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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

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)  
Shamim Ahmad Khan  
Syed Kamal Ali  
Syed Yawar Ali  
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)  
Jalees Ahmed Siddiqi  
Shahbaz Haider Agha  
Muhammad Salim Iqbal (Secretary)  
Yasmin Sadiq  
Syed Matin Ahmed  
Haider Ali

### Re-Insurance & Co-Insurance Committee

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

### Human Resources & 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)

### Bankers

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

### Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants

### Legal Advisors

Hassan & Hassan  
Lari & Company  
Ramday Law Associate  
J. H. Rahimtoola and Company Advocates

### Share Registrar

FAMCO Associates (Private) Limited  
State Life Building No. 1 A,  
1st Floor, Off I.I. Chundrigar Road,  
Karachi - 74000

### Registered & Head Office

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

### Web Presence

[www.igiinsurance.com.pk](http://www.igiinsurance.com.pk)

### Contact

UAN: 111-308-308  
Toll Free No. 0800-2-3434  
Fax: 92-21-35301772

## IGI INSURANCE BRANCH OFFICES

### Karachi

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Kehkashan, Clifton,  
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E-mail : insurance.karachi@igi.com.pk

### Lahore

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Gulberg, Lahore - 54660.  
Phone : 92-42-35753404 - 06  
: 92-42-35763840  
: 92-42-35763890  
Fax : 92-42-35752338  
: 92-42-35763542  
E-mail : insurance.lahore@igi.com.pk

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90, Blue Area, G/7, Islamabad.  
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### Gujranwala

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G. T. Road, Gujranwala.  
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E-mail : insurance.gujranwala@igi.com.pk

### Multan

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Abdali Tower, Abdali Road,  
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E-mail : insurance.multan@igi.com.pk



## DIRECTORS' REVIEW 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 30 June 2010.

During the period under review, despite difficult market conditions, the Company was able to maintain its operational performance, reflected by an increase of 11% in Gross Written Premium from Rs. 622 million in 2009 to Rs. 690 million in 2010. The increased net claims, however, had an impact on the underwriting profit which reduced from Rs. 155 million in 2009 to Rs. 126 million in 2010. The Company posted Rs. 126 million investment income, mainly on account of dividend income received from its associated companies.

After accounting for the share of profit of associates, the Company's overall profitability before tax is Rs. 236 million in the period under review. The previous year exceptional profitability represented the Company's share in gain on disposal of investments by Packages Limited. Consequently, earning per share for the half year ended 30 June 2010 is Rs. 2.83 against Rs. 9.20 for the corresponding period 2009. The Directors of your Company are pleased to announce an interim dividend of Rs. 1 per ordinary share i.e.10%.

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

We are grateful to our business partners and all stakeholders for their continued patronage and the Company employees for their dedicated efforts.

**For and on behalf of the Board**

Syed Babar Ali  
Chairman

Karachi: 20 August 2010

# INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS OF IGI INSURANCE LIMITED

## 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

and notes to the accounts to the financial information of IGI Insurance Ltd. as at 30 June 2010 and for the six months period then ended (condensed interim financial information). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

## Scope of Review

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

## Conclusion

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

## Other Matters

The figures for quarter ended 30 June 2010 and 30 June 2009 in the condensed interim profit and loss account, condensed interim statement of premium, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income have not been reviewed and we do not express a conclusion on them.



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Muhammad Mahmood Hussain

Karachi : 20 August 2010.



## CONDENSED INTERIM BALANCE SHEET

	Note	Un-audited 30 June 2010 (Rupees in '000)	Audited 31 December 2009
<b>Share capital and reserves</b>			
Authorised capital 100,000,000 (2009: 100,000,000) ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid up capital [71,842,794 (2009: 59,868,995) ordinary shares of Rs. 10 each]		718,427	598,689
Reserves		10,264,964	10,534,374
Unappropriated profit / (accumulated losses)		31,099	(172,250)
		<b>11,014,490</b>	<b>10,960,813</b>
<b>Underwriting provisions</b>			
Provision for outstanding claims [including IBNR]		196,917	286,739
Provision for unearned premium		447,105	374,644
Commission income unearned		59,197	38,139
Total underwriting provisions		<b>703,219</b>	<b>699,522</b>
<b>Deferred liabilities</b>			
Deferred taxation		65,424	50,932
<b>Creditors and accruals</b>			
Premium received in advance		4,929	997
Amounts due to other insurers / reinsurers		70,698	31,211
Accrued expenses		31,327	37,905
Sundry creditors		88,771	54,410
		<b>195,725</b>	<b>124,523</b>
<b>Borrowings</b>			
Long term finance - secured	7.1	-	40,000
Short term finance - secured		558,256	487,681
		<b>558,256</b>	<b>527,681</b>
<b>Other Liabilities</b>			
Unclaimed dividend		4,326	2,595
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,541,440</b>	<b>12,366,066</b>
<b>Contingencies and commitments</b>	8		

  
SYED BABAR ALI  
Chairman

  
SHAMIM AHMAD KHAN  
Director

  
SYED HYDER ALI  
Director

  
JALEES AHMED SIDDIQI  
Principal Officer & Chief Executive

## AS AT 30 JUNE 2010 (UN-AUDITED)

	Note	Un-audited 30 June 2010 (Rupees in '000)	Audited 31 December 2009
<b>Cash and bank deposits</b>			
Cash and other equivalents		-	267
Current and other accounts		2,167	6,542
Deposits maturing within 12 months		-	-
		<b>2,167</b>	6,809
<b>Investments</b>	9	<b>11,458,799</b>	11,235,758
<b>Other assets</b>			
Premiums due but unpaid - unsecured		239,942	127,071
Amounts due from other insurers / reinsurers - unsecured		156,023	259,712
Accrued investment income		3,858	8,379
Reinsurance recoveries against outstanding claims		82,949	172,357
Prepayments: - prepaid reinsurance premium ceded		152,107	133,274
- others		6,815	10,225
Taxation - provision less payments		84,894	79,696
Sundry receivables	10	75,134	50,240
		<b>801,722</b>	840,954
<b>Fixed assets</b>			
<b>Tangible</b>			
Furniture, fixtures and office equipment	11	28,132	30,639
Building		199,850	205,847
Motor vehicles		48,770	44,059
		<b>276,752</b>	280,545
<b>Intangible</b>			
Software under development		2,000	2,000
<b>TOTAL ASSETS</b>		<b>12,541,440</b>	12,366,066

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

  
SYED BABAR ALI  
Chairman

  
SHAMIM AHMAD KHAN  
Director

  
SYED HYDER ALI  
Director

  
JALEES AHMED SIDDIQI  
Principal Officer & Chief Executive



## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2010 (UNAUDITED)

	Fire & Property Damage	Marine, Aviation & Transport	Motor	Others Including Miscellaneous	Three Months Period Ended 30 June	
					Aggregate 2010	Aggregate 2009
(Rupees in '000)						
<b>Revenue account</b>						
Net premium revenue	20,695	25,443	113,043	31,372	190,553	146,897
Net claims expenses	(6,800)	(7,157)	(62,274)	(8,875)	(85,106)	(32,361)
Expenses	(11,653)	(8,555)	(19,425)	(9,453)	(49,086)	(48,161)
Net commission	16,679	3,549	(7,202)	1,299	14,325	19,297
<b>Underwriting result</b>	<b>18,921</b>	<b>13,280</b>	<b>24,142</b>	<b>14,343</b>	<b>70,686</b>	<b>85,672</b>
Investment income					15,051	16,475
Rental income					9,138	6,889
Other income					(1,966)	2,973
Financial charges					(16,631)	(31,060)
General and administration expenses					(19,519)	(31,710)
					(13,927)	(36,433)
					56,759	49,239
Share of profit from associates - net of tax					(62,432)	(556,585)
Loss before tax					(5,673)	(507,346)
Taxation					(12,733)	(101,424)
Loss after tax					(18,406)	(608,770)
					(Rupees)	
<b>Loss per share - basic and diluted</b>					<b>(0.26)</b>	<b>(8.47)</b>


	Fire & Property Damage	Marine, Aviation & Transport	Motor	Others Including Miscellaneous	Six Months Period Ended 30 June	
					Aggregate 2010	Aggregate 2009
(Rupees in '000)						
<b>Revenue account</b>						
Net premium revenue	44,752	58,624	209,985	55,780	369,141	285,268
Net claims expenses	(18,511)	(16,680)	(102,073)	(25,308)	(162,572)	(83,584)
Expenses	(28,513)	(14,526)	(35,097)	(15,137)	(93,273)	(87,688)
Net commission	27,252	3,839	(19,234)	397	12,254	41,184
<b>Underwriting result</b>	<b>24,980</b>	<b>31,257</b>	<b>53,581</b>	<b>15,732</b>	<b>125,550</b>	<b>155,180</b>
Investment income / (loss)					125,686	(141,277)
Rental income					9,138	8,754
Other income					3,332	4,713
Financial charges					(31,467)	(82,765)
General and administration expenses					(49,133)	(58,045)
					57,556	(268,620)
					183,106	(113,440)
Share of profit from associates - net of tax					52,976	888,626
Profit before taxation					236,082	775,186
Taxation					(32,733)	(113,924)
Profit after taxation					203,349	661,262
<b>Profit and loss appropriation account</b>						
Balance at the commencement of the six months					(172,250)	(376,347)
Transferred from general reserve					149,672	89,803
Final dividend for the year ended 31 December 2009 Rs. 2.5 per share (2008 : 1.5 per share)					(149,672)	(89,803)
Profit after tax					203,349	661,262
Balance of unappropriated profits at the end of six months					31,099	284,915
					(Rupees)	
<b>Earning per share - basic and diluted</b>					<b>2.83</b>	<b>9.20</b>

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

  
 SYED BABAR ALI  
 Chairman

  
 SHAMIM AHMAD KHAN  
 Director

  
 SYED HYDER ALI  
 Director

  
 JALEES AHMED SIDDIQI  
 Principal Officer & Chief Executive



## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2010 (UNAUDITED)

	Reserves						Unappro- Priated Profit	Total
	Share Capital Issued, Subscribed and Paid-up	Capital Reserves			Revenue Reserves			
		Premium on Issue of Shares	Reserve for Bonus Shares	Other Capital Reserves	General Reserve	-		
..... (Rupees in thousand) .....								
<b>Balance as at 01 January 2009</b>	598,689	35,762	-	33,267	10,555,148	(376,347)	<b>10,846,519</b>	
<b>Total comprehensive income for the period ended 30 June 2009</b>								
Net profit for the period	-	-	-	-	-	661,262	661,262	
<b>Transactions with owners, recorded directly in equity</b>								
<b>Distribution to owners</b>								
Final dividend for the year ended 31 December 2008 - Rs. 1.5 per share	-	-	-	-	-	(89,803)	<b>(89,803)</b>	
Transferred from general reserves	-	-	-	-	(89,803)	89,803	-	
<b>Balance as at 30 June 2009</b>	<u>598,689</u>	<u>35,762</u>	<u>-</u>	<u>33,267</u>	<u>10,465,345</u>	<u>284,915</u>	<b><u>11,417,978</u></b>	
<b>Balance as at 01 January 2010</b>	598,689	35,762	-	33,267	10,465,345	(172,250)	<b>10,960,813</b>	
<b>Total comprehensive income for the period ended 30 June 2010</b>								
Net profit for the period	-	-	-	-	-	203,349	<b>203,349</b>	
<b>Transactions with owners, recorded directly in equity</b>								
<b>Distribution to owners</b>								
Final dividend for the year ended 31 December 2009 - Rs. 2.5 per share	-	-	-	-	-	(149,672)	<b>(149,672)</b>	
Bonus share issued during the period @ 20%	119,738	-	(119,738)	-	-	-	-	
	119,738	-	(119,738)	-	-	(149,672)	<b>(149,672)</b>	
Transferred from general reserve	-	-	-	-	(149,672)	149,672	-	
Transferred to reserve for issue of bonus shares	-	-	119,738	-	(119,738)	-	-	
<b>Balance as at 30 June 2010</b>	<u>718,427</u>	<u>35,762</u>	<u>-</u>	<u>33,267</u>	<u>10,195,935</u>	<u>31,099</u>	<b><u>11,014,490</u></b>	

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

  
SYED BABAR ALI  
Chairman

  
SHAMIM AHMAD KHAN  
Director


  
SYED HYDER ALI  
Director

  
JALEES AHMED SIDDIQI  
Principal Officer & Chief Executive



## CONDENSED INTERIM CASH FLOW STATEMENT

	January to June	
	2010	2009
	(Rupees in '000)	
<b>Operating cash flows</b>		
<b>Underwriting activities</b>		
Premiums received	581,353	612,434
Reinsurance premiums paid	(124,348)	(158,045)
Claims paid	(272,549)	(209,729)
Reinsurance and other recoveries received	109,562	52,122
Commissions paid	(45,179)	(42,743)
Commissions received	79,480	84,068
Net cash inflow from underwriting activities	<b>328,319</b>	338,107
<b>Other operating activities</b>		
Income tax paid	(23,439)	(13,706)
General management expenses paid	(68,266)	(29,800)
Other operating payments	(17,969)	(49,131)
Other operating receipts	11,284	10,426
Net cash outflow from other operating activities	<b>(98,389)</b>	(82,211)
Total cash inflow from all operating activities	<b>229,930</b>	255,896
<b>Investment activities</b>		
Profit / return received	8,815	14,465
Dividends received	115,704	125,849
Payments for investments	(325,199)	(373,668)
Proceeds from disposal of investments	159,938	542,462
Redemption of TFCs	1,495	376
Advances given	(30,100)	-
Fixed capital expenditure	(15,528)	(10,526)
Proceeds from disposal of fixed assets	3,507	9,043
Total cash (outflow) / inflow from investing activities	<b>(81,368)</b>	308,001
<b>Financing activities</b>		
Loans paid	(40,000)	(40,000)
Dividends paid	(147,941)	(89,266)
Financial charges paid	(35,838)	(98,664)
Total cash (outflow) from financing activities	<b>(223,779)</b>	(227,930)
Net cash (outflow) / inflow from all activities	<b>(75,217)</b>	335,967
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(480,872)</b>	(789,267)
<b>Cash and cash equivalents at the end of the period</b>	<b>(556,089)</b>	(453,300)

  
SYED BABAR ALI  
Chairman

  
SHAMIM AHMAD KHAN  
Director

  
SYED HYDER ALI  
Director

  
JALEES AHMED SIDDIQI  
Principal Officer & Chief Executive

## FOR THE SIX MONTHS PERIOD ENDED

30 JUNE 2010 (UN-AUDITED)

	<b>January to June</b>	
	<b>2010</b>	<b>2009</b>
	(Rupees in '000)	
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	<b>229,930</b>	255,896
Depreciation	<b>(17,000)</b>	(16,712)
Financial charges	<b>(31,467)</b>	(82,765)
Profit on disposal of fixed assets	<b>1,186</b>	3,051
(Increase) in assets other than cash	<b>(64,812)</b>	(115,436)
(Decrease) in liabilities other than term finances	<b>(93,761)</b>	(130,821)
Income from associated companies - net of tax	<b>52,976</b>	888,626
Diminution in value of available for sale investments	<b>-</b>	(303,885)
Appreciation in value of held for trading investment	<b>(405)</b>	20,164
<b>Others</b>		
Profit on disposal of investments	<b>6,704</b>	3,748
Dividend and other investment income	<b>119,998</b>	139,396
<b>Profit after taxation</b>	<b><u>203,349</u></b>	<b><u>661,262</u></b>

### Definition of cash

Cash comprises of Cash in hand and at 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	-	-
- Stamps in hand	-	261
	-	261
Current and other accounts		
- Current Accounts	127	870
- PLS Accounts	2,040	3,044
	<b>2,167</b>	3,914
Deposits maturing within 12 months		
- Cash with State Bank of Pakistan	-	-
- Term Deposit Receipts with banks	-	-
	-	-
Short term running finance	<b>(558,256)</b>	(457,475)
	<b><u>(556,089)</u></b>	<b><u>(453,300)</u></b>

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

  
**SYED BABAR ALI**  
 Chairman

  
**SHAMIM AHMAD KHAN**  
 Director

  
**SYED HYDER ALI**  
 Director

  
**JALEES AHMED SIDDIQI**  
 Principal Officer & Chief Executive



## CONDENSED INTERIM STATEMENT OF PREMIUMS FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UN-AUDITED)

### Business underwritten inside Pakistan

Class	For The Three Months Period Ended 30 June 2010									Net Premium Revenue	
	Premiums Written	Unearned Premiums Reserve		Premiums Earned	Reinsurance Ceded	Prepaid Reinsurance Premium Ceded		Reinsurance Expense	30 June 2010	30 June 2009	
		Opening	Closing			Opening	Closing				
	(Rupees in '000)										
<b>Direct and facultative 1. Fire and Property Damage</b>	45,145	207,336	143,165	109,316	24,075	174,345	109,799	88,621	<b>20,695</b>	17,866	
2. Marine, Aviation and Transport	48,763	25,761	25,247	49,277	20,730	13,303	10,199	23,834	<b>25,443</b>	29,109	
3. Motor	105,557	220,046	211,123	114,480	(3,814)	9,993	4,742	1,437	<b>113,043</b>	78,475	
4. Miscellaneous	56,107	78,233	67,570	66,770	24,172	38,593	27,367	35,398	<b>31,372</b>	21,447	
<b>Total</b>	<b>255,572</b>	<b>531,376</b>	<b>447,105</b>	<b>339,843</b>	<b>65,163</b>	<b>236,234</b>	<b>152,107</b>	<b>149,290</b>	<b>190,553</b>	<b>146,897</b>	

Class	For The Six Months Period Ended 30 June 2010									Net Premium Revenue	
	Premiums Written	Unearned Premiums Reserve		Premiums Earned	Reinsurance Ceded	Prepaid Reinsurance Premium Ceded		Reinsurance Expense	30 June 2010	30 June 2009	
		Opening	Closing			Opening	Closing				
	(Rupees in '000)										
<b>Direct and facultative 1. Fire and Property Damage</b>	211,019	129,605	143,165	197,459	163,825	98,681	109,799	152,707	<b>44,752</b>	33,837	
2. Marine, Aviation and Transport	107,505	15,025	25,247	97,283	46,139	2,719	10,199	38,659	<b>58,624</b>	56,901	
3. Motor	259,741	166,252	211,123	214,870	8,754	873	4,742	4,885	<b>209,985</b>	150,513	
4. Miscellaneous	112,027	63,762	67,570	108,219	48,805	31,001	27,367	52,439	<b>55,780</b>	44,017	
<b>Total</b>	<b>690,292</b>	<b>374,644</b>	<b>447,105</b>	<b>617,831</b>	<b>267,523</b>	<b>133,274</b>	<b>152,107</b>	<b>248,690</b>	<b>369,141</b>	<b>285,268</b>	

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

  
SYED BABAR ALI  
Chairman

  
SHAMIM AHMAD KHAN  
Director

  
SYED HYDER ALI  
Director

  
JALEES AHMED SIDDIQI  
Principal Officer & Chief Executive

## CONDENSED INTERIM STATEMENT OF CLAIMS


FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UN-AUDITED)

### Business underwritten inside Pakistan

Class	For The Three Months Period Ended 30 June 2010										Net Claims Expense	
	Claims Paid	Outstanding Claim		Claims Expense	Reinsurance and Other Recoveries Received	Reinsurance and Other Recoveries in Respect of Outstanding Claims		Reinsurance and Other Recoveries Revenue	30 June 2010	30 June 2009		
		Opening	Closing			Opening	Closing					
	(Rupees in '000)											
<b>Direct and facultative</b>												
1. Fire and Property Damage	58,752	160,138	61,620	(39,766)	49,378	138,581	42,637	(46,566)	<b>6,800</b>	(7,489)		
2. Marine, Aviation and Transport	15,475	32,221	35,957	19,211	8,540	13,374	16,888	12,054	<b>7,157</b>	727		
3. Motor	73,715	63,250	53,995	64,460	5,411	7,631	4,406	2,186	<b>62,274</b>	33,718		
4. Miscellaneous	11,217	43,508	45,345	13,053	9,332	24,171	19,018	4,179	<b>8,875</b>	5,405		
<b>Total</b>	<b>159,159</b>	<b>299,117</b>	<b>196,917</b>	<b>56,959</b>	<b>72,661</b>	<b>183,757</b>	<b>82,949</b>	<b>(28,147)</b>	<b>85,106</b>	<b>32,361</b>		

Class	For The Six Months Period Ended 30 June 2010										Net Claims Expense	
	Claims Paid	Outstanding Claim		Claims Expense	Reinsurance and Other Recoveries Received	Reinsurance and Other Recoveries in Respect of Outstanding Claims		Reinsurance and Other Recoveries Revenue	30 June 2010	30 June 2009		
		Opening	Closing			Opening	Closing					
	(Rupees in '000)											
<b>Direct and facultative</b>												
1. Fire and Property Damage	74,201	134,453	61,620	1,368	60,009	119,789	42,637	(17,143)	<b>18,511</b>	(6,133)		
2. Marine, Aviation and Transport	29,474	32,204	35,957	33,227	15,148	15,489	16,888	16,547	<b>16,680</b>	3,326		
3. Motor	127,561	70,982	53,995	110,574	12,026	7,931	4,406	8,501	<b>102,073</b>	66,314		
4. Miscellaneous	41,313	49,100	45,345	37,558	22,380	29,148	19,018	12,250	<b>25,308</b>	20,077		
<b>Total</b>	<b>272,549</b>	<b>286,739</b>	<b>196,917</b>	<b>182,727</b>	<b>109,563</b>	<b>172,357</b>	<b>82,949</b>	<b>20,155</b>	<b>162,572</b>	<b>83,582</b>		

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

  
**SYED BABAR ALI**  
 Chairman

  
**SHAMIM AHMAD KHAN**  
 Director

  
**SYED HYDER ALI**  
 Director

  
**JALEES AHMED SIDDIQI**  
 Principal Officer & Chief Executive



## CONDENSED INTERIM STATEMENT OF EXPENSES

FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UN-AUDITED)

### Business underwritten inside Pakistan

Class	For The Three Months Period Ended 30 June 2010							Net Underwriting Expenses	
	Commission Paid or Payable	Deferred Commission		Net Commission Expense	Other Management Expenses	Under-writing Expenses	Commission from Reinsurers	30 June 2010	30 June 2009
		Opening	Closing						
	(Rupees in '000)								
<b>Direct and facultative</b>									
1. Fire and property damage	4,797	-	-	4,797	11,653	16,450	21,476	(5,026)	(6,261)
2. Marine, aviation and transport	3,972	-	-	3,972	8,555	12,527	7,521	5,007	2,820
3. Motor	7,209	-	-	7,209	19,425	26,633	7	26,626	27,300
4. Miscellaneous	1,845	-	-	1,845	9,453	11,298	3,144	8,155	5,005
<b>Total</b>	<b>17,823</b>	<b>-</b>	<b>-</b>	<b>17,823</b>	<b>49,086</b>	<b>66,909</b>	<b>32,148</b>	<b>34,761</b>	<b>28,864</b>

Class	For The Six Months Period Ended 30 June 2010							Net Underwriting Expenses	
	Commission Paid or Payable	Deferred Commission		Net Commission Expense	Other Management Expenses	Under-writing Expenses	Commission from Reinsurers	30 June 2010	30 June 2009
		Opening	Closing						
	(Rupees in '000)								
<b>Direct and facultative</b>									
1. Fire and property damage	11,521	-	-	11,521	28,513	40,034	38,773	1,261	(9,311)
2. Marine, aviation and transport	8,548	-	-	8,548	14,526	23,074	12,387	10,687	231
3. Motor	19,234	-	-	19,234	35,097	54,331	-	54,331	46,436
4. Miscellaneous	6,866	-	-	6,866	15,137	22,003	7,263	14,740	9,148
<b>Total</b>	<b>46,169</b>	<b>-</b>	<b>-</b>	<b>46,169</b>	<b>93,273</b>	<b>139,442</b>	<b>58,423</b>	<b>81,019</b>	<b>46,504</b>

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

  
 SYED BABAR ALI  
 Chairman

  
 SHAMIM AHMAD KHAN  
 Director

  
 SYED HYDER ALI  
 Director


  
 JALEES AHMED SIDDIQI  
 Principal Officer & Chief Executive

## CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UN-AUDITED)

	Three Months Period Ended 30 June		Six Months Period Ended 30 June	
	2010	2009	2010	2009
	..... (Rupees in '000) .....			
<b>Income from trading investments</b>				
Gain / (loss) on trading (i.e. buying and selling difference)	483	2,253	1,126	(7,352)
Dividend income (earned while holding the securities)	45	3	45	31
	<b>528</b>	2,256	<b>1,171</b>	(7,321)
<b>Income from non-trading investments</b>				
<b>Held to maturity</b>				
Return on government securities	1,580	2,568	4,516	4,632
Return on other fixed income securities and deposits	2,621	2,413	3,989	11,701
	<b>4,201</b>	4,981	<b>8,505</b>	16,333
<b>Available for sale</b>				
Dividend income	5,783	3,328	111,447	123,032
Gain on sale of available for sale investments	5,577	8,078	5,577	11,100
	<b>11,360</b>	11,406	<b>117,024</b>	134,132
<b>(Loss) / gain on revaluation of held for trading investments</b>	<b>(838)</b>	58	<b>(405)</b>	20,164
<b>Provision for diminution in value of available for sale investments</b>	-	(1,926)	-	(303,885)
<b>Less: Investment related expenses</b>	<b>(200)</b>	(300)	<b>(609)</b>	(700)
<b>Net investment income</b>	<b>15,051</b>	16,475	<b>125,686</b>	(141,277)

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

  
**SYED BABAR ALI**  
 Chairman

  
**SHAMIM AHMAD KHAN**  
 Director

  
**SYED HYDER ALI**  
 Director

  
**JALEES AHMED SIDDIQI**  
 Principal Officer & Chief Executive



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UN-AUDITED)

### 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.

These condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2009.

There are no comprehensive income to be reported for the period ended 30 June 2009 and 2010

### 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 preceding annual published financial statements of the Company for the year ended 31 December 2009.

### 4. SIGNIFICANT ESTIMATES AND JUDGEMENT

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 result 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 applies to the annual financial statements for the year ended 31 December 2009.

### 5. FINANCIAL & INSURANCE RISK MANAGEMENT

The financial and insurance risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended 31 December 2009.

### 6. PREMIUM DEFICIENCY RESERVE

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

### 7. BORROWINGS

#### 7.1 Long term finance - secured

	Un-audited 30 June 2010	Audited 31 December 2009
	(Rupees in '000)	
Opening Balance	40,000	320,000
Add: Disbursements during the period	-	-
Less: Repaid during the period	40,000	280,000
Closing Balance	-	40,000



## 8. CONTINGENCIES & COMMITMENTS

There is no change in the status of contingencies as disclosed in the annual financial statements of the Company for the year ended 31 December 2009, except for the following:

During the six months period ended 30 June 2010, the DCIT has passed the amended order under section 122 (5A) pursuant to the selection of case made by the CIR LTU in terms of section 177 of the Income tax Ordinance, 2001. The major issue involved in the said order is disallowance of claim of exemption under Rule 6A of the Forth Schedule of the Ordinance in respect of gain on sales of shares of listed securities. The company aggrieved of the treatment meted out by the DCIR and has filed an appeal before the CIR (A) which is pending adjudication. Besides, LTU Karachi has also passed a penalty order under section 184/190 of the Ordinance creating demand of Rs. 444.4 million. The DCIR has passed the aforesaid order pursuant to the addition made under section 111 (1)(a)&(b) and the order passed under section 122(1) of the Ordinance. The company has also filed an appeal before the CIR (A) against the aforesaid order which is pending adjudication.

The Company has filed return for the tax year 2008 in terms of section 120 of the Ordinance whereby a "Complete return" filed under the Ordinance is taken to an assessment order passed by the Commissioner of income tax on the day the said return is furnished. The Additional Commissioner Audit Division-II, Karachi had issued notice under section 122(5A) of the Ordinance for passing an amended order on certain issues. However, company has filed a writ petition before the Honorable High court of Sindh challenging the validity of the notice. The Honorable High court while admitting the above petition has restrained the department to take up the amended proceedings.

The DCIR has passed the amended order under section 122 (5A) of the Income tax Ordinance, 2001 for the tax year 2009 by disallowing certain provisions on account of IBNR, Unearned Commission and allocation of expenses relating to exempt income. The company aggrieved of the treatment meted out by the DCIR and has filed an appeal before the CIR (A) which is pending adjudication. The ACIR while passing the above order has made certain calculation errors for which rectification application has been filed for passing a rectification order. As a result of passing rectification order the impugned demand of Rs. 141 m would be reduced to Rs. 44.7 m.

The management is confident that above will not result in any unfavorable outcome for the Company.

## 9. INVESTMENTS

		<u>Un-audited 30</u> <u>June 2010</u>	Audited 31 December 2009
		(Rupees in '000)	
The investments comprise of the following:			
Equity instruments of associated companies			
- quoted		<b>4,829,238</b>	4,737,684
- unquoted	9.1	<b>114,056</b>	114,056
		<b>4,943,294</b>	4,851,740
Held to maturity			
- Government securities		<b>62,944</b>	61,600
- Term finance certificate		<b>59,239</b>	60,734
		<b>122,183</b>	122,334
Available for sale			
- quoted		<b>6,090,891</b>	6,134,658
- unquoted	9.1	<b>127,026</b>	127,026
		<b>6,217,917</b>	6,261,684
Held for trading - at fair value through profit or loss			
		<b>175,405</b>	-
		<b>11,458,799</b>	11,235,758

**9.1** Market value of investments as at 30 June 2010 is Rs. 10,303 million (31 December 2009: Rs. 9,394 million).



## 10. SUNDRY RECEIVABLES

	Un-audited 30 June 2010	Audited 31 December 2009
	( Rupees in '000 )	
Advances - considered good	13,806	19,638
Security deposits	6,108	6,108
Agent balances	621	166
Receivable against reverse repo agreement	49,630	19,530
Receivable from defined contribution plan	3,971	3,971
Sales tax recoverable	998	827
	<u>75,134</u>	<u>50,240</u>

## 11. FIXED ASSETS

	Un-audited 30 June 2010	Audited 31 December 2009
	( Rupees in '000 )	
Opening book value	280,545	302,531
Add: Additions during the period / year	15,528	18,772
	<u>296,074</u>	<u>321,303</u>
Less: Net Book value of disposal	2,322	7,371
Less: Depreciation for the period / year	17,000	33,387
	<u>19,322</u>	<u>40,758</u>
Closing book value	<u>276,752</u>	<u>280,545</u>

## 12. TRANSACTIONS WITH RELATED PARTIES

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

Description	Three Months Period Ended 30 June (Un-audited)		Six Months Period Ended 30 June (Un-audited)	
	2010	2009	2010	2009
	..... ( Rupees in '000 ) .....			
Premium Underwritten	<u>72,376</u>	96,124	<u>320,023</u>	329,005
Premium Collected	<u>108,760</u>	150,840	<u>321,929</u>	362,841
Claims paid	<u>11,881</u>	16,613	<u>18,812</u>	39,879
Commission paid	<u>3,178</u>	5,022	<u>5,651</u>	9,223
Interest expense	<u>121</u>	4,244	<u>391</u>	11,493
Rental Income	<u>4,782</u>	6,889	<u>9,138</u>	8,754
Rent paid			<u>5,102</u>	
Dividends received	<u>4,827</u>	2,646	<u>109,543</u>	118,303
Dividends paid	<u>-</u>	-	<u>81,200</u>	47,933
Contribution to retirement benefit fund	<u>2,303</u>	1,490	<u>4,532</u>	3,140
Key management personnel compensation	<u>13,852</u>	7,985	<u>27,888</u>	19,404
Investment in units	<u>150,000</u>	10,000	<u>200,000</u>	35,000
Redemption of units	<u>50,000</u>	91,313	<u>50,000</u>	226,036

**Un-audited 30**    Audited 31  
**June 2010**    Dec. 2009  
(Rupees in '000)

**Period-end balances:**

Premium receivable	<u>102,273</u>	76,978
Commission payable	<u>12,085</u>	<u>11,700</u>

**13. SEGMENT REPORTING**

There has been no change in the basis of segmentation or the measurement basis of segment profit or loss since 31 December 2009. Class of business wise revenue and results have been disclosed in the condensed interim statement of premiums and profit and loss account, respectively, prepared in accordance with the requirement of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002.

Segment wise assets as of 30 June 2010 are as follows:

	Fire and Property Damage		Marine, Aviation and Transport		Motor		Miscellaneous		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	..... ( R u p e e s   i n   ' 0 0 0 ) ..... .....									
Segment assets	381,660	438,906	143,867	149,494	291,300	234,207	168,077	152,519	<u>984,906</u>	975,126
Unallocated corporate assets									<u>11,556,534</u>	11,390,940
Consolidated total assets									<u>12,541,440</u>	<u>12,366,066</u>

**14. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial information is authorised for issue by the Board of Directors of the Company on 20 August 2010.

**15. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE**

The Board of Directors has declared 10% interim cash dividend for the half year ended 30 June 2010 amounting to Rs. 71.843 million at their meeting held on 20 August 2010. These condensed interim financial statements do not include the effect of above appropriation.

**16. GENERAL**

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

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

  
SYED BABAR ALI  
Chairman

  
SHAMIM AHMAD KHAN  
Director

  
SYED HYDER ALI  
Director

  
JALEES AHMED SIDDIQI  
Principal Officer & Chief Executive

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