

October 8, 2015

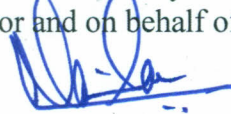
The General Manager
Karachi Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Subject: Miscellaneous Information

Dear Sir,

We are pleased to inform the members of the Exchange that the Pakistan Credit Rating Agency (PACRA) has maintained Insurer Financial Strength (IFS) rating of the Company at '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

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Rating Action

Lahore : 06-Oct-2015

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PACRA MAINTAINS IFS RATING OF CRESCENT STAR INSURANCE LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained the Insurer Financial Strength (IFS) rating of Crescent Star Insurance Limited (CSI) at "A-" (**Single A minus**). The rating denotes strong capacity of the company to meet policyholder and contractual obligations.

The rating reflects the 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 achieved break-even, though expense ratio is still high. 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 partially through investment float of core operation and partially through sale of its real estate assets. The company is venturing into certain non-insurance strategic investments, funded through internal sources and equity injection; to manage associated risks is important.

The rating is dependent on the company's ability to achieve growth and sustainability in GPW, and profits from core underwriting business. At the same time, committed augmentation to liquidity is critical.

About the company: The Crescent Star Insurance Limited (CSI), a listed company, was established in 1957. In Feb-2013, new management took over the company, following acquisition. New board invariably revamped the entire operating structure of the company with a new business strategy. The market share is small (CY14: 0.4%). CSI's Head Office is located in Karachi. The company operates a network of 16 branches across the country

The overall control of the company vests in eight members BoD including the MD. The Chairman & Managing Director Mr. Naim Anwar, is the key man behind the company; he has been in the general insurance industry for over two decades. He is assisted by a team of experienced professionals, most of whom recently joined the company.

Applicable Criteria and Related Research

- Insurance | General - Viewpoint | Jun-15
- Insurer Financial Strength Rating Methodology

Disclaimer

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