

March 26, 2015

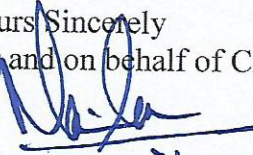
The General Manager
Karachi Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Subject: Other Information

Dear Sir,

We are pleased to inform the members of the Exchange that the Pakistan Credit Rating Agency (PACRA) has upgraded our Insurer Financial Strength (IFS) rating from 'BBB+' (Triple B plus) to 'A-' (Single A minus) **Outlook: Stable** (copy of press release attached).

Yours Sincerely
For and on behalf of Crescent Star Insurance Limited



Naim Anwar
Managing Director & CEO

c.c Lahore Stock Exchange
19, Khayaban-e-Aiwan-e-Iqbal
P.O. Box: 1315
Lahore - 54000, Pakistan



Rating Action

Lahore : 24-Mar-2015

Analyst

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PACRA Upgrades the IFS Rating of Crescent Star Insurance Limited

The Pakistan Credit Rating Agency (PACRA) has upgraded the Insurer Financial Strength (IFS) rating of Crescent Star Insurance Limited (CSI) to "A-" (Single A minus) [Previously "BBB+" Triple B plus]. The rating denotes strong capacity of the company to meet policyholder and contractual obligations.

The rating reflects management's ability to execute the business plan reflected in the growing GPW of the company. The realigned organizational structure alongwith strengthened sales team, extended branch network, refined systems and control provided impetus to the business growth. The company's underwriting operations are currently depressed due to expenses being incurred for expansion. With rise in volumes, this is expected to show improvement. CSI's strategy is to build volumes through small-sized auto and health risks; mainly through tie ups with financial and corporate entities. Meanwhile, it is eyeing gradual penetration into conventional fire and marine segments. The company's liquidity profile lags other indicators - hence an area of concern. The management is committed to an articulate plan to gradually beef it up primarily through sale of its real estate assets.

The rating is dependent on the company's ability to achieve growth and sustainability in GPW, translating into profits from core underwriting business. At the same time, committed augmentation to liquidity is critical. The company is also planning certain non-insurance strategic investments; however, requisite funding would be mainly through fresh money without diluting CSI's operational liquidity.

About the Company: CSI, having commenced operations in 1957, is listed on Karachi and Lahore Stock Exchanges, and operating through a network of 12 branches. The company is 76% owned by Mr. Naim Anwar and associates, who is also Managing Director (MD) of CSI. The company is building its business size in auto segment with more focus on other lines of insurance, going forward.

The overall control of the company vests in seven members BoD including the MD. The chairman of the board and MD, Mr. Naim Anwar, has been in the general insurance industry for over two decades. CSI has recently appointed Mr. Akbar Naqi Zaidi as DMD - particularly to oversee company's business development department.

Applicable Criteria and Related Research

- Insurance | General - Viewpoint | Nov-13
- Insurer Financial Strength Rating Methodology

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