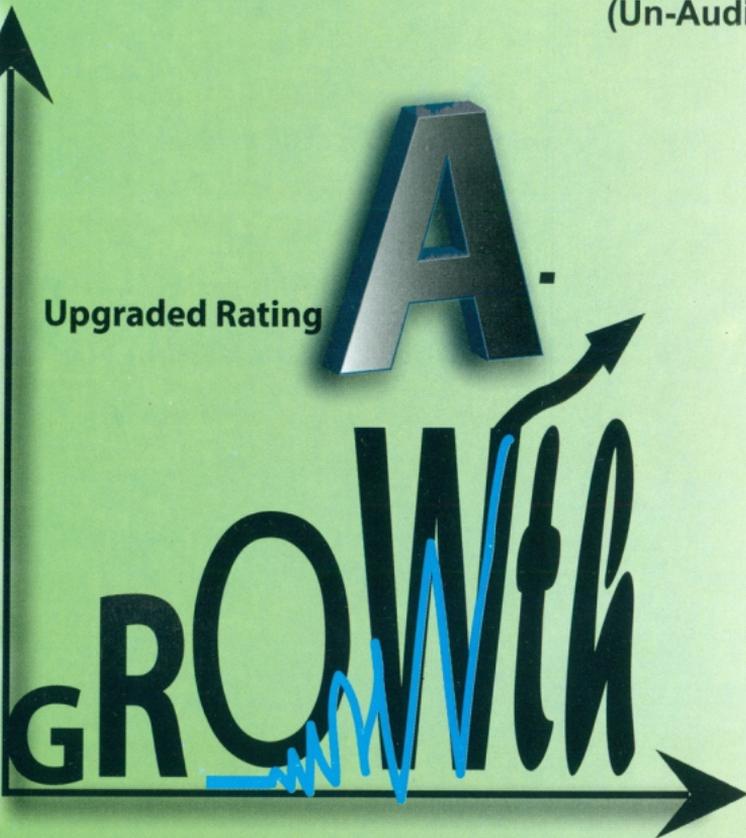


Paid up Capital Premium Clients HR



Crescent Star Insurance Limited

(Formerly: The Crescent Star Insurance Company Limited)

ESDT 1957

Nationwide Branch Network

MOTOR

HEALTH

FIRE

MARINE

ENGG

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 Syed Abid Raza Mr. Jehangir Bashir Nawaz Mr. Hanif Daud
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	Mr. Mudassar Zubair Mirza (Chairman) Syed Adnan Ali Zaidi
Board H.R.&Remuneration Committee	Mr. Mudassar Zubair Mirza (Chairman) Mr. Naim Anwar
Board Investment Committee	Syed Adnan Ali Zaidi (Chairman) Mr. Naim Anwar Mr. Mudassar Zubair Mirza
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 six months ended 30 June 2015.

General Review

The gross premium written for the six months has been at Rs.163.637 million as compared to Rs. 164.858 million for the corresponding figures last year which is 0.74% lesser than the previous year. The net premium for the half year has been recorded as Rs.125.683 million against Rs. 34.703 million of the corresponding period. The increase in net premium stands at 262% which is a substantial increase. Profit after tax was up by 156% as compared to the corresponding period last year due to increase in net premium revenue. Earnings per share stood at Rs. 0.18.

Performance Highlights

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

Rupees in millions (except for EPS)	30June	30June	Increase / (Decrease)	
	2015	2014	Amount	%
Gross written premium	163.637	164.858	(1.221)	(0.74)
Net premium	125.683	34.703	90.980	262.17
Profit/(loss) before tax	12.419	(19.464)	31.883	163.80
Profit/(loss)after tax	11.162	(19.812)	30.974	156.34
Total assets	646.071	607.259	38.812	6.39
Paid-up capital	620.125	620.125	-	-
Earnings per share (EPS) Rs.	0.18	(0.49)	0.67	136.73

Future Outlook

The underwriting results for the half year are very encouraging and have shown profit, as 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.

Your Company is now in compliance with all regulations and is on progress to fulfil its strategy 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 eyeing 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.

The investment strategy approved and announced at the Annual General Meeting is well on course and the Company's subsidiary Crescent Star Foods (Pvt) Ltd has already signed Master Franchise Agreement with Golden Chick an American Tender Chicken and the Company has also signed Share Purchase Agreement with Interisk Technologies (Pvt) Ltd with the plan to change its name to Crescent Star Technologies (Pvt) Ltd. The Company has also made progress in the plan to underwrite the right shares of Dost Steel Ltd (subject to necessary approvals). The Company expects good progress in all three investment ventures by end of this year to reflect on its performance.

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's 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: August 31, 2015

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Crescent Star Insurance Limited** as at **30 June 2015** and the related

- i) condensed interim 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 2015 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.



Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS
Engagement Partner: A. Rahman Mir
Lahore: August 31, 2015

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT JUNE 30, 2015

	Un-Audited 30 June 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 loss	(83,184,421)	(94,346,615)
	363,555,412	352,393,218
Underwriting Provisions		
Provision for outstanding claims (including IBNR)	56,827,486	43,638,093
Provision for unearned premium	141,848,673	115,877,861
Commission income unearned	1,187	33,983
Total underwriting provisions	198,677,346	159,549,937
Creditors and Accruals		
Premiums received in advance	4,483,982	34,015
Amounts due to others insurers /reinsurers	15,439,540	15,724,531
Accrued expenses	12,747,286	11,295,673
Other creditors and accruals	10 46,128,813	29,849,287
Borrowings		
Borrowing under musharaka arrangements	4,620,224	5,577,686
	83,419,845	62,481,192
Other Liabilities		
Unpresented dividend warrants	418,209	418,209
TOTAL LIABILITIES	<u>282,515,400</u>	<u>222,449,338</u>
TOTAL EQUITY AND LIABILITIES	<u>646,070,812</u>	<u>574,842,556</u>
Contingencies and Commitments		
	11	

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

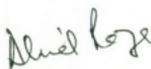


Naim Anwar
Chief Executive/Principal Officer



Mudassar Zubair Mirza
Director

		Un-Audited 30 June 2015	Audited 31 December 2014
	Note	------(Rupees)-----	
Cash and Bank Deposits			
Cash and other equivalents	12	1,635,141	1,561,639
Current and other accounts	13	9,175,124	1,578,454
Deposits maturing within 12 months		-	1,000,000
		10,810,265	4,140,093
Investments			
Investment Properties	14	64,220,938	86,064,384
Deferred Taxation	15	183,932,750	183,932,750
		13,543,178	13,543,178
Current Assets - Others			
Premiums due but unpaid	16	193,190,250	175,172,599
Amounts due from other insurers / reinsurers		57,229,547	39,816,899
Accrued investment income		2,511,983	3,314,894
Reinsurance recoveries against outstanding claims		8,552,929	23,010,767
Taxation - payments less provision		1,556,022	2,201,814
Deferred commission expense		6,140,414	5,369,172
Prepaid reinsurance premium ceded		16,062,805	5,866,269
Sundry receivables	17	68,876,303	15,132,171
		354,120,253	269,884,585
Fixed Assets -			
Tangible Owned			
Furniture and fixtures & office equipments		8,469,856	6,302,429
Motor vehicles		10,973,572	10,975,137
		19,443,428	17,277,566
TOTAL ASSETS		646,070,812	574,842,556


 Syed Abid Raza
 Director


 Syed Adnan Ali Zaidi
 Director

CONDENSED INTERIM PROFIT AND LOSS (UN-AUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2015

	Three months period ended June 2015					30 June 2015	30 June 2014
	Fire & Property Damage	Marine Aviation & Transport	Motor	Accident & Health	Miscellaneous	Aggregate	Aggregate
Note	----- (Rupees) -----						
Revenue Account							
Net premium revenue	1,094,614	648,937	25,752,967	9,245,805	2,551,813	39,294,136	19,112,985
Net claims	(5,217,566)	(1,848,567)	(4,666,374)	(1,655,291)	(3,789,916)	(17,177,714)	(5,076,628)
Management expenses	(1,927,770)	(832,243)	(10,578,084)	(15,344,317)	(1,153,454)	(29,835,868)	(17,339,418)
Net commission	17,617	433,437	9,407,145	1,185,839	(672,742)	10,371,296	3,103,173
	(7,127,719)	(2,247,373)	(5,837,313)	(15,813,769)	(5,616,112)	(36,642,286)	(19,312,873)
Underwriting result	(6,033,105)	(1,598,436)	19,915,654	(6,567,964)	(3,064,299)	2,451,850	(199,888)
Investment income						3,800,924	1,680,613
Other income						1,438,290	
General and administrative expense						(6,603,103)	(6,861,416)
Profit / (loss) before tax						1,287,961	(5,380,691)
Provision for taxation						(392,981)	(191,266)
Profit / (loss) after tax						894,980	(5,571,957)
Earnings/(Loss) per share - basic and diluted						0.01	(0.26)

	Six months period ended June 2015					30 June 2015	30 June 2014
	Fire & Property Damage	Marine Aviation & Transport	Motor	Accident & Health	Miscellaneous	Aggregate	Aggregate
Note	----- (Rupees) -----						
Revenue Account							
Net premium revenue	2,383,315	2,287,108	81,130,007	35,608,569	4,274,296	125,683,295	34,702,569
Net claims	(5,866,214)	(2,096,247)	(12,169,188)	(14,098,141)	(3,956,694)	(38,186,484)	(8,281,217)
Management expenses	(2,727,828)	(1,675,953)	(19,678,183)	(22,033,018)	(2,429,333)	(48,544,315)	(30,525,283)
Net commission	(675,356)	(383,929)	(3,183,988)	(1,591,130)	(1,706,249)	(7,540,652)	183,775
	(9,269,398)	(4,156,129)	(35,031,359)	(37,722,289)	(8,092,276)	(94,271,451)	(38,622,725)
Underwriting result	(6,886,083)	(1,869,021)	46,098,648	(2,113,720)	(3,817,980)	31,411,844	(3,920,156)
Investment income						5,973,185	2,213,946
Other income						1,438,495	235,532
General and administrative expense						(26,404,457)	(17,993,451)
Profit / (loss) before tax						12,419,067	(19,464,129)
Provision for taxation						(1,256,873)	(347,376)
Profit / (loss) after tax						11,162,194	(19,811,505)
Profit and loss appropriation account							
Balance at commencement of the year						(94,346,615)	(58,516,447)
Total comprehensive (loss)/ income for the period						11,162,194	(19,811,505)
Balance of accumulated loss at end of the Period						(83,184,421)	(78,327,952)
Earnings/(Loss) per share - basic and diluted						0.18	(0.49)

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.



Naim Anwar
Chief Executive/Principal Officer



Mudassar Zubair Mirza
Director



Syed Abid Raza
Director



Syed Adnan Ali Zaidi
Director

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2015

	Quarter ended	Half Year
	30 June 2014	30 June 2015
	30 June 2014	30 June 2015
	-----	-----
	(Rupees)	(Rupees)

Profit / (loss) after tax for the period	1,287,961	(5,707,581)	11,162,194	(19,811,505)
Other comprehensive income:				
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	<u><u>1,287,961</u></u>	<u><u>(5,707,581)</u></u>	<u><u>11,162,194</u></u>	<u><u>(19,811,505)</u></u>

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.



Naim Anwar
 Chief Executive/Principal Officer



Mudassar Zubair Mirza
 Director



Syed Abid Raza
 Director



Syed Adnan Ali Zaidi
 Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2015

	Share Capital		Discount on issue of right issue	Capital Reserve		Revenue Reserve		Accumulated loss	Total
	Issued, subscribed and paid-up Capital	subscribed and paid-up Capital		Reserve for exceptional losses	General reserve	Revenue Reserve	General reserve		
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 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			
Total comprehensive loss for the period	-	-	-	-	-	(16,018,663)	(16,018,663)		
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 (loss)/income for the period	-	-	-	-	-	11,162,194	11,162,194		
Balance as at June 30, 2015	620,125,000	(199,650,000)	1,767,568	24,497,265	(83,184,421)	363,555,412			

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.



Naim Anwar
Chief Executive/Principal Officer



Mudassar Zubair Mirza
Director



Syed Abid Raza
Director



Syed Adnan Ali Zaidi
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2015

	30 June 2015	30 June 2014
	----- (Rupees) -----	
Operating Cash Flows		
a) Underwriting activities		
Premium received	150,069,456	28,190,077
Reinsurance premium paid	(39,877,208)	(11,945,735)
Claims paid	(33,241,708)	(4,908,253)
Reinsurance and other recoveries received	22,702,455	563,093
Commission paid	(8,344,690)	(10,157,711)
Commission received	-	91,987
Net cash inflow from underwriting activities	91,308,305	1,833,458
b) Other operating activities		
Income tax paid	(611,081)	(150,795)
General management expenses paid	(55,362,977)	(31,677,058)
Other operating (payments) / receipts	(52,455,879)	3,891,980
Net cash flows from other operating activities	(108,429,937)	(27,935,873)
Total cash inflow / (outflow) from all operating activities	(17,121,632)	(26,102,415)
Investing activities		
Profit/return received	6,770,146	153,492
Dividend received	400	3,500
Payments for investments	(2,525,157)	(280,820,000)
Proceeds from disposal of investments	24,374,153	3,537,947
Fixed capital expenditure	(7,488,276)	(1,581,760)
Proceeds from disposal of fixed assets	3,618,000	714,000
Total cash (outflow) from investing activities	24,749,266	(277,992,821)
Financing activities		
Borrowing under Musharaka arrangements	(957,462)	-
Proceeds from Right Share	-	299,475,000
Total cash (outflow) / inflow from financing activities	(957,462)	299,475,000
Total cash (outflow) from all activities	6,670,172	(4,620,237)
Add: Cash at beginning of the Period	4,140,093	6,954,075
Cash at the end of the period	10,810,265	2,333,838
Reconciliation to the Profit and Loss Account		
Operating cash flows	(17,121,632)	(26,102,415)
Depreciation expense	(1,854,656)	(982,870)
Gain on disposal of fixed assets	150,242	235,532
Investment Income	5,973,185	2,213,946
(Decrease) / increase in assets other than cash	84,081,117	167,597,496
Decrease / (increase) in liabilities other than running finance	(60,066,062)	(162,773,194)
Profit / (loss) after taxation	11,162,194	(19,811,505)

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.


Naim Anwar
Chief Executive/Principal Officer


Mudassar Zubair Mirza
Director


Syed Abid Raza
Director


Syed Adnan Ali Zaidi
Director

CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2015

Business underwritten inside Pakistan

Class of Business	Three months period ended June 2015													
	Premiums written		Unearned premium reserve		Premiums earned		Reinsurance ceded		Prepaid reinsurance premium ceded		Reinsurance expense		Net premium revenue	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	30 June 2015	30 June 2014
(Rupees)														
Direct and facultative														
Fire and property damage	8,320,275	3,798,404	9,067,961	3,050,718	5,200,000	4,911,282	8,155,178	1,956,104					1,094,614	432,278
Marine aviation and transport	4,341,524	898,839	2,658,944	2,581,419	2,295,000	1,093,674	1,456,192	1,932,482					648,937	3,194,182
Motor	32,563,986	58,448,118	63,303,996	27,708,108	1,218,750	5,020,260	4,283,869	1,955,141					25,752,947	10,127,880
Accident and health	65,842,678	2,258,331	58,855,204	9,245,805									9,245,805	771,939
Miscellaneous	6,086,877	5,246,887	7,962,568	3,371,196	1,190,000	1,796,949	2,167,566	819,383					2,551,813	4,586,706
Total	117,155,340	70,650,579	141,848,673	45,957,246	9,903,750	12,822,165	16,062,805	6,663,110					39,294,136	19,112,965

Six months period ended June 2015														
Premiums written		Unearned premium reserve		Premiums earned		Reinsurance ceded		Prepaid reinsurance premium ceded		Reinsurance expense		Net premium revenue		
Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	30 June 2015	30 June 2014	
(Rupees)														
Direct and facultative														
Fire and property damage	10,316,332	4,911,586	9,067,961	6,159,957	10,710,230	1,221,590	8,155,178	3,776,642					2,383,315	1,148,526
Marine aviation and transport	6,481,239	1,817,701	2,658,944	5,639,996	4,793,365	15,715	1,456,192	3,352,888					2,287,108	5,157,218
Motor	55,366,493	92,393,039	63,303,996	84,455,536	4,265,625	3,343,773	4,283,869	3,325,529					81,130,007	18,193,681
Accident and health	82,120,585	12,343,188	58,855,204	35,608,569									35,608,569	4,992,413
Miscellaneous	9,352,491	4,412,347	7,962,568	5,802,270	2,410,349	1,285,191	2,167,566	1,527,974					4,274,296	5,190,731
Total	163,637,140	115,877,861	141,848,673	137,666,328	22,179,549	5,866,269	16,062,805	11,983,033					125,683,295	34,702,569

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.



Naim Anwar
Chief Executive/Principal Officer



Mudassar Zubair Mirza
Director



Syed Abid Raza
Director



Syed Adnan Ali Zaidi
Director

CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2015

Business underwritten inside Pakistan

Class of Business Direct and facultative	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 June 2015	
	Opening	Closing	Opening	Closing		Opening	Closing	Opening	Closing	30 June 2015 Net Claims expenses	30 June 2014 Net Claims expenses		
	-----Rupees-----												
Fire and property damage	148,738	7,884,232	15,139,468	7,403,974	5,671,830	6,120,177	2,634,755	2,186,408	5,217,566	2,575,179			
Marine aviation and transport	100,000	3,581,461	6,903,196	3,421,535	1,612,968	1,470,360	1,430,360	1,572,968	1,848,567	(247)			
Motor	10,101,056	19,649,920	22,533,813	12,984,949	15,322,381	9,303,806	2,300,000	8,318,575	4,666,374	1,411,224			
Accident and health	5,043,426	12,344,867	8,956,732	1,655,291	-	-	-	-	1,655,291	469,138			
Miscellaneous	4,292,711	3,701,797	3,294,277	3,885,191	95,276	2,187,815	2,187,814	95,275	3,789,916	621,334			
Total	19,685,931	47,162,477	56,827,486	29,350,940	22,702,455	19,080,158	8,552,929	12,173,226	17,177,714	5,076,628			

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Six months period ended June 2015

Class of Business Direct and facultative	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		Six months period ended June 2015	
	Opening	Closing	Opening	Closing		Opening	Closing	Opening	Closing	30 June 2015 Net Claims expense	30 June 2014 Net Claims expense		
	-----Rupees-----												
Fire and property damage	1,313,276	12,340,943	15,139,468	4,311,801	5,671,830	9,860,998	2,634,755	(1,554,413)	5,866,214	3,049,558			
Marine aviation and transport	247,658	3,471,611	6,903,196	3,679,243	1,612,968	1,460,332	1,430,360	1,582,996	2,078,247	89,753			
Motor	15,971,112	18,280,992	22,533,813	20,223,933	15,322,381	9,567,636	2,300,000	8,054,745	12,169,188	3,904,684			
Accident and health	11,039,068	5,897,659	8,956,732	14,098,141	-	-	-	-	14,098,141	621,888			
Miscellaneous	4,470,594	3,646,888	3,294,277	4,117,963	95,276	2,121,801	2,187,814	161,289	3,956,694	615,334			
Total	33,241,708	43,638,093	56,827,486	46,431,101	22,702,455	23,010,767	8,552,929	8,244,817	38,186,484	8,281,217			

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.



Naim Anwar
Chief Executive/Principal Officer



Mudassar Zubair Mirza
Director



Syed Abid Raza
Director



Syed Adnan Ali Zaidi
Director

CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2015

Business underwritten inside Pakistan

Three months period ended June 2015

Class of Business Direct and facultative	Commission paid or payable		Deferred commission		Net commission expense	Other management expenses	Underwriting expenses	Commissions from re-insurers	30 June 2015		30 June 2014	
	Opening	Closing	Opening	Closing					Net Underwriting expense	Net Underwriting expense		
Fire and property damage	1,036,197	1,813,592	759,681	1,813,592	(17,714)	1,927,770	1,910,056	(97)	1,910,153		(614,413)	
Marine aviation and transport	(81,416)	531,789	179,768	531,789	(433,437)	832,243	398,806	-	398,806		(250,668)	
Motor	(8,917,995)	56,016	(429,572)	56,016	(9,403,383)	10,578,084	1,174,501	3,562	1,170,939		4,125,323	
Accident and health	1,644,004	2,942,760	112,917	2,942,760	(1,185,839)	15,344,317	14,158,478	-	14,158,478		9,214,372	
Miscellaneous	949,641	796,257	524,689	796,257	678,073	1,153,454	1,831,527	5,331	1,826,196		1,761,630	
Total	(5,369,569)	1,147,853	1,147,853	6,140,414	(10,362,500)	29,835,868	19,473,368	8,796	19,464,572		14,236,244	

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

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Six months period ended June 2015

Class of Business Direct and facultative	Commission paid or payable		Deferred commission		Net commission expense	Management expenses	Underwriting expense	Commissions from re-insurers	30 June 2015		30 June 2014	
	Opening	Closing	Opening	Closing					Net Underwriting expense	Net Underwriting expense		
Fire and property damage	1,512,079	1,813,592	982,317	1,813,592	680,804	2,727,828	3,408,632	5,448	3,403,184		2,569,381	
Marine aviation and transport	552,178	531,789	363,540	531,789	383,929	1,675,953	2,059,882	-	2,059,882		3,330,628	
Motor	283,300	56,016	2,964,921	56,016	3,192,205	19,678,183	22,870,388	8,217	22,862,171		9,332,913	
Accident and health	3,916,731	2,942,760	617,159	2,942,760	1,591,130	22,033,018	23,624,148	-	23,624,148		11,609,044	
Miscellaneous	2,080,402	796,257	441,235	796,257	1,725,380	2,429,333	4,154,713	19,131	4,135,582		3,499,542	
Total	8,344,690	5,369,172	5,369,172	6,140,414	7,573,448	48,544,315	56,117,763	32,796	56,084,967		30,341,508	

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 this condensed interim financial information.



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 SIX MONTHS ENDED JUNE 30, 2015

	Three Months Ended		Six Months Ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	------(Rupees)-----		------(Rupees)-----	

Income from Non-Trading Investments

Held-to-maturity

Return on government securities
 Return on fixed income securities and deposits

	3,775,561	1,440,534	5,943,742	1,937,168
	16,205	-	23,493	-
	3,791,766	1,440,534	5,967,235	1,937,168

Available-for-sale

Dividend income
 Gain / (loss) on sale of available for sale investments

	400	1,355	400	3,500
	-	53,545	-	46,849
	400	54,900	400	50,349

Reversal / (provision) for impairment in Value of investments

Investment related expenses

	9,003	205,455	5,795	259,560
	(245)	(20,277)	(245)	(33,132)

Net investment income

	3,800,924	1,680,613	5,973,185	2,213,946
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The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.



Naim Anwar
 Chief Executive/Principal Officer



Mudassar Zubair Mirza
 Director



Syed Abid Raza
 Director



Syed Adnan Ali Zaidi
 Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 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 six months period ended June 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 June 2015	Audited 31 December 2014
---- (Number of shares) ----			Note ----- (Rupees) -----	
		Ordinary shares of Rs.10 each fully paid in cash		
59,045,953	9,133,453	Opening Balance	590,459,530	91,334,530
-	49,912,500	Issued during the period	-	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
<u>62,012,500</u>	<u>62,012,500</u>		<u>620,125,000</u>	<u>620,125,000</u>

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
		<u>26,264,833</u>	<u>26,264,833</u>

- 9.1 The reserve for exceptional losses represents the amount set aside in prior years up to 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	1,542,765	1,001,538
Federal excise duty	18,887,262	18,226,848
Withholding tax	12,601,779	6,156,826
Payable to staff provident fund	2,467,012	434,238
Bank balance overdrawn	9,470,966	736,563
Margin against performance bonds	1,031,731	3,293,274
Sundry creditors	127,298	-
	<u>46,128,813</u>	<u>29,849,287</u>

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 June 30, 2015 (2014: Nil).

		Un-Audited 30 June 2015	Audited 31 December 2014
	Note	----- (Rupees) -----	
12. CASH AND OTHER EQUIVALENTS			
Cash with State Bank Of Pakistan	12.1	1,238,047	1,238,047
Cash in hand		54,705	155,968
Stamps in hand		<u>342,389</u>	<u>167,624</u>
		<u>1,635,141</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			
Current accounts		2,433,526	1,522,328
PLS savings accounts		<u>6,741,598</u>	<u>56,126</u>
		<u>9,175,124</u>	<u>1,578,454</u>
14. INVESTMENTS			
Held to maturity			
Government Securities	14.1	49,856,553	74,230,706
Available for sale			
Ordinary equity securities & Mutual funds	14.2	14,878,152	12,363,210
Less: Provision for impairment		<u>(523,737)</u>	<u>(529,532)</u>
		14,354,415	11,833,678
Investment in Subsidiary			
Crescent Star Foods (Private) Limited	14.3	9,970	-
		<u>64,220,938</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 June 2015	31 December 2014		30 June 2015	31 December 2014
	Number of shares			-----Rupees-----	
	<u>997</u>	-	Crescent Star Foods (Pvt) Ltd	<u>9,970</u>	-

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.

	Un-Audited 30 June 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	-	(50,000,000)
Balance at the end of the period	<u>183,932,750</u>	<u>183,932,750</u>

Note

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	193,190,250	175,172,599
Considered doubtful	44,570,924	34,749,823
	<u>237,761,174</u>	<u>209,922,422</u>
Provision for doubtful balances	(44,570,924)	(34,749,823)
	<u>193,190,250</u>	<u>175,172,599</u>

17. SUNDRY RECEIVABLES - Unsecured Advances

Considered good		
Employees	680,093	225,534
other advances	1,124,503	2,201,755
Deposits	9,177,354	5,632,695
Others	57,894,353	7,072,187
	<u>68,876,303</u>	<u>15,132,171</u>

17.1

17.1. This includes balances due from;

Subsidiary:

Crescent Star Foods (Pvt) Ltd	10,000,000	-
Associated undertakings:		
Car 4 U (Private) Ltd	1,180,993	-
	<u>11,180,993</u>	<u>-</u>

18. FIXED ASSETS

Opening written down value		17,277,566	11,102,946
Additions during the period - at cost	18.1	7,488,276	10,697,061
Disposals during the period - at WDV	18.1	(3,467,757)	(2,205,116)
Depreciation charged		(1,854,656)	(2,317,325)
		<u>19,443,429</u>	<u>17,277,566</u>

18.1 Additions & disposals

	Additions (at cost)		Disposal (at WDV)	
	----- Rupees ----- 30 June 2015	31-Dec-14	----- Rupees ----- 30 June 2015	31-Dec-14
Owned				
Furniture and Fixture	1,054,400	1,715,890	-	257,635
Office equipment	849,674	523,011	366,549	-
Computer & related equipment	1,255,152	515,760	17,198	-
Motor Vehicles	4,329,050	7,942,400	3,084,010	1,947,481
	<u>7,488,276</u>	<u>10,697,061</u>	<u>3,467,757</u>	<u>2,205,116</u>

	Un-Audited 30 June 2015	Un-Audited 30 June 2014
	----- (Rupees) -----	
19. EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED		
Profit / (loss) for the period attributable to Ordinary shareholders	<u>11,162,194</u>	<u>(19,811,505)</u>
Weighted average number of shares	<u>62,012,500</u>	<u>40,129,015</u>
Earnings / (Loss) Per Share	<u>0.18</u>	<u>(0.49)</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.

Balances with related parties are shown in note 10,14 and 17. Other significant transactions with related parties are as follows:

	Un-Audited 30 June 2015	Un-Audited 30 June 2014
	----- (Rupees) -----	
Subsidiary		
Payment of Advances against issue of shares Crescent Star Foods (Pvt) Ltd	10,000,000	-
Associated undertakings		
Advance for expenses	1,180,993	-
Key Management Personnel		
Remuneration to directors, chief executive and executives of the Company	25,861,362	13,612,331
Staff retirement benefits		
Provident fund contribution	1,882,229	648,045

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 31 March 2015	Audited 31 December 2014
Segment Assets	13,437,686	20,015,147	12,325,394	27,024,446	184,429,985	140,185,981	77,770,232	70,732,622	12,656,076	8,555,076	300,619,373	266,513,272
Unallocated corporate assets											345,451,439	308,329,284
Consolidated total assets											<u>646,070,812</u>	<u>574,842,556</u>
Segment Liabilities	10,530,365	14,854,489	9,658,724	20,056,527	144,527,498	104,040,763	60,944,195	52,495,092	9,917,842	6,349,257	235,578,644	197,796,128
Unallocated corporate liabilities											44,938,756	24,653,210
Consolidated total liabilities											<u>282,515,400</u>	<u>222,449,338</u>

22. SUBSEQUENT EVENTS

There are no significant activities since 30 June 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 August 31, 2015.



Naim Anwar
Chief Executive/Principal Officer



Mudassar Zubair Mirza
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	ROOM # 805, 8TH FLOOR, BUSINESS PLAZA, MUMTAZ HASSAN ROAD, OFF: I.I. CHUNDRIGAR ROAD, KARACHI.	(021) 32401912-3
NEW UNIT	ROOM # 805, 8TH FLOOR, BUSINESS PLAZA, MUMTAZ HASSAN ROAD, OFF: I.I. CHUNDRIGAR ROAD, KARACHI.	(021) 32401912-3
KARACHI CENTRAL	ROOM # 805, 8TH FLOOR, BUSINESS PLAZA, MUMTAZ HASSAN ROAD, OFF: I.I. CHUNDRIGAR ROAD, KARACHI.	(021) 32401912-3
KARACHI CITY	ROOM # 301, 3RD FLOOR, AL-AMIN TOWER, BLOCK 10, KDA SCHEME NO. 24, GULSHAN-E-JQBAL, KARACHI.	(021) 3483421-3
CENTRAL CORPORATE	2ND FLOOR, NADIR HOUSE, I.I. CHUNDRIGR ROAD, KARACHI.	(021) 32415471-3
KARACHI SOUTH BRANCH	3RD FLOOR, BUILDING NO. 22-C, BUKHARI COMMERCIAL LANE 3, PHASE VI, DHA, KARACHI.	(21) 35250396-9
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
MULTAN CITY	OFFICE NO. 4, 2ND FLOOR, S.S. SHOPPING MALL, MUSRAT ROAD MULTAN CANTT, MULTAN.	(061) 4544415-6
SIALKOT	ROOM NOS. 11 & 12, AL-REHMAN CENTRE, SAGA CHOWK, DEFENCE ROAD, SIALKOT.	(052) 3240271-3



Crescent Star Insurance Limited

(Formerly: The Crescent Star Insurance Company Limited)

ESTD 1957

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