

CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD
ENDED 30 SEPTEMBER 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
Salim Iqbal
Syed Matin Ahmed
Haider Ali
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
J. H. Rahimtoola and Company
Advocate

Bankers

The Royal Bank of Scotland Limited
Allied Bank of Pakistan Limited
Bank Alfalah Limited
Dubai Islamic Bank Pakistan 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

UAN: 111-234-234
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Fax: 92-21-5301772

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 nine months ended 30 September 2009.

During the period under review, despite challenging market situation, the Company maintained its operational performance, achieving an increase of 17% in Gross Written Premium from Rs. 817 million in 2008 to Rs. 952 million in 2009. This was led by motor segment which registered an increase of 34% over the corresponding period 2008. The reduced net claims further contributed to higher underwriting profit which went up to Rs. 213 million from Rs. 170 million in 2008, depicting a healthy growth of 26%. The period witnessed sharp recovery in equity markets which helped Company's investments to cover some of its previous losses. Dividend income, higher by Rs. 102 million over the same period last year, also contributed to positive cash flows.

The share of profit of associates boosted the Company's overall profitability to Rs. 818 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 nine months ending 30 September 2009 is Rs. 13.65 against Rs. 1.75 for the corresponding period 2008.

Conscious of the macro economic challenges currently being faced by the economy, we will continue to strive hard to sustain our performance in the coming months.

We acknowledge and thank our business partners, customers 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

Karachi: 28 October 2009

CONDENSED INTERIM BALANCE SHEET

	Note	Un-audited 30 September 2009	Audited 31 December 2008
		(Rupees in '000)	
Share capital and reserves			
Authorized 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 capital [59,868,995 (2008: 59,868,995) ordinary shares of Rs. 10 each]		<u>598,689</u>	598,689
Reserves		<u>10,534,374</u>	10,624,177
Retained earnings		<u>381,287</u>	(376,347)
		<u>11,514,350</u>	10,846,519
Underwriting provisions			
Provision for outstanding claims [including IBNR]		<u>391,365</u>	366,620
Provision for unearned premium		<u>495,752</u>	378,622
Commission income unearned		<u>59,488</u>	56,733
Total underwriting provisions		<u>946,605</u>	801,975
Deferred taxation		<u>84,556</u>	-
Creditors and accruals			
Premium received in advance		<u>2,653</u>	518
Amounts due to other insurers/ reinsurers		<u>211,090</u>	75,730
Accrued expenses		<u>44,066</u>	56,103
		<u>257,809</u>	132,351
Borrowings			
Long term finance - secured	7.1	<u>80,000</u>	320,000
Short term finance - secured		<u>534,672</u>	1,047,527
Other Liabilities			
Sundry creditors		<u>50,916</u>	50,303
Unclaimed dividend		<u>6,453</u>	1,964
TOTAL LIABILITIES		<u>1,961,011</u>	2,354,120
TOTAL EQUITY AND LIABILITIES		<u>13,475,361</u>	<u>13,200,639</u>

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 SYED HYDER ALI
 Director


 SHAMIM AHMAD KHAN
 Director


 SYED BABAR ALI
 Chairman


 JALEES AHMED SIDDIQI
 Principal Officer & Chief Executive

AS AT 30 SEPTEMBER 2009 (UN-AUDITED)

	Note	Un-audited 30 September 2009 (Rupees in '000)	Audited 31 December 2008
Cash and bank deposits			
Cash and other equivalents		375	53
Current and other accounts		1,144	57,855
Deposits maturing within 12 months		-	200,352
		1,519	258,260
Investments	8	12,097,138	11,709,948
Deferred taxation		-	16,868
Other assets			
Premiums due but unpaid - unsecured		207,936	169,916
Amounts due from other insurers / reinsurers - unsecured		250,767	189,374
Accrued investment income		4,775	5,381
Reinsurance recoveries against outstanding claims		272,965	196,584
Prepayments: - prepaid reinsurance premium ceded		203,375	187,671
- others		14,690	9,165
Taxation - payments less provision		69,261	78,909
Sundry receivables		67,237	76,032
		1,091,006	913,032
Fixed assets			
Tangible	9		
Furniture, fixtures and office equipment		31,190	36,884
Building		208,844	217,838
Motor vehicles		45,664	47,809
		285,698	302,531
TOTAL ASSETS		13,475,361	13,200,639

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The annexed notes from 1 to 14 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2009 (UNAUDITED)

	Fire & Property Damage	Marine, Aviation & Transport	Motor	Miscellaneous	July to September	
					Aggregate 2009	Aggregate 2008 Restated
(Rupees in '000)						
Revenue account						
Net premium revenue	20,010	32,444	86,691	25,895	165,039	135,731
Net claims	(4,885)	(4,137)	(45,339)	(21,793)	(76,154)	(56,968)
Expenses	(13,390)	(5,941)	(11,886)	(6,944)	(38,160)	(40,415)
Net commission	11,383	6,438	(9,540)	(1,183)	7,097	9,873
Underwriting result	13,118	28,804	19,926	(4,025)	57,822	48,221
Investment income					165,905	64,157
Rental income					4,284	2,916
Other income					1,008	7,685
Financial charges					(25,739)	(63,010)
General and administration expenses					(20,964)	(28,610)
					124,494	(16,862)
					182,316	31,359
Share of (loss) from associates - net of tax					-	(13,665)
Profit before tax					182,316	17,694
Taxation					(26,076)	(7,999)
Profit after tax					156,240	9,695
Earnings per share - basic and diluted - (Rupees)					2.61	0.16

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	Fire & Property Damage	Marine, Aviation & Transport	Motor	Miscellaneous	January to September	
					Aggregate 2009	Aggregate 2008 Restated
(Rupees in '000)						
Revenue account						
Net premium revenue	53,847	89,346	237,204	69,911	450,308	414,364
Net claims	1,247	(7,464)	(111,652)	(41,870)	(159,738)	(167,913)
Expenses	(40,824)	(24,559)	(42,600)	(17,866)	(125,848)	(118,270)
Net commission	48,128	24,825	(25,262)	591	48,281	41,534
Underwriting result	62,399	82,148	57,690	10,767	213,003	169,715
Investment income					24,628	157,796
Rental income					13,038	9,290
Other income					5,721	21,225
Financial charges					(108,504)	(160,225)
General and administration expenses					(79,009)	(82,378)
					(144,126)	(54,292)
					68,877	115,423
Share of profit from associates - net of tax					888,626	9,058
Profit before taxation					957,503	124,481
Taxation					(140,000)	(20,000)
Profit after taxation					817,503	104,481
Profit and loss appropriation account						
Balance at the commencement of the year					(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: 1.5)					(89,803)	(47,895)
Interim dividend Rs. 1 per share (2008: Rs. Nil per share)					(59,869)	-
Profit after tax for the period					817,503	104,481
Balance of unappropriated profits at the end of nine months					381,287	105,176
Earnings per share - basic and diluted - (Rupees)					13.65	1.75

The annexed notes from 1 to 14 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2009 (UNAUDITED)

	Reserves							Unappropriated 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 1 January 2008 restated (refer note 13)	319,301	3,267	30,000	35,762	-	8,034,711	2,848,415	11,271,456	
Changes in equity for the nine months ended 30 September 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)	
Transferred to reserve for issue of interim bonus shares	-	-	-	-	199,563	(199,563)	-	-	
Transferred to share capital	199,563	-	-	-	(199,563)	-	-	-	
Profit after tax for the period ended 30 September 2008- restated (refer note 13)	-	-	-	-	-	-	104,481	104,481	
Balance as at 30 September 2008	<u>598,689</u>	<u>3,267</u>	<u>30,000</u>	<u>35,762</u>	<u>-</u>	<u>10,555,148</u>	<u>105,176</u>	<u>11,328,042</u>	
Balance as at 1 January 2009	598,689	3,267	30,000	35,762	-	10,555,148	(376,347)	10,846,519	
Changes in equity for the nine months ended 30 September 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)	
Interim dividend for the year ended 31 December 2009 - Rs. 1 per share	-	-	-	-	-	-	(59,869)	(59,869)	
Profit after tax for the period ended 30 September 2009	-	-	-	-	-	-	817,503	817,503	
Balance as at 30 September 2009	<u>598,689</u>	<u>3,267</u>	<u>30,000</u>	<u>35,762</u>	<u>-</u>	<u>10,465,345</u>	<u>381,287</u>	<u>11,514,350</u>	

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The annexed notes from 1 to 14 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 September 2009 30 September 2008
(Rupees in '000)

Operating cash flows

Underwriting activities

Premiums received	908,490	755,029
Reinsurance premiums paid	(326,173)	(382,153)
Claims paid	(278,175)	(403,917)
Reinsurance and other recoveries received	66,803	151,789
Commissions paid	(77,273)	(54,794)
Commissions received	126,671	126,022
Net cash inflow from underwriting activities	420,342	191,976

Other operating activities

Income tax paid	(28,929)	(22,582)
General management expenses paid	(90,970)	(121,472)
Other operating payments	(57,757)	(93,003)
Other operating receipts	15,597	29,458
Net cash outflow from other operating activities	(162,058)	(207,599)
Total cash inflow / (outflow) from all operating activities	258,284	(15,623)

Investment activities

Profit / return received	21,443	19,272
Dividends received	258,476	146,248
Payments for investments	(409,657)	(8,608,227)
Proceeds from disposal of investments	656,929	8,197,200
Redemption of TFCs	377	53,807
Advances recovered	-	179,662
Fixed capital expenditure	(14,945)	(26,327)
Proceeds from disposal of fixed assets	9,929	7,164
Total cash inflow / (outflow) from investing activities	522,554	(31,201)

Financing activities

Loans paid / received	(240,000)	451,932
Dividends paid	(145,183)	(47,359)
Financial charges paid	(139,541)	(143,879)
Total cash (outflow) / inflow from financing activities	(524,724)	260,694

Net cash inflow from all activities

256,114 213,870

Cash and cash equivalents at the beginning of the period

(789,267) (975,291)

Cash and cash equivalents at the end of the period

(533,153) (761,421)


SYED HYDER ALI
Director


SHAMIM AHMAD KHAN
Director


SYED BABAR ALI
Chairman


JALEES AHMED SIDDIQI
Principal Officer & Chief Executive

FOR THE NINE MONTHS PERIOD ENDED

30 SEPTEMBER 2009 (UN-AUDITED)

30 September 2009 Restated
30 September
2008
(Rupees in '000)

Reconciliation to profit and loss account

Operating cash flows	258,284	(15,623)
Depreciation	(25,010)	(23,694)
Financial charges	(108,504)	(160,225)
Profit on disposal of fixed assets	3,161	1,057
Increase / (decrease) in assets other than cash	161,713	(27,835)
(Increase) / decrease in liabilities other than term finances	(386,295)	161,370
Share of profit from associates - net of tax	888,626	9,058
Provision for diminution in the value of available for sale investments	(269,480)	(41,526)
Gain / (loss) on revaluation of trading investments	21,194	(2,565)

Others

(Loss) / profit on disposal of investments	(5,500)	25,202
Dividend and other investment income	279,313	179,262

Profit after taxation

817,503	104,481
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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	153	148
- Stamps in hand	222	117
	375	265
Current and other accounts		
- Current Accounts	1,129	1,068
- PLS Accounts	15	1,112
	1,144	2,180
Deposits maturing within 12 months		
- Cash with State Bank of Pakistan	-	352
- Term Deposit Receipts with banks	-	-
	-	352
Short term finance	(534,672)	(764,218)
	(533,153)	(761,421)

The annexed notes from 1 to 14 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2009 (UNAUDITED)

Business underwritten inside Pakistan

Class	For The Three Months Period Ended 30 September 2009										Net Premium Revenue	
	Premiums Written	Unearned Premiums Reserve		Premiums Earned	Reinsurance Ceded	Prepaid Reinsurance Premium Ceded		Reinsurance Expense	30 Sep 2009	30 Sep 2008 Restated		
		Opening	Closing			Opening	Closing					
	(Rupees in '000)											
Direct and facultative 1.												
1. Fire and property damage	114,122	169,066	189,057	94,131	83,096	140,056	149,030	74,122	20,010		16,284	
2. Marine, aviation and transport	53,654	30,542	24,585	59,611	23,741	12,238	8,812	27,167	32,444		25,244	
3. Motor	104,280	191,340	202,898	92,722	-	11,968	5,937	6,031	86,691		68,831	
4. Miscellaneous	57,635	63,305	79,213	41,727	26,703	28,725	39,596	15,832	25,895		25,372	
Total	329,691	454,253	495,752	288,192	133,540	192,987	203,375	123,152	165,039		135,731	

Class	For The Nine Months Period Ended 30 September 2009										Net Premium Revenue	
	Premiums Written	Unearned Premiums Reserve		Premiums Earned	Reinsurance Ceded	Prepaid Reinsurance Premium Ceded		Reinsurance Expense	30 Sep 2009	30 Sep 2008 Restated		
		Opening	Closing			Opening	Closing					
	(Rupees in '000)											
Direct and facultative 1.												
1. Fire and property damage	308,778	149,381	189,057	269,103	239,777	124,509	149,030	215,256	53,847		50,975	
2. Marine, aviation and transport	185,757	33,084	24,585	194,257	91,555	22,168	8,812	104,911	89,346		77,555	
3. Motor	322,209	135,985	202,898	255,296	10,936	13,093	5,937	18,092	237,204		221,528	
4. Miscellaneous	135,130	60,172	79,213	116,089	57,873	27,900	39,596	46,177	69,911		64,306	
Total	951,874	378,622	495,752	834,744	400,141	187,670	203,375	384,436	450,308		414,364	

The annexed notes from 1 to 14 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2009 (UNAUDITED)

Business underwritten inside Pakistan

Class	For The Three Months Period Ended 30 September 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		30 Sep 2009	30 Sep 2008
	(Rupees in '000)									
Direct and facultative										
1. Fire and property damage	5,754	127,378	149,347	27,723	3,957	114,220	133,101	22,838	4,885	6,323
2. Marine, aviation and transport	9,443	28,526	28,694	9,611	2,468	11,972	14,978	5,474	4,137	5,569
3. Motor	35,175	56,472	69,446	48,149	3,500	7,355	6,665	2,810	45,339	32,512
4. Miscellaneous	18,075	40,471	143,878	121,482	4,756	23,288	118,221	99,689	21,793	12,564
Total	68,447	252,847	391,365	206,965	14,681	156,835	272,965	130,811	76,154	56,968

Class	For The Nine Months Period Ended 30 September 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		30 Sep 2009	30 Sep 2008
	(Rupees in '000)									
Direct and facultative										
1. Fire and property damage	31,681	160,846	149,347	20,182	24,048	135,719	133,101	21,429	(1,247)	18,306
2. Marine, aviation and transport	31,469	49,790	28,694	10,373	17,023	29,091	14,978	2,909	7,464	12,841
3. Motor	136,370	90,121	69,446	115,694	11,062	13,685	6,665	4,042	111,652	115,559
4. Miscellaneous	78,656	65,863	143,878	156,671	14,670	18,090	118,221	114,801	41,870	21,207
Total	278,176	366,621	391,365	302,920	66,803	196,585	272,965	143,182	159,738	167,913

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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2009 (UNAUDITED)

Business underwritten inside Pakistan

Class	For The Three Months Period Ended 30 September 2009							Net Underwriting Expenses	
	Commission Paid or Payable	Deferred Commission		Net Commission Expense	Other Management Expenses	Under-writing Expenses	Commission from Reinsurers	30 Sep 2009	30 Sep 2008
		Opening	Closing						
 (Rupees in '000)								
Direct and facultative									
1. Fire and property damage	13,022	-	-	13,022	13,390	26,412	24,406	2,007	4,794
2. Marine, aviation and transport	4,964	-	-	4,964	5,941	10,905	11,402	(497)	557
3. Motor	9,540	-	-	9,540	11,886	21,426	-	21,426	17,924
4. Miscellaneous	5,187	-	-	5,187	6,944	12,131	4,004	8,127	7,269
Total	32,714	-	-	32,714	38,160	70,874	39,811	31,063	30,544

Class	For The Nine Months Period Ended 30 September 2009							Net Underwriting Expenses	
	Commission Paid or Payable	Deferred Commission		Net Commission Expense	Other Management Expenses	Under-writing Expenses	Commission from Reinsurers	30 Sep 2009	30 Sep 2008
		Opening	Closing						
 (Rupees in '000)								
Direct and facultative									
1. Fire and property damage	23,071	-	-	23,071	40,824	63,895	71,200	(7,304)	(1,428)
2. Marine, aviation and transport	16,228	-	-	16,228	24,559	40,787	41,053	(266)	3,713
3. Motor	25,262	-	-	25,262	42,600	67,862	-	67,862	56,664
4. Miscellaneous	11,072	-	-	11,072	17,866	28,938	11,663	17,275	17,788
Total	75,634	-	-	75,634	125,848	201,482	123,915	77,567	76,737

The annexed notes from 1 to 14 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2009 (UNAUDITED)

	Three Months Period Ended 30 September		Nine Months Period Ended 30 September	
	2009	2008	2009	2008
..... (Rupees in '000)				
Income from trading investments				
Gain/(loss) on trading (i.e. buying and selling difference)	7,510	(9,007)	158	(17,340)
Dividend income (earned while holding the securities)	-	1,989	31	4,764
	7,510	(7,018)	189	(12,576)
Income from non-trading investments				
Held to maturity				
Return on Government Securities	2,259	-	6,891	98
Return on other fixed income securities and deposits	2,245	4,161	13,946	17,712
	4,504	4,161	20,837	17,810
Available for sale				
Dividend income	135,413	62,194	258,445	156,688
(Loss)/gain on sale of available for sale investments	(16,757)	3,810	(5,657)	42,542
	118,656	66,004	252,788	199,230
Gain / (loss) on revaluation of trading investments	1,030	2,013	21,194	(2,565)
Provision for diminution in value of available for sale investments	34,405	-	(269,480)	(41,526)
Less: Investment related expenses	(200)	(1,003)	(900)	(2,577)
Net investment income	165,905	64,157	24,628	157,796

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The annexed notes from 1 to 14 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
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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 and is quoted on the Karachi and Lahore Stock Exchanges in Pakistan. The Company is engaged in providing General Insurance Services in spheres of Fire, Marine, Motor and Miscellaneous. The registered office of the Company is situated at 7th Floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi.

2. BASIS OF PRESENTATION

These condensed interim financial statements are unaudited and is being submitted to the shareholders in accordance with the listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984. These condensed 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 September 2009 and 2008.

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 nine 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.

	Un-audited 30 September 2009	Audited 31 December 2008
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(Rupees in '000)

7. BORROWINGS

7.1 Long term finance - secured

Opening Balance	320,000	400,000
Add: Disbursements during the period	-	-
Less: Repaid during the period	240,000	80,000
Closing Balance	<u>80,000</u>	<u>320,000</u>

8. INVESTMENTS

The investments comprise of the following:
Equity instruments of associated companies

- quoted *	4,887,198	3,978,543
- unquoted	131,892	151,921
	<u>5,019,090</u>	4,130,464
Held to maturity	121,662	121,668
Available for sale		
- quoted *	7,443,428	7,666,408
- unquoted	177,337	177,337
	<u>7,620,765</u>	7,843,745
Provision for diminution in the value of available for sale investments	<u>(673,103)</u>	(403,623)
	<u>6,947,662</u>	7,440,122
Held for trading	8,724	17,694
	<u>12,097,138</u>	<u>11,709,948</u>

* Market value of investments as at 30 September 2009 is Rs. 9,645 million (31 December 2008: Rs. 8,533 million).

9. FIXED ASSETS

Opening book value	302,531	309,283
Add: Additions during the period / year	14,945	32,675
	<u>317,476</u>	341,958
Less: Written down value of disposal	6,768	7,552
Less: Depreciation for the period / year	25,010	31,875
	<u>31,778</u>	39,427
Closing book value	<u>285,698</u>	<u>302,531</u>

10. TRANSACTIONS WITH RELATED PARTIES

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

	January to September	
	2009	2008
	(Rupees in '000)	
Premium Underwritten	<u>379,079</u>	318,229
Premium Collected	<u>412,779</u>	308,122
Claims paid	<u>51,921</u>	111,838
Commission paid	<u>13,496</u>	10,665
Interest expense	<u>12,640</u>	7,518
Interest income	<u>-</u>	3,331
Rental Income	<u>13,038</u>	9,290
Dividends received	<u>223,907</u>	107,984
Contribution to retirement benefit fund	<u>4,492</u>	3,920
Key management personnel compensation	<u>27,060</u>	20,531
Investment in units	<u>35,000</u>	-
Redemption of units	<u>236,036</u>	9,864
Period-end balances:		
	Un-audited 30 Sep 2009	Audited 31 December 2008
	(Rupees in '000)	
Premium receivable	<u>87,498</u>	76,978
Commission payable	<u>11,483</u>	11,700

11. SEGMENT REPORTING

There has been no change in the basis of segmentation or the measurement basis of segment profit or loss since 31 December 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 September 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	614,338	549,064	190,621	225,916	209,311	195,023	273,708	152,107	<u>1,287,978</u>	1,122,110
Unallocated corporate assets									<u>12,187,383</u>	12,078,529
Consolidated total assets									<u>13,475,361</u>	13,200,639

12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements are authorised for issue by the Board of Directors of the Company on 28 October 2009.

13. CORRESPONDING FIGURES

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 September 2008 were restated.

14. GENERAL

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



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