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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 Ali

### Company Secretary

Haider Raza

### Audit Committee

Shamim Ahmad Khan (Chairman)  
Syed Yawar Ali  
Syed Hyder Ali  
Haider Raza (Secretary)

### Investment Committee

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

### Claims Committee

Shamim Ahmad Khan (Chairman)  
Jalees Ahmed Siddiqi  
Shahbaz Haider Agha  
Muhammad Ali  
Mir Mehmood Ali (Secretary)

### Underwriting Committee

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

### Re-Insurance & Co-Insurance Committee

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

### Human Resources & Compensation Committee

Syed Yawar Ali (Chairman)  
Syed Shahid Ali  
Syed Hyder Ali  
Waqar Ahmed Malik  
Jalees Ahmed Siddiqi  
Fauzia Ahmad (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 Limited  
Habib Bank Limited  
JS Bank Limited  
KASB Bank Limited  
MCB Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Faysal Bank Limited

### Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants

### Internal Auditors

A. F. Ferguson & 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

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

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## **DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS**

It is a privilege for the Directors to present the un-audited condensed interim financial statements for nine months period ended September 30, 2011.

During the third quarter of 2011, the Company achieved Gross Written Premium of PKR 402 Million; 9% higher than the corresponding period 2010 (PKR 368.9 Million). This reflects a growth in existing as well as new clients. The underwriting profit of PKR 56.9 Million for the third quarter was significantly higher by 29% over the same period in 2010.

The Company showed excellent performance in the nine months of this year; surpassing the full year Gross Written Premium of last year and achieving a 30% growth when compared with the same period 2010 (PKR 1,059 Million). The strategic plan 2011-2014, approved by the Board, is being followed by the Management. It is worth mentioning that 30% of the business during the review period has come from new clients. Reported losses jumped by 47%, contributed by the recording of prior years' claims; as an outcome of the reconciliation exercise initiated by IGI Insurance to settle the long outstanding dues of Co-Insurance. Despite this factor, Underwriting Profit of PKR 190.7 Million was higher by 12% over the same period of 2010.

Investment Income of PKR 156 Million was posted primarily on account of the dividends received from associate companies. Increase in General and Administrative expenses was 33% which also reflects a donation to a leading educational institution of the country. Excluding this, the increase was a nominal 6.07%.

The third quarter as well as the nine months' financial results of the company were adversely affected by a share of loss (PKR 133 Million) from associate companies. During the 2010 period, a profit of 53 Million was recorded. Investment banking is facing an unfavorable business climate. Being a 42% shareholder, our results have, therefore been negatively impacted. Like other industries, another group company, where IGI Insurance holds shares, is facing energy shortages affecting its performance. Both the factor had a negative bearing resulting in a profit after tax of 84.6 Million. Consequently, earnings per share dropped to Rupee 0.76 (2010: Rs. 2.60).

The Directors are confident that with sustained efforts, the tempo of company's growth will be maintained.

We greatly appreciate the continued patronage of all the stakeholders, the business partners, and the dedication, commitment and hard work of its employees.

### **For and on behalf of the Board**




Jalees Ahmed Siddiqi  
Chief Executive Officer

Karachi : 14 October, 2011


## CONDENSED INTERIM BALANCE SHEET

	Note	Un-audited 30 September 2011 (Rupees in '000)	Audited 31 December 2010
<b>Share capital and reserves</b>			
Authorized capital 200,000,000 (2010: 100,000,000) ordinary shares of Rs. 10 each		<b>2,000,000</b>	1,000,000
Issued, subscribed and paid up capital [111,535,938 (2010: 71,842,794) ordinary shares of Rs. 10 each]		<b>1,115,359</b>	718,427
Reserves		<b>9,530,371</b>	10,264,964
Retained earnings		<b>677,105</b>	592,463
		<b>11,322,835</b>	11,575,854
<b>Underwriting provisions</b>			
Provision for outstanding claims [including IBNR]		<b>308,006</b>	228,421
Provision for unearned premium		<b>635,065</b>	423,939
Commission income unearned		<b>55,528</b>	49,006
Total underwriting provisions		<b>998,599</b>	701,366
		<b>52,585</b>	68,145
<b>Deferred taxation</b>			
		<b>52,585</b>	68,145
<b>Creditors and accruals</b>			
Premium received in advance		<b>14,585</b>	344
Amounts due to other insurers/ reinsurers		<b>150,990</b>	76,221
Accrued expenses		<b>40,314</b>	44,713
		<b>205,889</b>	121,278
<b>Borrowings</b>			
Short term finance - secured		<b>376,291</b>	396,327
<b>Other Liabilities</b>			
Sundry creditors		<b>139,500</b>	94,013
Unclaimed dividend		<b>75,725</b>	3,468
<b>TOTAL LIABILITIES</b>		<b>1,848,589</b>	1,384,597
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,171,424</b>	12,960,451
<b>CONTINGENCIES</b>	7		

  
SYED BABAR ALI  
Chairman

  
SHAMIM AHMAD KHAN  
Director


  
SYED HYDER ALI  
Director

  
JALEES AHMED SIDDIQI  
Principal Officer & Chief Executive

## AS AT 30 SEPTEMBER 2011 (UN-AUDITED)

	Note	Un-audited 30 September 2011 (Rupees in '000)	Audited 31 December 2010
<b>Cash and bank deposits</b>			
Cash and other equivalents		459	231
Current and other accounts		6,868	190
Deposits maturing within 12 months		-	-
		<b>7,327</b>	421
<b>Investments</b>	8	<b>11,848,262</b>	11,905,802
<b>Investment property</b>		<b>92,431</b>	96,928
<b>Other assets</b>			
Premiums due but unpaid - unsecured		270,602	132,000
Amounts due from other insurers / reinsurers - unsecured		230,526	212,475
Accrued investment income		7,317	8,827
Reinsurance recoveries against outstanding claims		173,890	95,371
Prepayments: - prepaid reinsurance premium ceded		247,895	147,998
- others		17,594	8,953
Taxation - provision less payments		76,623	76,560
Sundry receivables		34,562	101,222
		<b>1,059,009</b>	783,406
<b>Fixed assets</b>			
<b>Tangible</b>			
Furniture, fixtures and office equipment	9	20,554	25,181
Building		92,431	96,928
Motor vehicles		40,121	45,132
		<b>153,106</b>	167,241
<b>Intangible</b>			
Computer softwares		11,289	2,877
Software under development		-	3,776
		<b>11,289</b>	6,653
<b>TOTAL ASSETS</b>		<b>13,171,424</b>	<b>12,960,451</b>

The annexed notes from 1 to 14 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011 (UN-AUDITED)

	July to September					
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Others Including Miscellaneous	Aggregate 2011	Aggregate 2010
	(Rupees in '000)					
<b>Revenue account</b>						
Net premium revenue	(12,160)	31,308	115,474	51,139	<b>185,761</b>	176,127
Net claims	(1,394)	(14,277)	(53,055)	(46,171)	<b>(114,897)</b>	(97,345)
Expenses	(13,301)	(5,340)	(21,493)	(10,601)	<b>(50,735)</b>	(45,361)
Net commission	35,389	5,887	(7,542)	3,122	<b>36,856</b>	10,651
<b>Underwriting result</b>	<b>8,534</b>	<b>17,578</b>	<b>33,383</b>	<b>(2,511)</b>	<b>56,985</b>	44,072
Investment income					<b>466</b>	98,069
Rental income					<b>5,041</b>	(872)
Other income					<b>1,350</b>	3,421
Financial charges					<b>(11,513)</b>	(16,970)
General and administration expenses					<b>(20,192)</b>	(23,328)
					<b>(24,848)</b>	60,320
Profit before tax					<b>32,136</b>	104,392
Taxation					-	(17,268)
Profit after tax					<b>32,136</b>	87,124
					<b>(Rupees)</b>	
<b>Basic and diluted earnings per share</b>					<b>0.29</b>	0.78

	January to September					
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Others Including Miscellaneous	Aggregate 2011	Aggregate 2010
	(Rupees in '000)					
<b>Revenue account</b>						
Net premium revenue	43,293	106,970	345,145	136,593	<b>632,001</b>	545,268
Net claims	(5,877)	(52,044)	(213,725)	(109,802)	<b>(381,448)</b>	(259,917)
Expenses	(45,693)	(17,942)	(45,118)	(24,606)	<b>(133,359)</b>	(138,634)
Net commission	66,487	20,863	(24,677)	10,883	<b>73,556</b>	22,905
<b>Underwriting result</b>	<b>58,209</b>	<b>57,847</b>	<b>61,624</b>	<b>13,068</b>	<b>190,750</b>	169,622
Investment income					<b>156,153</b>	223,755
Rental income					<b>14,681</b>	8,266
Other income					<b>5,178</b>	6,753
Financial charges					<b>(27,699)</b>	(48,437)
General and administration expenses					<b>(96,277)</b>	(72,461)
					<b>52,036</b>	117,876
					<b>242,786</b>	287,498
Loss / income from associated companies - net of tax					<b>(132,982)</b>	52,976
Profit before taxation					<b>109,804</b>	340,474
Taxation					<b>(25,162)</b>	(50,000)
Profit after taxation					<b>84,642</b>	290,474
<b>Profit and loss appropriation account</b>						
Balance at the commencement of the period					<b>592,463</b>	(172,250)
Transferred from general reserve					<b>337,661</b>	149,672
Final dividend Rs. 2.5 per share (2009: 2.5)					<b>(143,685)</b>	(149,672)
Interim dividend Rs. 2 per share (2010: Rs 1 per share)					<b>(193,976)</b>	(71,843)
Profit after tax for the period					<b>84,642</b>	290,474
<b>Balance at the end of the period</b>					<b>677,105</b>	46,381
					<b>(Rupees)</b>	
<b>Basic &amp; diluted earnings per share</b>					<b>0.76</b>	2.60

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


 <b>SYED BABAR ALI</b> Chairman	 <b>SHAMIM AHMAD KHAN</b> Director	 <b>SYED HYDER ALI</b> Director	 <b>JALEES AHMED SIDDIQI</b> Principal Officer & Chief Executive
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## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011 (UN-AUDITED)

	Reserves						Total
	Share Capital Issued, Subscribed and Paid-up	Capital Reserves			Revenue Reserves	Unappropriated Profit	
		Premium on Issue of Shares	Reserve for Bonus Shares	Other Capital Reserves	General Reserve		
(Rupees in thousand)							
<b>Balance as at 1 January 2010</b>	598,689	35,762	-	33,267	10,465,345	(172,250)	<b>10,960,813</b>
<b>Changes in equity for nine months ended 30 September 2010</b>							
Transferred from general reserves	-	-	-	-	(149,672)	149,672	-
Final dividend for the year ended 31 December 2009 - Rs 2.5 per share	-	-	-	-	-	(149,672)	<b>(149,672)</b>
Transferred to reserve for issue of bonus shares	-	-	119,738	-	(119,738)	-	-
Transferred to share capital	119,738	-	(119,738)	-	-	-	-
Interim dividend for the year ended 31 December 2010 - Rs 1 per share	-	-	-	-	-	(71,843)	<b>(71,843)</b>
Profit for the period after tax	-	-	-	-	-	290,474	<b>290,474</b>
<b>Balance as at 30 September 2010</b>	<b>718,427</b>	<b>35,762</b>	<b>-</b>	<b>33,267</b>	<b>10,195,935</b>	<b>46,381</b>	<b>11,029,772</b>
<b>Balance as at 1 January 2011</b>	718,427	35,762	-	33,267	10,195,935	592,463	<b>11,575,854</b>
<b>Changes in equity for nine months ended 30 September 2011</b>							
Transferred from general reserves	-	-	-	-	(337,661)	337,661	-
Final dividend for the year ended 31 December 2010 - Rs 2 per share	-	-	-	-	-	(143,685)	<b>(143,685)</b>
Transferred to reserve for issue of bonus shares	-	-	396,932	-	(396,932)	-	-
Transferred to share capital	396,932	-	(396,932)	-	-	-	-
Interim dividend for the year ending 31 December 2011 - Rs 2 per share	-	-	-	-	-	(193,976)	<b>(193,976)</b>
Profit for the period after tax	-	-	-	-	-	84,642	<b>84,642</b>
<b>Balance as at 30 September 2011</b>	<b>1,115,359</b>	<b>35,762</b>	<b>-</b>	<b>33,267</b>	<b>9,461,342</b>	<b>677,105</b>	<b>11,322,835</b>

The annexed notes from 1 to 14 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 September	
	2011	2010
	(Rupees in '000)	
<b>Operating cash flows</b>		
<b>Underwriting activities</b>		
Premiums received	1,261,676	951,571
Reinsurance premiums paid	(586,088)	(337,618)
Claims paid	(506,564)	(393,554)
Reinsurance and other recoveries received	126,182	138,632
Commissions paid	(82,667)	(50,781)
Commissions received	170,177	128,943
Net cash inflow from underwriting activities	382,716	437,193
<b>Other operating activities</b>		
Income tax paid	(40,786)	(24,223)
General management expenses paid	(106,153)	(124,575)
Other operating payments	(61,328)	(40,996)
Other operating receipts	16,022	12,374
Net cash (outflow) from other operating activities	(192,245)	(177,420)
Total cash inflow from all operating activities	190,471	259,773
<b>Investment activities</b>		
Profit / return received	16,184	13,185
Dividends received	161,825	117,716
Payments for investments	(568,725)	(420,007)
Proceeds from disposal of investments	472,465	261,305
Redemption of TFCs	3,538	3,371
Advances given	-	(35,100)
Fixed capital expenditure	(17,118)	(19,679)
Proceeds from disposal of fixed assets	8,067	6,604
Total cash inflow / (outflow) from investing activities	76,238	(72,605)
<b>Financing activities</b>		
Loans paid	-	(40,000)
Dividends paid	(265,403)	(217,667)
Advances recovered	54,630	-
Financial charges paid	(28,993)	(54,015)
Total cash (outflow) from financing activities	(239,766)	(311,682)
Net cash inflow / (outflow) from all activities	26,942	(124,514)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(395,906)</b>	<b>(480,872)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(368,964)</b>	<b>(605,386)</b>

  
SYED BABAR ALI  
Chairman

  
SHAMIM AHMAD KHAN  
Director

  
SYED HYDER ALI  
Director

  
JALEES AHMED SIDDIQI  
Principal Officer & Chief Executive



## FOR THE NINE MONTHS PERIOD ENDED

30 SEPTEMBER 2011 (UN-AUDITED)

	January to September	
	2011	2010
	(Rupees in '000)	
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	190,471	259,773
Depreciation	(26,885)	(25,477)
Financial charges	(27,699)	(48,436)
Profit on disposal of fixed assets	3,837	2,645
Increase in assets other than cash	331,741	84,946
(Increase) in liabilities other than term finances	(413,063)	(260,585)
Income from associated companies - net of tax	(132,982)	52,976
(Diminution) in value of available for sale investments	(3,981)	-
(Diminution) in value of held for trading investments	(19,894)	1,871
<b>Others</b>		
Profit on disposal of investments	6,598	8,876
Dividend and other investment income	176,499	213,885
<b>Profit after taxation</b>	<b>84,642</b>	<b>290,474</b>



### 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	244	199
- Stamps in hand	215	261
	459	460
Current and other accounts		
- Current Accounts	4,930	1,545
- PLS Accounts	1,938	242
	6,868	1,787
Deposits maturing within 12 months		
- Cash with State Bank of Pakistan	-	-
- Term Deposit Receipts with banks	-	-
	-	-
Short term running finance	(376,291)	(607,633)
	<b>(368,964)</b>	<b>(605,386)</b>

The annexed notes from 1 to 14 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
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## CONDENSED INTERIM STATEMENT OF PREMIUMS

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011 (UN-AUDITED)




### Business underwritten inside Pakistan

For The Three Months Period Ended 30 September 2011										
Class	Premiums Written	Unearned Premiums Reserve		Premiums Earned	Reinsurance Ceded	Prepaid Reinsurance Premium Ceded		Reinsurance Expense	Net Premium Revenue	
		Opening	Closing			Opening	Closing		30 Sep 2011	30 Sep 2010
(Rupees in '000)										
<b>Direct and facultative</b>										
1. Fire and Property Damage	138,184	276,001	263,910	150,275	105,152	245,702	188,419	162,435	(12,160)	16,700
2. Marine, Aviation and Transport	55,651	25,420	15,464	65,607	27,705	14,326	7,732	34,299	31,308	30,511
3. Motor	92,960	237,004	212,167	117,797	-	4,596	2,273	2,323	115,474	97,173
4. Miscellaneous	115,350	108,387	143,525	80,212	26,952	51,592	49,470	29,073	51,139	31,742
<b>Total</b>	<b>402,144</b>	<b>646,812</b>	<b>635,065</b>	<b>413,891</b>	<b>159,809</b>	<b>316,216</b>	<b>247,895</b>	<b>228,130</b>	<b>185,761</b>	<b>176,126</b>

### Business underwritten inside Pakistan

For The Nine Months Period Ended 30 September 2011										
Class	Premiums Written	Unearned Premiums Reserve		Premiums Earned	Reinsurance Ceded	Prepaid Reinsurance Premium Ceded		Reinsurance Expense	Net Premium Revenue	
		Opening	Closing			Opening	Closing		30 Sep 2011	30 Sep 2010
(Rupees in '000)										
<b>Direct and facultative</b>										
1. Fire and Property Damage	523,906	131,915	263,910	391,911	435,487	101,550	188,419	348,618	43,293	61,452
2. Marine, Aviation and Transport	205,718	24,969	15,464	215,222	103,781	12,204	7,732	108,253	106,970	89,135
3. Motor	374,291	192,232	212,167	354,356	7,794	3,690	2,273	9,211	345,145	307,158
4. Miscellaneous	282,123	74,823	143,525	213,421	95,744	30,554	49,470	76,827	136,593	87,522
<b>Total</b>	<b>1,386,037</b>	<b>423,938</b>	<b>635,065</b>	<b>1,174,910</b>	<b>642,806</b>	<b>147,998</b>	<b>247,895</b>	<b>542,909</b>	<b>632,001</b>	<b>545,268</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

 <b>SYED BABAR ALI</b> Chairman	 <b>SHAMIM AHMAD KHAN</b> Director	 <b>SYED HYDER ALI</b> Director	 <b>JALEES AHMED SIDDIQI</b> Principal Officer & Chief Executive
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## CONDENSED INTERIM STATEMENT OF CLAIMS

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011 (UN-AUDITED)




### Business underwritten inside Pakistan

Class	For The Three Months Period Ended 30 September 2011									
	Claims Paid	Outstanding Claims		Claims Expense	Reinsurance and Other Recoveries Received	Reinsurance and Other Recoveries in Respect of Outstanding Claims		Reinsurance and Other Recoveries Revenue	Net Claims Expense	
		Opening	Closing			Opening	Closing		30 Sep 2011	30 Sep 2010
	(Rupees in '000)									
<b>Direct and facultative</b>										
1. Fire and Property Damage	8,566	58,429	67,880	18,017	5,120	42,371	53,874	16,623	1,394	2,759
2. Marine, Aviation and Transport	16,142	68,475	69,591	17,258	6,013	32,943	29,911	2,981	14,277	7,059
3. Motor	73,046	92,323	77,375	58,098	11,278	12,770	6,534	5,042	53,055	66,632
4. Miscellaneous	61,543	86,161	93,160	68,542	3,108	64,307	83,571	22,372	46,171	20,894
<b>Total</b>	<b>159,297</b>	<b>305,388</b>	<b>308,006</b>	<b>161,915</b>	<b>25,519</b>	<b>152,391</b>	<b>173,890</b>	<b>47,018</b>	<b>114,897</b>	<b>97,345</b>

### Business underwritten inside Pakistan

Class	For The Nine Months Period Ended 30 September 2011									
	Claims Paid	Outstanding Claims		Claims Expense	Reinsurance and Other Recoveries Received	Reinsurance and Other Recoveries in Respect of Outstanding Claims		Reinsurance and Other Recoveries Revenue	Net Claims Expense	
		Opening	Closing			Opening	Closing		30 Sep 2011	30 Sep 2010
	(Rupees in '000)									
<b>Direct and facultative</b>										
1. Fire and Property Damage	50,994	64,488	67,880	54,386	42,940	48,305	53,874	48,509	5,877	21,270
2. Marine, Aviation and Transport	54,817	27,882	69,591	96,526	24,990	10,419	29,911	44,482	52,044	23,739
3. Motor	239,172	79,400	77,375	237,146	20,644	3,757	6,534	23,422	213,725	168,705
4. Miscellaneous	161,582	56,652	93,160	198,090	37,609	32,891	83,571	88,288	109,802	46,202
<b>Total</b>	<b>506,565</b>	<b>228,422</b>	<b>308,006</b>	<b>586,149</b>	<b>126,183</b>	<b>95,372</b>	<b>173,890</b>	<b>204,701</b>	<b>381,448</b>	<b>259,917</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

 <b>SYED BABAR ALI</b> Chairman	 <b>SHAMIM AHMAD KHAN</b> Director	 <b>SYED HYDER ALI</b> Director	 <b>JALEES AHMED SIDDIQI</b> Principal Officer & Chief Executive
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## CONDENSED INTERIM STATEMENT OF EXPENSES

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011 (UN-AUDITED)




### Business underwritten inside Pakistan

Class	For The Three Months Period Ended 30 September 2011							Net Underwriting Expenses	
	Commission Paid or Payable	Deferred Commission		Net Commission Expense	Other Management Expenses	Underwriting Expenses	Commission from Reinsurers	30 Sep 2011	30 Sep 2010
		Opening	Closing						
..... (Rupees in '000) .....									
<b>Direct and facultative</b>									
1. Fire and property damage	18,198	-	-	18,198	13,301	31,499	53,587	(22,088)	(716)
2. Marine, aviation and transport	6,545	-	-	6,545	5,340	11,885	12,433	(547)	1,390
3. Motor	7,117	-	-	7,117	21,493	28,610	(425)	29,035	27,668
4. Miscellaneous	6,748	-	-	6,748	10,601	17,349	9,870	7,479	6,368
<b>Total</b>	<b>38,608</b>	<b>-</b>	<b>-</b>	<b>38,608</b>	<b>50,735</b>	<b>89,343</b>	<b>75,464</b>	<b>13,879</b>	<b>34,710</b>

### Business underwritten inside Pakistan

Class	For The Nine Months Period Ended 30 September 2011							Net Underwriting Expenses	
	Commission Paid or Payable	Deferred Commission		Net Commission Expense	Other Management Expenses	Underwriting Expenses	Commission from Reinsurers	30 Sep 2011	30 Sep 2010
		Opening	Closing						
..... (Rupees in '000) .....									
<b>Direct and facultative</b>									
1. Fire and Property Damage	33,447	-	-	33,447	45,693	79,140	99,934	(20,794)	545
2. Marine, Aviation and Transport	17,477	-	-	17,477	17,942	35,419	38,341	(2,921)	12,077
3. Motor	24,663	-	-	24,663	45,118	69,781	(14)	69,795	81,999
4. Miscellaneous	14,512	-	-	14,512	24,606	39,118	25,395	13,723	21,108
<b>Total</b>	<b>90,099</b>	<b>-</b>	<b>-</b>	<b>90,099</b>	<b>133,359</b>	<b>223,458</b>	<b>163,655</b>	<b>59,803</b>	<b>115,729</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

 <b>SYED BABAR ALI</b> Chairman	 <b>SHAMIM AHMAD KHAN</b> Director	 <b>SYED HYDER ALI</b> Director	 <b>JALEES AHMED SIDDIQI</b> Principal Officer & Chief Executive
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## CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011 (UN-AUDITED)

	Three Months Period Ended 30 September		Nine Months Period Ended 30 September	
	2011	2010	2011	2010
	..... (Rupees in '000) .....			
<b>Income from trading investments</b>				
Gain on trading (i.e. buying and selling difference)	(5,633)	2,173	6,598	3,299
Dividend income (earned while holding the securities)	(0)	58	3,169	103
	(5,633)	2,231	9,766	3,402
<b>Income from non-trading investments</b>				
<b>Held to maturity</b>				
Return on Government Securities	3,565	3,233	9,877	7,749
Return on other fixed income securities and deposits	4,003	2,093	8,222	6,082
	7,568	5,326	18,099	13,831
<b>Available for sale</b>				
Dividend income	426	88,505	155,231	199,952
Gain on sale of available for sale investments	-	-	-	5,577
	426	88,505	155,231	205,527
<b>Diminution in value of held for trading investments</b>	(581)	2,276	(19,894)	1,871
<b>Provision for diminution in value of available for sale investments</b>	-	-	(3,981)	-
<b>Less: Investment related expenses</b>	(1,313)	(267)	(3,067)	(876)
<b>Net investment income</b>	466	98,069	156,153	223,755

The annexed notes from 1 to 14 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011 (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 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.

This condensed interim financial information do not include all the information and disclosures required in the financial information, and should be read in conjunction with the Company's annual financial information for the year ended 31 December 2010. There are no comprehensive income to be reported for the period ended 30 September 2011.

## 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial information of the Company for the year ended December 31, 2010.

## 4. SIGNIFICANT ESTIMATES AND JUDGEMENT

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

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the annual financial information for the year ended 31 December 2010.

## 5. FINANCIAL AND INSURANCE RISK MANAGEMENT

The financial and insurance risk management objectives and policies are consistent with those disclosed in the annual financial information of the Company for the year ended 31 December 2010.

## 6. PREMIUM DEFICIENCY RESERVE

No provision has been made in respect of premium deficiency reserve as the unearned premium reserve for each class of business as at 30 September 2011 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. CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies as disclosed in the annual financial information of the Company for the year ended 31 December 2010, except for the following:

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. As a result of the amended assessment demand of Rs.141.26 million was created. The DCIR has made certain errors in the order for which application for rectification was filed. Rectified order under section 221 has been passed and as a result thereof demand has been reduced to Rs.51.11 million.

Against the disallowance made by the DCIR the Company has also filed an appeal before the Commissioner Inland Revenue (Appeals). The learned CIR (A) vide appellate order dated 28 February 2011 has granted partial relief in respect of certain issues and confirmed certain disallowances. Pursuant to the said appellate order, the Taxation Officer has passed appeal effect order wherein an amount of refund of Rs. 7.65 million has been created. However, the Taxation Officer while passing said order has omitted to allow relief granted by the CIT on account of deletion of financial charges for which a rectification letter has been filed. However, no rectified order has been passed to date. Further, in respect of the issues confirmed by the CIT (A), the company has filed a further appeal before the ITAT.

For the tax year 2004, an appeal was filed before the CIT(A) against the order passed by the Taxation Officer under section 122(1) of the Income Tax Ordinance, 2001 (the Ordinance) which was decided against the Company. Against the order of the CIT(A) further appeal was filed with the ITAT. In respect of the issue of provision for the diminution in the value of investment, the issue is decided in favour of the Company by a specially constituted Larger Bench of the ITAT. For the remaining issues the learned ITAT vide appellate order No. 252 KB of 2008 has confirmed the treatment accorded by the Taxation Officer with the specific directions. The Taxation Officer in line with the direction given by the ITAT through the above appellate order has passed the appeal effect order under section 124 of the Income Tax Ordinance 2001. As a result of passing the appeal effect order an amount of refund of Rs. 3.48 million is due to the Company which is available to the company for future adjustment. However, the Taxation Officer while passing the above appeal effect order has omitted to allow tax credit of Rs. 0.65 million for which rectification letter is filed which is pending.

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

## 8. INVESTMENTS

	<b>30 Sep 2011</b>	31 December 2010
The investments comprise of the following:		
Equity instruments of associated companies	( R u p e e s i n ' 0 0 0 )	
- quoted	<b>4,555,009</b>	4,731,032
- unquoted	<b>152,899</b>	129,569
	<b>4,707,908</b>	4,860,601
Held to maturity		
- Government securities	<b>117,346</b>	78,475
- Term Finance Certificates	<b>103,824</b>	57,363
	<b>221,170</b>	135,838
Available for sale		
- quoted	<b>6,773,908</b>	6,703,648
- unquoted	<b>113,992</b>	117,973
	<b>6,887,900</b>	6,821,621
At fair value through profit or loss - Held for trading	<b>31,284</b>	87,742
	<b>11,848,262</b>	11,905,802

Market value of investments as at 30 September 2011 is Rs. 18,489 million (31 December 2010: Rs. 13,866 million).

## 9. FIXED ASSETS

Opening book value	<b>167,241</b>	280,545
Add: Additions during the period / year	<b>11,196</b>	22,615
	<b>178,437</b>	303,160
Less: Written down value of disposal	<b>4,229</b>	5,634
Less: Transferred to Investment property	-	96,928
Less: Depreciation for the period / year	<b>21,102</b>	33,357
	<b>25,331</b>	135,919
Closing book value	<b>153,106</b>	167,241

## 10. 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 September		Nine Months Period Ended 30 September	
	2011	2010	2011	2010
	..... (Rupees in '000) .....			
Premium Underwritten	54,247	56,819	478,580	376,842
Premium Collected	84,743	86,979	512,027	408,908
Claims paid	128,432	8,023	185,730	26,835
Commission paid	815	1,038	13,886	6,689
Rental Income	5,041	(872)	14,681	8,266
Rent paid	3,506	2,784	9,364	7,886
Donation	600	-	20,600	-
Dividends received	-	86,508	152,402	196,051
Dividends paid	51,206	36,765	177,836	117,965
Contribution to retirement benefit fund	2,697	2,356	7,593	6,888
Key management personnel compensation	15,233	14,751	45,179	42,639
Investment in units	-	25,000	-	225,000
Redemption of units	-	73,957	76,043	123,957
Investment in shares	70,262	30,838	116,042	137,516
<b>Period-end balances:</b>			<b>30 Sep 2011</b>	<b>31 December 2010</b>
			(Rupees in '000)	
Premium receivable			70,404	26,551
Commission payable			12,002	12,409



## 11. SEGMENT REPORTING

There has been no change in the basis of segmentation or the measurement basis of segment profit or loss since 31 December 2010. 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 September, 2011 are as follows:

	Fire and Property Damage		Marine, Aviation and Transport		Motor		Miscellaneous		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	( R u p e e s i n ' 0 0 0 )									
Segment assets	541,855	308,518	155,270	110,953	222,820	191,343	294,355	157,074	1,214,300	767,888
Unallocated corporate assets									11,957,124	12,192,563
Consolidated total assets									13,171,424	12,960,451

## 12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information is authorised for issue by the Board of Directors of the Company on 14 October, 2011.

## 13. CORRESPONDING FIGURES

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


## 14. GENERAL

Figures in this condensed interim financial information 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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