

CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
JUNE 30, 2008

IGI Insurance Limited



Flowering Trees of Pakistan

IGI
Insurance

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COMPANY INFORMATION

Board of Directors

Syed Babar Ali (Chairman)
Syed Kamal Ali
Syed Yawar Ali
Syed Shahid Ali
Syed Hyder Ali
Shamim Ahmad Khan
Waqar Ahmed Malik
Saulat Said (Chief Executive Officer)

Chief Executive Officer

Saulat Said

Chief Operating Officer

Syed Khalid Yusuf

Chief Financial Officer

Muhammad Kashif Nisar

Company Secretary

Muhammad Imran Amin

Audit Committee

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

Investment Committee

Syed Hyder Ali (Chairman)
Shamim Ahmad Khan
Syed Kamal Ali
Saulat Said
Muhammad Kashif Nisar (Secretary)

Claims Committee

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

Underwriting Committee

Syed Hyder Ali (Chairman)
Syed Khalid Yusuf
Shahbaz Haider Agha
Syed Mateen Ahmed
Yasmin Sadiq (Secretary)

Re-Insurance & Co-Insurance Committee

Syed Hyder Ali (Chairman)
Saulat Said
Syed Khalid Yusuf
Faisal Khan (Secretary)

Human Resource & Compensation Committee

Syed Yawar Ali (Chairman)
Syed Shahid Ali
Syed Hyder Ali
Waqar Ahmed Malik
Saulat Said (Secretary)

Strategy Committee

Syed Babar Ali (Chairman)
Syed Yawar Ali
Syed Hyder Ali
Shamim Ahmad Khan
Waqar Ahmed Malik
Saulat Said (Secretary)

Bankers

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

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisor

Ramday Law Associate
Hassan & Hassan
Lari & Company

Share Registrar

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

Registered & Head Office

7th Floor, The Forum,
Suite Nos. 701-713, G-20, Block 9,
Khayaban-e-Jami, Clifton,
Karachi-75600, Pakistan

Web Presence

www.igiinsurance.com.pk

Contact

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DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of IGI Insurance Limited is pleased to present the un-audited condensed interim financial statements for the half year ended June 30, 2008.

The operational performance of the Company during first half 2008 is satisfactory. However, the results have been adversely impacted by decline in the investment income. During the period under review, Gross Written Premium declined by 2%, from Rs. 550mn in 2007 to Rs. 538mn in 2008 mainly due to policy decision to discontinue motor leasing portfolio. The decrease in premium has had consequential impact on net earned premium and commissions which decreased by 10%, from Rs. 336mn in 2007 to Rs. 302mn in 2008. Net Claims decreased by 33% during the period mainly due to decreased motor claims. The underwriting profit went down marginally from Rs. 125mn in 2007 to Rs. 121mn in 2008.

General & administration expenses rose by 10%, mainly due to depreciation charge on capital assets. During the period, stock market has witnessed major decline which has resulted in low investment income and consequently pre-tax profit for the first half 2008. Earning per share for the first half 2008 is Rs. 2.35 against Rs. 8.33 for the corresponding period in 2007.

The Board is pleased to announce bonus shares in the ratio of 50 shares for every 100 existing ordinary shares held, that is 50% on the existing issued, subscribed and paid up capital of the Company.

The Company is conscious of the challenges which are being faced by the economy due to spiraling inflation and rising interest rates. We are striving hard to sustain our performance under these circumstances. We also hope that the macro economic challenges will be addressed soon to enable conducive environment for the growth of industry.

We would like to take this opportunity of welcoming Mr. Waqar A Malik for joining the Board as non-executive director. Mr. Malik brings with him rich experience of the corporate sector and we look forward to his valuable contribution in the deliberations of the Board.

We thank our business partners for their continued patronage and the Company staff for their dedicated efforts.

For and on behalf of the Board

Syed Babar Ali
Chairman

Lahore: August 22, 2008

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

Introduction

We have reviewed the accompanying:

- i) condensed interim balance sheet;
- ii) condensed interim profit and loss account;
- iii) condensed interim statement of changes in equity;
- iv) condensed interim statement of cash flows;
- v) condensed interim statement of premium;
- vi) condensed interim statement of claims;
- vii) condensed interim statement of expenses; and,
- viii) condensed interim statement of investment income

of IGI Insurance Limited ("the Company") as at and for the half year ended 30 June 2008 together with notes forming part thereof (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the half year ended 30 June 2008 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Other matters

The condensed interim financial statements for the half year ended 30 June 2007, and financial statements for the year ended 31 December 2007 were reviewed / audited by another firm of Chartered Accountants who had expressed in their review / audit reports unqualified opinions vide their reports dated 24 August 2007 and 15 February 2008 respectively.

The figures for the quarter ended 30 June 2008 and 30 June 2007 in the interim financial information have not been reviewed and we do not express a conclusion on them.

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi: August 22, 2008.

CONDENSED INTERIM BALANCE SHEET

	Note	Unaudited June 30, 2008	Audited December 31, 2007
		(Rupees in thousand)	
Share capital and reserves			
Authorized capital 100,000,000 (2007: 100,000,000) ordinary shares of Rs. 10 each		<u>1,000,000</u>	1,000,000
Issued, subscribed and paid up capital [39,912,600 (2007: 31,930,100) ordinary shares of Rs. 10 each]		<u>399,126</u>	319,301
Reserves		<u>10,823,740</u>	8,103,740
Retained earnings		<u>103,567</u>	2,857,309
		<u>11,326,433</u>	11,280,350
Underwriting provisions			
Provision for outstanding claims [including IBNR]		<u>327,812</u>	476,716
Provision for unearned premium		<u>412,635</u>	391,763
Commission income unearned		<u>56,284</u>	46,975
Total underwriting provisions		<u>796,731</u>	915,454
Deferred taxation		<u>30,193</u>	30,193
Creditors and accruals			
Premium received in advance		<u>4,078</u>	6,022
Amounts due to other insurers/ reinsurers		<u>87,224</u>	197,188
Accrued expenses		<u>54,441</u>	52,804
		<u>145,743</u>	256,014
Borrowings			
Long term finance - secured	5.1	<u>360,000</u>	400,000
Short term finance - unsecured	5.2	<u>484,176</u>	-
Other Liabilities			
Short term running finance - secured		<u>1,562,326</u>	1,181,202
Sundry creditors		<u>87,687</u>	38,988
Unclaimed dividend		<u>2,440</u>	1,903
TOTAL LIABILITIES		<u>3,469,296</u>	2,823,754
TOTAL EQUITY AND LIABILITIES		<u>14,795,729</u>	<u>14,104,104</u>

CONTINGENCIES & COMMITMENTS

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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


 SAULAT SAID
 Principal Officer & Chief Executive

AS AT JUNE 30, 2008 (UN-AUDITED)

	Note	Unaudited June 30, 2008	Audited December 31, 2007
(Rupees in thousand)			
Cash and bank deposits			
Cash and other equivalents		521	407
Current and other accounts		8,527	5,152
Deposits maturing within 12 months		200,352	200,352
		209,400	205,911
Investments	7	13,032,532	12,404,727
Other assets			
Premiums due but unpaid - unsecured		216,945	128,082
Amounts due from other insurers / reinsurers - unsecured		180,883	301,171
Accrued investment income		1,733	10,353
Reinsurance recoveries against outstanding claims		167,858	240,481
Prepayments - prepaid reinsurance premium ceded - others		207,942	204,344
		11,396	14,925
Taxation - provision less payments		72,114	68,801
Sundry receivables	8	389,808	216,026
		1,248,679	1,184,183
Fixed assets			
Tangible			
Furniture, fixtures and office equipment	9	36,825	37,652
Building		226,277	229,829
Motor vehicles		42,016	41,802
		305,118	309,283
TOTAL ASSETS		14,795,729	14,104,104

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SYED HYDER ALI
Director


SHAMIM AHMAD KHAN
Director


SYED BABAR ALI
Chairman


SAULAT SAID
Principal Officer & Chief Executive



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE HALF YEAR ENDED JUNE 30, 2008 (UNAUDITED)

					For the Quarter ended	
	Fire & Property	Marine, Aviation & Transport	Motor	Others including miscellaneous	June 30, 2008 Total	Restated June 30 2007 Total
(Rupees in thousand)						
Revenue account						
Net premium revenue	16,202	28,325	65,684	19,628	129,839	163,075
Administrative surcharge recovered	477	893	3,915	833	6,118	3,333
Total premium revenue	16,679	29,218	69,599	20,461	135,957	166,408
Net claims	(11,170)	(2,813)	(22,820)	(6,149)	(42,952)	(92,176)
Expenses	(11,317)	(11,457)	(14,767)	(7,556)	(45,097)	(31,845)
Net commission	18,175	9,518	(6,417)	(300)	20,976	18,156
Underwriting result	12,367	24,466	25,595	6,456	68,884	60,543
Investment income					(10,699)	286,450
Other income					10,701	8,208
Financial charges					(61,538)	(29,010)
General and administration expenses					(27,967)	(27,905)
					(89,503)	237,743
					(20,619)	298,286
Income from associated companies - net of tax					22,723	14,231
Profit before tax					2,104	312,517
Taxation					(3,001)	(36,712)
Profit after tax					(897)	275,805
Basic and diluted earnings per share - Rupees					(0.02)	6.91

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					For the Half year ended	
	Fire & Property	Marine, Aviation & Transport	Motor	Others including miscellaneous	June 30, 2008 Total	Restated June 30 2007 Total
(Rupees in thousand)						
Revenue account						
Net premium revenue	33,940	50,673	146,814	37,544	268,971	291,153
Administrative surcharge recovered	845	1,759	4,801	1,448	8,853	10,783
Total premium revenue	34,785	52,432	151,615	38,992	277,824	301,936
Net claims	(11,983)	(7,271)	(83,048)	(8,643)	(110,945)	(164,601)
Expenses	(26,302)	(17,441)	(23,810)	(11,999)	(79,552)	(57,682)
Net commission	32,051	14,274	(14,454)	1,488	33,359	45,027
Underwriting result	28,551	41,994	30,303	19,838	120,686	124,680
Investment income					93,639	330,157
Other income					19,914	11,642
Financial charges					(97,215)	(56,593)
General and administration expenses					(53,768)	(48,933)
					(37,430)	236,273
					83,256	360,953
Income from associated companies - net of tax					22,723	14,231
Profit before taxation					105,979	375,184
Taxation					(12,001)	(42,712)
Profit after taxation					93,978	332,472
Profit and loss appropriation account						
Balance at the commencement of the half year					2,857,309	7,486,418
Transferred to general reserve					(2,720,000)	(7,280,000)
Transferred to share capital					(79,825)	(119,738)
Final dividend Rs. 1.5 per share (2006: 4.00)					(47,895)	(79,825)
Profit after tax for the half year					93,978	332,472
Balance at the end of the half year					103,567	339,327
Basic & diluted earnings per share - Rupees					2.35	8.33

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


 SAULAT SAID
 Principal Officer & Chief Executive

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED JUNE 30, 2008 (UNAUDITED)

	Share Capital	Capital Reserves			Revenue Reserves			Total
	Issued, subscribed and paid-up	Reserve for exceptional losses	Reserve for contingencies	Premium on issue of shares	General Reserve	Reserve for bonus shares	Unappropriated profit	
	(Rupees in thousand)							
Balance as at 1 January 2007	199,563	3,267	30,000	35,762	754,711	-	7,486,418	8,509,721
Changes in equity for the half year ended 30 June 2007								
Transferred to general reserve	-	-	-	-	7,280,000	-	(7,280,000)	-
Transferred to reserve for issue of bonus shares	-	-	-	-	-	119,738	(119,738)	-
Transferred to share capital	119,738	-	-	-	-	(119,738)	-	-
Final dividend for the year ended 31 December 2007 - Rs. 4.0 per share	-	-	-	-	-	-	(79,825)	(79,825)
Profit after tax for the half year - Restated	-	-	-	-	-	-	332,284	332,284
Effect of change in accounting policy in relation to recognition of regular way purchases as sales of financial assets	-	-	-	-	-	-	188	188
Balance as at 30 June 2007 - restated	319,301	3,267	30,000	35,762	8,034,711	-	339,327	8,762,368
Balance as at 1 January 2008	319,301	3,267	30,000	35,762	8,034,711	-	2,857,309	11,280,350
Changes in equity for the half year ended 30 June 2008								
Transferred to general reserve	-	-	-	-	2,720,000	-	(2,720,000)	-
Transferred to reserve for issue of bonus shares	-	-	-	-	-	79,825	(79,825)	-
Transferred to share capital	79,825	-	-	-	-	(79,825)	-	-
Final dividend for the year ended 31 December 2007 - Rs. 1.5 per share	-	-	-	-	-	-	(47,895)	(47,895)
Profit after tax for the half year	-	-	-	-	-	-	93,978	93,978
Balance as at 30 June 2008	399,126	3,267	30,000	35,762	10,754,711	-	103,567	11,326,433

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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	 SAULAT SAID Principal Officer & Chief Executive
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CONDENSED INTERIM CASH FLOW STATEMENT

	For the half year ended	
	June 30, 2008	Restated June 30, 2007
	(Rupees in thousand)	
Operating cash flows		
Underwriting activities		
Premiums received	447,238	492,439
Reinsurance premiums paid	(241,474)	(189,581)
Claims paid	(302,492)	(173,580)
Reinsurance and other recoveries received	115,267	32,450
Commissions paid	(25,488)	(31,311)
Commissions received	84,217	70,237
Net cash inflow from underwriting activities	77,268	200,654
Other operating activities		
Income tax paid	(15,314)	(23,163)
General management expenses paid	(143,783)	(65,063)
Other operating payments	(35,840)	(131,355)
Other operating receipts	27,719	21,674
Net cash outflow from other operating activities	(167,218)	(197,907)
Total cash (outflow) /inflow from all operating activities	(89,950)	2,747
Investment activities		
Profit / return received	17,296	10,296
Dividends received	102,242	152,245
Payments for investments	(8,114,348)	(1,169,212)
Proceeds from disposal of investments	7,439,755	947,118
Redemption of TFCs	53,807	2,640
Advances given / recovered	(92,117)	47,245
Fixed capital expenditure	(17,424)	(35,184)
Proceeds from disposal of fixed assets	7,155	3,348
Total cash (outflow) from investing activities	(603,634)	(41,504)
Financing activities		
Loans received / paid	444,176	(60,000)
Dividends paid	(47,358)	(79,348)
Financial charges paid	(80,869)	(53,359)
Total cash inflow / (outflow) from financing activities	315,949	(192,707)
Net cash outflow from all activities	(377,635)	(231,464)
Cash and cash equivalents at the beginning of the half year	(975,291)	(216,986)
Cash and cash equivalents at the end of the half year	(1,352,926)	(448,450)

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SYED HYDER ALI
Director


SHAMIM AHMAD KHAN
Director


SYED BABAR ALI
Chairman


SAULAT SAID
Principal Officer & Chief Executive

FOR THE HALF YEAR ENDED

JUNE 30, 2008 (UN-AUDITED)

	For the half year ended	
	June 30, 2008	Restated June 30, 2007
	(Rupees in thousand)	
Reconciliation to profit and loss account		
Operating cash flows	(89,950)	2,747
Depreciation	(15,482)	(11,250)
Financial charges	(97,215)	(56,593)
Profit on disposal of fixed assets	1,047	751
Increase in assets other than cash	(18,999)	258,853
Decrease/(Increase) in liabilities other than term finances	196,641	(206,956)
Income from associated companies - net of tax	22,723	14,231
Diminution in value of available for sale investments	(41,526)	44,566
Appreciation in value of held for trading investment	(4,578)	13,903
Others		
Deferred tax	-	(712)
Profit on disposal of investments	30,399	114,899
Dividend and other investment income	110,918	158,033
	93,978	332,472
Definition of cash		

Cash comprises of Cash in hand and bank balances, stamps in hand and short term placements with banks

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

Cash and other equivalents		
- Cash in hand	30	62
- Stamps in hand	491	227
	521	289
Current and other accounts		
- Current Accounts	827	980
- PLS Accounts	7,700	5,927
	8,527	6,907
Deposits maturing within 12 months		
- Cash with State Bank of Pakistan	352	352
- Term Deposit Receipts with banks	200,000	191,214
	200,352	191,566
Short term running finance	(1,562,326)	(647,212)
	(1,352,926)	(448,450)

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
		
		SAULAT SAID Principal Officer & Chief Executive



CONDENSED INTERIM STATEMENT OF PREMIUM

FOR THE HALF YEAR ENDED JUNE 30, 2008 (UNAUDITED)

Business underwritten inside Pakistan

Class	Quarter ended June 30, 2008								Quarter ended June 30, 2007	
	Premiums written	Unearned Premiums reserve		Premiums earned	Reinsurance ceded	Prepaid Reinsurance Premium ceded		Reinsurance expense	Net Premium revenue	Net Premium revenue
		Opening	Closing			Opening	Closing			
(Rupees in thousand)										
Direct and facultative										
1. Fire and property damage	43,207	181,735	147,952	76,990	38,031	146,250	123,493	60,788	16,202	13,385
2. Marine, Aviation and Transport	64,175	30,821	31,505	63,491	34,494	17,861	17,189	35,166	28,325	25,600
3. Motor	79,756	157,591	157,397	79,950	-	41,255	26,989	14,266	65,684	96,389
4. Miscellaneous	41,223	76,013	75,781	41,455	13,599	48,499	40,271	21,827	19,628	27,701
Total	228,361	446,160	412,635	261,886	86,124	253,865	207,942	132,047	129,839	163,075

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Class	Half year ended June 30, 2008								Half year ended June 30, 2007	
	Premiums written	Unearned Premiums reserve		Premiums earned	Reinsurance ceded	Prepaid Reinsurance Premium ceded		Reinsurance expense	Net Premium revenue	Net Premium revenue
		Opening	Closing			Opening	Closing			
(Rupees in thousand)										
Direct and facultative										
1. Fire and Property Damage	177,890	120,813	147,952	150,751	144,081	96,223	123,493	116,811	33,940	26,505
2. Marine, Aviation and Transport	117,958	20,245	31,505	106,698	62,495	10,719	17,189	56,025	50,673	39,201
3. Motor	161,040	174,833	157,397	178,476	10,936	47,715	26,989	31,662	146,814	184,045
4. Miscellaneous	81,155	75,872	75,781	81,246	34,287	49,686	40,271	43,702	37,544	41,402
Total	538,043	391,763	412,635	517,171	251,799	204,343	207,942	248,200	268,971	291,153

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


 SAULAT SAID
 Principal Officer & Chief Executive

CONDENSED INTERIM STATEMENT OF CLAIMS

FOR THE HALF YEAR ENDED JUNE 30, 2008 (UNAUDITED)

Business underwritten inside Pakistan

Class	Quarter ended June 30, 2008								Quarter ended June 30, 2007	
	Outstanding Claim		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	Net claims expense	
	Opening	Closing			Opening	Closing				
..... (Rupees in thousand)										
Direct and facultative 1. Fire and Property Damage	55,529	126,100	106,279	35,708	37,984	87,173	73,727	24,538	11,170	(2,444)
2. Marine, Aviation and Transport	8,323	54,697	56,860	10,486	7,217	38,396	38,852	7,673	2,813	(100)
3. Motor	78,959	156,856	113,440	35,543	3,452	8,539	17,810	12,723	22,820	89,607
4. Miscellaneous	9,971	57,607	51,233	3,597	3,613	43,635	37,470	(2,552)	6,149	5,113
Total	152,782	395,260	327,812	85,334	52,266	177,743	167,859	42,382	42,952	92,176

Class	Half year ended June 30, 2008								Half year ended June 30, 2007	
	Outstanding Claim		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	Net claims expense	
	Opening	Closing			Opening	Closing				
..... (Rupees in thousand)										
Direct and facultative 1. Fire and Property Damage	91,448	168,030	106,279	29,697	75,082	131,095	73,727	17,714	11,983	1,082
2. Marine, Aviation and Transport	28,656	68,904	56,860	16,612	17,028	46,539	38,852	9,341	7,271	1,892
3. Motor	169,705	183,867	113,440	99,278	18,459	20,039	17,810	16,230	83,048	152,658
4. Miscellaneous	12,683	55,915	51,233	8,001	4,697	42,809	37,470	(642)	8,643	8,969
Total	302,492	476,716	327,812	153,588	115,266	240,482	167,859	42,642	110,945	164,601

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	 SAULAT SAID Principal Officer & Chief Executive
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CONDENSED INTERIM STATEMENT OF EXPENSES

FOR THE HALF YEAR ENDED JUNE 30, 2008 (UNAUDITED)

Business underwritten inside Pakistan

Class	Quarter ended June 30, 2008							Net under-writing expenses	Quarter ended June 30, 2007 Net under-writing expenses
	Commission paid or payable	Deferred Commission		Net Commission expense	Other management expenses	Under-writing expenses	Commission from reinsurers		
		Opening	Closing						
(Rupees in thousand)									
Direct and facultative									
1. Fire and Property Damage	4,028	-	-	4,028	11,317	15,345	22,203	(6,858)	(11,734)
2. Marine, Aviation and Transport	5,085	-	-	5,085	11,457	16,542	14,603	1,939	453
3. Motor	6,441	-	-	6,441	14,767	21,208	24	21,184	18,282
4. Miscellaneous	4,629	-	-	4,629	7,556	12,185	4,329	7,856	6,688
Total	20,183	-	-	20,183	45,097	65,280	41,159	24,121	13,689

Class	Half year ended June 30, 2008							Net under-writing expenses	Half year ended June 30, 2007 Net under-writing expenses
	Commission paid or payable	Deferred Commission		Net Commission expense	Other management expenses	Under-writing expenses	Commission from reinsurers		
		Opening	Closing						
(Rupees in thousand)									
Direct and facultative									
1. Fire and Property Damage	10,887	-	-	10,887	26,302	37,189	42,938	(5,749)	(16,187)
2. Marine, Aviation and Transport	9,073	-	-	9,073	17,441	26,514	23,347	3,167	(17,330)
3. Motor	14,488	-	-	14,488	23,810	38,298	34	38,264	36,846
4. Miscellaneous	7,101	-	-	7,101	11,999	19,100	8,589	10,511	9,326
Total	41,549	-	-	41,549	79,552	121,101	74,908	46,193	12,655

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


SAULAT SAID
Principal Officer & Chief Executive

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME

FOR THE HALF YEAR ENDED JUNE 30, 2008 (UNAUDITED)

	Quarter ended		Half year ended	
	June 30, 2008	Restated June 30, 2007	June 30, 2008	Restated June 30, 2007
..... (Rupees in thousand)				
Income from trading investments				
Gain on trading (i.e. buying and selling difference)	(6,099)	21,587	(8,333)	22,703
Dividend income (earned while holding the securities)	672	126	2,775	1,426
	(5,427)	21,713	(5,558)	24,129
Income from non-trading investments				
Held to maturity				
Return on Government Securities	29	217	98	267
Return on other fixed income securities and deposits	9,376	4,229	13,551	7,574
	9,405	4,446	13,649	7,841
Available for sale				
Dividend income	19,164	129,745	94,494	148,578
Gain on sale of available for sale investments	17,538	82,787	38,732	92,593
	36,702	212,532	133,226	241,171
Diminution in value of held for trading investments	(8,827)	3,847	(4,578)	13,695
Provision for diminution in value of available for sale investments	(41,526)	44,566	(41,526)	44,566
Less: Investment related expenses	(1,026)	(654)	(1,574)	(1,245)
Net investment income	<u>(10,699)</u>	<u>286,450</u>	<u>93,639</u>	<u>330,157</u>

13

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


SAULAT SAID
Principal Officer & Chief Executive

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED JUNE 30, 2008 (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

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

This condensed interim financial information do not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2007.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended December 31, 2007 except that the Company has changed its accounting policy in relation to recognition of all 'regular way' purchases and sales of financial assets. As per the new policy all 'regular way' purchases and sales of financial assets are accounted for at trade date, previously being accounted for at settlement date. The accounting policy has been changed as it reflects more fair presentation of the Company's affairs. The change in accounting policy has been applied retrospectively and comparative information has been restated in accordance with the treatment specified in International Accounting Standard 8 (IAS-8); "Accounting Policies, Changes in Accounting Estimates and Errors".

Had there been no change in accounting policy the investment income for the period ended 30 June 2008 would have been lower by Rs. 25.983 million and investments as at 30 June 2008 would have been lower by Rs. 75.141 million.

3.1 Derivative financial instruments

The Company entered into derivative financial instruments during the period, which include future contracts in the stock market. Derivatives are initially recorded at cost and are remeasured to fair value on subsequent reporting dates. The fair value of a derivative is the equivalent of the unrealized gain or loss from marking to market the derivative using prevailing market rates. Derivatives are classified as held for trading and the net unrealized gain or loss are included in investment income currently.

4. PREMIUM DEFICIENCY RESERVE

No provision has been made as the unearned premium reserve for each class of business as at half year ended 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.

5. BORROWINGS

June 30,
2008 December 31,
2007
(Rupees in thousand)

5.1 Long term finance - secured

Opening Balance	400,000	620,000
Add: Disbursements during the period	-	-
Less: Repaid during the period	40,000	220,000
Closing Balance	<u>360,000</u>	<u>400,000</u>

5.2 Short term finance - unsecured

It represents six months commercial paper with face value of Rs. 500 million issued during the period.

6. CONTINGENCIES AND COMMITMENTS

Commitments

Future Contracts entered into by the Company in respect of which the purchase transactions have not been settled as at 30 June	<u>157,518</u>	<u>-</u>
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7. INVESTMENTS

The investments comprise of the following:

Equity instruments of associated companies		
- quoted *	904,545	326,720
- unquoted	149,940	143,505
	<u>1,054,485</u>	<u>470,225</u>
Held to maturity	63,581	66,889
Available for sale		
- quoted *	11,361,861	11,585,107
- unquoted	336,257	158,488
	<u>11,698,118</u>	<u>11,743,595</u>
Held for trading	216,348	124,018
	<u>13,032,532</u>	<u>12,404,727</u>

* Market value of investments as at 30 June 2008 is Rs. 14,266 million (31 December 2007: Rs. 15,732 million).

8. SUNDRY RECEIVABLES

Continuous Funding System	291,311	199,197
Others	98,497	16,829
	<u>389,808</u>	<u>216,026</u>

9. FIXED ASSETS

Opening book value	309,283	39,001
Add: Additions during the period / year	17,424	304,030
	<u>326,707</u>	<u>343,031</u>
Less: Written down value of disposal	6,107	8,583
Less: Depreciation for the period / year	15,482	25,165
	<u>21,589</u>	<u>33,748</u>
Closing book value	<u>305,118</u>	<u>309,283</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.

Description	Quarter ended		Half year ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
	(Rupees in thousand)			
Premium Underwritten	72,966	58,108	259,920	212,334
Premium Collected	133,241	76,681	241,201	186,856
Claims paid	17,874	7,018	81,910	22,149
Commission paid	6,523	4,219	9,793	7,186
Service charges paid	1,010	-	1,010	-
Interest expense	5,864	-	5,864	-
Interest income	2,624	-	2,624	-
Rental Income	6,374	-	6,374	3,598
Dividends received	4,280	110,093	56,440	126,843
Contribution to retirement benefit fund	1,276	1,751	2,583	2,513
Key management personnel compensation	6,549	3,336	13,826	7,492
Period-end balances:				
Receivable from related parties			203,885	74,095
Payable to related parties			42,605	3,630

11. SEGMENT REPORTING

Class of business wise revenue and results have been disclosed in the statement of premium and profit and loss account, respectively, prepared in accordance with the requirement of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information is authorised for issue by the Board of Directors of the Company on August 22, 2008.

13. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Director has declared 50% bonus shares amounting to Rs. 199.563 million (2007: Rs. Nil) in their meeting held on 22 August 2008. This condensed interim financial information does not include the effect of the above appropriation.

14. GENERAL

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

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

 SYED HYDER ALI
 Director
  SHAMIM AHMAD KHAN
 Director
  SYED BABAR ALI
 Chairman
  SAULAT SAID
 Principal Officer & Chief Executive



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