



FIRE



IGI
Insurance

IGI Insurance Limited,
(Formerly International General Insurance Company of Pakistan Limited),
7th Floor, The Forum, Suite No. 701-713, G-20,
Block 9, Khayaban-e-Jami, Clifton, Karachi-75600, Pakistan

IGI
Insurance

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VISION

IGI is committed to being one of the leading providers of solutions to risk exposures in selected market segments in Pakistan.

MISSION

Our vision will be realized through:

Customers

Being the preferred insurer in providing solutions to risk exposure

Shareholders

Consistently delivering above market average return on capital

Employees

Providing the environment necessary to be the employer of choice

Community

Compliance with the highest ethical and moral standards

QUALITY POLICY

IGI believes in providing high quality solutions to risk exposures to the satisfaction of its customers through

Developing and maintaining a total quality culture

Developing capabilities of the employees

Continuous improvement and teamwork

Updating business knowledge and techniques

Efficient utilization of resources and manpower

Introducing high standards of professionalism

Board of Directors



Syed Babar Ali



Syed Kamal Ali



Shamim Ahmad Khan



Syed Hyder Ali



Syed Yawar Ali



Syed Shahid Ali



Syed Javed Hassan

Management Team



From L t R: Syed Javed Hassan, Syed Khalid Yusuf, Shahbaz Haider Agha, Muhammad Usman Amjad

Company Information

Board of Directors

Syed Babar Ali (Chairman)
Shamim Ahmad Khan
Syed Kamal Ali
Syed Yawar Ali
Syed Shahid Ali
Syed Hyder Ali
Syed Javed Hassan (Chief Executive Officer)

Chief Executive Officer

Syed Javed Hassan

Chief Operating Officer

Syed Khalid Yusuf

Company Secretary

Muhammad Usman Amjad

Audit Committee

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

Investment Committee

Syed Hyder Ali (Chairman)
Shamim Ahmad Khan
Syed Kamal Ali
Syed Javed Hassan
Muhammad Usman Amjad (Secretary)

Claims Committee

Shamim Ahmad Khan (Chairman)
Syed Khalid Yusuf
Shahbaz Haider Agha
Mohammad Arsalan Zafar (Secretary)

Under Writing Committee

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

Re-Insurance & Co-Insurance Committee

Syed Hyder Ali (Chairman)
Syed Javed Hassan
Syed Khalid Yusuf
Faisal Khan (Secretary)

Human Resource & Compensation Committee

Syed Yawar Ali (Chairman)
Syed Shahid Ali
Syed Hyder Ali
Syed Javed Hassan (Secretary)

Strategy Committee

Syed Babar Ali (Chairman)
Shamim Ahmad Khan
Syed Yawar Ali
Syed Hyder Ali
Syed Javed Hassan (Secretary)

Bankers

ABN AMRO Bank
Allied Bank Limited
Bank Alfalah Limited
Citi Bank N.A
Crescent Standard Investment Bank Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
IGI Investment Bank Limited

JS Bank Limited
KASB Bank Limited
MCB Bank Limited
MyBank Limited
National Bank of Pakistan Limited
SME Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
United Bank Limited

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Adviser

Ramday Law Associates

Share Registrar

Ferguson Associates (Pvt) Limited
State Life Building No.2A,
4th Floor, I.I. Chundrigar Road,
P.O. 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

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

Management Information

MANAGEMENT

Chief Executive Officer
Chief Operating Officer
General Manager Finance & Company Secretary
General Manager Marketing & Sales
Senior Manager Underwriting
Manager Claims

Syed Javed Hassan
Syed Khalid Yusuf
Muhammad Usman Amjad
Shahbaz Haider Agha
Yasmin Sadiq
Muhammad Arsalan Zafar

IGI INSURANCE BRANCH OFFICES

Karachi

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

Lahore (Maratib Ali Branch)

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

Sialkot

Suite Nos. 10 & 11, First Floor,
Soni Square, Khadim Ali Road,
Mubarak Pura, Sialkot.
Phone: 92-52-3258437
Fax: 92-52-3258438
E-mail: insurance.sialkot@igi.com.pk

Islamabad

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

Lahore (Hali Road Branch)

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

Multan

C-2, First Floor,
Hassan Arcade,
Multan Cantt.
Phone: 92-61-4784401-2
Fax: 92-61-4784403
E-mail: insurance.multan@igi.com.pk

Faisalabad

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

Introduction

IGI Insurance Limited (formerly International General Insurance Company of Pakistan Limited) appeared on the horizon of the insurance world in 1953, with Syed Maratib Ali as the first Chairman. IGI Insurance, a part of the Packages Group, was listed on the Karachi and Lahore Stock Exchanges in December, 1987. Over the last 50-years IGI Insurance has established a sound business footing in the non-life insurance sector in Pakistan on the bases of well-governed operations founded on the highest ethical and moral practices. Today IGI Insurance is one of the leading quoted insurance companies of Pakistan with an asset base of over 8 billion rupees.

At IGI Insurance, we are committed to maintaining the highest standards of integrity and fair dealing in our relationships with all stakeholders – customers, intermediaries, staff, shareholders and business partners. Wherever we operate, we seek to make a positive and meaningful contribution to community activities and to behave in a socially responsible manner.

With technical expertise available in the field of non-life insurance business, IGI Insurance offers unparalleled professional advice and personalized services to meet all kinds of general insurance requirements – fire, marine, motor and miscellaneous. IGI Insurance, through its offices in Karachi, Lahore, Islamabad, Sialkot, Multan and Faisalabad, serves a large number of prestigious local and multinational clients throughout Pakistan.

Our company has been awarded “AA” (Double A) Insurer Financial Strength (IFS) Rating with a Positive Outlook by Pakistan Credit Rating

Agency (Private) Limited (PACRA), which denotes a strong capacity to meet policyholders' and contract obligations.

Having maintained its presence in almost all areas of business, IGI Insurance has become the fifth largest company in terms of gross premium written in the insurance industry.

In 2002, IGI Insurance has been awarded the top 25 companies award by the Karachi Stock

**Highest
solvency
margin
of 472%
gives us the
strength to
insure you**

Exchange for the fourth time; another testimony to our firm commitment to shareholders, customers and our employees.

Amongst Pakistan's insurance companies, IGI Insurance has one of the HIGHEST Solvency Margins of 472%. IGI Insurance continues to maintain re-insurance agreements with highly credible reinsurers like, Swiss Re, Hannover Re and Mitsui Sumitomo Re.

Since its inception, IGI Insurance has

been on the approved list of most of the Pakistani as well as foreign banks operating in the country. In July 2001, the Company achieved another milestone by obtaining ISO 9002 certification from SGS Malaysia Sdn. Bhd. IGI Insurance is the FIRST general insurance company in Pakistan, which achieved this certification for its entire operations. In 2003, the Company has reaffirmed its commitment to quality by successfully shifting to the new ISO 9001:2000 standard; certified by the certification body – SGS Malaysia.

Milestones - 2006

Summarized below are our accomplishments during the past year:

Travel Sure – a comprehensive Travel Insurance Plan. Travel Sure was launched in 2006 followed by Travel Sure for Senior Citizens, an extension of Travel Sure offering packages that suit travelers over 65 years of age.

Health Sure – a complete Health Insurance Plan for corporate clients; it covers expenses incurred during hospitalization due to sickness, emergency and accidents.

Auto Cover – this cover is for individual and commercial vehicles, it protects you against financial loss in case of accident.

In August 2006, the Company took over the share of American Express Bank in IGI Investment Bank Limited (formerly known as First International Investment Bank Limited – INTERBANK); with 24.99% of shareholding, IGI Insurance is now a major shareholder in IGI Investment Bank Limited.



Taking a chance can mean great losses.

IGI Fire Cover offers protection against damage and harm by fire for any property – private or commercial.

Introduction

Year 2007 will see us entering a new phase of progress and development. As part of the marketing strategy for enhanced presence in the financial sector, the Company has become part of the corporate umbrella of IGI Financial Services; which also includes IGI Investment Bank, IGI Funds and IGI Finex Securities. This association also reflects the shareholding of IGI Insurance in all three organizations.

The entire group has adopted the name IGI, drawing on more than fifty years of proud heritage and a reputation for excellence, integrity and commitment to customers and shareholders.

Corporate Philosophy

Our corporate philosophy of quality business, customer satisfaction and prompt payment of claims, has rewarded the Company with good reputation both in the local and international insurance markets.

In line with our growth strategy, we have acquired the Pakistan operations of Royal and SunAlliance Plc. U.K, thus becoming the global network partner of Royal and SunAlliance Plc U.K. As a result IGI Insurance is positioned amongst the top insurance companies operating in Pakistan.

Products and Services

Auto Insurance

Auto Cover is for individual and commercial vehicles. It is a complete auto insurance plan offering a comprehensive cover including theft, snatching, armed hold up, accidental damage, third

party liability and terrorism. Customers can access 24/7 customer support service and free anti-theft device without any renewal conditions.

This cover offers you the liberty to have your vehicle repaired at the workshop of your own choice and costs of repairs are directly settled with the workshop. A 20 % discount is allowed on installation of standard car tracking device.

Other value added offers that come with this policy are:

- 1 Free Personal Accident Cover
- 1 Free Emergency Roadside Assistance

Health Insurance

The product of health insurance is branded as Health Sure; it covers expenses incurred during hospitalization due to accidental sickness, emergency and accidents.

Health Sure is a managed care system providing quality healthcare

at an affordable cost. Our managed care system comprises of:

- 1 A network of over fifty carefully selected hospitals all over the country
- 1 A network of diagnostic centers and pharmacies
- 1 Qualified staff doctors
- 1 An expert claims handling team

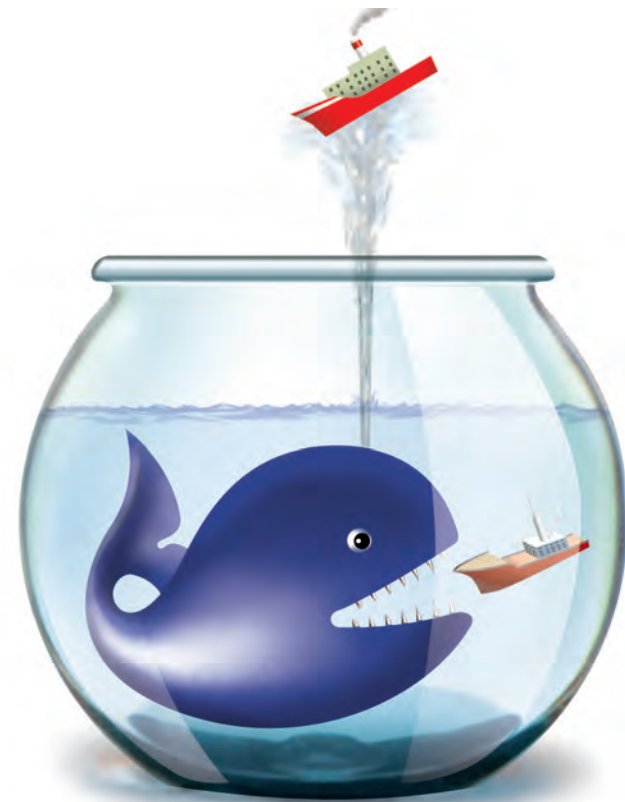
In addition to the quality of care we also offer the following value added benefits:

- 1 Coverage for pre-existing conditions
- 1 Discretionary Benefit Option (DBO) to pay for costs normally excluded from the policy
- 1 Credit facility at our panel of reputed hospitals across Pakistan
- 1 Discounts at consultations, dental treatments, pharmacies and diagnostic centers across Pakistan
- 1 24-hour medical hotline managed by our staff doctors
- 1 Easy to carry Health Card

Travel Insurance

Travel Sure is our travel insurance plan and Travel Sure – Senior Citizens Plan is a package that covers travelers over the age of 65 years. Both plans offer two choices; Single Trip and Multi Trip for individuals and families. From these choices you can customize your travel insurance plan by choosing

Innovative
value-added
products
for complete
customer
satisfaction



See your cargo reach its destination safely.

IGI Marine Cover helps you recover your losses from cargo lost or damaged.

Introduction

from four levels of cover, namely, Regal, Royal, Imperial and Majestic, each offers a variety of services and benefits.

Travel Sure provides the traveler with free assistance for loss of documents, loss of baggage, flight delays, etc. It covers personal liability, accidental death and permanent total disability; accidents arising out of traveling on common carriers or chartered flights; hospital expenses for accidents or sickness when traveling; emergency or death repatriation. Customers can have a 24-hour complete access to International SOS Pte. Ltd, which will guide and support them during all emergencies. Some of the free assistance services offered by IGI Travel Sure are:

- 1 Telephone Medical Advice
- 1 Medical Service Provider Referral
- 1 Arrangement of Hospital Admission
- 1 Medical Translation Service
- 1 Delivery of Essential Medicine
- 1 Arrangement of Compassionate Visit
- 1 Arrangement of Return of Minor Children
- 1 Arrangement of Accommodation
- 1 Interpreter Referral
- 1 Lost Luggage and Passport Assistance

- 1 Legal Referral
- 1 Emergency Travel Service Assistance
- 1 Emergency Interpreting Assistance
- 1 Embassy Referral
- 1 Emergency Document Delivery

Fire & Allied Perils Insurance

This cover is for property insurance like Factories, Offices and Homes

“AA”
PACRA rating for
7 consecutive
years with
Positive Outlook
rating for 2006

and includes perils like, fire and lightning which can be extended to cover the following: impact damage, storms, earthquakes, rain flood damage, riot and strike damage, burglary and malicious damage, etc.

Marine Cover

This covers imports and exports of consignments, loss or damage of cargo during transit by Air, Sea and Road; also covers dispatch of goods from the insured factory to anywhere in Pakistan.

Miscellaneous Insurance

We also provide customized insurance solutions for our corporate clients. The covers range from insuring engineering projects to insurance of electric equipment and machinery.

Reinsurance Arrangements

We are re-insured with some of the renowned international re-insurers. The list includes:

- 1 Swiss Re
- 1 Hannover Re
- 1 Mitsui Sumitomo Re
- 1 Korean Re
- 1 Asian Reinsurance Corporation
- 1 Arab Insurance Group (ARIG)

Key Financial Data (Ten years at a glance)

	(Rupees in thousand)									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Gross Premium	900,098	632,224	423,160	358,655	298,884	247,376	227,713	185,283	171,867	150,963
Underwriting Profit	226,929	190,065	106,878	99,333	90,082	70,480	76,882	67,386	55,995	54,108
Investment Income	7,315,629	258,822	230,054	215,851	147,158	90,875	86,614	81,145	36,337	42,835
Provision For Diminution										
In Value Of Investments	-	1,328	(13,627)	3,795	23,238	31,930	86,071	(47)	47	-
Profit Before Tax	7,357,109	326,757	260,565	280,652	215,415	128,085	57,916	129,492	67,137	70,039
Income Tax	14,739	37,014	28,000	41,100	41,543	17,514	55,100	51,959	13,411	9,951
Profit After Tax	7,342,370	289,743	232,565	239,552	173,872	110,571	2,816	77,533	53,726	60,088
Employees Remuneration	68,076	51,823	32,730	28,028	21,351	17,373	15,222	13,174	11,737	11,148
Cash Dividend	79,825	61,404	55,264	92,106	64,074	48,541	38,833	33,767	15,505	13,783
Cash Dividend %	40	40	45	75	60	50	40	40	22	25
Stock Dividend	119,738	46,053	30,702	-	16,018	9,708	-	12,663	15,506	13,782
Stock Dividend %	60	30	25	-	15	10	-	15	23	25
Break-up Value Per Share -Rs	426	80	81	62	49	43	37	46	51	56
Market Value Per Share -Rs	399	271	250	226	93	58	58	53	59	62
Earning Per Share -Rs	367.92	14.52	15.15	19.51	16.28	11.39	0.29	9.18	7.80	10.90
Shareholders Equity	8,509,721	1,228,755	994,276	763,967	524,416	417,852	355,822	391,839	348,073	309,852
Paid Up Capital	199,563	153,510	122,808	122,808	106,790	97,082	97,082	84,419	68,913	55,131
General & Capital Reserves	823,740	673,740	704,442	543,740	409,758	308,448	255,338	279,762	249,762	227,762
Unexpired Risk / Unearned Premium, Commission And Prepaid Premium	253,616	156,419	145,643	74,856	53,831	50,022	52,156	40,915	37,739	31,843
Total Assets-at Book Value	10,399,049	2,957,949	1,626,127	1,086,527	894,876	822,136	695,868	599,509	555,133	533,443
Investments-at Book Value	9,246,735	1,873,786	954,802	728,863	626,916	530,027	500,412	484,576	451,059	392,653
Investments-at Market Value	9,765,736	8,286,127	5,624,871	4,335,668	2,519,780	1,668,000	1,505,906	1,375,346	910,367	1,185,125
Loss Ratio	44	45	41	38	30	42	34	31	36	33
Expense Ratio	7	(3)	11	(4)	3	(11)	(14)	(13)	(14)	(17)
Underwriting Profit To Gross Premium Ratio	25	30	25	28	30	29	34	36	33	36
PBT To Gross Premium Ratio	817	52	62	78	72	52	25	70	39	46
Return On Equity	86	27	28	37	41	31	16	33	19	23
Total Assets Turnover Ratio	7	21	26	33	33	30	33	31	31	28
Investment Yield Ratio	132	14	29	32	25	18	18	17	9	13
Price Earning Ratio	1	18	17	12	7	6	200	7	9	7

Some people don't look ahead.
Others have Auto Cover.

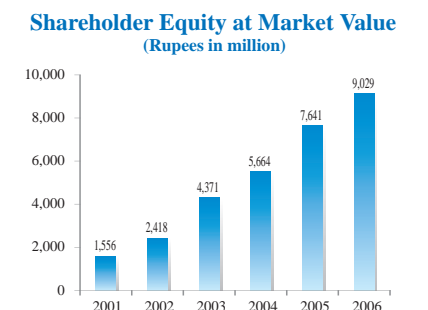
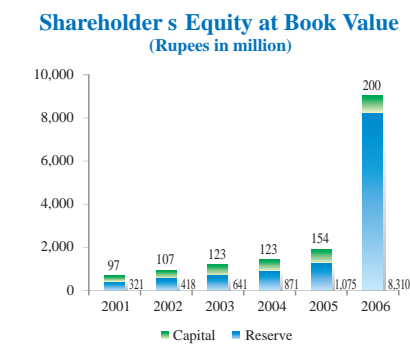
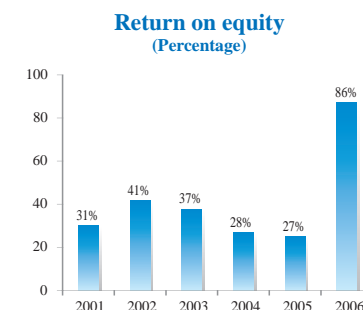
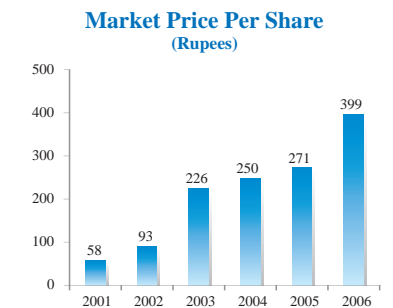
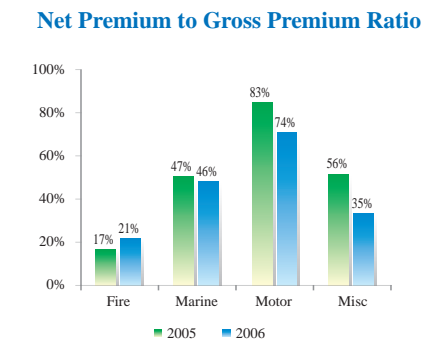
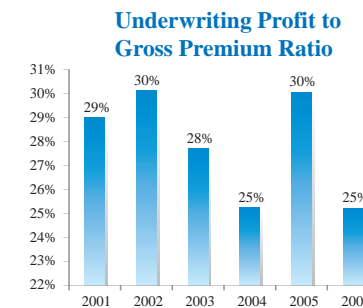
IGI Auto Cover offers complete assurance.
You also get free 24-hour personal
accident cover and roadside assistance.

Key Financial Data (Ten years at a glance)

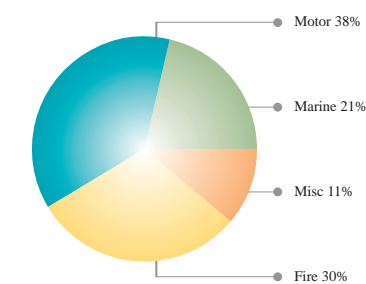


Travelling without insurance can cost you an arm and a leg. *Seriously!*

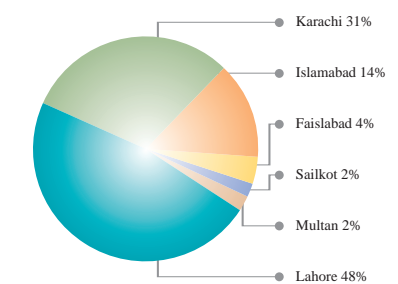
IGI Travel Sure covers all medical and travel emergencies across the globe.



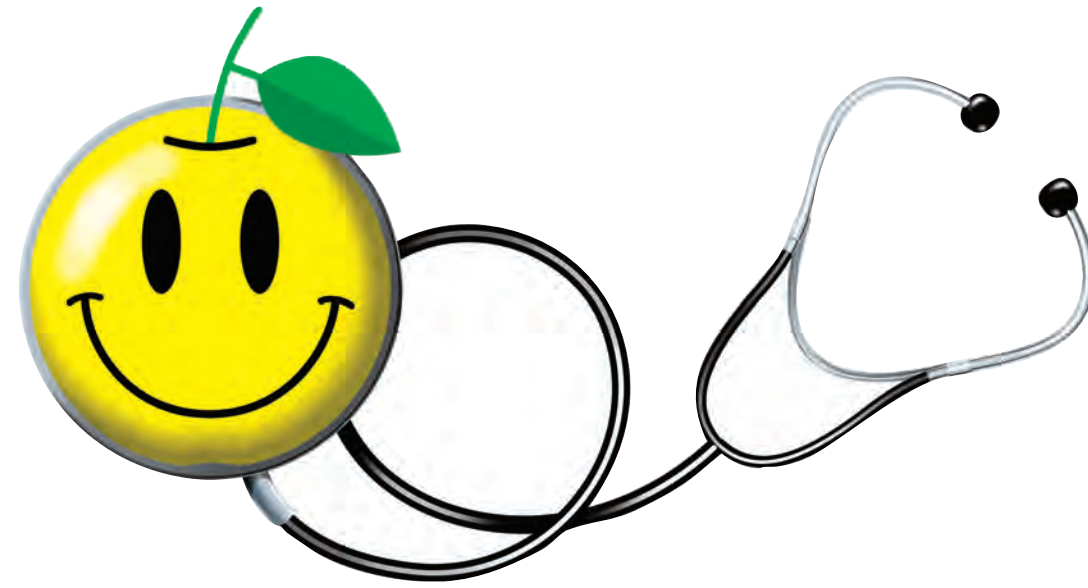
Gross Premium Business Wise (2006)



Gross Premium Area Wise (2006)



Key Financial Data (For the year)



A solution for all your healthcare needs.

IGI Health Sure offers managed care solutions backed by professional staff, financial strength and insurance experience.

	2006 (Rupees in thousand)	2005
Profit and Loss Accounts		
Gross Written Premium	900,098	632,224
Net Written Premium	494,126	341,170
Net Earned Premium	426,472	316,153
Claims Incurred	254,440	236,123
Net Claims Expenses	186,982	142,906
Commission Income	146,903	143,772
Commission Expense	71,146	49,585
Underwriting Profit	226,929	190,065
Direct Expenses	104,915	87,737
Investment Income	7,315,629	258,822
Profit Before Tax	7,357,109	326,757
Profit After Tax	7,342,370	289,743
Technical Reserves Cover		
Fire	83,944	61,603
Marine	53,895	48,454
Motor	228,264	125,170
Miscellaneous	52,934	44,778
Total	<u>419,037</u>	<u>280,005</u>
Corporate Assets		
Investment in Fixed Assets	292,084	246,253
Equity Investment in Associated Companies	1,620,566	1,502,565
Other Financial Investments	626,171	371,221
Total Investments	9,246,737	1,873,786
Total Investments at Realizable Value	9,765,736	8,286,127
Liquid Assets	366,387	323,030
Number of Employees		
	2006 No.	2005 No.
Karachi	29	27
Lahore	42	43
Islamabad	7	8
Faisalabad	3	3
Multan	1	2
Sialkot	4	3
Total	<u>86</u>	<u>86</u>

Ratios	2006				2005			
	Fire	Marine	Motor	Misc.	Fire	Marine	Motor	Misc.
Net Premium to Gross Premium	21%	46%	74%	35%	17%	47%	83%	56%
Loss Ratio	25%	22%	63%	-8%	30%	29%	54%	57%
Expense Ratio	-23%	-32%	24%	26%	-52%	-38%	22%	3%
Reserves to Net Premium	149%	62%	92%	152%	178%	63%	69%	190%
Policy Acquisition Cost to Gross Premium	22%	19%	18%	18%	24%	21%	20%	21%

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 53rd Annual General Meeting of IGI Insurance Limited (formerly International General Insurance Company of Pakistan Limited) (the "Company") will be held on Friday, April 27, 2007, at 3:00 p.m. at the registered office of the Company located at 7th Floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi-75600, to transact the following business:

ORDINARY BUSINESS

- To confirm the minutes of the last Extraordinary General Meeting of the Company held on February 2, 2007.
- To receive, consider and adopt the Audited Financial Statements for the year ended December 31, 2006, the report of the Auditors thereon and the report of the Directors.
- To consider and approve the payment of cash dividend @ forty percent (40%), that is, Rs. 4.00 (Rupees four only) per ordinary share of Rs. 10 (Rupees ten only) each for the year ended December 31, 2006, as recommended by the Board of Directors (the "Board") of the company.
- To appoint auditors and to fix their remuneration.

SPECIAL BUSINESS

- To consider and if thought fit, to pass a resolution as an ordinary resolution to approve the issue of Bonus Shares in the ratio of six (6) shares for ten (10) existing ordinary shares held, that is, sixty percent (60%), as approved by the Board of the Company.
- To consider and if thought fit to pass the following resolution as a special resolution in terms of Section 208 of the Companies Ordinance, 1984 for authorizing investment in the under-mentioned associated companies:

"RESOLVED that:

- the approval of the shareholders of the Company be and is hereby accorded for the investment of the under-mentioned amounts in the purchase of the ordinary shares of the under-mentioned associated companies:

Sr. No.	Name of the Company	Amount to be invested in Rupees
1	Sonafi-Aventis Limited	Rs. 200,000,000
2	Nestle Pakistan Limited	Rs. 8,100,000,000
3	Packages Limited	Rs. 100,000,000
4	Unilever Pakistan Limited	Rs. 200,000,000
5	Siemens (Pakistan) Engineering Company Limited	Rs. 200,000,000

- the approval of the shareholders of the Company be and is hereby accorded for placing deposit upto Rs. 200 million with IGI Investment Bank Limited (Formerly First International Investment Bank Limited), an associated company; and
- the Chief Executive Officer of the Company be and is hereby authorized to take any and all actions which may be required for making the above mentioned investment."

Notice of Annual General Meeting

ANY OTHER BUSINESS

- To consider any other business with the permission of the Chairman.

(Attached to this Notice is a statement of material facts covering the above-mentioned special business, as required under Section 160(1)(b) of the Companies Ordinance, 1984)

By Order of the Board

Muhammad Usman Amjad
Company Secretary

Karachi: March 5, 2007

Notes:

- The Share Transfer Books of the Company will be closed from April 19, 2007, to April 27, 2007, both days inclusive.
- A member entitled to attend and vote at the meeting is entitled to appoint another member as a proxy to attend and vote instead of him. No person shall be appointed as a proxy who is not a member of the Company qualified to vote, except that a corporate member may appoint a proxy who is not a member. The proxy forms duly completed and signed by the member appointing a proxy must be deposited with the Company's Share Registrar, Ferguson Associates (Pvt) Limited, State Life Building No.2A, 4th Floor, I.I. Chundrigar Road, P.O. Box # 4716, Karachi, not later than forty-eight (48) hours before the time appointed for the Meeting.
- Any individual Beneficial Owner of Central Depository Company, entitled to vote at this Meeting must bring his/her National Identity Card ("NIC") with him/her to provide his/her identity and in case of proxy must enclose an attested copy of his/her NIC. The representatives of corporate bodies should bring attested copy of Board of Directors Resolution / Power of Attorney and/or all such documents as are required under Circular No. 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan for this purpose.
- Change of address, if any, should be notified immediately to the Company's Share Registrar aforesaid.

Notice of Annual General Meeting

STATEMENT OF MATERIAL FACTS UNDER SECTION 160(1) (b) OF THE COMPANIES ORDINANCE, 1984 REGARDING THE SPECIAL BUSINESS

1. The Board at their meeting on March 5, 2007 considered and resolved unanimously to approve and place before the shareholders for approval by ordinary resolution to consider and, if thought fit, to pass with or without modification the following ordinary resolutions:
 - a) "RESOLVED that a sum of Rs. 119,737,986 out of the Free Reserves of the Company be capitalized and applied to the issue of 11,973,798 ordinary shares of Rs 10 each and allotted as fully paid up bonus shares to the members of the company who are registered in the books of the Company on April 19, 2007, in the proportion of six such new shares for every ten existing ordinary shares held and that such new shares shall rank pari passu with the existing ordinary shares of the Company as regards future dividends and all other respects."
 - b) "RESOLVED that the members entitled to fractions of shares shall be paid the sale proceeds of their fractional entitlements for which purpose the fractional shares shall be consolidated into whole shares and issued to the Company Secretary upon trust to sell these shares on the Stock Exchange, through a member of the Exchange, and distribute the net proceeds of sale when realized among the members entitled thereto."
 - c) "RESOLVED that for the purpose of giving effect to the foregoing the Directors be and are hereby authorized to give such directions as may be necessary and as they deem fit to settle any questions or difficulties that may arise in the distribution of the said new shares or in the payment of the sale proceeds of the fractional shares."

Syed Babar Ali, Mr. Shamim Ahmad Khan, Syed Kamal Ali, Syed Yawar Ali, Syed Shahid Ali, Syed Hyder Ali and Syed Javed Hassan, as the Directors of the Company, are not interested in this Special Business and/or ordinary resolution except to the extent of the bonus shares which they will be entitled to receive on their share holding in the Company.

2. The Company is a public listed general insurance company with equity of over Rs. 8.5 billion as of December 31, 2006 and is desirous of making investment in certain associated companies. The information required to be annexed to the Notice by SRO No. 865 (1)/2000 dated 6 December 2000 is set out below:

Sr. No.	Requirement	Information for Investee Company
A(i)	Name of associated investee company/undertaking:	Sanofi-Aventis Pakistan Limited
(ii)	Nature, amount and extent of investment:	Investment upto Rs. 200 million in ordinary shares of the investee company.
(iii)	Average market price of the shares intended to be purchased during the preceding six months in case of listed companies:	Average Market Price upto February 28, 2007 is Rs. 240 per share.
(iv)	Break-up value of shares intended to be purchased on the basis of last published financial statements:	2006: Rs 115.73 per share
(v)	Price at which shares will be purchased:	Fair Value at the date of purchase of ordinary shares.
(vi)	Earning per share of investee company in the last three years:	2004: Rs 25.40 per share 2005: Rs 28.64 per share 2006: Rs 23.54 per share

Notice of Annual General Meeting

Sr. No.	Requirement	Information for Investee Company
(vii)	Source of funds from where shares will be purchased:	Investment will be made out of the Company's total available funds.
(viii)	Period for which investment will be made:	Not applicable being long term equity investment.
(ix)	Purpose of investment:	To enable the Company to benefit from the dividend income and prospective capital gains.
(x)	Benefits likely to accrue to the company and the shareholders from the proposed investment:	From the proposed investment, dividends and capital gains are the benefits likely to accrue to the Company and consequently to its shareholders.
(xi)	Interest of directors and their relatives in the investee company:	Syed Babar Ali and Syed Hyder Ali, Directors of the Company are also directors of Sanoi-Aventis Pakistan Limited. They are interested in this business to the extent of their investment in this company. The interest of the other directors is the same as that of the shareholders and the Company.

Sr. No.	Requirement	Information for Investee Company
B(i)	Name of associated investee company/undertaking:	Nestle Pakistan Limited
(ii)	Nature, amount and extent of investment:	Investment upto Rs. 8.1 billion in ordinary shares of the investee company.
(iii)	Average market price of the shares intended to be purchased during the preceding six months in case of listed companies:	Average Market Price upto February 28, 2007 is Rs. 1,080 Per share.
(iv)	Break-up value of shares intended to be purchased on the basis of last published financial statements:	2006: Rs 58.22 per share
(v)	Price at which shares will be purchased:	Fair Value at the date of purchase of ordinary shares.
(vi)	Earning per share of investee company in the last three years:	2004: Rs 21.70 per share 2005: Rs 25.33 per share 2006: Rs 30.06 per share
(vii)	Source of funds from where shares will be purchased:	Investment will be made out of the Company's total available funds.
(viii)	Period for which investment will be made:	Not applicable being long term equity investment.
(ix)	Purpose of investment:	To enable the Company to benefit from the dividend income and prospective capital gains.
(x)	Benefits likely to accrue to the company and the shareholders from the proposed investment:	From the proposed investment, dividends and capital gains are the benefits likely to accrue to the Company and consequently to its shareholders.

Notice of Annual General Meeting

Sr. No.	Requirement	Information for Investee Company
(xi)	Interest of directors and their relatives in the investee company:	Syed Babar Ali, Syed Yawar Ali and Syed Hyder Ali, Directors of the Company are also directors of Nestle Pakistan Limited. They are interested in this business to the extent of their investment in this company. The interest of the other directors is the same as that of the shareholders and the Company.

The above purchase of ordinary shares up to Rs. 8 billion is part of the revaluation of the existing investment of the Company. The Company already holds the same number of shares of the said associated company which are to be purchased.

Sr. No.	Requirement	Information for Investee Company
C(i)	Name of associated investee company/undertaking:	Packages Limited
(ii)	Nature, amount and extent of investment:	Investment upto Rs. 100 million in ordinary shares of the investee company.
(iii)	Average market price of the shares intended to be purchased during the preceding six months in case of listed companies:	Average Market Price upto February 28, 2007 is Rs. 205 per share.
(iv)	Break-up value of shares intended to be purchased on the basis of last published financial statements:	2006: Rs 195.66 per share
(v)	Price at which shares will be purchased:	Fair Value at the date of purchase of ordinary shares.
(vi)	Earning per share of investee company in the last three years:	2004: Rs 19.68 per share 2005: Rs 16.24 per share 2006: Rs 87.30 per share
(vii)	Source of funds from where shares will be purchased:	Investment will be made out of the Company's total available funds.
(viii)	Period for which investment will be made:	Not applicable being long term equity investment.
(ix)	Purpose of investment:	To enable the Company to benefit from the dividend income and prospective capital gains.
(x)	Benefits likely to accrue to the company and the shareholders from the proposed investment:	From the proposed investment, dividends and capital gains are the benefits likely to accrue to the Company and consequently to its shareholders.
(xi)	Interest of directors and their relatives in the investee company:	Syed Hyder Ali, Mr. Shamim Ahmed Khan and Syed Shahid Ali, Directors of the Company are also directors of Packages Limited. They are interested in this business to the extent of their investment in this company. The interest of the other directors is the same as that of the shareholders and the Company.

Notice of Annual General Meeting

Sr. No.	Requirement	Information for Investee Company
D(i)	Name of associated investee company/undertaking:	Unilever Pakistan Limited
(ii)	Nature, amount and extent of investment:	Investment upto Rs. 200 million in ordinary shares of the investee company.
(iii)	Average market price of the shares intended to be purchased during the preceding six months in case of listed companies:	Average Market Price upto February 28, 2007 is Rs. 2,039 per share.
(iv)	Break-up value of shares intended to be purchased on the basis of last published financial statements:	2006: Rs 139 per share
(v)	Price at which shares will be purchased:	Fair Value at the date of purchase of ordinary shares.
(vi)	Earning per share of investee company in the last three years:	2004: Rs 130 per share 2005: Rs 120 per share 2006: Rs 124 per share
(vii)	Source of funds from where shares will be purchased:	Investment will be made out of the Company's total available funds.
(viii)	Period for which investment will be made:	Not applicable being long term equity investment.
(xi)	Purpose of investment:	To enable the Company to benefit from the dividend income and prospective capital gains.
(x)	Benefits likely to accrue to the company and the shareholders from the proposed investment:	From the proposed investment, dividends and capital gains are the benefits likely to accrue to the Company and consequently to its shareholders.
(xi)	Interest of directors and their relatives in the investee company:	Syed Babar Ali, Director of the Company is also director of Unilever Pakistan Limited. He is interested in this business to the extent of his investment in this company. The interest of the other directors is the same as that of the shareholders and the Company.

Sr. No.	Requirement	Information for Investee Company
E(i)	Name of associated investee company/undertaking:	Siemens (Pakistan) Engineering Company Limited
(ii)	Nature, amount and extent of investment:	Investment upto Rs. 200 million in ordinary shares of the investee company.
(iii)	Average market price of the shares intended to be purchased during the preceding six months in case of listed companies:	Average Market Price upto February 28, 2007 is Rs. 1,078 per share.
(iv)	Break-up value of shares intended to be purchased on the basis of last published financial statements:	2006: Rs 351.38 per share

Notice of Annual General Meeting

Sr. No.	Requirement	Information for Investee Company
(v)	Price at which shares will be purchased:	Fair Value at the date of purchase of ordinary shares.
(vi)	Earning per share of investee company in the last three years:	2004: Rs 53.10 per share 2005: Rs 100.24 per share 2006: Rs 94.65 per share
(vii)	Source of funds from where shares will be purchased:	Investment will be made out of the Company's total available funds.
(viii)	Period for which investment will be made:	Not applicable being long term equity investment.
(ix)	Purpose of investment:	To enable the Company to benefit from the dividend income and prospective capital gains.
(x)	Benefits likely to accrue to the company and the shareholders from the proposed investment:	From the proposed investment, dividends and capital gains are the benefits likely to accrue to the Company and consequently to its shareholders.
(xi)	Interest of directors and their relatives in the investee company:	Syed Babar Ali, Director of the Company is also director of Siemens (Pakistan) Engineering Company Limited. He is interested in this business to the extent of his investment in this company. The interest of the other directors is the same as that of the shareholders and the Company.

Sr. No.	Requirement	Information for Investee Company
F (i)	Name of associated investee company/undertaking:	IGI Investment Bank Limited (Formerly First International Investment Bank Limited)
(ii)	Nature, amount and extent of investment:	Placement of deposit upto Rs. 200 million in the investee company.
(iii)	Current Ratio of the investee company on the basis of last published financial statements:	2006: 0.85
(iv)	Rate of mark-up to be charged:	Market based rate at the time of disbursement.
(v)	Source of funds from where deposit will be placed:	Deposit will be placed out of the Company's total available funds.
(vi)	Period for which investment will be made:	One year, upon the expiry of which, may be rolled over by mutual consent of both parties.
(vii)	Benefits likely to accrue to the company and the shareholders from the proposed investment:	From the proposed investment, markup is likely to accrue to the Company and consequently to its shareholders.

Notice of Annual General Meeting

(viii)	Interest of directors and their relatives in the investee company:	Syed Babar Ali, Director of the Company is also director of IGI Investment Bank Limited (Formerly First International Investment Bank Limited). He is interested in this business to the extent of his investment in this company. The interest of the other directors is the same as that of the shareholders and the Company.
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Status of approvals for investments in associated companies

As required under the SRO No. 865(I)/2000 dated December 06, 2000, the position of various investments in associated companies against approvals held by the Company is as under:

1. Packages Limited - Against approval of Rs. 393.41 million, the Company has invested Rs. 252.71 million so far. The balance amount of Rs. 140.70 million would be invested on availability of shares at reasonable price. There was no major change in the financial position of the investee company.
2. Nestle Pakistan Limited - Against approval of Rs. 146.25 million, the Company has invested Rs. 40.69 million. The balance amount of Rs. 105.56 million would be invested on availability of shares at reasonable price. There was no major change in the financial position of the investee company.
3. Tri-Pack Films Limited - Against approval of Rs. 48 million, the Company has made no investments. Since the market price of the scrip remained highly volatile during the last year, the Company delayed the investment till the market price is attractive to buy. There was no major change in the financial position of the investee company.
4. Coca-Cola Beverages Pakistan Limited (CCBPL) - Against approval of Rs. 70 million, the Company made no investment. The steps being taken by the company to improve its financial position have not yet yielded the desired results. The Company will make the investment at an appropriate time.
5. TRG Pakistan Limited - Against approval of Rs. 92.62 million i.e., Rs. 50 million as part of revaluation of the existing investment of the company and of further investment of Rs. 42.62 million, the Company has invested Rs. 25.459 million so far. As the share price remained volatile during the last year, the Company has delayed revaluation/further investment in this scrip. There was no major change in the financial position of the investee company.
6. IGI Investment Bank Limited (formerly First International Investment Bank Limited) - Against approval of Rs. 575 million, the Company has invested Rs 74.621 million. The balance amount of Rs. 500.379 million would be subscribed/invested in proposed right issue and on availability of shares at reasonable price. There was no major change in the financial position of the investee company.
7. IGI Income Fund - Against approval of Rs. 200 million, the Company has fully subscribed the same towards pre-IPO of IGI Income Fund.

Shareholders' Information

Registered Office

7th Floor, The Forum,
Suite No. 701-713, G-20,
Block 9, Khayaban-e-Jami,
Clifton, Karachi-75600, Pakistan
Tel # 111-308-308,
Fax # 92-21-5301771-2
Web site: www.igiinsurance.com.pk

Share Registrar Office

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

Listing on Stock Exchanges

IGI equity shares are listed on Karachi Stock Exchange (KSE) and Lahore Stock Exchange (LSE).

Listing Fees

The annual listing fee for the financial year 2005-06 has been paid to both the stock exchanges within the prescribed time limit.

Stock Code

The stock code for dealing in equity shares of IGI at KSE and LSE is IGIL.

Investor Service Centre

IGI's share department is operated by Ferguson Associates (Pvt) Ltd. Registrar Services. It also functions as an Investor Service Centre and has been servicing nearly 1,150 shareholders. The Investor Service Centre is managed by a well-experienced team of professionals and is equipped with the necessary infrastructure in terms of computer facilities and comprehensive set of systems and procedures for conducting the Registration function. The team is headed by Mr. Awais Khan at Registrar Office and Mr. Haider Raza Manage Accounts and Deputy Company Secretary at IGI Registered Office.

IGI's share department has online connectivity with Central Depository Company of Pakistan Limited. The share department undertakes activities pertaining to dematerialization of shares, shares transfer and transmission, issue of duplicate / re-validated dividend warrants, issue of duplicate / replaced shares certificates, change of address and other related matters.

For assistance, shareholders may contact either the Registered Office or the Share Registrar Office.

Contact persons:

Mr. Haider Raza
Phone: 111-308-308
E-mail: haider.raza@igi.com.pk

Mr. Hussain Ahmed
Phone: 021-2420755
021-2426597

Shareholders' Information

Services Standards

IGI has always endeavored to provide investors with prompt services. Listed below are various investor services and the maximum time limits set for their execution:

	For Request received Through post	Over the counter
Transfer of Shares	45 days after receipt	45 days after receipt
Transmission of shares	45 days after receipt	45 days after receipt
Issue of duplicate share certificates	45 days after receipt	45 days after receipt
Issue of duplicate dividend warrants	5 days after receipt	5 days after receipt
Issue of revalidated dividend warrants	5 days after receipt	5 days after receipt
Change of address	2 days after receipt	15 minutes

Well reputed and experienced firm of the share registrar services has been entrusted with the responsibility of ensuring that services are rendered within the specified time limits.

Statutory Compliance

During the year the Company has complied with all applicable provisions, filed all returns/ forms and furnished all the relevant information as required under the Companies Ordinance 1984 and allied laws and rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the Listing Regulations.

Dematerialization of Shares

The equity shares of the Company are under the compulsory demat category. As at December 31, 2006, 39.57% of the equity shares of the Company have been dematerialized by the shareholders.

Shareholders holding shares in physical form requested to dematerialize their holding at the earliest by approaching the depository participant registered with the CDC.

Dividend Announcement

The board of directors of the company has proposed a final cash dividend of 40% (Rs. 4.0 per share), (2005: 40% cash dividend or Rs. 4.00 per share) and bonus share 60% or 3 shares for every 5 shares held (2005:30%) for the financial year ended December 31, 2006, subject to approval by the shareholders of the company at the Annual General Meeting.

Book Closure Dates

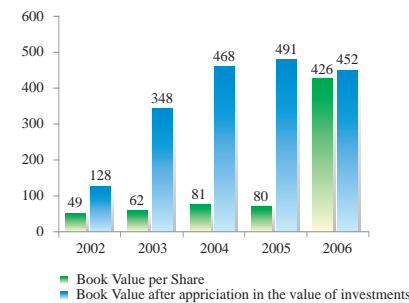
The register of Members and share transfer books of the company will remain closed from April 19, 2007 to April 27, 2007 both days inclusive.

Dividend Remittance

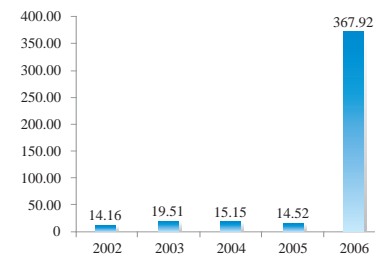
Dividend declared and approved at the Annual General Meeting will be paid on or after April 27, 2007 but within the statutory time limit of 45 days:

- (i) For shares held in physical form: to shareholders whose names appear in the Register of Members of the Company after entertaining all request for transfer of shares lodged with the Company on or before the book closure date.

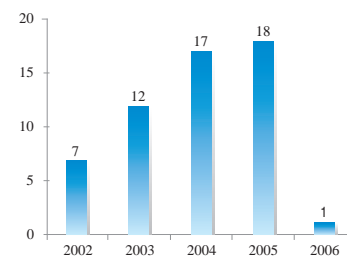
Book Value Per Share
(Rupees)



Earning Per Share
(Rupees)



Price Earning Ratio



Shareholders' Information

- (ii) For shares held in electronic form: to shareholders whose names appear in the statement of beneficial ownership furnished by CDC as at end of the business on book closure date.

Withholding of Tax & Zakat on Dividend:

As per the provisions of the Income Tax Ordinance, 2001 Income Tax is deductible at source by the Company as per the following schedule:

- on share holders which is a public company or an insurance company @ 5%; and
- in any other case @ 10%.

Zakat is also deductible at source from the dividend at the rate of 2.5% of face value of the share, other than the corporate holders or the individuals who provide the undertaking for non-deduction of Zakat.

Dividend Warrant

Cash Dividends are paid through dividend warrants addressed to the shareholder whose name is appearing on the register of shareholders at the date of book closure. Shareholders are requested to deposit the dividend warrants into their bank account, at their earliest. It will help the company in clearing their unclaimed dividend account.

Investors' Grievances

As on date none of the investor or shareholder has filed any letter of complaints against any service provided by the company to its shareholders.

Legal Proceedings

No case has ever been filed by shareholders against the company for non-receipt of share/ refund.

General Meetings & Voting Rights

Pursuant to section 158 of The Companies Ordinance 1984, IGI holds a General Meeting of Shareholders at least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all the shareholders at least 21 days before the meeting and also advertised in at least one English and one Urdu newspaper having circulation in Sindh and Punjab.

Shareholders having a holding of at least 10% of voting right may also apply to the Board of Directors to call for a meeting of shareholders, and if Board does not take action on such application within 21 days, the shareholders may themselves call the meeting.

All shares issued by the Company carry equal voting rights. Generally, matters at the General Meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of "One Member-One Vote". If majority of shareholders raise their hands in favor of a particular resolution, it is taken as passed, unless a poll is demanded. Since, the fundamental voting principle in a Company is "One Share-One Vote", voting takes place by a poll, if demanded. On a poll being taken, the decision arrived by poll is final, overruling any decision taken on a show of hands.

Proxies

Pursuant to Section 161 of The Companies Ordinance, 1984 and according to the Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a General

Shareholders' Information

Meeting of the Company, can appoint another person as his / her proxy to attend and vote instead of himself / herself. Every notice calling a General Meeting of the Company contains a statement that shareholder entitled to attend and vote is entitled to appoint a proxy who needs to be a member of the Company.

The instrument appointing proxy, duly signed by the shareholder appointing that proxy should be deposited at the office of the Company not less than forty-eight hours before the meeting.

Web Presence

Updated information regarding the Company can be accessed at IGI web site, www.igiinsurance.com.pk. The web site contains the latest financial results of the company together with Company's profile, the corporate philosophy and major products.

Shareholding Pattern

The shareholding pattern of the equity share capital of the Company as on December 31, 2006 was as follows:

Shareholders' Category	No. of Share Holders	Share Holding	Percentage
Directors, Chief Executive and Family	13	5,970,467	29.92
Associated Companies, Undertakings and Related Parties	4	5,682,465	28.47
Public Sector Companies and Corporation	1	197,544	0.99
Banks, DFIs and NBFIs	5	16,745	0.08
Insurance Companies	2	76,356	0.38
Modaraba & Mutual Funds	6	388,441	1.95
Charitable Trusts & Other Companies	47	1,864,809	9.34
Non Resident	2	687,815	3.45
General Public	1,067	5,071,689	25.42
	<u>1,147</u>	<u>19,956,331</u>	<u>100.00</u>

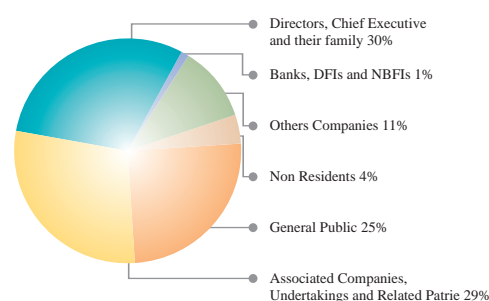
Shareholders having more than 10% Holdings (Name-Wise Detail)

Syed Babar Ali	4,372,138	21.91
Industrial Technical and Educational Institute	3,392,048	17.00
Packages Limited	2,118,138	10.61

Information Required under the Code of Corporate Governance
Categories of Shareholders As at December 31, 2006

Category	No. of share holders	Total No. of Shares held	Holding %
Associated Companies, Undertakings and Related Parties			
Packages Limited	1	2,118,138	11
Treet Corporation Limited	1	29	–
Industrial Technical and Educational Institute Loads Limited	1	3,392,048	17
	1	172,250	1
Directors			
Syed Babar Ali	1	4,372,138	22
Syed Hyder Ali	3	652,706	3
Syed Javed Hassan	2	5,050	–
Syed Kamal Ali	2	177,812	1
Syed Shahid Ali	2	558,411	3
Syed Yawar Ali	2	203,323	1
Shamim Ahmed Khan	1	1,027	–
Joint Stock Companies			
Public Sector Companies and Corporations	1	197,544	1
Banks, Development Finance Institutions and Non-Financial Institutions	5	16,745	–
Insurance Companies	2	76,356	–
Modarabas	2	7,460	–
Mutual Funds	4	380,981	2
Charitable Trusts	2	33,227	–
Others	45	1,831,582	9
Non Residents	2	687,815	4
General Public	1067	5,071,689	25
	<u>1,147</u>	<u>19,956,331</u>	<u>100</u>

Categories of Shareholders



Distribution of Shareholding in Central Depository Company of Pakistan Limited.

As at December 31, 2006.

Number of Shareholders	Shareholding From	To	Total Shares Held
174	1	100	7,815
147	101	500	38,775
75	501	1000	54,810
103	1001	5000	244,536
24	5001	10000	177,927
8	10001	15000	92,681
7	15001	20000	120,566
3	20001	25000	70,251
4	25001	30000	110,875
2	30001	35000	64,068
4	35001	40000	149,685
2	40001	45000	82,407
2	45001	50000	98,376
1	50001	55000	50,455
1	55001	60000	56,117
2	60001	65000	124,486
1	65001	70000	68,732
2	75001	80000	156,210
3	90001	95000	280,642
1	115001	120000	116,702
1	120001	125000	123,595
1	125001	130000	127,600
1	130001	135000	134,280
1	140001	145000	143,893
1	145001	150000	147,339
1	170001	175000	172,250
1	185001	190000	189,970
2	195001	200000	397,093
1	260001	265000	262,334
1	555001	560000	556,211
1	665001	670000	669,916
1	685001	690000	687,762
1	2115001	2120000	2,118,138
<u>580</u>			<u>7,896,497</u>

Pattern of Shareholding

As at December 31, 2006

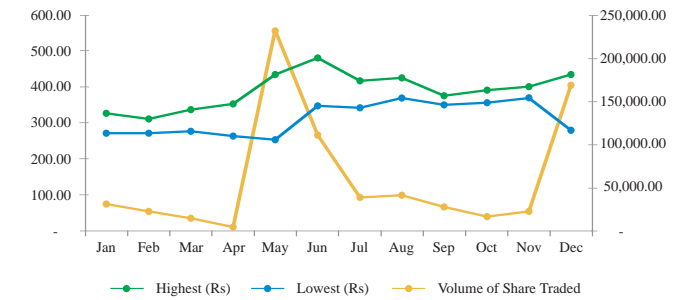
Number of Shareholders	Shareholding From	To	Total Shares Held
386	1	100	15,648
273	101	500	69,028
123	501	1000	92,808
216	1,001	5000	470,130
50	5,001	10000	364,748
17	10,001	15000	200,036
10	15,001	20000	174,727
6	20,001	25000	141,740
4	25,001	30000	110,875
5	30,001	35000	156,351
4	35,001	40000	149,685
4	40,001	45000	168,463
5	45,001	50000	240,381
1	50,001	55000	50,455
2	55,001	60000	114,565
2	60,001	65000	124,486
2	65,001	70000	135,816
1	70,001	75000	71,366
3	75,001	80000	233,770
2	85,001	90000	179,168
3	90,001	95000	280,642
1	95,001	100000	95,204
1	115,001	120000	116,702
3	120,001	125000	367,796
1	125,001	130000	127,600
1	130,001	135000	134,280
1	135,001	140000	137,667
1	140,001	145000	143,893
1	145,001	150000	147,339
2	170,001	175000	344,462
1	185,001	190000	189,970
3	195,001	200000	595,908
1	260,001	265000	262,334
2	275,001	280000	553,404
1	345,001	350000	348,690
1	435,001	440000	435,155
1	555,001	560000	556,211
1	610,001	615000	614,826
1	665,001	670000	669,916
1	685,001	690000	687,762
1	2,115,001	2120000	2,118,138
1	3,390,001	3395000	3,392,048
1	4,370,001	4375000	4,372,138
1,147			19,956,331

Share Price / Volume

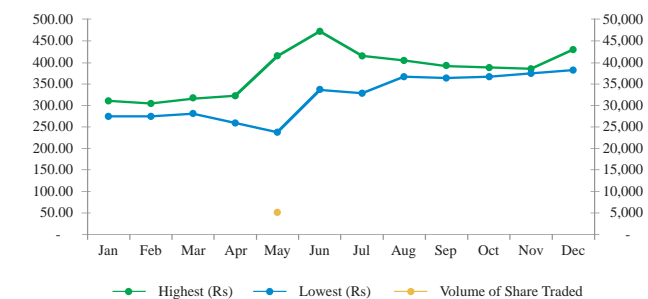
The monthly high and low prices and the volume of shares traded on the KSE and LSE during the financial year 2006 are as under:

Month	Share Price on the KSE (Rs.)		Volume of Shares Traded	Share Price on the LSE (Rs.)		Volume of Shares Traded
	Highest	Lowest		Highest	Lowest	
January	313.00	271.00	34,400.00	313.00	271.00	—
February	304.00	271.00	31,600.00	304.00	271.00	—
March	320.00	285.00	21,800.00	320.00	283.00	—
April	349.00	258.00	4,700.00	349.00	254.00	—
May	422.00	245.00	234,100.00	422.00	245.00	5,000.00
June	488.00	342.00	104,200.00	468.70	342.00	—
July	404.00	335.00	44,200.00	402.95	335.00	—
August	415.00	370.00	45,200.00	414.00	360.00	—
September	380.00	350.00	34,700.00	395.00	360.00	—
October	393.00	360.00	23,700.00	392.00	361.00	—
November	390.00	375.00	31,000.00	388.00	375.00	—
December	436.00	282.00	162,000.00	433.50	383.00	—

Share Price Movement on KSE During the Year 2006



Share Price Movement on LSE During the Year 2006



Directors Report to the Shareholders

The Directors of IGI take pleasure in presenting the annual report of your company, together with the audited Financial Statements for the year ended December 31, 2006.

Company Performance Review

In 2006 IGI achieved with strong premium growth and maintained a high level of profitability. Profit after tax increased to Rs. 7,342 mn in 2006 from Rs. 290 mn in 2005 driven by increased investment income and underwriting profit. The underwriting profit increased by 19% from Rs. 190mn in 2005 to Rs. 227 mn in 2006.

Gross Premium increased by 42% from Rs. 632 million in 2005 to Rs. 900 million in 2006 while maintaining the business mix with share of Fire, Marine, Motor, & Miscellaneous classes at 31%, 21%, 37%, and 11% respectively. Premium growth has been driven by organic growth of existing businesses as well as launch of two new products namely Health Sure and Travel Sure. Both the new products have received positive market response.

Net Premium and Commission grew by 22% from Rs. 410 million in 2005 to Rs. 502 million in 2006. Underwriting profit margin (as a percentage of gross premium) grew by 25%, reflecting your company's success in developing the business while maintaining profitability. The expense ratio (total expenses as a percentage of gross premium) fell to 19% in 2006 from 20% in the previous year.

Due to realization of capital gains on account of the equity portfolio as well as improved returns on cash holdings, investment income increased by 2725% from Rs. 259 million in 2005 to Rs. 7,316 million in 2006.

Profit before tax rose by 2151% from Rs. 327 million in 2005 to Rs. 7,357 million in 2006. This is after charging goodwill of Rs. 51 million relating to the business acquired from R&SA which has now been fully amortized. Earnings per share for the Company increased to Rs. 367.92 million in 2006 from Rs. 14.52 million in 2005

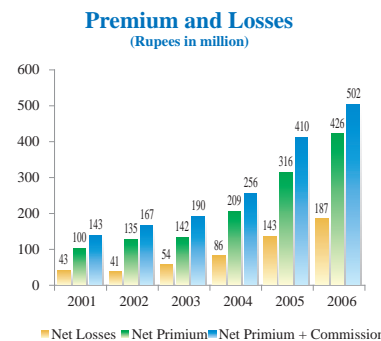
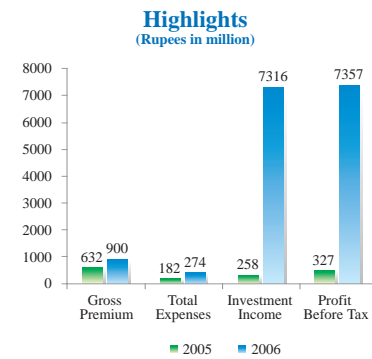
Segments at a Glance

Fire

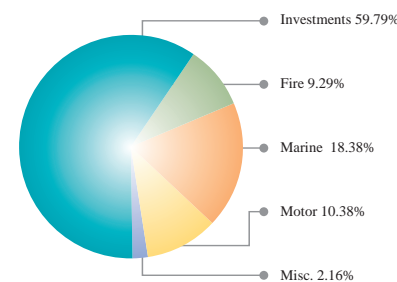
Gross premium grew by 31% from Rs. 207 million in 2005 to Rs. 272 million in 2006. Net Premium earned increased by 60% from Rs. 35 million to Rs. 56 million. Although losses increased by 40% from Rs. 10 million in 2005 to Rs. 14 million in 2006, underwriting profit increased by 27% from Rs. 44 million in 2005 to Rs. 56 million in 2006. The improvement in profitability can be attributed to volume growth and increased retention.

Marine, Aviation and Transport

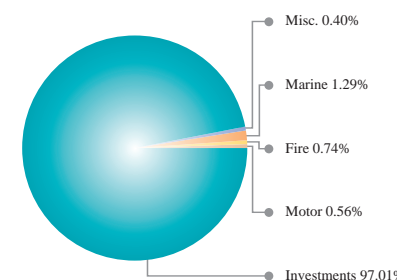
Marine business grew by 15% from Rs. 166 million in 2005 to Rs. 191 million in 2006. Underwriting profit grew by 12% over last year to Rs. 98 million helped by both increased volumes and higher levels of retentions.



Contribution to Profitability (2005)



Contribution to Profitability (2006)



Directors Report to the Shareholders

Motor

Gross Premium in the motor segment increased by 55% from Rs. 218 million in 2005 to Rs. 337 million in 2006. Underwriting profit decreased by 14% or Rs. 7 million from Rs. 49 million in 2005 to Rs. 42 million in 2006 primarily as result of higher levels of incurred losses.

Others (Miscellaneous)

For Miscellaneous lines, which include engineering, contract, and cash business, gross premium grew by 138% from Rs. 42 million in 2005 to Rs. 100 million in 2006. Net Premium increased by 50%, closing at Rs. 35 million. However, underwriting profit also increased by 200% from Rs. 10 million in 2005 to Rs.31million in 2006.

Investments

The book value of your company's investments increased from Rs. 1,874 million to Rs. 9,247 million, that is, by Rs. 7,373 million during the year 2006. As mentioned earlier this is mainly due to realization of capital gains on available for sale investments. The market value of investments increased by 18% from Rs. 8,286 million as at December 31, 2005 to Rs. 9,766 million as at December 31, 2006.

As per requirements of IAS 39, an unrealized loss of Rs.15 million against a gain of Rs. 7 million in the previous year was recognized in the profits of the company. The market value of shares held for trading was Rs. 227 million in 2006 as against Rs. 63 million in 2005.

ISO Certification

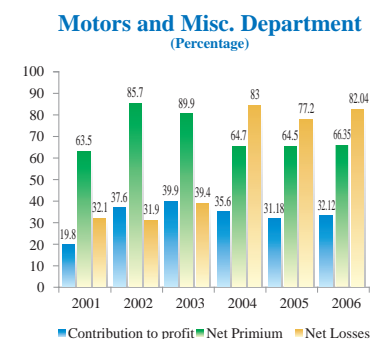
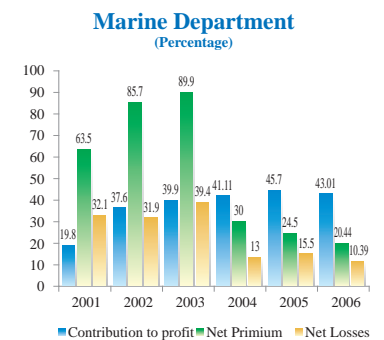
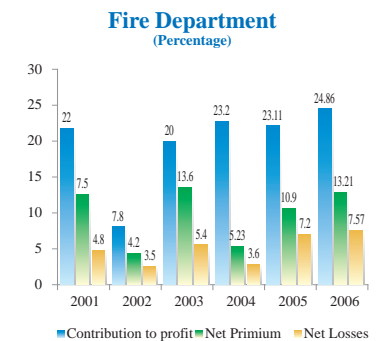
Since your Company received ISO 9001:2000 certification in 2001 it has successfully maintained the status and its entire operations are ISO 9001:2000 certified.

Insurer's Financial Strength Rating

The Pakistan Credit Rating Agency (Private) Limited (PACRA) has for the seventh consecutive year assigned your Company, an "Insurer Financial Strength" (IFS) Rating of "AA" (Double A) and a Positive Outlook for the second consecutive year, on the basis of financial statements for the year 2005.

The Insurer Financial Strength (IFS) Rating of "AA" (Double A) denotes:

"Insurers are viewed as possessing VERY STRONG capacity to meet policyholder and contract obligations. Risk factors are modest, and the impact of any adverse business and economic factors is expected to be VERY SMALL."



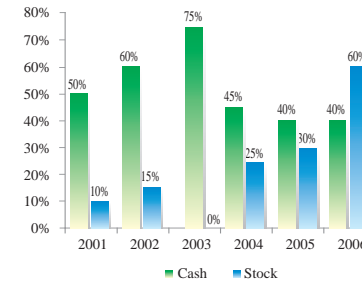
Directors Report to the Shareholders

Appropriations

The proposed appropriations are as under:

	Rupees in thousand	
	2006	2005
Dividend for the year 40 % (2005: 40%)	79,825	61,404
Transfer to reserve for issue of Bonus Shares 60 % (2005: 30%)	119,738	46,053
Transfer to General Reserves	7,280,000	150,000
	<u>7,479,563</u>	<u>257,457</u>

Cash and Stock Dividend



Auditors

The present auditors M/S A. F. Ferguson & Company, Chartered Accountants retire, and being eligible, have offered themselves for reappointment. The external auditors hold satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) as required under their Quality Control Review Program. As suggested by the Audit Committee, the Board of Directors has recommended their appointment as auditors of the Company for the year 2007, at a fee to be mutually agreed.

Board of Directors

There was no change in the Board of the Directors of the Company during the year 2006.

During the year seven (7) meetings of the Board of Directors were held and attendance by each Director is given below:

Name of Director	Number of meetings attended
Syed Babar Ali	5
Mr. Shamim Ahmad Khan	7
Syed Kamal Ali	5
Syed Yawar Ali	4
Syed Shahid Ali	-
Syed Hyder Ali	6
Syed Javed Hassan	7

The Board granted leave of absence to those Directors who could not attend the Board meetings.

Audit Committee

As required under the Code of Corporate Governance, the Board established an audit committee, which has its terms of reference duly approved by the Board. The committee members are as follows:

Mr. Shamim Ahmad Khan	Non-executive Director (Chairman)
Syed Yawar Ali	Non-executive Director
Syed Hyder Ali	Non-executive Director
Mr. Akhtar Abbas	Secretary

Directors Report to the Shareholders

Code of Corporate Governance

- The financial statements together with the notes forming an integral part of these statements are drawn up in conformity with the Companies Ordinance, 1984, and the Insurance Ordinance, 2000, prepared by the management of your Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of these financial statements and accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been continuously monitored by the internal audits. This is a continuing process and any weaknesses will be removed and its effective implementation shall be ensured.
- There is no doubt upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Key operating and financial data for the last ten years is shown at page number 13.
- Outstanding taxes and duties are given in the financial statements.
- The value of investments based on audited financial statements of the respective funds were as follows:
Provident Fund as at June 30, 2004 Rs. 6.580 million
Gratuity Fund as at December 31, 2004 Rs. 1.054 million
- The related party transactions are approved or ratified by the audit committee and the Board of Directors;
- The trade carried out by the Directors, CEO, CFO, Company Secretary, Executives and their spouses and minor children, if any, in the shares of the Company is given below:

Directors

Syed Hyder Ali, Director purchased 1,800 shares
Syed Javed Hassan, Chief Executive Officer purchased 3,500 shares

CFO and Company Secretary: Nil; and

Executives:

Syed Khalid Yusuf, Chief Operating Officer purchased 1,600 shares
Shahbaz Haider Agha, General Manager purchased 2,000 shares.

- All the major decisions relating to investments / disinvestments of funds, change in the policy of underwriting, if any, appointment, remuneration and terms & conditions of CEO are taken to the Board.

Directors Report to the Shareholders

Material Changes

There have been no material changes and commitments affecting the financial position of your Company since December 31, 2006.

Pattern of Shareholding

A statement showing the pattern of shareholding is attached with this report.

Insurance Ordinance, 2000

As required under the Insurance Ordinance and rules framed thereunder, the Directors confirm that:

- 1 in their opinion and to the best of their belief the annual statutory accounts of the Company are set out in the forms attached with this statement have been drawn up in accordance with the Insurance Ordinance and any rules made thereunder;
- 1 the Company has at all times in the year complied with the provisions of the Ordinance and the rules made thereunder relating to the paid up capital, solvency and reinsurance arrangements; and
- 1 as at the date of the statement, the Company continues to be in compliance with the provisions of the Ordinance and rules framed thereunder as mentioned above.

Future Outlook

In order to keep the momentum of growth, we are focusing on broadening our customer base, continuously improving quality of service and increasing our geographical presence. We are also looking to explore new segments of business which are developing as the economy grows.

Acknowledgement

We would like to thank our valued clients for their continued support and feedback, our re-insurers for the support and backing given to the Company during the year. Lastly our appreciations for the staff for their hard work, devotion and loyalty and hope that they will continue to work with the same zeal and fervor.

For and on behalf of the Board



Syed Babar Ali
Chairman
Lahore, March 05, 2007

Statement of Compliance with the Code of Corporate Governance For the Year Ended December 31, 2006

This statement is being presented to comply with the Code of Corporate Governance contained in the listing regulation No. 37 and Chapter XIII of the Karachi and Lahore stock exchanges respectively for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of non-executive directors on its Board. At present the Board comprises of five non-executive directors including the Chairman, out of seven directors. We shall also encourage minority representation on the Board when next election is due.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred during the year.
5. The Company has prepared a code of conduct as a substitute for statement of ethics and business practices, which has been duly signed.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Company is maintaining particulars of significant policies along with the dates on which they are approved and amended.
7. All the powers of the Board have been duly exercised and decisions on material transactions have been taken by the Board including appointment, determination of remuneration and terms and conditions of the Managing Director.
8. The meetings of the Board were presided over by the Chairman except in one occasion when leave of absence was granted to Chairman. The Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board has established a system of sound internal control which is effectively implemented at all levels within the Company, the documentation of which will be made in due course which shall include all necessary aspects of internal control given in the Code.
10. The Board arranged orientation course for its directors to apprise them of their duties and representation.
11. The Board has approved appointment of Head of Internal Audit. However, no new appointments of CFO and Company Secretary were made during the year.
12. The directors' report for this year has been prepared in compliance with the requirements of the code and fully describes the salient matters required to be disclosed.

Statement of Compliance with the Code of Corporate Governance For the Year Ended December 31, 2006

13. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
14. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
15. The Company has complied with all the corporate and financial reporting requirements of the Code.
16. The Board has formed underwriting, claims settlement, reinsurance and coinsurance committees.
17. The Board has formed an audit committee. It comprises of three members, all of whom are non-executive directors including the chairman of the committee.
18. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The term of reference of the committee have been formed and advised to the committee for compliance.
19. The Board has set-up an effective internal audit function manned by suitably qualified and experienced personnel who are conversant with the policies and procedures of the company and are involved in the Internal Audit function on a full time basis..
20. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
22. We confirm that all other material principles contained in the Code have been complied with.



Syed Babar Ali
Chairman

Lahore, March 05, 2007

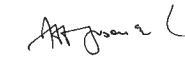
Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of IGI Insurance Limited (Formerly International General Insurance Company of Pakistan Limited) to comply with the Listing Regulation No. 37 of the Karachi Stock Exchange and Chapter XIII of the Lahore Stock Exchange where the company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended December 31, 2006.



A. F. Ferguson & Co.
Chartered Accountants

Lahore, March 5, 2007

Auditors' Report to the Members

We have audited the annexed financial statements comprising of:

- | | |
|---------------------------------------|---------------------------------------|
| (i) Balance sheet; | (ii) Profit and loss account ; |
| (iii) Statement of changes in equity; | (iv) Cash flow statement; |
| (v) Statement of premiums; | (vi) Statement of claims; |
| (vii) Statement of expenses; and | (viii) Statement of investment income |

of IGI Insurance Limited (formerly International General Insurance Company of Pakistan Limited) as at December 31, 2006, together with the notes forming part thereof, for the year then ended.

It is the responsibility of the company's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) Proper books of accounts have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- (b) The financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the company and are further in accordance with accounting policies consistently applied except for the changes referred to in note 4.1 to the financial statements with which we concur;
- (c) The financial statements together with the notes thereon present fairly, in all material respects, the state of the company's affairs as at December 31, 2006 and of the profit, its cash flows and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and
- (d) Zakat deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.



A. F. Ferguson & Co.
Chartered Accountants

Lahore, March 5, 2007

Financial Statements

For the Year Ended December 31, 2006