

CONDENSED  
INTERIM FINANCIAL  
FOR THE NINE MONTHS ENDED  
SEPTEMBER 30, 2007



**FIRE**



**IGI**  
Insurance

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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  
Saulat Said (Chief Executive Officer)

### Chief Executive Officer

Saulat Said

### Chief Operating Officer

Syed Khalid Yusuf

### CFO & Company Secretary

Muhammad Kashif Nisar

### 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  
Saulat Said  
Muhammad Kashif Nisar (Secretary)

### Claims Committee

Shamim Ahmad Khan (Chairman)  
Syed Khalid Yusuf  
Shahbaz Haider Agha  
Abdul Haseeb Fakih (Secretary)

### Underwriting Committee

Syed Hyder Ali (Chairman)  
Syed Khalid Yusuf  
Yasmin Sadiq (Secretary)

### Re-Insurance & Co-Insurance Committee

Syed Hyder Ali (Chairman)  
Saulat Said  
Syed Khalid Yusuf  
Faisal Khan (Secretary)

### Human Resource & Compensation Committee

Syed Yawar Ali (Chairman)  
Syed Shahid Ali  
Syed Hyder Ali  
Saulat Said (Secretary)

### Strategy Committee

Syed Babar Ali (Chairman)  
Shamim Ahmad Khan  
Syed Yawar Ali  
Syed Hyder Ali  
Saulat Said (Secretary)

### Bankers

ABN Amro Bank Pakistan Limited  
Allied Bank of Pakistan Limited  
Bank Alfalah Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
IGI Investment Bank Limited  
JS Bank Limited  
KASB Bank Limited  
MCB Bank Limited  
MyBank Limited  
SME Bank Limited  
Standard Chartered Bank (Pakistan) Limited

### Auditors

A. F. Ferguson & Co.  
Chartered Accountants

### Legal Advisor

Ramday Law Associate  
Hassan & Hassan

### Share Registrar

Ferguson Associates (Pvt) Ltd.  
State Life Building No. 2A,  
4th Floor, I.I. Chundrigar Road,  
PO. Box # 4716  
Karachi - Pakistan

### Registered & Head Office

7th Floor, The Forum,  
Suite Nos. 701-713, G-20, Block 9,  
Khayaban-e-Jami, Clifton,  
Karachi-75600, Pakistan

### Web Presence

[www.igiinsurance.com.pk](http://www.igiinsurance.com.pk)

### Contact

UAN: 111-308-308  
Fax: 92-21-5301771-2

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of IGI Insurance Limited is pleased to present the un-audited financial statements for the nine months ended September 30, 2007.

The financial highlights for the nine months ended September 30, 2007 compared with those for the same period in 2006 are:

	September 30, 2007	September 30, 2006	Increase / (Decrease)	
	(Rupees in million)			%
Gross premium written	791	692	99	14
Net earned premium and net commission	494	351	143	41
Net Claims	256	116	140	121
Management Expenses	91	72	19	26
Underwriting profit	163	175	(12)	(7)
Investment Income	407	2,146	1,739	(81)
General & Admin. Expenses	81	43	38	88
Goodwill	-	38	(38)	(100)
Profit before tax	432	2,173	1,741	(80)
Earning per share – Rupees	12.42	67.20	(54.78)	(82)

During the period under review, Gross Written Premium grew by 14%, from Rs. 692mn in September 2006 to Rs. 791mn in September 2007. The rapid growth in premium has meant higher net earned premium and commissions which grew by 41%, from Rs. 351mn in 2006 to Rs. 494mn in 2007. Net Claims grew by 121% during the period mainly due to increased Motor claims. The underwriting profit decreased by 7%, from Rs. 175mn in 2006 to Rs. 163mn in 2007 despite higher claims. Overall risk profile has shifted towards Motor and Miscellaneous reflecting significant growth in these classes in current year. The share of Fire Marine, Motor and Miscellaneous during the current and 2006 corresponding period is as follows:

Period	Fire	Marine	Motor	Miscellaneous
2007	28%	16%	43%	13%
2006	31%	22%	36%	11%

Increase in proportion of Motor and Miscellaneous is attributed to the introduction of Leasing Portfolio and new products like Health and Travel Insurance respectively to which IGI Insurance has received positive market response.

General & administrative expenses rose by 88%, mainly due to aggressive marketing of the new products during the current period. Decrease in investment income and pre-tax profit is due to realization of capital gains on equity portfolio in 2006.

The Directors of your Company would like to place on record their appreciation of the dedicated efforts of the Company staff.

For and on behalf of the Board




SYED BABAR ALI  
Chairman

Karachi: October 24, 2007

## CONDENSED INTERIM BALANCE SHEET

	Note	September 30, 2007	December 31, 2006
		(Rupees in thousand)	
<b>Share capital and reserves</b>			
Authorised capital			
100,000,000 (2006: 100,000,000) ordinary shares of Rs. 10 each		<u>1,000,000</u>	1,000,000
Issued, subscribed and paid up capital		<b>319,301</b>	199,563
Reserves		<b>8,103,740</b>	823,740
Retained earnings		<b>323,581</b>	7,486,418
		<u><b>8,746,622</b></u>	<u>8,509,721</u>
<b>Underwriting provisions</b>			
Provision for outstanding claims [including IBNR]		<b>376,603</b>	197,282
Provision for unearned premium		<b>396,290</b>	352,438
Commission income unearned		<b>56,670</b>	72,697
Total underwriting provisions		<b>829,563</b>	622,417
<b>Creditors and accruals</b>			
Premium received in advance		<b>16,116</b>	17,535
Amounts due to other insurers/ reinsurers		<b>131,426</b>	122,705
Accrued expenses		<b>38,226</b>	45,307
		<b>185,768</b>	185,547
<b>Borrowings</b>			
Long term finance - secured	5	<b>560,000</b>	620,000
<b>Other Liabilities</b>			
Short Term Running Finance - secured		<b>985,788</b>	356,543
Sundry creditors		<b>94,648</b>	101,595
Unclaimed dividend		<b>25,481</b>	1,646
<b>TOTAL LIABILITIES</b>		<u><b>2,681,248</b></u>	<u>1,887,748</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>11,427,870</b></u>	<u>10,397,469</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

  
 SYED HYDER ALI  
 Director

  
 SHAMIM AHMAD KHAN  
 Director


  
 SYED BABAR ALI  
 Chairman

  
 SAULAT SAID  
 Principal Officer & Chief Executive

## AS AT SEPTEMBER 30, 2007 (UN-AUDITED)

	Note	September 30, 2007	December 31, 2006
		(Rupees in thousand)	
<b>Cash and bank deposits</b>			
Cash and other equivalents		550	111
Current and other accounts		2,115	9,094
Deposits maturing within 12 months		194,347	130,352
		<u>197,012</u>	<u>139,557</u>
<b>Investments</b>	6	9,816,984	9,246,735
<b>Deferred taxation</b>		12,777	13,489
<b>Other assets</b>			
Premiums due but unpaid - unsecured considered good		210,409	130,428
Amounts due from other insurers/reinsurers			
- unsecured, considered good		321,340	195,655
Accrued investment income		5,057	4,829
Reinsurance recoveries against outstanding claims		171,267	31,862
Prepayments - prepaid reinsurance premium ceded		142,424	171,519
- others		8,355	8,987
Taxation		41,502	50,678
Sundry receivables		190,715	111,646
		<u>1,091,069</u>	<u>705,604</u>
<b>Fixed assets</b>			
<b>Tangible</b>	7		
Buildings		235,085	-
Furniture, fixtures and office equipment		38,786	11,099
Motor vehicles		36,157	27,902
Capital work in progress		-	253,083
		<u>310,028</u>	<u>292,084</u>
<b>TOTAL ASSETS</b>		<u>11,427,870</u>	<u>10,397,469</u>

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SYED HYDER ALI  
Director

  
SHAMIM AHMAD KHAN  
Director

  
SYED BABAR ALI  
Chairman

  
SAULAT SAID  
Principal Officer & Chief Executive



## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT


FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 (UNAUDITED)

	Fire & Property	Marine, Aviation & Transport	Motor	Others including miscellaneous	July to September	
					2007 Total	2006 Total
(Rupees in thousand)						
<b>Revenue account</b>						
Net premium revenue	12,486	19,196	100,056	16,487	<b>148,225</b>	118,331
Administrative surcharge recovered	445	754	3,528	896	<b>5,623</b>	5,052
Total premium revenue	12,931	19,950	103,584	17,383	<b>153,848</b>	123,384
Net claims	(5,282)	(4,370)	(74,110)	(7,753)	<b>(91,515)</b>	(54,845)
Expenses	(9,407)	(5,286)	(13,722)	(4,716)	<b>(33,131)</b>	(24,125)
Net commission	12,198	4,535	(6,068)	(1,113)	<b>9,552</b>	13,215
<b>Underwriting result</b>	<b>10,440</b>	<b>14,829</b>	<b>9,684</b>	<b>3,801</b>	<b>38,754</b>	57,629
Investment income					<b>76,950</b>	1,878,578
Other income					<b>6,707</b>	4,258
Financial charges					<b>(33,812)</b>	(26,447)
Amortisation of goodwill					<b>-</b>	(12,830)
General and administration expenses					<b>(32,007)</b>	(14,578)
					<b>17,838</b>	1,828,981
					<b>56,592</b>	1,886,610
Income from associated companies - net of tax					<b>-</b>	-
<b>Profit before taxation</b>					<b>56,592</b>	1,886,610
Taxation					<b>7,675</b>	(10,571)
<b>Profit for the period</b>					<b>64,267</b>	1,876,039
<b>Basic earnings per share - Rupees</b>					<b>2.01</b>	58.75


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	Fire & Property	Marine, Aviation & Transport	Motor	Others including miscellaneous	January to September	
					2007 Total	2006 Total
(Rupees in thousand)						
<b>Revenue account</b>						
Net premium revenue	38,991	58,398	284,101	57,889	<b>439,379</b>	306,705
Administrative surcharge recovered	1,121	2,129	10,904	2,252	<b>16,406</b>	11,734
Total premium revenue	40,112	60,527	295,005	60,141	<b>455,785</b>	318,439
Net claims	(6,363)	(6,263)	(226,769)	(16,723)	<b>(256,118)</b>	(116,052)
Expenses	(25,255)	(14,942)	(38,989)	(11,627)	<b>(90,813)</b>	(71,624)
Net commission	44,233	31,521	(17,647)	(3,528)	<b>54,579</b>	44,518
<b>Underwriting result</b>	<b>52,727</b>	<b>70,843</b>	<b>11,600</b>	<b>28,263</b>	<b>163,433</b>	175,282
Investment income					<b>406,919</b>	2,145,508
Other income					<b>18,349</b>	11,330
Financial charges					<b>(90,405)</b>	(78,650)
Amortisation of goodwill					<b>-</b>	(38,490)
General and administration expenses					<b>(80,940)</b>	(43,275)
					<b>253,923</b>	1,996,423
					<b>417,357</b>	2,171,705
Income from associated companies - net of tax					<b>14,231</b>	1,478
<b>Profit before taxation</b>					<b>431,588</b>	2,173,183
Taxation					<b>(35,037)</b>	(27,571)
<b>Profit for the period</b>					<b>396,551</b>	2,145,612
<b>Profit and loss appropriation account</b>						
Balance at the commencement of the period					<b>7,486,418</b>	401,505
Transferred to general reserve					<b>(7,280,000)</b>	(150,000)
Transferred to share capital					<b>(119,738)</b>	(46,053)
Final Dividend Rs. 4.00 per share (2005: 4.00)					<b>(79,825)</b>	(61,404)
Interim Dividend Rs. 2.50 per share (2006: Nil)					<b>(79,825)</b>	-
Profit after taxation for the period					<b>396,551</b>	2,145,612
<b>Balance unappropriated profit at the end of the period</b>					<b>323,581</b>	2,289,660
<b>Basic earnings per share - Rupees</b>					<b>12.42</b>	67.20

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

  
 SYED HYDER ALI  
 Director

  
 SHAMIM AHMAD KHAN  
 Director

  
 SYED BABAR ALI  
 Chairman

  
 SAULAT SAID  
 Principal Officer & Chief Executive

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 (UNAUDITED)

	Share Capital	Capital Reserves			Revenue Reserves			Total
	Issued, subscribed and paid-up	Reserve for exceptional losses	Reserve for contingencies	Premium on issue of shares	General Reserve	Reserve for bonus shares	Unappropriated profit	
	..... (Rupees in thousand) .....							
<b>Balance as at December 31, 2005 as restated</b>	153,510	3,267	30,000	35,762	604,711	-	401,505	<b>1,228,755</b>
Transferred to general reserve	-	-	-	-	150,000	-	(150,000)	-
Transferred to reserve for issue of bonus shares	-	-	-	-	-	46,053	(46,053)	-
Transferred to share capital	46,053	-	-	-	-	(46,053)	-	-
Final dividend for the year ended December 31, 2005 - Rs 4.0 per share	-	-	-	-	-	-	(61,404)	<b>(61,404)</b>
Net profit for the nine months ended September 30, 2006	-	-	-	-	-	-	2,145,612	<b>2,145,612</b>
<b>Balance as at September 30, 2006</b>	<b>199,563</b>	<b>3,267</b>	<b>30,000</b>	<b>35,762</b>	<b>754,711</b>	<b>-</b>	<b>2,289,660</b>	<b>3,312,963</b>
Net profit for the three months ended December 31, 2006	-	-	-	-	-	-	5,196,758	<b>5,196,758</b>
<b>Balance as at December 31, 2006</b>	<b>199,563</b>	<b>3,267</b>	<b>30,000</b>	<b>35,762</b>	<b>754,711</b>	<b>-</b>	<b>7,486,418</b>	<b>8,509,721</b>
Transferred to general reserve	-	-	-	-	7,280,000	-	(7,280,000)	-
Transferred to reserve for issue of bonus shares	-	-	-	-	-	119,738	(119,738)	-
Transferred to share capital	119,738	-	-	-	-	(119,738)	-	-
Final dividend for the year ended December 31, 2006 - Rs. 4.0 per share	-	-	-	-	-	-	(79,825)	<b>(79,825)</b>
Interim dividend for the year ended December 31, 2007 - Rs. 2.5 per share	-	-	-	-	-	-	(79,825)	<b>(79,825)</b>
Net profit for the nine months ended September 30, 2007	-	-	-	-	-	-	396,551	<b>396,551</b>
<b>Balance as at September 30, 2007</b>	<b>319,301</b>	<b>3,267</b>	<b>30,000</b>	<b>35,762</b>	<b>8,034,711</b>	<b>-</b>	<b>323,581</b>	<b>8,746,622</b>

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The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

 <b>SYED HYDER ALI</b> Director	 <b>SHAMIM AHMAD KHAN</b> Director	 <b>SYED BABAR ALI</b> Chairman	 <b>SAULAT SAID</b> Principal Officer & Chief Executive
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## CONDENSED INTERIM CASH FLOW STATEMENT

	January to September	
	2007	2006
	(Rupees in thousand)	
<b>Operating cash flows</b>		
<b>Underwriting activities</b>		
Premiums received	709,459	622,110
Reinsurance premiums paid	(395,498)	(299,838)
Claims paid	(313,199)	(153,994)
Reinsurance and other recoveries received	96,997	48,418
Commissions paid	(27,661)	(27,004)
Commissions received	99,686	98,831
Net cash inflow from underwriting activities	169,784	288,523
<b>Other operating activities</b>		
Income tax paid	(25,148)	(23,850)
General management expenses paid	(84,282)	(86,329)
Other operating payments	(94,102)	(48,730)
Other operating receipts	33,666	20,038
Net cash outflow from other operating activities	(169,867)	(138,871)
Total cash flow from all operating activities	(83)	149,652
<b>Investment activities</b>		
Profit/return received	13,892	17,535
Dividends received	173,222	267,228
Payments for investments	(1,844,613)	(2,253,426)
Proceeds from disposal of investments	1,503,744	2,054,987
Redemption of TFCs	6,242	476
Fixed capital expenditure	(42,907)	(35,305)
Proceeds from disposal of fixed assets	7,674	6,290
Total cash (outflow) /inflow from investing activities	(182,747)	57,785
<b>Financing activities</b>		
Loans paid	(60,000)	(60,000)
Dividends paid	(135,815)	(61,169)
Advances given	(108,822)	(87,911)
Financial charges paid	(84,323)	(64,777)
Total cash (outflow) from financing activities	(388,960)	(273,857)
Net cash (outflow) from all activities	(571,790)	(66,420)
<b>Cash at the beginning of the period</b>	(216,986)	(123,031)
<b>Cash at the end of the period</b>	(788,776)	(189,451)

**FOR THE NINE MONTHS ENDED**  
SEPTEMBER 30, 2007 (UN-AUDITED)

	<u>January to September</u>	
	<b>2007</b>	2006
	(Rupees in thousand)	
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	(83)	149,652
Depreciation	(18,378)	(10,581)
Amortisation of goodwill	-	(38,490)
Financial charges	(90,405)	(78,650)
Profit on disposal of fixed assets	1,089	3,027
Increase in assets other than cash	316,120	214,510
(Increase) in liabilities other than term finances	(234,754)	(242,840)
Income from associated companies - net of tax	14,231	1,478
Diminution in value of available for sale investments	44,566	-
Diminution in value of held for trading investment	12,577	(6,418)
<b>Others</b>		
Profit on disposal of investments	164,247	1,907,158
Dividend and other investment income	187,341	246,766
<b>Profit after taxation</b>	<u>396,551</u>	<u>2,145,612</u>
<b>Definition of cash</b>		
Cash in hand and at banks, 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	264	577
Stamps in hand	286	-
	<b>550</b>	577
Current and other accounts		
Current Accounts	1,068	2,231
PLS Accounts	1,047	28,141
	<b>2,115</b>	30,372
Deposits maturing within 12 months		
Cash with State Bank of Pakistan	352	352
Term Deposit Receipts with banks	193,995	194,955
	<b>194,347</b>	195,307
Short term running finance	(985,788)	(415,707)
	<u>(788,776)</u>	<u>(189,451)</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

 SYED HYDER ALI Director	 SHAMIM AHMAD KHAN Director	 SYED BABAR ALI Chairman	 SAULAT SAID Principal Officer & Chief Executive
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## CONDENSED INTERIM STATEMENT OF PREMIUM FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 (UNAUDITED)

Business underwritten inside Pakistan


Class	Quarter ended September 30, 2007										Quarter ended Sep 30, 2006
	Premiums written	Unearned Premiums reserve		Premiums earned	Reinsurance ceded	Prepaid Reinsurance Premium ceded		Reinsurance expense	Net Premium revenue	Net Premium revenue	
		Opening	Closing			Opening	Closing				
(Rupees in thousand)											
Direct and facultative											
1. Fire and Property Damage	68,905	124,102	122,451	70,556	49,857	105,777	97,564	58,070	12,486	15,176	
2. Marine, Aviation and Transport	38,098	19,268	19,471	37,895	15,807	11,562	8,670	18,699	19,196	26,339	
3. Motor	98,753	211,578	203,488	106,843	6,053	11,078	10,344	6,787	100,056	64,321	
4. Miscellaneous	35,396	48,359	50,880	32,875	7,248	34,986	25,846	16,388	16,487	12,488	
<b>Total</b>	<b>241,152</b>	<b>403,307</b>	<b>396,290</b>	<b>248,169</b>	<b>78,965</b>	<b>163,403</b>	<b>142,424</b>	<b>99,944</b>	<b>148,225</b>	<b>118,331</b>	

Class	Nine months ended September 30, 2007										Nine months ended Sep 30, 2006
	Premiums written	Unearned Premiums reserve		Premiums earned	Reinsurance ceded	Prepaid Reinsurance Premium ceded		Reinsurance expense	Net Premium revenue	Net Premium revenue	
		Opening	Closing			Opening	Closing				
(Rupees in thousand)											
Direct and facultative											
1. Fire and Property Damage	219,937	112,885	122,451	210,371	165,810	103,134	97,564	171,380	38,991	38,322	
2. Marine, Aviation and Transport	130,120	21,672	19,471	132,321	62,432	20,161	8,670	73,923	58,398	73,901	
3. Motor	339,545	166,604	203,488	302,661	12,460	16,444	10,344	18,560	284,101	171,497	
4. Miscellaneous	101,257	51,277	50,880	101,654	37,831	31,780	25,846	43,765	57,889	22,985	
<b>Total</b>	<b>790,859</b>	<b>352,438</b>	<b>396,290</b>	<b>747,007</b>	<b>278,533</b>	<b>171,519</b>	<b>142,424</b>	<b>307,628</b>	<b>439,379</b>	<b>306,705</b>	

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

  
SYED HYDER ALI  
Director

  
SHAMIM AHMAD KHAN  
Director

  
SYED BABAR ALI  
Chairman

  
SAULAT SAID  
Principal Officer & Chief Executive

## CONDENSED INTERIM STATEMENT OF CLAIMS


FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 (UNAUDITED)

Business underwritten inside Pakistan


Class	Quarter ended September 30, 2007										Quarter ended Sep 30, 2006
	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	Net Claims expense	Net Claims expense	
		Opening	Closing			Opening	Closing				
(Rupees in thousand)											
Direct and facultative											
1. Fire and Property Damage	55,263	125,567	117,079	46,775	50,353	104,815	95,955	41,493	5,282	5,769	
2. Marine, Aviation and Transport	3,012	37,268	59,891	25,635	2,160	16,570	35,675	21,265	4,370	6,134	
3. Motor	74,780	148,202	153,860	80,438	8,549	19,711	17,490	6,328	74,110	38,546	
4. Miscellaneous	6,564	25,382	45,773	26,955	3,484	6,430	22,148	19,202	7,753	4,396	
<b>Total</b>	<b>139,619</b>	<b>336,419</b>	<b>376,603</b>	<b>179,803</b>	<b>64,546</b>	<b>147,526</b>	<b>171,268</b>	<b>88,288</b>	<b>91,515</b>	<b>54,845</b>	

Class	Nine months ended September 30, 2007										Nine months ended Sep 30, 2006
	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	Net Claims expense	Net Claims expense	
		Opening	Closing			Opening	Closing				
(Rupees in thousand)											
Direct and facultative											
1. Fire and Property Damage	95,137	50,408	117,079	161,808	80,088	20,598	95,955	155,445	6,363	7,175	
2. Marine, Aviation and Transport	10,957	36,978	59,891	33,870	(4,204)	3,864	35,675	27,607	6,263	13,787	
3. Motor	187,003	83,570	153,860	257,293	18,709	5,675	17,490	30,524	226,769	102,382	
4. Miscellaneous	20,102	26,326	45,773	39,549	2,403	1,725	22,14	22,826	16,723	(7,292)	
<b>Total</b>	<b>313,199</b>	<b>197,282</b>	<b>376,603</b>	<b>492,520</b>	<b>96,996</b>	<b>31,862</b>	<b>171,268</b>	<b>236,402</b>	<b>256,118</b>	<b>116,052</b>	

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

  
**SYED HYDER ALI**  
 Director

  
**SHAMIM AHMAD KHAN**  
 Director

  
**SYED BABAR ALI**  
 Chairman

  
**SAULAT SAID**  
 Principal Officer & Chief Executive




## CONDENSED INTERIM STATEMENT OF EXPENSES FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 (UNAUDITED)

Business underwritten inside Pakistan

Class	Quarter ended September 30, 2007							Quarter ended Sep 30, 2006	
	Commission paid or payable	Deferred Commission Opening	Commission Closing	Net Commission expense	Other management expenses	Underwriting expenses	Commission from reinsurers	Net under-writing expense	
	(Rupees in thousand)							Net under-writing expense	
Direct and facultative									
1. Fire and Property Damage	8,938	-	-	8,938	9,407	18,345	21,136	(2,791)	(3,915)
2. Marine, Aviation and Transport	3,318	-	-	3,318	5,286	8,604	7,853	751	(4,457)
3. Motor	6,079	-	-	6,079	13,722	19,801	11	19,790	17,869
4. Miscellaneous	3,502	-	-	3,502	4,716	8,218	2,389	5,829	1,412
<b>Total</b>	<b>21,837</b>	<b>-</b>	<b>-</b>	<b>21,837</b>	<b>33,131</b>	<b>54,968</b>	<b>31,389</b>	<b>23,579</b>	<b>10,910</b>

Class	Nine months ended September 30, 2007							Nine months ended Sep 30, 2006	
	Commission paid or payable	Deferred Commission Opening	Commission Closing	Net Commission expense	Other management expenses	Underwriting expenses	Commission from reinsurers	Net under-writing expense	
	(Rupees in thousand)							Net under-writing expense	
Direct and facultative									
1. Fire and Property Damage	20,956	-	-	20,956	25,255	46,211	65,189	(18,978)	(7,166)
2. Marine, Aviation and Transport	10,221	-	-	10,221	14,942	25,163	41,742	(16,579)	(16,421)
3. Motor	17,886	-	-	17,886	38,989	56,875	239	56,636	43,533
4. Miscellaneous	12,071	-	-	12,071	11,627	23,698	8,543	15,155	7,160
<b>Total</b>	<b>61,134</b>	<b>-</b>	<b>-</b>	<b>61,134</b>	<b>90,813</b>	<b>151,947</b>	<b>115,713</b>	<b>36,234</b>	<b>27,106</b>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

  
SYED HYDER ALI  
Director

  
SHAMIM AHMAD KHAN  
Director

  
SYED BABAR ALI  
Chairman

  
SAULAT SAID  
Principal Officer & Chief Executive

## CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 (UNAUDITED)

	Quarter ended		Nine months ended	
	September 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
..... (Rupees in thousand) .....				
<b>Income from trading investments</b>				
Gain on trading (i.e. buying and selling difference)	1,052	(3,606)	23,358	2,968
Dividend income (earned while holding the securities)	1,102	-	2,528	3,113
	<b>2,154</b>	<b>(3,606)</b>	<b>25,886</b>	<b>6,081</b>
<b>Income from non-trading investments</b>				
<b>Held to maturity</b>				
Return on Government Securities	-	-	267	118
Return on other fixed income securities and deposits	4,555	7,595	12,129	21,389
	<b>4,555</b>	<b>7,595</b>	<b>12,396</b>	<b>21,507</b>
<b>Available for sale</b>				
Dividend income	23,839	29,427	172,417	222,146
Gain on sale of available for sale investments	48,296	1,835,777	140,889	1,904,191
	<b>72,135</b>	<b>1,865,204</b>	<b>313,306</b>	<b>2,126,337</b>
<b>Diminution in value of held for trading investments</b>	<b>(1,327)</b>	<b>10,211</b>	<b>12,577</b>	<b>(6,418)</b>
<b>Provision for diminution in value of available for sale investments</b>	<b>-</b>	<b>-</b>	<b>44,566</b>	<b>-</b>
<b>Less: Investment related expenses</b>	<b>(567)</b>	<b>(826)</b>	<b>(1,812)</b>	<b>(1,999)</b>
<b>Net Investment income</b>	<b>76,950</b>	<b>1,878,578</b>	<b>406,919</b>	<b>2,145,508</b>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

 SYED HYDER ALI Director	 SHAMIM AHMAD KHAN Director	 SYED BABAR ALI Chairman	 SAULAT SAID Principal Officer & Chief Executive
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## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 (UNAUDITED)

### 1. THE COMPANY AND ITS OPERATIONS

IGI Insurance Limited (Formerly International General Insurance Company of Pakistan Limited), 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

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002.

Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 or the requirements of the said directives take precedence. However, the disclosures made in these financial statements, have been limited based on the requirements of IAS 34, Interim Financial Reporting and in accordance with the format prescribed under SEC (Insurance) Rules, 2002.

### 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended December 31, 2006.

### 4. PREMIUM DEFICIENCY RESERVE

A premium deficiency reserve is maintained where the unearned premium for any class of business is not sufficient to cover the net liability expected to be incurred after the balance sheet date in respect of the policies in that class of business, to comply with the requirements of the S.R.O 938 issued by the Securities and Exchange Commission of Pakistan in December 2002. Any movement in the reserve is to be charged to the profit and loss account.

The management considers that the unearned premium reserve for all classes of business as at the period end was adequate to meet the expected future liability after considering the reinsurance claims and other expenses expected to be incurred after the balance sheet date, in respect of policies in those classes of business in force at the balance sheet date. Hence, no Premium Deficiency Reserve was required as of September 30, 2007.

### 5. LONG TERM FINANCES - SECURED

	September 30, 2007	December 31, 2006
	(Rupees in thousand)	
Opening Balance	620,000	740,000
Add: Disbursements during the period	-	-
Less: Repaid during the period	60,000	120,000
Closing Balance	<u>560,000</u>	<u>620,000</u>

## 6. INVESTMENTS

	September 30, 2007	December 31, 2006
	(Rupees in thousand)	
The investments comprise of the following:		
Equity instruments of associated companies	482,190	253,766
Held to maturity	70,952	28,194
Available for sale	9,210,175	8,737,945
Held for trading	53,667	226,830
	<b>9,816,984</b>	<b>9,246,735</b>

## 7. FIXED ASSETS

	September 30, 2007	December 31, 2006
Opening book value	39,001	23,173
Add: Additions during the period / year	295,990	29,800
	<b>334,991</b>	<b>52,973</b>
Less: Written down value of disposal	<b>6,585</b>	6,523
Less: Depreciation for the period / year	<b>18,378</b>	7,449
	<b>24,963</b>	<b>13,972</b>
Closing book value	<b>310,028</b>	<b>39,001</b>

## 8. TRANSACTIONS WITH RELATED PARTIES

	January to September	
	2007	2006
	(Rupees in thousand)	
<b>Description</b>		
Premium Underwritten	259,178	280,008
Premium Collected	247,147	268,142
Claims paid	88,835	40,945
Commission paid	8,159	2,564
Dividends received	127,390	168,961
Contribution to retirement benefit fund	3,217	2,210
Key management personnel compensation	10,919	10,172
<b>Period-end balances:</b>		
Receivable from related parties	69,240	53,654
Payable to related parties	2,360	1,157

## 9. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on October 24, 2007.

## 10. CORRESPONDING FIGURES

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

 SYED HYDER ALI Director	 SHAMIM AHMAD KHAN Director	 SYED BABAR ALI Chairman	 SAULAT SAID Principal Officer & Chief Executive
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## IGI OFFICES

### Head Office/ Corporate Office

7th Floor, The Forum, Suite Nos. 701-713,  
G-20, Block 9, Khayaban-e-Jami,  
Clifton, Karachi - 75600, Pakistan  
Phone : 92-21-5301730-39  
Fax : 92-21-5301729

### Karachi (Finlay House Branch)

First Floor, Finlay House  
I.I. Chundrigar Road,  
Karachi - 74000  
Phone : 92-21-2426974-77  
Fax : 92-21-2416710  
E-mail : insurance.karachi@igi.com.pk

### Lahore (Maratib Ali Road Branch)

First Floor, 5-F.C.C.  
Syed Maratib Ali Road, Gulberg,  
Lahore - 54660  
Phone : 92-42-5753404 - 06  
Fax : 92-42-5752338  
E-mail : insurance.lahore@igi.com.pk

### Lahore (Hali Road Branch)

16, Block A, Halli Road,  
Gulberg II, Lahore.  
Phone : 92-42-5763840  
: 92-42-5763890  
Fax : 92-42-5763542  
E-mail : insurance.u1hr@igi.com.pk

### Islamabad

Mezzanine Floor,  
Razia Sharif Plaza,  
90, Blue Area, Islamabad  
Phone : 92-51-2277355  
: 92-51-2273840  
Fax : 92-51-2277356  
E-mail : insurance.islamabad@igi.com.pk

### Faisalabad

Second Floor, Sitara Tower  
Bilal Chowk, Civil Lines  
Faisalabad  
Phone : 92-41-2629416  
Fax : 92-41-2629415  
E-mail : insurance.faisalabad@igi.com.pk

### Multan

C-2, First Floor  
Hassan Arcade  
Multan Cantt.  
Phone : 92-61-784401-2  
Fax : 92-61-784403  
E-mail : insurance.multan@igi.com.pk

### Sialkot

Suite No. 10 & 11, First Floor  
Soni Square, Khadim Ali Road  
Mubarik Pura, Sialkot  
Phone : 92-52-3258437  
Fax : 92-52-3258438  
E-mail : insurance.sialkot@igi.com.pk

### Gujranwala

Nasir Plaza,  
Adjacent to New Railway Station,  
G.T. Road, Gujranwala  
Phone : 92-55-3846425-26  
Fax : 92-55-3257453  
E-mail : insurance.gujranwala@igi.com.pk