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COMPANY INFORMATION

Board of Directors

Syed Babar Ali (Chairman)
Shamim Ahmad Khan
Syed Kamal Ali
Syed Yawar Ali
Syed Shahid Ali
Syed Hyder Ali
Waqar Ahmed Malik
Jalees Ahmed Siddiqi

Chief Executive Officer

Jalees Ahmed Siddiqi

Chief Financial Officer

Muhammad Kashif Nisar

Company Secretary

Haider Raza

Audit Committee

Shamim Ahmad Khan (Chairman)
Syed Yawar Ali
Syed Hyder Ali
Akhtar Abbas (Secretary)

Investment Committee

Syed Hyder Ali (Chairman)
Shamim Ahmad Khan
Syed Kamal Ali
Syed Yawar Ali
Jalees Ahmed Siddiqi
Muhammad Kashif Nisar (Secretary)

Claims Committee

Shamim Ahmad Khan (Chairman)
Shahbaz Haider Agha
Muhammad Kashif Nisar
Mir Mehmood Ali (Secretary)

Underwriting Committee

Syed Hyder Ali (Chairman)
Jalees Ahmed Siddiqi
Shahbaz Haider Agha
Muhammad Salim Iqbal (Secretary)
Yasmin Sadiq
Syed Matin Ahmed
Haider Ali

Re-Insurance & Co-Insurance Committee

Syed Hyder Ali (Chairman)
Jalees Ahmed Siddiqi
Muhammad Salim Iqbal
Faisal Khan (Secretary)

Human Resources & Compensation Committee

Syed Yawar Ali (Chairman)
Syed Shahid Ali
Syed Hyder Ali
Waqar Ahmed Malik
Jalees Ahmed Siddiqi (Secretary)

Strategy Committee

Syed Babar Ali (Chairman)
Shamim Ahmad Khan
Syed Yawar Ali
Syed Hyder Ali
Waqar Ahmed Malik
Jalees Ahmed Siddiqi (Secretary)

Bankers

Allied Bank of Pakistan Limited
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
JS Bank Limited
KASB Bank Limited
MCB Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Royal Bank of Scotland Limited
United Bank Limited

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisors

Hassan & Hassan
Lari & Company
Ramday Law Associate
J. H. Rahimtoola and Company Advocates

Share Registrar

FAMCO Associates (Private) Limited
State Life Building No. 1 A,
1st Floor, Off I.I. Chundrigar Road,
Karachi - 74000

Registered & Head Office

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Suite Nos. 701-713, G-20, Block 9,
Khayaban-e-Jami, Clifton,
Karachi-75600, Pakistan

Web Presence

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Contact

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Multan

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Abdali Tower, Abdali Road,
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E-mail : insurance.multan@igi.com.pk



DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS

The Board of Directors of IGI Insurance Limited is pleased to present the un-audited condensed interim financial statements for the half year ended 30 June 2010.

During the period under review, despite difficult market conditions, the Company was able to maintain its operational performance, reflected by an increase of 11% in Gross Written Premium from Rs. 622 million in 2009 to Rs. 690 million in 2010. The increased net claims, however, had an impact on the underwriting profit which reduced from Rs. 155 million in 2009 to Rs. 126 million in 2010. The Company posted Rs. 126 million investment income, mainly on account of dividend income received from its associated companies.

After accounting for the share of profit of associates, the Company's overall profitability before tax is Rs. 236 million in the period under review. The previous year exceptional profitability represented the Company's share in gain on disposal of investments by Packages Limited. Consequently, earning per share for the half year ended 30 June 2010 is Rs. 2.83 against Rs. 9.20 for the corresponding period 2009. The Directors of your Company are pleased to announce an interim dividend of Rs. 1 per ordinary share i.e.10%.

The Company is conscious of the macro economic challenges currently being faced by the economy but we are hopeful that these will be addressed effectively to enable establishment of an environment conducive to the growth of the industry. We will continue to strive hard to improve our performance in the coming months.

We are grateful to our business partners and all stakeholders for their continued patronage and the Company employees for their dedicated efforts.

For and on behalf of the Board

Syed Babar Ali
Chairman

Karachi: 20 August 2010

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS OF IGI INSURANCE LIMITED

Introduction

We have reviewed the accompanying:

- I. Condensed interim balance sheet;
- II. Condensed interim profit and loss account;
- III. Condensed interim statement of changes in equity;
- IV. Condensed interim statement of cash flows;
- V. Condensed interim statement of premium;
- VI. Condensed interim statement of claims;
- VII. Condensed interim statement of expenses; and
- VIII. Condensed interim statement of investment income

and notes to the accounts to the financial information of IGI Insurance Ltd. as at 30 June 2010 and for the six months period then ended (condensed interim financial information). Management is responsible for the preparation and presentation of this condensed 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 condensed interim financial information based on our review.

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 condensed 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 condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures for quarter ended 30 June 2010 and 30 June 2009 in the condensed interim profit and loss account, condensed interim statement of premium, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income have not been reviewed and we do not express a conclusion on them.




KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Mahmood Hussain

Karachi : 20 August 2010.



CONDENSED INTERIM BALANCE SHEET

	Note	Un-audited 30 June 2010 (Rupees in '000)	Audited 31 December 2009
Share capital and reserves			
Authorised capital 100,000,000 (2009: 100,000,000) ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid up capital [71,842,794 (2009: 59,868,995) ordinary shares of Rs. 10 each]		718,427	598,689
Reserves		10,264,964	10,534,374
Unappropriated profit / (accumulated losses)		31,099	(172,250)
		11,014,490	10,960,813
Underwriting provisions			
Provision for outstanding claims [including IBNR]		196,917	286,739
Provision for unearned premium		447,105	374,644
Commission income unearned		59,197	38,139
Total underwriting provisions		703,219	699,522
Deferred liabilities			
Deferred taxation		65,424	50,932
Creditors and accruals			
Premium received in advance		4,929	997
Amounts due to other insurers / reinsurers		70,698	31,211
Accrued expenses		31,327	37,905
Sundry creditors		88,771	54,410
		195,725	124,523
Borrowings			
Long term finance - secured	7.1	-	40,000
Short term finance - secured		558,256	487,681
		558,256	527,681
Other Liabilities			
Unclaimed dividend		4,326	2,595
TOTAL EQUITY AND LIABILITIES		12,541,440	12,366,066
Contingencies and commitments	8		


SYED BABAR ALI
Chairman


SHAMIM AHMAD KHAN
Director


SYED HYDER ALI
Director


JALEES AHMED SIDDIQI
Principal Officer & Chief Executive

AS AT 30 JUNE 2010 (UN-AUDITED)

	Note	Un-audited 30 June 2010 (Rupees in '000)	Audited 31 December 2009
Cash and bank deposits			
Cash and other equivalents		-	267
Current and other accounts		2,167	6,542
Deposits maturing within 12 months		-	-
		2,167	6,809
Investments	9	11,458,799	11,235,758
Other assets			
Premiums due but unpaid - unsecured		239,942	127,071
Amounts due from other insurers / reinsurers - unsecured		156,023	259,712
Accrued investment income		3,858	8,379
Reinsurance recoveries against outstanding claims		82,949	172,357
Prepayments: - prepaid reinsurance premium ceded		152,107	133,274
- others		6,815	10,225
Taxation - provision less payments		84,894	79,696
Sundry receivables	10	75,134	50,240
		801,722	840,954
Fixed assets			
Tangible			
Furniture, fixtures and office equipment	11	28,132	30,639
Building		199,850	205,847
Motor vehicles		48,770	44,059
		276,752	280,545
Intangible			
Software under development		2,000	2,000
TOTAL ASSETS		12,541,440	12,366,066

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


SYED BABAR ALI
Chairman


SHAMIM AHMAD KHAN
Director


SYED HYDER ALI
Director


JALEES AHMED SIDDIQI
Principal Officer & Chief Executive







CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2010 (UNAUDITED)

	Fire & Property Damage	Marine, Aviation & Transport	Motor	Others Including Miscellaneous	Three Months Period Ended 30 June	
					Aggregate 2010	Aggregate 2009
(Rupees in '000)						
Revenue account						
Net premium revenue	20,695	25,443	113,043	31,372	190,553	146,897
Net claims expenses	(6,800)	(7,157)	(62,274)	(8,875)	(85,106)	(32,361)
Expenses	(11,653)	(8,555)	(19,425)	(9,453)	(49,086)	(48,161)
Net commission	16,679	3,549	(7,202)	1,299	14,325	19,297
Underwriting result	18,921	13,280	24,142	14,343	70,686	85,672
Investment income					15,051	16,475
Rental income					9,138	6,889
Other income					(1,966)	2,973
Financial charges					(16,631)	(31,060)
General and administration expenses					(19,519)	(31,710)
					(13,927)	(36,433)
					56,759	49,239
Share of profit from associates - net of tax					(62,432)	(556,585)
Loss before tax					(5,673)	(507,346)
Taxation					(12,733)	(101,424)
Loss after tax					(18,406)	(608,770)
					(Rupees)	
Loss per share - basic and diluted					(0.26)	(8.47)

	Fire & Property Damage	Marine, Aviation & Transport	Motor	Others Including Miscellaneous	Six Months Period Ended 30 June	
					Aggregate 2010	Aggregate 2009
(Rupees in '000)						
Revenue account						
Net premium revenue	44,752	58,624	209,985	55,780	369,141	285,268
Net claims expenses	(18,511)	(16,680)	(102,073)	(25,308)	(162,572)	(83,584)
Expenses	(28,513)	(14,526)	(35,097)	(15,137)	(93,273)	(87,688)
Net commission	27,252	3,839	(19,234)	397	12,254	41,184
Underwriting result	24,980	31,257	53,581	15,732	125,550	155,180
Investment income / (loss)					125,686	(141,277)
Rental income					9,138	8,754
Other income					3,332	4,713
Financial charges					(31,467)	(82,765)
General and administration expenses					(49,133)	(58,045)
					57,556	(268,620)
					183,106	(113,440)
Share of profit from associates - net of tax					52,976	888,626
Profit before taxation					236,082	775,186
Taxation					(32,733)	(113,924)
Profit after taxation					203,349	661,262
Profit and loss appropriation account						
Balance at the commencement of the six months					(172,250)	(376,347)
Transferred from general reserve					149,672	89,803
Final dividend for the year ended 31 December 2009 Rs. 2.5 per share (2008 : 1.5 per share)					(149,672)	(89,803)
Profit after tax					203,349	661,262
Balance of unappropriated profits at the end of six months					31,099	284,915
					(Rupees)	
Earning per share - basic and diluted					2.83	9.20

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

SYED BABAR ALI
Chairman

SHAMIM AHMAD KHAN
Director

SYED HYDER ALI
Director

JALEES AHMED SIDDIQI
Principal Officer & Chief Executive

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2010 (UNAUDITED)

	Reserves						Unappro- Priated Profit	Total
	Share Capital Issued, Subscribed and Paid-up	Capital Reserves			Revenue Reserves			
		Premium on Issue of Shares	Reserve for Bonus Shares	Other Capital Reserves	General Reserve	General Reserve		
..... (Rupees in thousand)								
Balance as at 01 January 2009	598,689	35,762	-	33,267	10,555,148	(376,347)	10,846,519	
Total comprehensive income for the period ended 30 June 2009								
Net profit for the period	-	-	-	-	-	661,262	661,262	
Transactions with owners, recorded directly in equity								
Distribution to owners								
Final dividend for the year ended 31 December 2008 - Rs. 1.5 per share	-	-	-	-	-	(89,803)	(89,803)	
Transferred from general reserves	-	-	-	-	(89,803)	89,803	-	
Balance as at 30 June 2009	<u>598,689</u>	<u>35,762</u>	<u>-</u>	<u>33,267</u>	<u>10,465,345</u>	<u>284,915</u>	<u>11,417,978</u>	
Balance as at 01 January 2010	598,689	35,762	-	33,267	10,465,345	(172,250)	10,960,813	
Total comprehensive income for the period ended 30 June 2010								
Net profit for the period	-	-	-	-	-	203,349	203,349	
Transactions with owners, recorded directly in equity								
Distribution to owners								
Final dividend for the year ended 31 December 2009 - Rs. 2.5 per share	-	-	-	-	-	(149,672)	(149,672)	
Bonus share issued during the period @ 20%	119,738	-	(119,738)	-	-	-	-	
	119,738	-	(119,738)	-	-	(149,672)	(149,672)	
Transferred from general reserve	-	-	-	-	(149,672)	149,672	-	
Transferred to reserve for issue of bonus shares	-	-	119,738	-	(119,738)	-	-	
Balance as at 30 June 2010	<u>718,427</u>	<u>35,762</u>	<u>-</u>	<u>33,267</u>	<u>10,195,935</u>	<u>31,099</u>	<u>11,014,490</u>	

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


SYED BABAR ALI
Chairman


SHAMIM AHMAD KHAN
Director



SYED HYDER ALI
Director


JALEES AHMED SIDDIQI
Principal Officer & Chief Executive



CONDENSED INTERIM CASH FLOW STATEMENT

	January to June	
	2010	2009
	(Rupees in '000)	
Operating cash flows		
Underwriting activities		
Premiums received	581,353	612,434
Reinsurance premiums paid	(124,348)	(158,045)
Claims paid	(272,549)	(209,729)
Reinsurance and other recoveries received	109,562	52,122
Commissions paid	(45,179)	(42,743)
Commissions received	79,480	84,068
Net cash inflow from underwriting activities	328,319	338,107
Other operating activities		
Income tax paid	(23,439)	(13,706)
General management expenses paid	(68,266)	(29,800)
Other operating payments	(17,969)	(49,131)
Other operating receipts	11,284	10,426
Net cash outflow from other operating activities	(98,389)	(82,211)
Total cash inflow from all operating activities	229,930	255,896
Investment activities		
Profit / return received	8,815	14,465
Dividends received	115,704	125,849
Payments for investments	(325,199)	(373,668)
Proceeds from disposal of investments	159,938	542,462
Redemption of TFCs	1,495	376
Advances given	(30,100)	-
Fixed capital expenditure	(15,528)	(10,526)
Proceeds from disposal of fixed assets	3,507	9,043
Total cash (outflow) / inflow from investing activities	(81,368)	308,001
Financing activities		
Loans paid	(40,000)	(40,000)
Dividends paid	(147,941)	(89,266)
Financial charges paid	(35,838)	(98,664)
Total cash (outflow) from financing activities	(223,779)	(227,930)
Net cash (outflow) / inflow from all activities	(75,217)	335,967
Cash and cash equivalents at the beginning of the period	(480,872)	(789,267)
Cash and cash equivalents at the end of the period	(556,089)	(453,300)


 SYED BABAR ALI
 Chairman


 SHAMIM AHMAD KHAN
 Director


 SYED HYDER ALI
 Director


 JALEES AHMED SIDDIQI
 Principal Officer & Chief Executive

FOR THE SIX MONTHS PERIOD ENDED

30 JUNE 2010 (UN-AUDITED)

	January to June	
	2010	2009
	(Rupees in '000)	
Reconciliation to profit and loss account		
Operating cash flows	229,930	255,896
Depreciation	(17,000)	(16,712)
Financial charges	(31,467)	(82,765)
Profit on disposal of fixed assets	1,186	3,051
(Increase) in assets other than cash	(64,812)	(115,436)
(Decrease) in liabilities other than term finances	(93,761)	(130,821)
Income from associated companies - net of tax	52,976	888,626
Diminution in value of available for sale investments	-	(303,885)
Appreciation in value of held for trading investment	(405)	20,164
Others		
Profit on disposal of investments	6,704	3,748
Dividend and other investment income	119,998	139,396
Profit after taxation	<u>203,349</u>	<u>661,262</u>

Definition of cash

Cash comprises of Cash in hand and at bank balances, stamps in hand and short term placements with banks

Cash for the purposes of the Statement of Cash Flows consists of:

Cash and other equivalents		
- Cash in hand	-	-
- Stamps in hand	-	261
	-	261
Current and other accounts		
- Current Accounts	127	870
- PLS Accounts	2,040	3,044
	2,167	3,914
Deposits maturing within 12 months		
- Cash with State Bank of Pakistan	-	-
- Term Deposit Receipts with banks	-	-
	-	-
Short term running finance	(558,256)	(457,475)
	<u>(556,089)</u>	<u>(453,300)</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


SYED BABAR ALI
Chairman


SHAMIM AHMAD KHAN
Director


SYED HYDER ALI
Director


JALEES AHMED SIDDIQI
Principal Officer & Chief Executive



CONDENSED INTERIM STATEMENT OF PREMIUMS FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UN-AUDITED)

Business underwritten inside Pakistan

Class	For The Three Months Period Ended 30 June 2010										Net Premium Revenue	
	Premiums Written	Unearned Premiums Reserve		Premiums Earned	Reinsurance Ceded	Prepaid Reinsurance Premium Ceded		Reinsurance Expense	30 June 2010	30 June 2009		
		Opening	Closing			Opening	Closing				(Rupees in '000)	
Direct and facultative 1. Fire and Property Damage	45,145	207,336	143,165	109,316	24,075	174,345	109,799	88,621	20,695	17,866		
2. Marine, Aviation and Transport	48,763	25,761	25,247	49,277	20,730	13,303	10,199	23,834	25,443	29,109		
3. Motor	105,557	220,046	211,123	114,480	(3,814)	9,993	4,742	1,437	113,043	78,475		
4. Miscellaneous	56,107	78,233	67,570	66,770	24,172	38,593	27,367	35,398	31,372	21,447		
Total	255,572	531,376	447,105	339,843	65,163	236,234	152,107	149,290	190,553	146,897		

Class	For The Six Months Period Ended 30 June 2010										Net Premium Revenue	
	Premiums Written	Unearned Premiums Reserve		Premiums Earned	Reinsurance Ceded	Prepaid Reinsurance Premium Ceded		Reinsurance Expense	30 June 2010	30 June 2009		
		Opening	Closing			Opening	Closing				(Rupees in '000)	
Direct and facultative 1. Fire and Property Damage	211,019	129,605	143,165	197,459	163,825	98,681	109,799	152,707	44,752	33,837		
2. Marine, Aviation and Transport	107,505	15,025	25,247	97,283	46,139	2,719	10,199	38,659	58,624	56,901		
3. Motor	259,741	166,252	211,123	214,870	8,754	873	4,742	4,885	209,985	150,513		
4. Miscellaneous	112,027	63,762	67,570	108,219	48,805	31,001	27,367	52,439	55,780	44,017		
Total	690,292	374,644	447,105	617,831	267,523	133,274	152,107	248,690	369,141	285,268		

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


SYED BABAR ALI
Chairman


SHAMIM AHMAD KHAN
Director


SYED HYDER ALI
Director


JALEES AHMED SIDDIQI
Principal Officer & Chief Executive

CONDENSED INTERIM STATEMENT OF CLAIMS


FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UN-AUDITED)

Business underwritten inside Pakistan

Class	For The Three Months Period Ended 30 June 2010										Net Claims Expense	
	Claims Paid	Outstanding Claim		Claims Expense	Reinsurance and Other Recoveries Received	Reinsurance and Other Recoveries in Respect of Outstanding Claims		Reinsurance and Other Recoveries Revenue	30 June 2010	30 June 2009		
		Opening	Closing			Opening	Closing					
	(Rupees in '000)											
Direct and facultative												
1. Fire and Property Damage	58,752	160,138	61,620	(39,766)	49,378	138,581	42,637	(46,566)	6,800	(7,489)		
2. Marine, Aviation and Transport	15,475	32,221	35,957	19,211	8,540	13,374	16,888	12,054	7,157	727		
3. Motor	73,715	63,250	53,995	64,460	5,411	7,631	4,406	2,186	62,274	33,718		
4. Miscellaneous	11,217	43,508	45,345	13,053	9,332	24,171	19,018	4,179	8,875	5,405		
Total	159,159	299,117	196,917	56,959	72,661	183,757	82,949	(28,147)	85,106	32,361		

Class	For The Six Months Period Ended 30 June 2010										Net Claims Expense	
	Claims Paid	Outstanding Claim		Claims Expense	Reinsurance and Other Recoveries Received	Reinsurance and Other Recoveries in Respect of Outstanding Claims		Reinsurance and Other Recoveries Revenue	30 June 2010	30 June 2009		
		Opening	Closing			Opening	Closing					
	(Rupees in '000)											
Direct and facultative												
1. Fire and Property Damage	74,201	134,453	61,620	1,368	60,009	119,789	42,637	(17,143)	18,511	(6,133)		
2. Marine, Aviation and Transport	29,474	32,204	35,957	33,227	15,148	15,489	16,888	16,547	16,680	3,326		
3. Motor	127,561	70,982	53,995	110,574	12,026	7,931	4,406	8,501	102,073	66,314		
4. Miscellaneous	41,313	49,100	45,345	37,558	22,380	29,148	19,018	12,250	25,308	20,077		
Total	272,549	286,739	196,917	182,727	109,563	172,357	82,949	20,155	162,572	83,582		

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


SYED BABAR ALI
 Chairman


SHAMIM AHMAD KHAN
 Director


SYED HYDER ALI
 Director


JALEES AHMED SIDDIQI
 Principal Officer & Chief Executive



CONDENSED INTERIM STATEMENT OF EXPENSES


FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UN-AUDITED)

Business underwritten inside Pakistan

Class	For The Three Months Period Ended 30 June 2010							Net Underwriting Expenses	
	Commission Paid or Payable	Deferred Commission		Net Commission Expense	Other Management Expenses	Under-writing Expenses	Commission from Reinsurers	30 June 2010	30 June 2009
		Opening	Closing						
	(Rupees in '000)								
Direct and facultative									
1. Fire and property damage	4,797	-	-	4,797	11,653	16,450	21,476	(5,026)	(6,261)
2. Marine, aviation and transport	3,972	-	-	3,972	8,555	12,527	7,521	5,007	2,820
3. Motor	7,209	-	-	7,209	19,425	26,633	7	26,626	27,300
4. Miscellaneous	1,845	-	-	1,845	9,453	11,298	3,144	8,155	5,005
Total	17,823	-	-	17,823	49,086	66,909	32,148	34,761	28,864

Class	For The Six Months Period Ended 30 June 2010							Net Underwriting Expenses	
	Commission Paid or Payable	Deferred Commission		Net Commission Expense	Other Management Expenses	Under-writing Expenses	Commission from Reinsurers	30 June 2010	30 June 2009
		Opening	Closing						
	(Rupees in '000)								
Direct and facultative									
1. Fire and property damage	11,521	-	-	11,521	28,513	40,034	38,773	1,261	(9,311)
2. Marine, aviation and transport	8,548	-	-	8,548	14,526	23,074	12,387	10,687	231
3. Motor	19,234	-	-	19,234	35,097	54,331	-	54,331	46,436
4. Miscellaneous	6,866	-	-	6,866	15,137	22,003	7,263	14,740	9,148
Total	46,169	-	-	46,169	93,273	139,442	58,423	81,019	46,504

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


 SYED BABAR ALI
 Chairman


 SHAMIM AHMAD KHAN
 Director


 SYED HYDER ALI
 Director



 JALEES AHMED SIDDIQI
 Principal Officer & Chief Executive

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UN-AUDITED)

	Three Months Period Ended 30 June		Six Months Period Ended 30 June	
	2010	2009	2010	2009
 (Rupees in '000)			
Income from trading investments				
Gain / (loss) on trading (i.e. buying and selling difference)	483	2,253	1,126	(7,352)
Dividend income (earned while holding the securities)	45	3	45	31
	528	2,256	1,171	(7,321)
Income from non-trading investments				
Held to maturity				
Return on government securities	1,580	2,568	4,516	4,632
Return on other fixed income securities and deposits	2,621	2,413	3,989	11,701
	4,201	4,981	8,505	16,333
Available for sale				
Dividend income	5,783	3,328	111,447	123,032
Gain on sale of available for sale investments	5,577	8,078	5,577	11,100
	11,360	11,406	117,024	134,132
(Loss) / gain on revaluation of held for trading investments	(838)	58	(405)	20,164
Provision for diminution in value of available for sale investments	-	(1,926)	-	(303,885)
Less: Investment related expenses	(200)	(300)	(609)	(700)
Net investment income	15,051	16,475	125,686	(141,277)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


SYED BABAR ALI
Chairman


SHAMIM AHMAD KHAN
Director


SYED HYDER ALI
Director


JALEES AHMED SIDDIQI
Principal Officer & Chief Executive



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

IGI Insurance Limited ("the Company"), a Packages Group company, was incorporated as a public limited company in 1953 under Companies Ordinance, 1984 and is quoted on the Karachi and Lahore Stock Exchanges in Pakistan. The Company is engaged in providing General Insurance Services in spheres of Fire, Marine, Motor and Miscellaneous. The registered office of the Company is situated at 7th Floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi.

2. BASIS OF PRESENTATION

This condensed interim financial information is unaudited but subject to review by the auditors and is being submitted to the shareholders in accordance with the listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984 and being presented in condensed form in accordance with the requirements of the approved accounting standard "International Accounting Standard - Interim Financial Reporting (IAS-34)" as applicable in Pakistan and in the format prescribed by Insurance Division of Securities and Exchange Commission of Pakistan (SECP) in its Circular No. 7 of 2003 dated 27 August 2003.

These condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2009.

There are no comprehensive income to be reported for the period ended 30 June 2009 and 2010

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended 31 December 2009.

4. SIGNIFICANT ESTIMATES AND JUDGEMENT

The preparation of the condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual result may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applies to the annual financial statements for the year ended 31 December 2009.

5. FINANCIAL & INSURANCE RISK MANAGEMENT

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 31 December 2009.

6. PREMIUM DEFICIENCY RESERVE

No provision has been made as the unearned premium reserve for each class of business as at end of six months is adequate to meet the expected future liability, after reinsurance, from claims and other expenses, expected to be incurred after the balance sheet date in respect of policies in force at the balance sheet date.

7. BORROWINGS

7.1 Long term finance - secured

	Un-audited 30 June 2010	Audited 31 December 2009
	(Rupees in '000)	
Opening Balance	40,000	320,000
Add: Disbursements during the period	-	-
Less: Repaid during the period	40,000	280,000
Closing Balance	-	40,000

8. CONTINGENCIES & COMMITMENTS

There is no change in the status of contingencies as disclosed in the annual financial statements of the Company for the year ended 31 December 2009, except for the following:

During the six months period ended 30 June 2010, the DCIT has passed the amended order under section 122 (5A) pursuant to the selection of case made by the CIR LTU in terms of section 177 of the Income tax Ordinance, 2001. The major issue involved in the said order is disallowance of claim of exemption under Rule 6A of the Forth Schedule of the Ordinance in respect of gain on sales of shares of listed securities. The company aggrieved of the treatment meted out by the DCIR and has filed an appeal before the CIR (A) which is pending adjudication. Besides, LTU Karachi has also passed a penalty order under section 184/190 of the Ordinance creating demand of Rs. 444.4 million. The DCIR has passed the aforesaid order pursuant to the addition made under section 111 (1)(a)&(b) and the order passed under section 122(1) of the Ordinance. The company has also filed an appeal before the CIR (A) against the aforesaid order which is pending adjudication.

The Company has filed return for the tax year 2008 in terms of section 120 of the Ordinance whereby a "Complete return" filed under the Ordinance is taken to an assessment order passed by the Commissioner of income tax on the day the said return is furnished. The Additional Commissioner Audit Division-II, Karachi had issued notice under section 122(5A) of the Ordinance for passing an amended order on certain issues. However, company has filed a writ petition before the Honorable High court of Sindh challenging the validity of the notice. The Honorable High court while admitting the above petition has restrained the department to take up the amended proceedings.

The DCIR has passed the amended order under section 122 (5A) of the Income tax Ordinance, 2001 for the tax year 2009 by disallowing certain provisions on account of IBNR, Unearned Commission and allocation of expenses relating to exempt income. The company aggrieved of the treatment meted out by the DCIR and has filed an appeal before the CIR (A) which is pending adjudication. The ACIR while passing the above order has made certain calculation errors for which rectification application has been filed for passing a rectification order. As a result of passing rectification order the impugned demand of Rs. 141 m would be reduced to Rs. 44.7 m.

The management is confident that above will not result in any unfavorable outcome for the Company.

9. INVESTMENTS

		<u>Un-audited 30</u> <u>June 2010</u>	<u>Audited 31</u> <u>December 2009</u>
		(Rupees in '000)	
The investments comprise of the following:			
Equity instruments of associated companies			
- quoted		4,829,238	4,737,684
- unquoted	9.1	114,056	114,056
		4,943,294	4,851,740
Held to maturity			
- Government securities		62,944	61,600
- Term finance certificate		59,239	60,734
		122,183	122,334
Available for sale			
- quoted		6,090,891	6,134,658
- unquoted	9.1	127,026	127,026
		6,217,917	6,261,684
Held for trading - at fair value through profit or loss		175,405	-
		11,458,799	11,235,758

9.1 Market value of investments as at 30 June 2010 is Rs. 10,303 million (31 December 2009: Rs. 9,394 million).



10. SUNDRY RECEIVABLES

	Un-audited 30 June 2010	Audited 31 December 2009
	(Rupees in '000)	
Advances - considered good	13,806	19,638
Security deposits	6,108	6,108
Agent balances	621	166
Receivable against reverse repo agreement	49,630	19,530
Receivable from defined contribution plan	3,971	3,971
Sales tax recoverable	998	827
	<u>75,134</u>	<u>50,240</u>

11. FIXED ASSETS

	Un-audited 30 June 2010	Audited 31 December 2009
	(Rupees in '000)	
Opening book value	280,545	302,531
Add: Additions during the period / year	15,528	18,772
	<u>296,074</u>	<u>321,303</u>
Less: Net Book value of disposal	2,322	7,371
Less: Depreciation for the period / year	17,000	33,387
	<u>19,322</u>	<u>40,758</u>
Closing book value	<u>276,752</u>	<u>280,545</u>

12. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated undertakings, other related Companies, Directors of the Company and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. All transactions with related parties have been carried out on commercial terms and conditions.

Description	Three Months Period Ended 30 June (Un-audited)		Six Months Period Ended 30 June (Un-audited)	
	2010	2009	2010	2009
 (Rupees in '000)			
Premium Underwritten	<u>72,376</u>	96,124	<u>320,023</u>	329,005
Premium Collected	<u>108,760</u>	150,840	<u>321,929</u>	362,841
Claims paid	<u>11,881</u>	16,613	<u>18,812</u>	39,879
Commission paid	<u>3,178</u>	5,022	<u>5,651</u>	9,223
Interest expense	<u>121</u>	4,244	<u>391</u>	11,493
Rental Income	<u>4,782</u>	6,889	<u>9,138</u>	8,754
Rent paid			<u>5,102</u>	
Dividends received	<u>4,827</u>	2,646	<u>109,543</u>	118,303
Dividends paid	<u>-</u>	-	<u>81,200</u>	47,933
Contribution to retirement benefit fund	<u>2,303</u>	1,490	<u>4,532</u>	3,140
Key management personnel compensation	<u>13,852</u>	7,985	<u>27,888</u>	19,404
Investment in units	<u>150,000</u>	10,000	<u>200,000</u>	35,000
Redemption of units	<u>50,000</u>	91,313	<u>50,000</u>	226,036

Un-audited 30 Audited 31
June 2010 Dec. 2009
(Rupees in '000)

Period-end balances:

Premium receivable	<u>102,273</u>	76,978
Commission payable	<u>12,085</u>	<u>11,700</u>

13. SEGMENT REPORTING

There has been no change in the basis of segmentation or the measurement basis of segment profit or loss since 31 December 2009. Class of business wise revenue and results have been disclosed in the condensed interim statement of premiums and profit and loss account, respectively, prepared in accordance with the requirement of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002.

Segment wise assets as of 30 June 2010 are as follows:

	Fire and Property Damage		Marine, Aviation and Transport		Motor		Miscellaneous		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	(R u p e e s i n ' 0 0 0)									
Segment assets	381,660	438,906	143,867	149,494	291,300	234,207	168,077	152,519	<u>984,906</u>	975,126
Unallocated corporate assets									<u>11,556,534</u>	11,390,940
Consolidated total assets									<u>12,541,440</u>	<u>12,366,066</u>

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information is authorised for issue by the Board of Directors of the Company on 20 August 2010.


15. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors has declared 10% interim cash dividend for the half year ended 30 June 2010 amounting to Rs. 71.843 million at their meeting held on 20 August 2010. These condensed interim financial statements do not include the effect of above appropriation.

16. GENERAL

16.1 Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

16.2 Figures in this condensed interim financial statements have been rounded off to the nearest thousand of rupees.


SYED BABAR ALI
Chairman


SHAMIM AHMAD KHAN
Director


SYED HYDER ALI
Director


JALEES AHMED SIDDIQI
Principal Officer & Chief Executive

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