329,245,698</u>	(157,853,119)
Financing activities		
Borrowing under Musharaka arrangements	(1,436,193)	-
Proceeds from Right Share	-	299,475,000
Total cash inflow / (outflow) from financing activities	<u>(1,436,193)</u>	299,475,000
Total cash inflow / (outflow) from all activities	2,884,739	14,088,654
Add: Cash at beginning of the year	4,140,093	6,954,075
Cash at the end of the period	<u>7,024,832</u>	<u>21,042,729</u>
Reconciliation to the Profit and Loss Account		
Operating cash flows	(324,924,766)	(127,533,227)
Depreciation expense	(2,751,302)	(1,556,240)
Profit on disposal of fixed assets	150,243	353,308
Gain on sale investment properties	116,067,250	9,544,110
Investment Income	7,562,421	4,116,112
(Decrease) / increase in assets other than cash	390,815,923	234,692,249
Decrease / (increase) in liabilities other than running finance	(87,812,781)	(141,040,055)
Profit / (loss) after taxation	<u>99,106,988</u>	<u>(21,423,743)</u>

The annexed notes from 1 to 24 form an integral part of these financial statements


Naim Anwar
Chief Executive/Principal Officer


Hanif Daud
Director


Syed Abid Raza
Director


Syed Adnan Ali Zaidi
Director

CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

Business underwritten inside Pakistan

Class of Business	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Three months period ended September 2015	
		Opening	Closing			Opening	Closing		30 September 2015	30 September 2014
									Net premium revenue	Net premium revenue
Direct and facultative										
Fire and property damage	3,515,193	9,067,961	8,341,409	4,241,745	5,200,000	8,155,178	9,970,976	3,384,202	857,543	1,149,095
Marine aviation and transport	4,883,371	2,658,944	2,782,716	4,759,599	2,295,000	1,456,192	1,122,575	2,628,617	2,130,982	3,267,605
Motor	23,057,216	63,303,996	50,644,018	35,717,194	1,218,750	4,283,869	3,223,809	2,278,810	33,438,384	23,252,417
Accident and health	12,091,920	58,855,204	55,546,548	15,400,576	-	-	-	-	15,400,576	22,994,369
Miscellaneous	4,668,666	7,962,568	8,749,603	3,881,631	1,190,000	2,167,566	2,310,961	1,046,605	2,835,026	(3,454,517)
Total	48,216,366	141,848,673	126,064,294	64,000,745	9,903,750	16,062,805	16,628,321	9,338,234	54,662,511	47,208,969

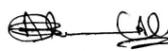
Class of Business	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Nine months period ended September 2015	
		Opening	Closing			Opening	Closing		30 September 2015	30 September 2014
									Net premium revenue	Net premium revenue
Direct and facultative										
Fire and property damage	13,831,525	4,911,586	8,341,409	10,401,702	15,910,230	1,221,590	9,970,976	7,160,844	3,240,858	2,317,621
Marine aviation and transport	11,364,610	1,817,701	2,782,716	10,399,595	7,088,365	15,715	1,122,575	5,981,505	4,418,090	8,424,823
Motor	78,423,709	92,393,039	50,644,018	120,172,730	5,484,375	3,343,773	3,223,809	5,604,339	114,568,391	41,446,098
Accident and health	94,212,505	12,343,188	55,546,548	51,009,145	-	-	-	-	51,009,145	27,986,782
Miscellaneous	14,021,157	4,412,347	8,749,603	9,683,901	3,600,349	1,285,191	2,310,961	2,574,579	7,109,322	1,736,214
Total	211,853,506	115,877,861	126,064,294	201,667,073	32,083,319	5,866,269	16,628,321	21,321,267	180,345,606	81,911,538

The annexed notes from 1 to 24 form an integral part of these financial statements


Naim Anwar
Chief Executive/Principal Officer


Hanif Daud
Director


Syed Abid Raza
Director


Syed Adnan Ali Zaidi
Director

**CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015**

Business underwritten inside Pakistan

Class of Business	Claims paid	Outstanding claims		Claim expense/ (income)	Re-insurance and other recoveries received	Re-insurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	Three months period ended September 2015	
		Opening	Closing			Opening	Closing		30 September 2015	30 September 2014
									Net Claims expense	Net Claims expenses
Direct and facultative										
Fire and property damage	150,000	15,139,468	17,114,468	2,125,000	-	2,634,755	2,634,755	-	2,125,000	435,037
Marine aviation and transport	45,388	6,903,196	5,929,187	(928,621)	-	1,430,360	1,430,360	-	(928,621)	(3,010,289)
Motor	16,039,887	22,533,813	17,400,526	10,906,600	-	2,300,000	2,300,000	-	10,906,600	4,597,729
Accident and health	6,939,943	8,956,732	15,249,542	13,232,753	-	-	-	-	13,232,753	6,055,808
Miscellaneous	3,228,439	3,294,277	8,515,455	8,449,617	-	2,187,814	2,187,814	-	8,449,617	(680,434)
Total	26,403,657	56,827,486	64,209,178	33,785,349	-	8,552,929	8,552,929	-	33,785,349	7,397,851

13

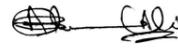
Class of Business	Claims paid	Outstanding claims		Claim expense/ (income)	Re-insurance and other recoveries received	Re-insurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	Nine months period ended September 2015	
		Opening	Closing			Opening	Closing		30 September 2015	30 September 2014
									Net Claims expense	Net Claims expense
Direct and facultative										
Fire and property damage	1,663,276	12,340,943	17,114,468	6,436,801	5,671,830	9,860,998	2,634,755	(1,554,413)	7,991,214	3,484,595
Marine aviation and transport	293,046	3,471,611	5,929,187	2,750,622	1,612,968	1,460,332	1,430,360	1,582,996	1,167,626	(2,920,536)
Motor	32,010,999	18,280,992	17,400,526	31,130,533	15,322,381	9,567,636	2,300,000	8,054,745	23,075,788	8,502,413
Accident and health	17,979,011	5,897,659	15,249,542	27,330,894	-	-	-	-	27,330,894	6,677,696
Miscellaneous	7,699,033	3,646,888	8,515,455	12,567,600	95,276	2,121,801	2,187,814	161,289	12,406,311	(65,100)
Total	59,645,365	43,638,093	64,209,178	80,216,450	22,702,455	23,010,767	8,552,929	8,244,617	71,971,833	15,679,068

The annexed notes from 1 to 24 form an integral part of these financial statements


Naim Anwar
Chief Executive/Principal Officer


Hanif Daud
Director


Syed Abid Raza
Director


Syed Adnan Ali Zaidi
Director

**CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015**

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	Three months period ended September 2015	
		Opening	Closing					30 September 2015	30 September 2014
								Net Underwriting expense	Net Underwriting expense
Direct and facultative									
Fire and property damage	(285,101)	1,813,592	1,668,282	(139,791)	1,807,902	1,668,111	618	1,667,493	2,419,191
Marine aviation and transport	1,006,372	531,789	556,543	981,618	2,001,045	2,982,663	-	2,982,663	1,592,591
Motor	5,332,245	56,016	(1,209,982)	6,598,243	12,286,989	18,885,232	-	18,885,232	20,466,955
Accident and health	1,042,878	2,942,760	2,777,327	1,208,311	9,420,910	10,629,221	-	10,629,221	8,762,926
Miscellaneous	(1,132,640)	796,257	874,960	(1,211,343)	2,106,825	895,482	-	895,482	(1,161,024)
Total	5,963,754	6,140,414	4,667,130	7,437,038	27,623,671	35,060,709	618	35,060,091	32,080,639

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

14

Class of Business	Commission paid or payable	Deferred commission		Net commission expense	Management expenses	Underwriting expense	Commissions from re-insurers	Nine months period ended September 2015	
		Opening	Closing					30 September 2015	30 September 2014
								Net Underwriting expense	Net Underwriting expense
Direct and facultative									
Fire and property damage	1,226,978	982,317	1,668,282	541,013	4,535,730	5,076,743	6,066	5,070,677	4,988,571
Marine aviation and transport	1,558,550	363,540	556,543	1,365,547	3,676,998	5,042,545	-	5,042,545	4,923,219
Motor	5,615,545	2,964,921	(1,209,982)	9,790,448	31,965,172	41,755,620	8,217	41,747,403	29,799,868
Accident and health	4,959,609	617,159	2,777,327	2,799,441	31,453,928	34,253,369	-	34,253,369	20,371,970
Miscellaneous	947,762	441,235	874,960	514,037	4,536,158	5,050,195	19,131	5,031,064	2,338,518
Total	14,308,444	5,369,172	4,667,130	15,010,486	76,167,986	91,178,472	33,414	91,145,058	62,422,146

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

The annexed notes from 1 to 24 form an integral part of these financial statements


Naim Anwar
Chief Executive/Principal Officer


Mudassar Zubair Mirza
Director


Syed Abid Raza
Director


Syed Adnan Ali Zaidi
Director

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

	Three Months Ended		Nine Months Ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	------(Rupees)-----		------(Rupees)-----	
Income from Non-Trading Investments				
Held-to-maturity				
Return on government securities	1,452,182	1,219,341	7,395,924	3,033,707
Return on fixed income securities and deposits	134,562	633,079	158,055	755,881
	1,586,744	1,852,420	7,553,979	3,789,588
Available-for-sale				
Dividend income	4	-	404	3,500
Gain / (loss) on sale of available for sale investments	-	273,642	-	320,491
	4	273,642	404	323,991
Reversal / (provision) for impairment in Value of investments	2,487	(163,006)	8,282	96,554
Investment related expenses	-	(60,889)	(245)	(94,021)
Net investment income	1,589,236	1,902,167	7,562,421	4,116,112

The annexed notes from 1 to 24 form an integral part of these financial statements


Naim Anwar
Chief Executive/Principal Officer


Hanif Daud
Director


Syed Abid Raza
Director


Syed Adnan Ali Zaidi
Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015**

1. THE COMPANY AND ITS OPERATIONS

Crescent Star Insurance Limited (the Company) 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 its registered office 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, Accident & Health and Miscellaneous.

2. STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company for the nine months period ended September 30, 2015 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.

This condensed interim financial information does not include all the information and disclosures required in the complete set of financial statements, and should be read in conjunction with the company's annual financial statements for the year ended December 31, 2014.

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 judgments, 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 judgments 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, 2014.

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, 2014. 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, 2014 except for the addition of policy for investment in subsidiaries as detailed below:

5.1 Investments in subsidiaries

Subsidiaries are those enterprises in which the Company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors.

Investments in subsidiaries are initially recognized at cost. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exist the investments recoverable amount is estimated which is higher of its value in use and its fair value less cost to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount. Impairment losses are recognized in profit or loss. An impairment loss is reversed if there is a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the profit and loss account.

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, 2014.

7. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2015	2014		Un-Audited 30 September 2015	Audited 31 December 2014
---- (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	49,912,500	Issued during the period	499,125,000	499,125,000
59,045,953	59,045,953	Closing Balance	590,459,530	590,459,530
2,966,547	2,966,547	Ordinary shares of Rs.10 each issued as fully paid bonus shares	29,665,470	29,665,470
62,012,500	62,012,500		620,125,000	620,125,000

8. DISCOUNT ON ISSUE OF RIGHT SHARES

199,650,000 199,650,000

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.

9. RESERVES

Reserve for exceptional losses	9.1	1,767,568	1,767,568
General reserve		24,497,265	24,497,265
		26,264,833	26,264,833

9.1 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.

10. OTHER CREDITORS AND ACCRUALS

Federal insurance fee	1,601,688	1,001,538
Federal excise duty	19,303,716	18,226,848
Withholding tax	5,951,512	6,156,826
Payable to staff provident fund	3,360,550	434,238
Bank balance overdrawn	20,058,007	736,563
Margin against performance bonds	647,901	3,293,274
Sundry creditors	12,908,160	-
	63,831,534	29,849,287

11. CONTINGENCIES AND COMMITMENTS

11.1 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, 2014.

11.2 COMMITMENTS

There were no commitments as at September 30, 2015 (2014: Nil).

	Note	Un-Audited 30 September 2015	Audited 31 December 2014
----- (Rupees) -----			
12. CASH AND OTHER EQUIVALENTS			
Cash with State Bank Of Pakistan	12.1	1,238,047	1,238,047
Cash in hand		148,989	155,968
Policy stamps		485,378	167,624
		<u>1,872,414</u>	<u>1,561,639</u>

12.1 This represents deposit with State Bank of Pakistan pursuant to the requirements of clause (a) of sub - section 2 of section 29 of Insurance Ordinance, 2000.

13. CURRENT AND OTHER ACCOUNTS WITH BANKS

Current accounts		2,158,292	1,522,328
PLS savings accounts		2,994,126	56,126
		<u>5,152,418</u>	<u>1,578,454</u>

14. INVESTMENTS

Held to maturity			
Government Securities	14.1	49,890,923	74,230,706
Available for sale			
Ordinary equity securities & Mutual funds	14.2	12,434,475	12,363,210
Less: Provision for impairment		(521,255)	(529,532)
		<u>11,913,220</u>	<u>11,833,678</u>

Investment in Subsidiary			
Crescent Star Foods (Private) Limited	14.3	9,970	-
		<u>61,814,113</u>	<u>86,064,384</u>

14.1 This represents amortised cost of three years Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 50 Million (2014: Rs. 75 Million) issued by the State Bank of Pakistan through its authorized dealer MCB Arif Habib Savings and Investments Limited. PIBs carry mark up at the effective rate of 11.25% per annum with maturity date up till 17 July 2017.

Government securities amounting to Rs. 49.326 million (2014 : Rs. 49.326 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.

14.2 Securities having book value of to Rs. 11.731 million (2014 : Rs. 11.731 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.

14.3 Investment in Subsidiary -at cost

	30 September 2015	31 December 2014		30 September 2015	31 December 2014
Number of shares					
-----Rupees-----					
	997	-	Crescent Star Food (Pvt) Ltd	9,970	-

This represent the Company's investment in 99.7% equity shares of Crescent Star Food (Pvt) Ltd. The Company acquired 997 ordinary shares of Rs. 10/- each for a total consideration of Rs. 9,970/- in this newly incorporated company. The principal objectives of Crescent Star Foods (Pvt) Ltd is to carry on business of hotels and restaurants.

	Note	Un-Audited 30 September 2015	Audited 31 December 2014
		----- (Rupees) -----	
15. INVESTMENT PROPERTIES- LAND (At Cost)			
Balance at the beginning of the period		183,932,750	-
Additions made during the period		-	233,932,750
Disposals made during the period		(183,932,750)	(50,000,000)
Balance at the end of the period		-	183,932,750
Fair value of land as determined by M/S NESPAK as at February 25, 2014 amounts to Rs. 418.5 million on the basis of market comparable approach.			
16. PREMIUMS DUE BUT UNPAID			
Considered Good		191,456,297	175,172,599
Considered doubtful		44,570,924	34,749,823
		236,027,221	209,922,422
Provision for doubtful balances		(44,570,924)	(34,749,823)
		191,456,297	175,172,599
17. SUNDRY RECEIVABLES - Unsecured Advances			
Considered good			
Employees		245,477	225,534
Other advances		4,576,870	2,201,755
Deposits		7,714,736	5,632,695
Others	17.1	360,976,097	7,072,187
		373,513,180	15,132,171
17.1 This includes balances due from:			
Crescent Star Foods (Private) Ltd		10,378,667	-
Associated undertakings:			
Car 4 U (Private) Ltd		1,228,905	-
		11,607,572	-
18. FIXED ASSETS			
Opening written down value		17,277,566	11,102,946
Additions during the period - at cost	18.1	8,359,477	10,697,061
Disposals during the period - at WDV	18.1	(3,467,757)	(2,205,116)
Depreciation charged		(2,751,302)	(2,317,325)
		19,417,984	17,277,566
18.1 Additions & disposals			
		Additions (at cost)	Disposal (at WDV)
		----- Rupees -----	----- Rupees -----
		30 September 2015	30 September 2015
		31 December 2014	31 December 2014
Owned			
Furniture and Fixture		1,251,700	1,715,890
Office equipment		1,323,674	523,011
Computer & related equipment		1,455,053	515,760
Motor Vehicle		4,329,050	7,942,400
		8,359,477	10,697,061
		3,467,757	2,205,116

	Un-Audited 30 September 2015	Un-Audited 30 September 2014
19. EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED		
Profit / (loss) for the period attributable to Ordinary shareholders	<u>99,106,988</u>	<u>(21,423,743)</u>
Weighted average number of shares	<u>62,012,500</u>	<u>47,503,669</u>
Earnings / (Loss) Per Share	<u>1.60</u>	<u>(0.45)</u>

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.

20. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of subsidiaries, associated undertakings, 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.

	Un-Audited 30 September 2015	Un-Audited 30 September 2014
Subsidiary		
Payment of Advances against issue of shares Crescent Star Foods (Private) Ltd	10,378,667	-
Associated undertakings		
Advance for expenses	1,228,905	-
Key Management Personnel		
Remuneration to directors, chief executive and executives of the Company	37,990,137	23,912,938
Staff retirement benefits		
Provident fund contribution	2,542,865	1,151,709

21. SEGMENT REPORTING

	Fire & Property Damage		Marine Aviation & Transport		Motor		Accident & Health		Miscellaneous		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	Un-Audited 30 September 2015	Audited 31 December 2014
Segment Assets	15,717,367	20,015,147	15,714,183	27,024,446	181,565,562	140,185,981	77,076,757	70,732,622	14,632,742	8,555,076	304,726,611	266,513,272
Unallocated corporate assets											457,035,714	308,329,284
Consolidated total assets											<u>761,762,325</u>	<u>574,842,556</u>
Segment Liabilities	11,974,877	14,854,489	11,972,452	20,056,527	136,347,707	104,040,763	58,723,876	52,495,092	11,148,515	6,349,257	232,187,627	197,796,128
Unallocated corporate liabilities											78,094,492	24,653,210
Consolidated total liabilities											<u>310,282,119</u>	<u>222,449,338</u>

21

22. SUBSEQUENT EVENTS

There are no significant activities since 30 September, 2015 affecting the condensed interim financial information apart from those disclosed in the condensed interim financial information.

23. GENERAL

23.1 Figures in this condensed interim financial information have been rounded off to the nearest rupee.

23.2 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.

24. 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 October 21, 2015.


Naim Anwar
Chief Executive/Principal Officer


Hanif Daud
Director


Syed Abid Raza
Director


Syed Adnan Ali Zaidi
Director

BRANCH NETWORK

HEAD OFFICE

2ND FLOOR, NADIR HOUSE, I.I. CHUNDRIGR ROAD, KARACHI P.O. BOX NO. 4616 KARACHI, PAKISTAN
U.A.N.: 111-274-000 PHONES: 32415471-3 FAX (92-21) 32415474

BRANCH NAME	ADDRESS	CONTACT NO
NADIR HOUSE	3RD FLOOR, NADIR HOUSE, I.I. CHUNDRIGR ROAD, KARACHI.	(021) 32415471-3
KARACHI CENTRAL	3RD FLOOR, NADIR HOUSE, I.I. CHUNDRIGR ROAD, KARACHI.	(021) 32415471-3
KARACHI CITY	3RD FLOOR, NADIR HOUSE, I.I. CHUNDRIGR ROAD, KARACHI.	(021) 32415471-3
CENTRAL CORPORATE	2ND FLOOR, NADIR HOUSE, I.I. CHUNDRIGR ROAD, KARACHI.	(021) 32415471-3
KARACHI SOUTH BRANCH	3RD FLOOR, NADIR HOUSE, I.I. CHUNDRIGR ROAD, KARACHI.	(021) 32415471-3
HYDERABAD	OFFICE NO. F-5, MEZZANINE FLOOR, SHELTER SHOPPING MALL, HYDERABAD CANTT., HYDERABAD.	(022) 2787688-9
QUETTA	1ST FLOOR, ROOM NO. 2, GUL COMPLEX, M.A. JINNAH ROAD, QUETTA.	(081) 2828097
LAHORE CITY TOWER	66H GULBERG III, LAHORE.	(042) 35442310-4
ISLAMABAD	BABAR CENTRE, OFFICE #19, FIRST FLOOR, F-8 MARKAZ, ISLAMABAD.	(051) 2818073-5
FAISALABAD	P-14, 1ST FLOOR, CHENAB MARKET, MADINA TOWN, FAISALABAD.	(041) 8559696-7
MULTAN	OPP. HAJVERI ARCADE, KUTCHERY ROAD, MULTAN.	(061) 4571338
SIALKOT	ROOM NOS. 11 & 12, AL-REHMAN CENTRE, SAGA CHOWK, DEFENCE ROAD, SIALKOT.	(052) 3240271-3