

CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD
ENDED 30 JUNE 2009

IGI Insurance Limited



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
Waqar Ahmed Malik
Jalees Ahmed Siddiqi (Chief Executive Officer)

Chief Executive Officer

Jalees Ahmed Siddiqi

Chief Financial Officer

Muhammad Kashif Nisar

Company Secretary

Haider Raza

Audit Committee

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

Investment Committee

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

Claims Committee

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

Underwriting Committee

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

Re-Insurance & Co-Insurance Committee

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

Human Resource & Compensation Committee

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

Strategy Committee

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

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisor

Ramday Law Associate
Hassan & Hassan
Lari & Company

Bankers

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

Share Registrar

FAMCO Associates (Private) Limited
(Formerly Ferguson Associates (Private) Limited)
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

Contact

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Toll Free No. 0800-2-34-34
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IGI INSURANCE BRANCH OFFICES

Karachi

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Kehkashan, Clifton,
Karachi - 74000.
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Islamabad

Mezzanine Floor,
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: 92-51-2273840
Fax : 92-51-2277356
E-mail : insurance.islamabad@igi.com.pk

Faisalabad

Second Floor, Sitara Tower,
Bilal Chowk, Civil Lines,
Faisalabad.
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Multan

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Lahore

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: 92-42-5763890
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Sialkot

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Gujranwala

Anwar Industries Complex,
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DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of IGI Insurance Limited is pleased to present the un-audited condensed interim financial statements for the first half ended June 30, 2009.

During the review period, despite difficult market situation, the Company was able to maintain its operational performance, achieving an increase of 14% in Gross Written Premium from Rs. 547 million in 2008 to Rs. 622 million in 2009. The reduced net claims further contributed to higher underwriting profit which went up to Rs. 155 million in 2009 from Rs. 121 million in 2008, depicting a healthy growth of 28%. The period witnessed stock markets' recovery but the Company's investment income declined due to steep fall in the value of its long term portfolio.

The share of profit of associates boosted the Company's overall profitability to Rs. 661 million in the period under review. This exceptional increase in profitability represents the Company's share in gain on disposal of investments by Packages Limited. Consequently, earning per share for the first half ending June 30, 2009 is Rs. 11.05 against Rs. 1.58 for the corresponding period 2008. The Directors of your Company are pleased to announce an interim dividend Rs. 1 per ordinary share i.e. 10%.

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

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We are grateful to our business partners and all stakeholders for their continued patronage and the Company employees for their dedicated efforts, making it possible to achieve these results.

For and on behalf of the Board

Syed Babar Ali
Chairman

Lahore: 18 August 2009.

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

Introduction

We have reviewed the accompanying:

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

Of IGI Insurance Ltd. as at 30 June 2009 and for the six months period then ended (condensed interim financial information). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with international Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures for quarter ended 30 June, 2009 and 30 June 2008 in the condensed interim profit and loss account, condensed interim statement of premium, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income have not been reviewed and we do not express a conclusion on them.



KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Mahmood Hussain

Karachi : 18 August 2009.

CONDENSED INTERIM BALANCE SHEET

| | Note | Un-audited 30 June 2009 | Audited 31 December 2008 |
|---|------|-------------------------------|--------------------------------|
| | | (Rupees in '000) | |
| Share capital and reserves | | | |
| Authorised share capital 100,000,000 (2008: 100,000,000) ordinary shares of Rs.10 each | | <u>1,000,000</u> | 1,000,000 |
| Issued, subscribed and paid up share capital [59,868,962 (2008: 59,868,962) ordinary shares of Rs.10 each] | | <u>598,689</u> | 598,689 |
| Reserves | | <u>10,534,374</u> | 10,624,177 |
| Unappropriated profits / (accumulated losses) | | <u>284,915</u> | (376,347) |
| | | <u>11,417,978</u> | 10,846,519 |
| Underwriting provisions | | | |
| Provision for outstanding claims [including IBNR] | | <u>252,847</u> | 366,620 |
| Provision for unearned premium | | <u>454,253</u> | 378,622 |
| Commission income unearned | | <u>56,697</u> | 56,733 |
| Total underwriting provisions | | <u>763,797</u> | 801,975 |
| Deferred liabilities | | | |
| Deferred taxation | | <u>84,556</u> | - |
| Creditors and accruals | | | |
| Premium received in advance | | <u>3,487</u> | 518 |
| Amounts due to other insurers / reinsurers | | <u>148,103</u> | 75,730 |
| Accrued expenses | | <u>49,766</u> | 56,103 |
| Sundry creditors | | <u>49,840</u> | 50,303 |
| | | <u>251,196</u> | 182,654 |
| Borrowings | | | |
| Long term finance - secured | 7.1 | <u>280,000</u> | 320,000 |
| Other Liabilities | | | |
| Short term finance - secured | | <u>457,475</u> | 1,047,527 |
| Unclaimed dividend | | <u>2,501</u> | 1,964 |
| TOTAL LIABILITIES | | <u>1,839,525</u> | 2,354,120 |
| TOTAL EQUITY AND LIABILITIES | | <u>13,257,503</u> | 13,200,639 |
| CONTINGENCIES AND COMMITMENTS | 8 | | |

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 SYED HYDER ALI SHAMIM AHMAD KHAN
 Director Director


 SYED BABAR ALI
 Chairman


 JALEES AHMED SIDDIQI
 Principal Officer & Chief Executive

AS AT 30 JUNE 2009 (UN-AUDITED)

| | Note | Un-audited 30 June 2009 (Rupees in '000) | Audited 31 December 2008 |
|---|------|---|--------------------------------|
| Cash and bank deposits | | | |
| Cash and other equivalents | | 261 | 53 |
| Current and other accounts | | 3,914 | 57,855 |
| Deposits maturing within 12 months | | - | 200,352 |
| | | 4,175 | 258,260 |
| Investments | 9 | 12,149,431 | 11,709,948 |
| Deferred tax | | - | 16,868 |
| Other assets | | | |
| Premiums due but unpaid - unsecured | | 175,134 | 169,916 |
| Amounts due from other insurers / reinsurers - unsecured | | 153,191 | 189,374 |
| Accrued investment income | | 4,463 | 5,381 |
| Reinsurance recoveries against outstanding claims | | 156,835 | 196,584 |
| Prepayments: - prepaid reinsurance premium ceded | | 192,987 | 187,671 |
| - others | | 6,459 | 9,165 |
| Taxation - payments less provision | | 80,115 | 78,909 |
| Sundry receivables | 10 | 44,362 | 76,032 |
| | | 813,546 | 913,032 |
| Fixed assets | | | |
| Tangible | | | |
| Furniture, fixtures and office equipment | 11 | 33,286 | 36,884 |
| Building | | 211,841 | 217,838 |
| Motor vehicles | | 45,224 | 47,809 |
| | | 290,351 | 302,531 |
| TOTAL ASSETS | | 13,257,503 | 13,200,639 |

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


SYED HYDER ALI
Director


SHAMIM AHMAD KHAN
Director


SYED BABAR ALI
Chairman


JALEES AHMED SIDDIQI
Principal Officer & Chief Executive



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2009 (UNAUDITED)

| | | | | | Three Months Period Ended 30 June | |
|---|------------------------|------------------------------|---------------|---------------|-----------------------------------|-------------------------|
| | Fire & Property Damage | Marine, Aviation & Transport | Motor | Miscellaneous | Aggregate 2009 | Aggregate 2008 Restated |
| | (Rupees in '000) | | | | | |
| Revenue account | | | | | | |
| Net premium revenue | 17,866 | 29,109 | 78,475 | 21,447 | 146,897 | 138,347 |
| Net claims expense | 7,489 | (727) | (33,718) | (5,405) | (32,361) | (42,952) |
| Expenses | (11,849) | (11,365) | (18,589) | (6,358) | (48,161) | (45,097) |
| Net commission | 18,110 | 8,545 | (8,711) | 1,353 | 19,297 | 20,976 |
| Underwriting result | 31,616 | 25,562 | 17,457 | 11,037 | 85,672 | 71,274 |
| Investment income / (loss) | | | | | 16,475 | (10,699) |
| Rental income | | | | | 6,889 | 3,187 |
| Other income | | | | | 2,973 | 7,514 |
| Financial charges | | | | | (31,060) | (61,538) |
| General and administration expenses | | | | | (31,710) | (27,967) |
| | | | | | (36,433) | (89,503) |
| | | | | | 49,239 | (18,229) |
| Share of (loss) / profit from associates - net of tax | | | | | (556,585) | 22,723 |
| (Loss) / profit before tax | | | | | (507,346) | 4,494 |
| Taxation | | | | | (101,424) | (3,554) |
| (Loss) / profit after tax | | | | | (608,770) | 940 |
| (Loss) / earnings per share - basic and diluted - (Rupees) | | | | | (10.17) | 0.02 |

| | | | | | Six Months Period Ended 30 June | |
|--|------------------------|------------------------------|---------------|---------------|---------------------------------|-------------------------|
| | Fire & Property Damage | Marine, Aviation & Transport | Motor | Miscellaneous | Aggregate 2009 | Aggregate 2008 Restated |
| | (Rupees in '000) | | | | | |
| Revenue account | | | | | | |
| Net premium revenue | 33,837 | 56,901 | 150,513 | 44,017 | 285,268 | 278,633 |
| Net claims expense | 6,133 | (3,326) | (66,314) | (20,077) | (83,584) | (110,945) |
| Expenses | (27,434) | (18,618) | (30,714) | (10,922) | (87,688) | (79,552) |
| Net commission | 36,745 | 18,387 | (15,722) | 1,774 | 41,184 | 33,359 |
| Underwriting result | 49,281 | 53,344 | 37,763 | 14,792 | 155,180 | 121,495 |
| Investment (loss) / income | | | | | (141,277) | 93,639 |
| Rental income | | | | | 8,754 | 6,374 |
| Other income | | | | | 4,713 | 13,540 |
| Financial charges | | | | | (82,765) | (97,215) |
| General and administration expenses | | | | | (58,045) | (53,768) |
| | | | | | (268,620) | (37,430) |
| | | | | | (113,440) | 84,065 |
| Share of profit from associates - net of tax | | | | | 888,626 | 22,723 |
| Profit before tax | | | | | 775,186 | 106,788 |
| Taxation | | | | | (113,924) | (12,001) |
| Profit after tax | | | | | 661,262 | 94,787 |
| Profit and loss appropriation account | | | | | | |
| Balance at commencement of the six months | | | | | (376,347) | 2,848,415 |
| Transferred (to) / from general reserve | | | | | 89,803 | (2,720,000) |
| Transferred to share capital | | | | | - | (79,825) |
| Final dividend Rs. 1.5 per share (2007: Rs. 1.5 per share) | | | | | (89,803) | (47,895) |
| Profit after tax for the period | | | | | 661,262 | 94,787 |
| Balance of unappropriated profits at the end of six months | | | | | 284,915 | 95,482 |
| Earnings per share - basic and diluted - (Rupees) | | | | | 11.05 | 1.58 |

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


 SYED HYDER ALI
 Director


 SHAMIM AHMAD KHAN
 Director


 SYED BABAR ALI
 Chairman


 JALEES AHMED SIDDIQI
 Principal Officer & Chief Executive

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009 (UNAUDITED)

| | Reserves | | | | | | | Unappro- Priated Profit | Total |
|--|---|--------------------------------------|---------------------------------|----------------------------------|--------------------------------|---------------------|------------------|-------------------------------|-------|
| | Share Capital Issued, Subscribed and Paid-up | Capital Reserves | | | | Revenue Reserves | | | |
| | | Reserve for Exceptional Losses | Reserve for Contingencies | Premium on Issue of Shares | Reserve for Bonus Shares | General Reserve | | | |
| | (Rupees in thousand) | | | | | | | | |
| Balance as at 01 January 2008 - restated (refer note 16.1) | 319,301 | 3,267 | 30,000 | 35,762 | - | 8,034,711 | 2,848,415 | 11,271,456 | |
| Changes in equity for the six months period ended 30 June 2008 | | | | | | | | | |
| Transferred to general reserve | - | - | - | - | - | 2,720,000 | (2,720,000) | - | |
| Transferred to reserve for issue of bonus shares | - | - | - | - | 79,825 | - | (79,825) | - | |
| Transferred to share capital | 79,825 | - | - | - | (79,825) | - | - | - | |
| Final dividend for the year ended 31 December 2007 - Rs. 1.5 per share | - | - | - | - | - | - | (47,895) | (47,895) | |
| Profit after tax for the period - restated (Refer note 16.1) | - | - | - | - | - | - | 94,787 | 94,787 | |
| Balance as at 30 June 2008 - restated | 399,126 | 3,267 | 30,000 | 35,762 | - | 10,754,711 | 95,482 | 11,318,348 | |
| Balance as at 01 January 2009 | 598,689 | 3,267 | 30,000 | 35,762 | - | 10,555,148 | (376,347) | 10,846,519 | |
| Changes in equity for the six months period ended 30 June 2009 | | | | | | | | | |
| Transferred from general reserve | - | - | - | - | - | (89,803) | 89,803 | - | |
| Final dividend for the year ended 31 December 2008 - Rs. 1.5 per share | - | - | - | - | - | - | (89,803) | (89,803) | |
| Profit after tax for the period | - | - | - | - | - | - | 661,262 | 661,262 | |
| Balance as at 30 June 2009 | 598,689 | 3,267 | 30,000 | 35,762 | - | 10,465,345 | 284,915 | 11,417,978 | |

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


 SYED HYDER ALI
 Director


 SHAMIM AHMAD KHAN
 Director


 SYED BABAR ALI
 Chairman


 JALEES AHMED SIDDIQI
 Principal Officer & Chief Executive

CONDENSED INTERIM CASH FLOW STATEMENT

30 June
2009
(Rupees in '000)

Restated
30 June
2008

Operating cash flows

Underwriting activities

| | | |
|---|----------------|-----------|
| Premiums received | 612,434 | 456,091 |
| Reinsurance premiums paid | (158,045) | (241,474) |
| Claims paid | (209,729) | (302,492) |
| Reinsurance and other recoveries received | 52,122 | 115,267 |
| Commissions paid | (42,743) | (25,488) |
| Commissions received | 84,068 | 84,217 |
| | 338,107 | 86,121 |

Other operating activities

| | | |
|--|-----------------|-----------|
| Income tax paid | (13,706) | (15,314) |
| General and management expenses paid | (29,800) | (83,721) |
| Other operating payments | (49,131) | (35,840) |
| Other operating receipts | 10,426 | 18,866 |
| | (82,211) | (116,009) |
| Net cash (outflow) from other operating activities | | |
| | 255,896 | (29,888) |

Total cash inflow / (outflow) from all operating activities

Investing activities

| | | |
|--|----------------|-------------|
| Profit / return received | 14,465 | 17,296 |
| Dividends received | 125,849 | 102,242 |
| Payments for investment | (373,668) | (8,114,348) |
| Proceeds from disposal of investment | 542,462 | 7,439,755 |
| Redemption of term finance certificate | 376 | 53,807 |
| Advances given | - | (152,179) |
| Fixed capital expenditure | (10,526) | (17,424) |
| Proceeds from disposal of fixed assets | 9,043 | 7,155 |
| | 308,001 | (663,696) |

Total cash inflow / (outflow) from investing activities

Financing activities

| | | |
|-------------------------|------------------|----------|
| Loans repaid / received | (40,000) | 444,176 |
| Dividends paid | (89,266) | (47,358) |
| Financial charges paid | (98,664) | (80,869) |
| | (227,930) | 315,949 |

Total cash (outflow) / inflow from financing activities

Net cash inflow / (outflow) from all activities

Cash at beginning of the period

(789,267) (975,291)

Cash at end of the period

(453,300) (1,352,926)


 SYED HYDER ALI
 Director


 SHAMIM AHMAD KHAN
 Director


 SYED BABAR ALI
 Chairman


 JALEES AHMED SIDDIQI
 Principal Officer & Chief Executive

FOR THE SIX MONTHS PERIOD ENDED

30 JUNE 2009 (UN-AUDITED)

| | 30 June 2009 | Restated 30 June 2008 |
|---|------------------|-----------------------------|
| | (Rupees in '000) | |
| Reconciliation to profit and loss account | | |
| Operating cash flows | 255,896 | (29,888) |
| Depreciation | (16,712) | (15,482) |
| Financial charges | (82,765) | (97,215) |
| Gain on disposal of fixed assets | 3,051 | 1,047 |
| (Decrease) in assets other than cash | (115,436) | (79,061) |
| (Increase) / decrease in liabilities other than term finances | (130,821) | 197,450 |
| Share of profit from associates - net of tax | 888,626 | 22,723 |
| Provision for diminution in the value of available for sale investments | (303,885) | (41,526) |
| Gain / (loss) on revaluation of trading investments | 20,164 | (4,578) |
| Others | | |
| Gain on sale of investments | 3,748 | 30,399 |
| Dividend and other investment income | 139,396 | 110,918 |
| Profit after tax | <u>661,262</u> | <u>94,787</u> |

Definition of cash

Cash comprises of cash in hand, policy stamps, bank balances and short term placements with banks which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

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

| | | |
|------------------------------------|------------------|--------------------|
| Cash and other equivalents | | |
| - Cash in hand | - | 30 |
| - Policy stamps in hand | 261 | 491 |
| | 261 | 521 |
| Current and other accounts | | |
| - Current accounts | 870 | 827 |
| - Saving accounts | 3,044 | 7,700 |
| | 3,914 | 8,527 |
| Deposits maturing within 12 months | | |
| - Cash with State Bank of Pakistan | - | 352 |
| - Term deposit receipts | - | 200,000 |
| | - | 200,352 |
| Short term finance | (457,475) | (1,562,326) |
| | <u>(453,300)</u> | <u>(1,352,926)</u> |

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


SYED HYDER ALI
Director


SHAMIM AHMAD KHAN
Director


SYED BABAR ALI
Chairman


JALEES AHMED SIDDIQI
Principal Officer & Chief Executive

CONDENSED INTERIM STATEMENT OF PREMIUMS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009 (UNAUDITED)

Business underwritten inside Pakistan

| Class | For The Three Months Period Ended 30 June 2009 | | | | | | | | | Net Premium Revenue | |
|---|--|------------------------------|----------------|--------------------|----------------------|--------------------------------------|----------------|------------------------|-----------------|-----------------------------|--|
| | Premiums Written | Unearned Premiums Reserve | | Premiums Earned | Reinsurance Ceded | Prepaid Reinsurance Premium Ceded | | Reinsurance Expense | 30 June 2009 | 30 June 2008 Restated | |
| | | Opening | Closing | | | Opening | Closing | | | | |
| | (Rupees in '000) | | | | | | | | | | |
| Direct and facultative 1. Fire and Property Damage | 43,628 | 215,352 | 169,066 | 89,914 | 35,630 | 176,474 | 140,056 | 72,048 | 17,866 | 16,585 | |
| 2. Marine, Aviation and Transport | 61,819 | 36,262 | 30,542 | 67,539 | 26,740 | 23,928 | 12,238 | 38,430 | 29,109 | 29,259 | |
| 3. Motor | 100,433 | 175,413 | 191,340 | 84,506 | - | 17,999 | 11,968 | 6,031 | 78,475 | 72,172 | |
| 4. Miscellaneous | 33,273 | 66,786 | 63,305 | 36,754 | 12,610 | 31,422 | 28,725 | 15,307 | 21,447 | 20,331 | |
| Total | 239,153 | 493,813 | 454,253 | 278,713 | 74,980 | 249,823 | 192,987 | 131,816 | 146,897 | 138,347 | |

| Class | For The Six Months Period Ended 30 June 2009 | | | | | | | | | Net Premium Revenue | |
|---|--|------------------------------|----------------|--------------------|----------------------|--------------------------------------|----------------|------------------------|-----------------|-----------------------------|--|
| | Premiums Written | Unearned Premiums Reserve | | Premiums Earned | Reinsurance Ceded | Prepaid Reinsurance Premium Ceded | | Reinsurance Expense | 30 June 2009 | 30 June 2008 Restated | |
| | | Opening | Closing | | | Opening | Closing | | | | |
| | (Rupees in '000) | | | | | | | | | | |
| Direct and facultative 1. Fire and Property Damage | 194,656 | 149,381 | 169,066 | 174,971 | 156,681 | 124,509 | 140,056 | 141,134 | 33,837 | 34,691 | |
| 2. Marine, Aviation and Transport | 132,103 | 33,084 | 30,542 | 134,645 | 67,814 | 22,168 | 12,238 | 77,744 | 56,901 | 52,311 | |
| 3. Motor | 217,929 | 135,985 | 191,340 | 162,574 | 10,936 | 13,093 | 11,968 | 12,061 | 150,513 | 152,697 | |
| 4. Miscellaneous | 77,495 | 60,172 | 63,305 | 74,362 | 31,170 | 27,900 | 28,725 | 30,345 | 44,017 | 38,934 | |
| Total | 622,183 | 378,622 | 454,253 | 546,552 | 266,601 | 187,670 | 192,987 | 261,284 | 285,268 | 278,633 | |

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


SYED HYDER ALI
Director


SHAMIM AHMAD KHAN
Director


SYED BABAR ALI
Chairman


JALEES AHMED SIDDIQI
Principal Officer & Chief Executive

CONDENSED INTERIM STATEMENT OF CLAIMS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009 (UNAUDITED)

Business underwritten inside Pakistan

| Class | For The Three Months Period Ended 30 June 2009 | | | | | | | | | | |
|-----------------------------------|--|----------------|----------------|----------------------------------|---------------|---|----------------|--|---------------|--------------------|--|
| | Outstanding Claim | | Claims Expense | Reinsurance and Other Recoveries | | Reinsurance and Other Recoveries in Respect of Outstanding Claims | | Reinsurance and Other Recoveries Revenue | | Net Claims Expense | |
| | Paid | Opening | | Closing | Received | Opening | Closing | Revenue | 30 June 2009 | 30 June 2008 | |
| | (Rupees in '000) | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | |
| 1. Fire and Property Damage | 12,375 | 144,929 | 127,378 | (5,176) | 9,255 | 121,162 | 114,220 | 2,313 | (7,489) | 11,170 | |
| 2. Marine, Aviation and Transport | 8,953 | 35,394 | 28,526 | 2,085 | 7,484 | 18,099 | 11,973 | 1,358 | 727 | 2,813 | |
| 3. Motor | 56,229 | 80,972 | 56,472 | 31,729 | 4,505 | 13,849 | 7,355 | (1,989) | 33,718 | 22,820 | |
| 4. Miscellaneous | 44,908 | 71,496 | 40,471 | 13,883 | 16,924 | 31,734 | 23,288 | 8,478 | 5,405 | 6,149 | |
| Total | 122,465 | 332,791 | 252,847 | 42,521 | 38,168 | 184,844 | 156,836 | 10,160 | 32,361 | 42,952 | |

| Class | For The Six Months Period Ended 30 June 2009 | | | | | | | | | | |
|-----------------------------------|--|----------------|----------------|----------------------------------|---------------|---|----------------|--|---------------|--------------------|--|
| | Outstanding Claim | | Claims Expense | Reinsurance and Other Recoveries | | Reinsurance and Other Recoveries in Respect of Outstanding Claims | | Reinsurance and Other Recoveries Revenue | | Net Claims Expense | |
| | Paid | Opening | | Closing | Received | Opening | Closing | Revenue | 30 June 2009 | 30 June 2008 | |
| | (Rupees in '000) | | | | | | | | | | |
| Direct and facultative | | | | | | | | | | | |
| 1. Fire and Property Damage | 25,927 | 160,846 | 127,378 | (7,541) | 20,091 | 135,719 | 114,220 | (1,408) | (6,133) | 11,983 | |
| 2. Marine, Aviation and Transport | 22,026 | 49,790 | 28,526 | 762 | 14,555 | 29,091 | 11,972 | (2,564) | 3,326 | 7,271 | |
| 3. Motor | 101,195 | 90,121 | 56,472 | 67,546 | 7,562 | 13,685 | 7,355 | 1,232 | 66,314 | 83,048 | |
| 4. Miscellaneous | 60,581 | 65,863 | 40,471 | 35,189 | 9,914 | 18,090 | 23,288 | 15,112 | 20,077 | 8,643 | |
| Total | 209,729 | 366,620 | 252,847 | 95,956 | 52,122 | 196,585 | 156,835 | 12,372 | 83,584 | 110,945 | |

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

| | | | |
|--|---|--|---|
|  SYED HYDER ALI Director |  SHAMIM AHMAD KHAN Director |  SYED BABAR ALI Chairman |  JALEES AHMED SIDDIQI Principal Officer & Chief Executive |
|--|---|--|---|

CONDENSED INTERIM STATEMENT OF EXPENSES

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009 (UNAUDITED)

Business underwritten inside Pakistan

| Class | For The Three Months Period Ended 30 June 2009 | | | | | | | Net Underwriting Expenses | |
|-----------------------------------|--|---------------------|----------|------------------------|---------------------------|------------------------|----------------------------|---------------------------|---------------|
| | Commission Paid or Payable | Deferred Commission | | Net Commission Expense | Other Management Expenses | Under-writing Expenses | Commission from Reinsurers | 30 June 2009 | 30 June 2008 |
| | | Opening | Closing | | | | | | |
| | (Rupees in '000) | | | | | | | | |
| Direct and facultative | | | | | | | | | |
| 1. Fire and Property Damage | 6,240 | - | - | 6,240 | 11,849 | 18,089 | 24,350 | (6,261) | (6,858) |
| 2. Marine, Aviation and Transport | 6,167 | - | - | 6,167 | 11,365 | 17,532 | 14,712 | 2,820 | 1,939 |
| 3. Motor | 8,711 | - | - | 8,711 | 18,589 | 27,300 | - | 27,300 | 21,184 |
| 4. Miscellaneous | 3,166 | - | - | 3,166 | 6,358 | 9,524 | 4,519 | 5,005 | 7,856 |
| Total | 24,284 | - | - | 24,284 | 48,161 | 72,445 | 43,581 | 28,864 | 24,121 |

| Class | For The Six Months Period Ended 30 June 2009 | | | | | | | Net Underwriting Expenses | |
|-----------------------------------|--|---------------------|----------|------------------------|---------------------------|------------------------|----------------------------|---------------------------|---------------|
| | Commission Paid or Payable | Deferred Commission | | Net Commission Expense | Other Management Expenses | Under-writing Expenses | Commission from Reinsurers | 30 June 2009 | 30 June 2008 |
| | | Opening | Closing | | | | | | |
| | (Rupees in '000) | | | | | | | | |
| Direct and facultative | | | | | | | | | |
| 1. Fire and Property Damage | 10,049 | - | - | 10,049 | 27,434 | 37,483 | 46,794 | (9,311) | (5,749) |
| 2. Marine, Aviation and Transport | 11,264 | - | - | 11,264 | 18,618 | 29,882 | 29,651 | 231 | 3,167 |
| 3. Motor | 15,722 | - | - | 15,722 | 30,714 | 46,436 | - | 46,436 | 38,264 |
| 4. Miscellaneous | 5,885 | - | - | 5,885 | 10,922 | 16,807 | 7,659 | 9,148 | 10,511 |
| Total | 42,920 | - | - | 42,920 | 87,688 | 130,608 | 84,104 | 46,504 | 46,193 |

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


 SYED HYDER ALI
 Director


 SHAMIM AHMAD KHAN
 Director


 SYED BABAR ALI
 Chairman


 JALEES AHMED SIDDIQI
 Principal Officer & Chief Executive

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009 (UNAUDITED)

| | Three Months Period Ended 30 June | | Six Months Period Ended 30 June | |
|--|--------------------------------------|-----------------|------------------------------------|-----------------|
| | 2009 | 2008 | 2009 | 2008 |
| (Rupees in '000) | | | | |
| Income from trading investments | | | | |
| Gain/(loss) on trading (i.e. buying and selling difference) | 2,253 | (6,099) | (7,352) | (8,333) |
| Dividend income (earned while holding the securities) | 3 | 672 | 31 | 2,775 |
| | 2,256 | (5,427) | (7,321) | (5,558) |
| Income from non-trading investments | | | | |
| Held to maturity | | | | |
| Return on government securities | 2,568 | 29 | 4,632 | 98 |
| Return on other fixed income securities and deposits | 2,413 | 9,376 | 11,701 | 13,551 |
| | 4,981 | 9,405 | 16,333 | 13,649 |
| Available for sale | | | | |
| Dividend income | 3,328 | 19,164 | 123,032 | 94,494 |
| Gain on sale of available for sale investments | 8,078 | 17,538 | 11,100 | 38,732 |
| | 11,406 | 36,702 | 134,132 | 133,226 |
| Gain / (loss) on revaluation of trading investments | 58 | (8,827) | 20,164 | (4,578) |
| Provision for diminution in the value of available for sale investments | (1,926) | (41,526) | (303,885) | (41,526) |
| Less: Investment related expenses | (300) | (1,026) | (700) | (1,574) |
| Net investment (loss) / income | 16,475 | (10,699) | (141,277) | 93,639 |

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


SYED HYDER ALI
Director


SHAMIM AHMAD KHAN
Director


SYED BABAR ALI
Chairman


JALEES AHMED SIDDIQI
Principal Officer & Chief Executive



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009 (UNAUDITED)

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. The Company is listed on the Karachi and Lahore stock exchanges and 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 PREPARATION

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

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2008.

There are no comprehensive income to be reported for the period ended 30 June 2008 and 2009.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements of the Company for the year ended 31 December 2008.

During the period, International Accounting Standard 1 (Revised) 'Presentation of Financial Statements' and International Financial Reporting Standard 8 'Operating Segments' became effective for annual periods beginning on or after 1 January 2009 and have resulted in increased disclosures.

IFRS 4- Insurance Contracts, became effective for the annual periods beginning on or after 1 January 2009. However, Securities and Exchange Commission of Pakistan through its circular no. 22/2009 dated 30 June 2009 has deferred the applicability of certain requirements of IFRS 4 for the purpose of the quarterly accounts for 1st, 2nd and 3rd quarters of the year 2009. Other related requirements of IFRS 4 have no impact on these condensed interim financial statements.

4. SIGNIFICANT ESTIMATES AND JUDGMENTS

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

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the annual financial statements for the year ended 31 December 2008.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended 31 December 2008.

6. PREMIUM DEFICIENCY RESERVE

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

7. BORROWINGS

7.1 Long term finance - secured

| | Un-audited 30 June 2009 | Audited 31 December 2008 |
|--------------------------------------|-------------------------------|--------------------------------|
| | (Rupees in '000) | |
| Opening balance | 320,000 | 400,000 |
| Add: Disbursements during the period | - | - |
| Less: Repaid during the period | 40,000 | 80,000 |
| Closing balance | <u>280,000</u> | <u>320,000</u> |

8. CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies as disclosed in the annual financial statements of the Company for the year ended 31 December 2008, except for the following;

During the six months period 30 June 2009, the Company received notice of demand of Rs. 3.2 million under section 137 (2) of the Income Tax Ordinance, 2001 from Taxation Officer in respect of non deduction of tax on the remittance made to foreign reinsurance companies during the period from July 2008 to March 2009 under the provisions of sub section (5) read with (5A) of section 152 of the Income Tax Ordinance, 2001. The stay is granted by the Honourable High Court of Sindh against this demand and based on the legal advisor's opinion, the Company is confident that the ultimate outcome of the writ petition will be favourable. Hence, no provision has been made in the interim financial statements for the six months period ended 30 June 2009.

9. INVESTMENTS

Investments comprise of the following:
Equity instruments of associated companies
(equity accounted associates)

| | | |
|--|-------------------|-------------------|
| - Quoted * | 4,887,198 | 3,978,543 |
| - Unquoted | 131,892 | 151,921 |
| | <u>5,019,090</u> | 4,130,464 |
| Held to maturity | 122,527 | 121,668 |
| Available for sale | | |
| - Quoted * | 7,493,257 | 7,666,408 |
| - Unquoted | 177,337 | 177,337 |
| | <u>7,670,594</u> | 7,843,745 |
| Provision for diminution in the value of available for sale investments | <u>(707,508)</u> | (403,623) |
| | <u>6,963,086</u> | 7,440,122 |
| At fair value through profit or loss - held for trading | 44,728 | 17,694 |
| | <u>12,149,431</u> | <u>11,709,948</u> |

* Market value of investments as at 30 June 2009 is Rs. 8,738 million (31 December 2008: Rs. 8,533 million).

10. SUNDRY RECEIVABLES

| | Un-audited 30 June 2009 (Rupees in '000) | Audited 31 December 2008 |
|---|---|--------------------------------|
| Advances - considered good | 15,801 | 47,224 |
| Security deposits | 5,561 | 5,644 |
| Agent balances | 71 | 231 |
| Receivable against reverse repo agreement | 19,530 | 19,530 |
| Receivable from defined contribution plan | - | 4 |
| Receivable from defined benefit plan | 3,399 | 3,399 |
| | <u>44,362</u> | <u>76,032</u> |

11. FIXED ASSETS

| | | |
|--|----------------|----------------|
| Opening book value | 302,531 | 309,283 |
| Add: Additions during the period / year | 10,526 | 32,675 |
| | <u>313,057</u> | <u>341,958</u> |
| Less: Net book value of disposal | 5,994 | 7,552 |
| Less: Depreciation for the period / year | 16,712 | 31,875 |
| | <u>22,706</u> | <u>39,427</u> |
| Closing book value | <u>290,351</u> | <u>302,531</u> |

12. TRANSACTIONS WITH RELATED PARTIES

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

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| | Three Months Period Ended 30 June (Un-audited) | | Six Months Period Ended 30 June (Un-audited) | |
|---|--|---------|--|---------|
| | 2009 | 2008 | 2009 | 2008 |
| | (Rupees in '000) | | | |
| Premium underwritten | 96,124 | 72,966 | 329,005 | 259,920 |
| Premium collected | 150,840 | 133,241 | 362,841 | 241,201 |
| Claims paid | 16,613 | 17,874 | 39,879 | 81,910 |
| Commission paid | 5,022 | 6,523 | 9,223 | 9,793 |
| Service charges paid | - | 1,010 | - | 1,010 |
| Interest expense | 4,244 | 5,864 | 11,493 | 5,864 |
| Interest income | - | 2,624 | - | 2,624 |
| Rental income | 6,889 | 6,374 | 8,754 | 6,374 |
| Dividends received | 2,646 | 4,280 | 118,303 | 56,440 |
| Dividends paid | - | - | 47,933 | 25,567 |
| Contribution to retirement benefit fund | 1,490 | 1,276 | 3,140 | 2,583 |
| Key management personnel compensation | 7,985 | 6,549 | 19,404 | 13,826 |
| Investment in units | 10,000 | - | 35,000 | - |
| Redemption of units | 91,313 | - | 226,036 | - |

Period-end balances:

| | | |
|---------------------------------|---------------|---------------|
| Receivable from related parties | <u>88,476</u> | 76,978 |
| Payable to related parties | <u>15,175</u> | <u>11,700</u> |

13. SEGMENT REPORTING

There has been no change in the basis of segmentation or the measurement basis of segment profit or loss since 31 December 2008. Class of business wise revenue and results have been disclosed in the condensed interim statement of premiums and profit and loss account, respectively, prepared in accordance with the requirement of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002.

Segment wise assets as of 30 June 2009 are as follows:

| | Fire and Property Damage | | Marine, Aviation and Transport | | Motor | | Miscellaneous | | Total | |
|------------------------------|---|---------|-----------------------------------|---------|---------|---------|---------------|---------|-------------------|-------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | (R u p e e s i n ' 0 0 0) | | | | | | | | | |
| Segment assets | 503,816 | 549,064 | 171,429 | 225,916 | 204,188 | 195,023 | 133,427 | 152,107 | <u>1,012,860</u> | 1,122,110 |
| Unallocated corporate assets | | | | | | | | | <u>12,244,643</u> | 12,078,529 |
| Consolidated total assets | | | | | | | | | <u>13,257,503</u> | <u>13,200,639</u> |

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements are authorised for issue by the Board of Directors of the Company on 18 August 2009.

15. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors has declared 10% interim cash dividend for the half year ended 30 June 2009 amounting to Rs. 59.869 million at their meeting held on 18 August 2009. These condensed interim financial statement do not include the effect of above appropriation.

16. GENERAL

16.1 Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. The Company changed its accounting policy in relation to recognition of administrative surcharge during the year ended 31 December 2008. As per the new policy, administrative surcharge is being deferred and charged to profit and loss account as revenue in accordance with the pattern of recognition of the insurance premium to which it relates.

In the annual financial statements 31 December 2008, change in accounting policy was applied retrospectively and accordingly the unappropriated profits, profit for the period and the earnings per share for the period ended 30 June 2008 were restated.

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

| | | | |
|---|--|---|--|
|  SYED HYDER ALI Director |  SHAMIM AHMAD KHAN Director |  SYED BABAR ALI Chairman |  JALEES AHMED SIDDIQI Principal Officer & Chief Executive |
|---|--|---|--|



IGI Insurance Limited,
7th. Floor, The Forum, Suite No. 701-712, G-20,
Block 9, Khayaban-e-Jami, Clifton, Karachi - 75600, Pakistan.

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