

CONDENSED  
INTERIM FINANCIAL  
FOR THE HALF YEAR ENDED  
JUNE 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 Fakhri (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  
Allied Bank of Pakistan Limited  
Bank Alfalah Limited  
Citi Bank N.A  
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  
Soneri 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 half year ended June 30, 2007.

The financial highlights for the first half year 2007 compared with those for the same period in 2006 are:

	June 30, 2007	June 30, 2006	Increase / (Decrease)	
	(Rupees in million)		%	
Gross premium written	550	468	82	18
Net earned premium and net commission	347	226	121	54
Net Claims	165	61	104	169
Management Expenses	57	47	10	21
Underwriting profit	125	118	7	6
Investment Income	330	267	63	24
General & Admin. Expenses	49	29	20	69
Goodwill	-	26	(26)	(100)
Profit before tax	375	287	88	31
Earning per share - Rupees	10.41	8.44	1.97	23

During the period under review, Gross Written Premium grew by 18%, from Rs. 468mn in June 2006 to Rs. 550mn in June 2007. The rapid growth in premium has meant higher net earned premium and commissions which grew by 54%, from Rs. 226mn in 2006 to Rs. 347mn in 2007. Net Claims grew by 169% during the period mainly due to increased Motor 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	27%	17%	44%	12%
2006	32%	23%	33%	12%

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 & admin. expenses rose by 69%, mainly due to aggressive marketing of the new products during the current period. Investment income also increased from Rs. 267mn in 2006 to Rs. 330mn in 2007 as a result of improved returns on the trading portfolio. The Company has shown an increase of Rs. 88mn in pre tax profit closing at Rs. 375mn. The Directors of your Company are pleased to announce an interim dividend of Rs. 2.50 per ordinary share (2006: Rs. Nil per ordinary share).

The Directors of your Company would also 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

Lahore: August 24, 2007

## REVIEW REPORT TO THE MEMBERS

### Introduction

We have reviewed the accompanying condensed interim financial information comprising:

- i) condensed interim balance sheet;
- ii) condensed interim profit and loss account;
- iii) condensed interim statement of changes in equity;
- iv) condensed interim cash flow statement;
- 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;

of IGI Insurance Limited (formerly International General Insurance Company of Pakistan Limited) as at June 30, 2007 together with the notes forming part thereof for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of 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 for the quarters ended June 30, 2007 and 2006 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2007.

### 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 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 interim financial information as of and for the half year ended June 30, 2007 is not prepared, in all material respects, in accordance with the Insurance Ordinance 2000 and approved accounting standards as applicable in Pakistan.



A. F. Ferguson & Co.  
Chartered Accountants

Lahore: August 24, 2007.


## CONDENSED INTERIM BALANCE SHEET

	Note	Unaudited June 30, 2007 (Rupees in thousand)	Audited December 31, 2006
<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		319,301	199,563
Reserves		8,103,740	823,740
Retained earnings		<u>339,139</u>	7,486,418
		<u>8,762,180</u>	8,509,721
<b>Underwriting provisions</b>			
Provision for outstanding claims [including IBNR]		336,419	197,283
Provision for unearned premium		403,307	352,438
Commission income unearned		58,610	72,697
Total underwriting provisions		798,336	622,418
<b>Creditors and accruals</b>			
Premium received in advance		18,902	17,535
Amounts due to other insurers/ reinsurers		226,813	122,705
Accrued expenses		38,152	45,307
		283,867	185,547
<b>Borrowings</b>			
Long term finance - secured	5	560,000	620,000
<b>Other Liabilities</b>			
Short Term Running Finance - secured		647,212	356,543
Sundry creditors		37,547	101,595
Unclaimed dividend		2,123	1,646
<b>TOTAL LIABILITIES</b>		<u>2,329,085</u>	<u>1,887,749</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>11,091,265</u>	<u>10,397,470</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 JUNE 30, 2007 (UN-AUDITED)




	Note	Unaudited June 30, 2007 (Rupees in thousand)	Audited December 31, 2006
<b>Cash and bank deposits</b>			
Cash and other equivalents		289	111
Current and other accounts		6,907	9,094
Deposits maturing within 12 months		<u>191,566</u>	<u>130,352</u>
		198,762	139,557
<b>Investments</b>	6	9,653,789	9,246,736
<b>Deferred taxation</b>		12,777	13,489
<b>Other assets</b>			
Premiums due but unpaid - unsecured considered good		189,063	130,428
Amounts due from other insurers/reinsurers - unsecured, considered good		289,776	195,655
Accrued investment income		133	4,829
Reinsurance recoveries against outstanding claims		147,526	31,861
Prepayments - prepaid reinsurance premium ceded - others		163,403	171,520
Taxation		13,646	8,987
Sundry receivables		31,841	50,678
		77,128	111,646
		912,516	705,604
<b>Fixed assets</b>			
Tangible	7		
Buildings		235,829	-
Furniture, fixtures and office equipment		38,887	11,099
Motor vehicles		36,184	27,902
Capital work in progress		2,521	253,083
		313,421	292,084
<b>TOTAL ASSETS</b>		<u>11,091,265</u>	<u>10,397,470</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 HALF YEAR ENDED JUNE 30, 2007  
(UNAUDITED)

	Fire & Property	Marine, Aviation & Transport	Motor	Others including miscellaneous	For the quarter ended	
					June 30, 2007 Total	June 30, 2006 Total
(Rupees in thousand)						
<b>Revenue account</b>						
Net premium revenue	13,385	25,600	96,389	27,701	163,075	89,669
Administrative surcharge recovered	303	703	1,651	676	3,333	3,434
Total premium revenue	13,688	26,303	98,040	28,377	166,408	93,103
Net claims	2,444	100	(89,607)	(5,113)	(92,176)	(19,990)
Expenses	(7,130)	(6,203)	(14,147)	(4,365)	(31,845)	(25,997)
Net commission	18,864	5,750	(4,135)	(2,323)	18,156	21,367
<b>Underwriting result</b>	<b>27,866</b>	<b>25,950</b>	<b>(9,849)</b>	<b>16,576</b>	<b>60,543</b>	<b>68,483</b>
Investment income					286,262	96,206
Other income					8,208	4,387
Financial charges					(29,010)	(27,458)
Amortisation of goodwill					-	(12,830)
General and administration expenses					(27,905)	(22,821)
					237,555	37,484
					298,098	105,967
Income from associated companies - net of tax					14,231	3,072
<b>Profit before taxation</b>					<b>312,329</b>	<b>109,039</b>
Taxation					(36,712)	(7,000)
<b>Profit for the period</b>					<b>275,617</b>	<b>102,039</b>

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	Fire & Property	Marine, Aviation & Transport	Motor	Others including miscellaneous	For the half year ended	
					June 30, 2007 Total	June 30, 2006 Total
(Rupees in thousand)						
<b>Revenue account</b>						
Net premium revenue	26,505	39,201	184,045	41,402	291,153	188,373
Administrative surcharge recovered	676	1,375	7,376	1,356	10,783	6,682
Total premium revenue	27,181	40,576	191,421	42,758	301,936	195,055
Net claims	(1,082)	(1,892)	(152,658)	(8,969)	(164,601)	(61,207)
Expenses	(15,848)	(9,656)	(25,267)	(6,911)	(57,682)	(47,499)
Net commission	32,035	26,986	(11,579)	(2,415)	45,027	31,303
<b>Underwriting result</b>	<b>42,286</b>	<b>56,014</b>	<b>1,917</b>	<b>24,463</b>	<b>124,680</b>	<b>117,652</b>
Investment income					329,969	266,930
Other income					11,642	7,073
Financial charges					(56,593)	(52,203)
Amortisation of goodwill					-	(25,660)
General and administration expenses					(48,933)	(28,697)
					236,085	167,443
					360,765	285,095
Income from associated companies - net of tax					14,231	1,478
<b>Profit before taxation</b>					<b>374,996</b>	<b>286,573</b>
Taxation					(42,712)	(17,000)
<b>Profit for the period</b>					<b>332,284</b>	<b>269,573</b>
<b>Profit and loss appropriation account</b>						
Balance at the commencement of the period					7,486,418	401,505
Transferred to general reserve					(7,280,000)	(150,000)
Transferred to share capital					(119,738)	(46,053)
Dividend Rs. 4.00 per share (2005: 4.00)					(79,825)	(61,404)
Profit after taxation for the period					332,284	269,573
Balance unappropriated profit at the end of the period					339,139	413,621
Basic earnings per share - Rupees					10.41	8.44

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 HALF YEAR ENDED JUNE 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) .....							
Balance as at December 31, 2005 as restated	153,510	3,267	30,000	35,762	604,711	-	401,505	1,228,755
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)	(61,404)
Net profit for the six months ended June 30, 2006	-	-	-	-	-	-	269,573	269,573
Balance as at June 30, 2006	199,563	3,267	30,000	35,762	754,711	-	413,621	1,436,924
Net profit for the six months ended December 31, 2006	-	-	-	-	-	-	7,072,797	7,072,797
Balance as at December 31, 2006	199,563	3,267	30,000	35,762	754,711	-	7,486,418	8,509,721
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)	(79,825)
Net profit for the six months ended June 30, 2007	-	-	-	-	-	-	332,284	332,284
Balance as at June 30, 2007	319,301	3,267	30,000	35,762	8,034,711	-	339,139	8,762,180

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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 CASH FLOW STATEMENT

	For the half year ended	
	June 30, 2007	June 30, 2006
	(Rupees in thousand)	
<b>Operating cash flows</b>		
<b>Underwriting activities</b>		
Premiums received	492,439	387,555
Reinsurance premiums paid	(189,581)	(180,237)
Claims paid	(173,580)	(93,528)
Reinsurance and other recoveries received	32,450	24,927
Commissions paid	(31,311)	(16,320)
Commissions received	70,237	71,626
Net cash inflow from underwriting activities	200,654	194,023
<b>Other operating activities</b>		
Income tax paid	(23,163)	(14,456)
General management expenses paid	(65,063)	(52,496)
Other operating payments	(131,355)	(34,543)
Other operating receipts	21,674	11,342
Net cash outflow from other operating activities	(197,907)	(90,153)
Total cash flow from all operating activities	2,747	103,870
<b>Investment activities</b>		
Profit/return received	10,296	10,148
Dividends received	152,245	239,724
Payments for investments	(1,169,212)	(469,419)
Proceeds from disposal of investments	947,118	341,196
Redemption of TFCs	2,640	476
Fixed capital expenditure	(35,184)	(18,525)
Proceeds from disposal of fixed assets	3,348	4,349
Total cash (outflow) /inflow from investing activities	(88,749)	107,949
<b>Financing activities</b>		
Loans paid	(60,000)	(60,000)
Dividends paid	(79,348)	(56,006)
Advances recovered	47,245	(40,556)
Financial charges paid	(53,359)	(43,834)
Total cash outflow from financing activities	(145,462)	(200,396)
Net cash outflow from all activities	(231,464)	11,423
Cash at the beginning of the period	(216,986)	(123,031)
Cash at the end of the period	(448,450)	(111,608)

## FOR THE HALF YEAR ENDED

JUNE 30, 2007 (UNAUDITED)


	<u>For the half year ended</u>	
	June 30, 2007	June 30, 2006
	(Rupees in thousand)	
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	2,747	103,870
Depreciation	(11,250)	(7,023)
Amortisation of goodwill	-	(25,660)
Financial charges	(56,593)	(52,203)
Profit on disposal of fixed assets	751	2,413
Increase in assets other than cash	258,853	189,021
(Increase) in liabilities other than term finances	(206,956)	(210,946)
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	13,903	(16,629)
Others		
Deferred tax	(712)	521
Profit on disposal of investments	114,899	74,988
Dividend and other investment income	157,845	209,743
<b>Profit after taxation</b>	<u>332,284</u>	<u>269,573</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	62	61
Stamps in hand	227	-
	289	61
Current and other accounts		
Current Accounts	980	1,331
PLS Accounts	5,927	28,826
	6,907	30,157
Deposits maturing within 12 months		
Cash with State Bank of Pakistan	352	352
Term Deposit Receipts with banks	191,214	172,132
	191,566	172,484
Short term running finance	(647,212)	(314,310)
	<u>(448,450)</u>	<u>(111,608)</u>

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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 PREMIUM**  
FOR THE HALF YEAR ENDED JUNE 30, 2007  
(UNAUDITED)

Business underwritten inside Pakistan

Class	Quarter ended June 30, 2007										quarter ended June 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	31,195	163,246	124,102	70,339	19,666	143,065	105,777	56,954	13,385	11,874	
2. Marine, Aviation and Transport	44,564	22,543	19,268	47,839	23,149	10,652	11,562	22,239	25,600	14,109	
3. Motor	87,943	225,903	211,578	102,268	343	16,614	11,078	5,879	96,389	57,044	
4. Miscellaneous	30,863	59,297	48,359	41,801	15,925	33,161	34,986	14,100	27,701	6,642	
<b>Total</b>	<b>194,565</b>	<b>470,989</b>	<b>403,307</b>	<b>262,247</b>	<b>59,083</b>	<b>203,492</b>	<b>163,403</b>	<b>99,172</b>	<b>163,075</b>	<b>89,669</b>	

Class	Six months ended June 30, 2007										half year ended June 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	151,032	112,885	124,102	139,815	115,953	103,134	105,777	113,310	26,505	23,146	
2. Marine, Aviation and Transport	92,022	21,672	19,268	94,426	46,625	20,162	11,562	55,225	39,201	47,562	
3. Motor	240,792	166,604	211,578	195,818	6,407	16,444	11,078	11,773	184,045	107,168	
4. Miscellaneous	65,861	51,277	48,359	68,779	30,583	31,780	34,986	27,377	41,402	10,497	
<b>Total</b>	<b>549,707</b>	<b>352,438</b>	<b>403,307</b>	<b>498,838</b>	<b>199,568</b>	<b>171,520</b>	<b>163,403</b>	<b>207,685</b>	<b>291,153</b>	<b>188,373</b>	

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

*Syed Hyder Ali Samkhan*  
SYED HYDER ALI  
Director

*Shamim Ahmad Khan*  
SHAMIM AHMAD KHAN  
Director

*Syed Babar Ali*  
SYED BABAR ALI  
Chairman

*SauLAT SAID*  
SAULAT SAID  
Principal Officer & Chief Executive

## CONDENSED INTERIM STATEMENT OF CLAIMS

FOR THE HALF YEAR ENDED JUNE 30, 2007  
(UNAUDITED)

Business underwritten inside Pakistan

Class	Quarter ended June 30, 2007								quarter	ended
	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	34,457	71,006	125,567	89,018	18,163	31,516	104,815	91,462	(2,444)	9,160
2. Marine, Aviation and Transport	5,246	40,971	37,268	1,543	(8,879)	6,048	16,570	1,643	(100)	(11,424)
3. Motor	69,718	114,773	148,202	103,147	1,334	7,505	19,711	13,540	89,607	36,851
4. Miscellaneous	8,643	26,581	25,382	7,444	(1,580)	2,519	6,430	2,331	5,113	(14,597)
<b>Total</b>	<b>118,064</b>	<b>253,331</b>	<b>336,419</b>	<b>201,152</b>	<b>9,038</b>	<b>47,588</b>	<b>147,526</b>	<b>108,976</b>	<b>92,176</b>	<b>19,990</b>

Class	Six months ended June 30, 2007								half year	ended
	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	39,874	50,407	125,567	115,034	29,735	20,598	104,815	113,952	1,082	1,405
2. Marine, Aviation and Transport	7,945	36,979	37,268	8,234	(6,364)	3,864	16,570	6,342	1,892	7,653
3. Motor	112,223	83,570	148,202	176,855	10,160	5,674	19,711	24,197	152,658	63,837
4. Miscellaneous	13,538	26,327	25,382	12,593	(1,081)	1,725	6,430	3,624	8,969	(11,688)
<b>Total</b>	<b>173,580</b>	<b>197,283</b>	<b>336,419</b>	<b>312,716</b>	<b>32,450</b>	<b>31,861</b>	<b>147,526</b>	<b>148,115</b>	<b>164,601</b>	<b>61,207</b>

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 STATEMENT OF EXPENSES**

FOR THE HALF YEAR ENDED JUNE 30, 2007  
(UNAUDITED)

Business underwritten inside Pakistan


Class	Quarter ended June 30, 2007							Quarter June 30, 2006	
	Commission paid or payable	Opening Deferred Commission	Closing Deferred Commission	Net Commission expense	Other man- agement expenses	Under- writing expenses	Commission from reinsurers	Net under- writing expenses	Net under- writing expenses
(Rupees in thousand)									
Direct and facultative									
1. Fire and Property Damage	4,517	-	-	4,517	7,130	11,647	23,381	(11,734)	(2,812)
2. Marine, Aviation and Transport	3,541	-	-	3,541	6,203	9,744	9,291	453	(8,420)
3. Motor	4,153	-	-	4,153	14,147	18,300	18	18,282	12,061
4. Miscellaneous	5,063	-	-	5,063	4,365	9,428	2,740	6,688	3,801
<b>Total</b>	<b>17,274</b>	<b>-</b>	<b>-</b>	<b>17,274</b>	<b>31,845</b>	<b>49,119</b>	<b>35,430</b>	<b>13,689</b>	<b>4,630</b>

Class	Six months ended June 30, 2007							Six months ended June 30, 2006	
	Commission paid or payable	Opening Deferred Commission	Closing Deferred Commission	Net Commission expense	Other man- agement expenses	Under- writing expenses	Commission from reinsurers	Net under- writing expenses	Net under- writing expenses
(Rupees in thousand)									
Direct and facultative									
1. Fire and Property Damage	12,018	-	-	12,018	15,848	27,866	44,053	(16,187)	(3,251)
2. Marine, Aviation and Transport	6,903	-	-	6,903	9,656	16,559	33,889	(17,330)	(11,964)
3. Motor	11,807	-	-	11,807	25,267	37,074	228	36,846	25,664
4. Miscellaneous	8,569	-	-	8,569	6,911	15,480	6,154	9,326	5,747
<b>Total</b>	<b>39,297</b>	<b>-</b>	<b>-</b>	<b>39,297</b>	<b>57,682</b>	<b>96,979</b>	<b>84,324</b>	<b>12,655</b>	<b>16,196</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 HALF YEAR ENDED JUNE 30, 2007  
 (UNAUDITED)

	Quarter ended		Half year ended	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
..... (Rupees in thousand) .....				
<b>Income from trading investments</b>				
Gain on trading (i.e. buying and selling difference)	21,190	6,461	22,306	6,574
Dividend income (earned while holding the securities)	126	3,113	1,426	3,113
	21,316	9,574	23,732	9,687
<b>Income from non-trading investments</b>				
<b>Held to maturity</b>				
Return on Government Securities	217	118	267	118
Return on other fixed income securities and deposits	4,229	6,885	7,574	13,794
	4,446	7,003	7,841	13,912
<b>Available for sale</b>				
Dividend income	129,745	98,295	148,578	192,719
Gain on sale of available for sale investments	82,787	-	92,593	68,414
	212,532	98,295	241,171	261,133
<b>Diminution in value of held for trading investments</b>	4,056	(17,844)	13,904	(16,629)
<b>Provision for Diminution in value of investments</b>				
Provision for available for sale investments	44,566	-	44,566	-
<b>Less: Investment related expenses</b>	(654)	(822)	(1,245)	(1,173)
<b>Net investment income</b>	<u>286,262</u>	<u>96,206</u>	<u>329,969</u>	<u>266,930</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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## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED JUNE 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

This condensed interim financial information has 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.

The disclosures made in this condensed interim financial information, 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. They do not include all the information required for full annual financial statements, and this condensed interim financial information should be read in conjunction with the financial statements of the Company for the year ended December 31, 2006.

This condensed interim financial information has been reviewed by the auditors as required by the Code of Corporate Governance.

### 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 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 June 30, 2007.

### 5. LONG TERM FINANCES - SECURED

	June 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**

	June 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	25,554	28,194
Available for sale	9,072,324	8,737,946
Held for trading	73,721	226,830
	<u>9,653,789</u>	<u>9,246,736</u>

**7. FIXED ASSETS**

Opening book value	39,001	23,173
Add: Additions during the period / year	<u>285,746</u>	<u>29,800</u>
	324,747	52,973
Less: Written down value of disposal	2,597	6,523
Less: Depreciation for the period / year	<u>11,250</u>	<u>7,449</u>
	13,847	13,972
Closing book value	<u>310,900</u>	<u>39,001</u>

**8. TRANSACTIONS WITH RELATED PARTIES**

	(For the half year ended)	
	June 30, 2007	June 30, 2006
	(Rupees in thousand)	
Description		
Premium Underwritten	212,334	247,109
Premium Collected	186,856	210,790
Claims paid	22,149	28,910
Commission paid	7,186	4,948
Dividends received	126,843	168,961
Contribution to retirement benefit fund	2,513	1,486
Key management personnel compensation	7,492	6,697
Period-end balances:		
Receivable from related parties	74,095	97,358
Payable to related parties	3,630	3,991

**9.1 EVENTS AFTER THE BALANCE SHEET DATE**

At the board meeting held on August 24, 2007 an interim dividend of Rs. 2.5 (2006: Rs. Nil) per share amounting to total dividend of Rs. 79.826 million has been declared. These condensed interim financial information do not reflect this dividend payable.

**9.2 DATE OF AUTHORISATION FOR ISSUE**

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

**10. CORRESPONDING FIGURES**

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. Significant re-arrangement made is as follows:


Sundry creditors

	(Rupees in thousand)
- Agent balances receivables previously classified in Sundry receivables now classified in Sundry creditors as a deduction from Agent commission payable	1,580

The above figure has been re-arranged as the re-classification made is considered more appropriate for purposes of presentation.

  
SYED HYDER ALI  
Director

  
SHAMIM AHMAD KHAN  
Director

  
SYED BABAR ALI  
Chairman

  
SAULAT SAID  
Principal Officer & Chief Executive



## IGI OFFICES

### Head Office/ Corporate Office

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### Gujranwala

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