

CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2008

IGI Insurance Limited



Flowering Trees of Pakistan

IGI
Insurance

Contents

Company Information	02
Directors' Report to the Shareholders	03
Balance Sheet	04
Profit and Loss Account	06
Statement of Changes in Equity	07
Cash Flow Statement	08
Statement of Premiums	10
Statement of Claims	11
Statement of Expenses	12
Statement of Investment Income	13
Notes to the Financial Statements	14



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

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

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 September 30, 2008.

During the period under review, the company has been able to maintain its operational performance, reflected by increase of 1% in Gross Written Premium from Rs. 807 million in 2007 to Rs. 817 million in 2008. The marginal increase has been achieved despite the policy decision to discontinue motor leasing portfolio. While reduced Net Claims contributed to higher underwriting profit, the overall performance of the company was adversely impacted by decline in investment income. During the period, stock markets underwent major decline which has resulted in low investment income and consequently less pre-tax profit for the period. Earning per share for the nine month period ended September 30, 2008 is Rs. 1.72 against Rs. 6.62 for the corresponding period 2007.

The Company is conscious of the macro economic challenges which are being faced by the economy and we hope that these are addressed successfully to enable establishment of environment, conducive to the growth of industry. Meanwhile, we are striving hard to sustain our performance.

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

Karachi: October 29, 2008

CONDENSED INTERIM BALANCE SHEET

	Note	Unaudited September 30, 2008 (Rupees in thousand)	Audited December 31, 2007
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 [59,868,962 (2007: 31,930,130) ordinary shares of Rs. 10 each]		598,689	319,301
Reserves		10,624,177	8,103,740
Retained earnings		112,758	2,857,309
		11,335,624	11,280,350
Underwriting provisions			
Provision for outstanding claims [including IBNR]		365,434	476,716
Provision for unearned premium		414,542	391,763
Commission income unearned		56,667	46,975
Total underwriting provisions		836,642	915,454
Deferred taxation		30,193	30,193
Creditors and accruals			
Premium received in advance		6,846	6,022
Amounts due to other insurers/ reinsurers		109,680	197,188
Accrued expenses		54,275	52,804
		170,802	256,014
Borrowings			
Long term finance - secured	5.1	360,000	400,000
Short term finance - unsecured	5.2	491,932	-
Other Liabilities			
Short term running finance - secured		764,218	1,181,202
Sundry creditors		59,300	38,988
Unclaimed dividend		2,439	1,903
TOTAL LIABILITIES		2,715,527	2,823,754
TOTAL EQUITY AND LIABILITIES		14,051,150	14,104,104

The annexed notes from 1 to 11 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 SEPTEMBER 30, 2008 (UN-AUDITED)

	Note	Unaudited September 30, 2008 (Rupees in thousand)	Audited December 31, 2007
Cash and bank deposits			
Cash and other equivalents		265	407
Current and other accounts		2,180	5,152
Deposits maturing within 12 months		352	200,352
		<u>2,797</u>	<u>205,911</u>
Investments	6	12,752,122	12,404,727
Other assets			
Premiums due but unpaid - unsecured		190,428	128,082
Amounts due from other insurers /reinsurers - unsecured		219,384	301,171
Accrued investment income		24,095	10,353
Reinsurance recoveries against outstanding claims		213,414	240,481
Prepayments - prepaid reinsurance premium ceded		200,056	204,344
- others		8,113	14,925
Taxation - provision less payments		71,383	68,801
Sundry receivables		63,549	216,026
		<u>990,422</u>	<u>1,184,183</u>
Fixed assets			
Tangible			
Furniture, fixtures and office equipment	7	37,519	37,652
Building		221,904	229,829
Motor vehicles		46,386	41,802
		<u>305,809</u>	<u>309,283</u>
TOTAL ASSETS		<u>14,051,150</u>	<u>14,104,104</u>

||
05
||


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 NINE MONTHS ENDED SEPTEMBER 30, 2008 (UNAUDITED)

	Fire & Property	Marine, Aviation & Transport	Motor	Others including miscellaneous	July to September	
					2008 Total	2007 Total
(Rupees in thousand)						
Revenue account						
Net premium revenue	16,360	25,253	68,291	25,325	135,229	153,848
Net claims	(6,323)	(5,569)	(32,512)	(12,564)	(56,968)	(91,515)
Expenses	(15,734)	(7,884)	(11,809)	(7,232)	(42,659)	(33,131)
Net commission	10,940	7,327	(6,114)	(37)	12,115	9,552
Underwriting result	5,243	19,127	17,855	5,492	47,717	38,754
Investment income					64,156	76,950
Other income					10,601	6,707
Financial charges					(63,009)	(33,812)
General and administration expenses					(28,610)	(32,007)
					(16,862)	17,838
					30,855	56,592
Income from associated companies - net of tax					(13,665)	-
Profit before tax					17,190	56,592
Taxation					(7,999)	7,675
Profit after tax					9,191	64,267
Basic and diluted earnings per share - Rupees					0.15	1.07


06

	Fire & Property	Marine, Aviation & Transport	Motor	Others including miscellaneous	January to September	
					2008 Total	2007 Total
(Rupees in thousand)						
Revenue account						
Net premium revenue	51,145	77,685	219,906	64,317	413,052	455,785
Net claims	(18,306)	(12,840)	(115,560)	(21,207)	(167,913)	(256,118)
Expenses	(42,036)	(25,325)	(35,619)	(19,231)	(122,211)	(90,813)
Net commission	42,991	21,601	(20,568)	1,451	45,475	54,579
Underwriting result	33,793	61,120	48,157	25,329	168,403	163,433
Investment income					157,795	406,919
Other income					30,515	18,349
Financial charges					(160,224)	(90,405)
General and administration expenses					(82,378)	(80,940)
					(54,292)	253,923
					114,111	417,357
Income from associated companies - net of tax					9,058	14,231
Profit before taxation					123,169	431,588
Taxation					(20,000)	(35,037)
Profit after taxation					103,169	396,551
Profit and loss appropriation account						
Balance at the commencement of the period					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)
Interim dividend Rs. Nil per share (2007: Rs. 2.50)					-	(79,825)
Profit after tax for the period					103,169	396,551
Balance at the end of the period					112,758	323,581
Basic & diluted earnings per share - Rupees					1.72	6.62

The annexed notes from 1 to 11 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 NINE MONTHS ENDED SEPTEMBER 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 nine months ended September 30, 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 December 31, 2006 - Rs. 4.0 per share	-	-	-	-	-	-	(79,825)	(79,825)
Interim dividend for the year ended December 31, 2007 - Rs. 2.5 per share	-	-	-	-	-	-	(79,825)	(79,825)
Profit after tax for the nine months ended September 30, 2007	-	-	-	-	-	-	396,551	396,551
Balance as at September 30, 2007	319,301	3,267	30,000	35,762	8,034,711	-	323,581	8,746,622
Balance as at January 1, 2008	319,301	3,267	30,000	35,762	8,034,711	-	2,857,309	11,280,350
Changes in equity for the nine months ended September 30, 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 December 31, 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 nine months ended September 30, 2008	-	-	-	-	-	-	103,169	103,169
Balance as at September 30, 2008	598,689	3,267	30,000	35,762	10,555,148	-	112,758	11,335,624

 |||
07
|||

The annexed notes from 1 to 11 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 CASH FLOW STATEMENT

	January to September	
	2008	2007
	(Rupees in thousand)	
Operating cash flows		
Underwriting activities		
Premiums received	755,029	709,459
Reinsurance premiums paid	(382,153)	(395,498)
Claims paid	(403,917)	(313,199)
Reinsurance and other recoveries received	151,789	96,997
Commissions paid	(54,794)	(27,661)
Commissions received	126,022	99,686
Net cash inflow from underwriting activities	191,976	169,784
Other operating activities		
Income tax paid	(22,582)	(25,148)
General management expenses paid	(121,472)	(84,282)
Other operating payments	(93,003)	(94,101)
Other operating receipts	29,458	33,666
Net cash (outflow) from other operating activities	(207,599)	(169,866)
Total cash (outflow) from all operating activities	(15,623)	(83)
Investment activities		
Profit / return received	19,272	13,892
Dividends received	146,248	173,222
Payments for investments	(8,608,227)	(1,844,613)
Proceeds from disposal of investments	8,197,200	1,503,744
Redemption of TFCs	53,807	6,242
Advances recovered / given	179,662	(108,822)
Fixed capital expenditure	(26,327)	(42,907)
Proceeds from disposal of fixed assets	7,164	7,674
Total cash (outflow) from investing activities	(31,201)	(291,569)
Financing activities		
Loans received / paid	451,932	(60,000)
Dividends paid	(47,359)	(135,815)
Financial charges paid	(143,879)	(84,323)
Total cash inflow / (outflow) from financing activities	260,694	(280,138)
Net cash inflow / (outflow) from all activities	213,870	(571,790)
Cash and cash equivalents at the beginning of the period	(975,291)	(216,986)
Cash and cash equivalents at the end of the period	(761,421)	(788,776)

08


 SYED HYDER ALI SHAMIM AHMAD KHAN
 Director Director


 SYED BABAR ALI
 Chairman


 SAULAT SAID
 Principal Officer & Chief Executive

FOR THE NINE MONTHS ENDED

SEPTEMBER 30, 2008 (UN-AUDITED)

	January to September	
	2008	2007
	(Rupees in thousand)	
Reconciliation to profit and loss account		
Operating cash flows	(15,623)	(83)
Depreciation	(23,694)	(18,378)
Financial charges	(160,225)	(90,405)
Profit on disposal of fixed assets	1,057	1,089
Increase/(decrease) in assets other than cash	(27,835)	316,120
Increase/(decrease) in liabilities other than term finances	160,058	(234,754)
Income from associated companies - net of tax	9,058	14,231
Diminution/appreciation in value of available for sale investments	(41,526)	44,566
Depreciation/appreciation in value of held for trading investment	(2,565)	12,577
Others		
Profit on disposal of investments	25,202	164,247
Dividend and other investment income	179,262	187,341
Profit after taxation	103,169	396,551
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	148	264
Stamps in hand	117	286
	265	550
Current and other accounts		
Current Accounts	1,068	1,068
PLS Accounts	1,112	1,047
	2,180	2,115
Deposits maturing within 12 months		
Cash with State Bank of Pakistan	352	352
Term Deposit Receipts with banks	-	193,995
	352	194,347
Short term running finance	(764,218)	(985,788)
	(761,421)	(788,776)

The annexed notes from 1 to 11 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 PREMIUMS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 (UNAUDITED)

Business underwritten inside Pakistan

Class	Quarter ended September 30, 2008									Quarter ended Sep 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	98,964	147,952	164,783	82,133	75,349	123,493	133,069	65,773	16,360	12,931
2. Marine, Aviation and Transport	49,420	31,505	25,798	55,127	29,532	17,189	16,847	29,874	25,253	19,950
3. Motor	75,329	157,397	150,211	82,515	-	26,989	12,765	14,224	68,291	103,584
4. Miscellaneous	45,942	75,781	73,750	47,973	19,753	40,271	37,376	22,648	25,325	17,383
	<u>269,655</u>	<u>412,635</u>	<u>414,542</u>	<u>267,748</u>	<u>124,633</u>	<u>207,942</u>	<u>200,056</u>	<u>132,519</u>	<u>135,229</u>	<u>153,848</u>

10

Class	Nine months ended September 30, 2008									Nine months ended Sep 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	277,699	120,813	164,783	233,729	219,430	96,223	133,069	182,584	51,145	40,112
2. Marine, Aviation and Transport	169,137	20,245	25,798	163,584	92,027	10,719	16,847	85,899	77,685	60,527
3. Motor	241,170	174,833	150,211	265,792	10,936	47,715	12,765	45,886	219,906	295,005
4. Miscellaneous	128,545	75,872	73,750	130,667	54,040	49,686	37,376	66,350	64,317	60,141
Total	<u>816,551</u>	<u>391,763</u>	<u>414,542</u>	<u>793,772</u>	<u>376,432</u>	<u>204,343</u>	<u>200,056</u>	<u>380,719</u>	<u>413,053</u>	<u>455,785</u>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

Syed Hyder Ali Samkhan
 SYED HYDER ALI
 Director

Shamim Ahmad Khan
 SHAMIM AHMAD KHAN
 Director

Syed Babar Ali
 SYED BABAR ALI
 Chairman

SauLAT SAID
 SAULAT SAID
 Principal Officer & Chief Executive

CONDENSED INTERIM STATEMENT OF CLAIMS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 (UNAUDITED)

Business underwritten inside Pakistan

Class	Quarter ended September 30, 2008									Quarter ended Sep 30, 2007 Net claims expense
	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		
	Opening	Closing			Opening	Closing				
..... (Rupees in thousand)										
Direct and facultative										
1. Fire and Property Damage	19,331	106,279	163,720	76,771	14,205	73,727	129,971	70,449	6,323	5,282
2. Marine, Aviation and Transport	21,186	56,860	48,659	12,985	15,297	38,852	30,971	7,416	5,569	4,370
3. Motor	43,496	113,440	105,489	35,545	136	17,810	20,706	3,033	32,512	74,110
4. Miscellaneous	17,412	51,233	47,567	13,745	6,885	37,470	31,767	1,181	12,564	7,753
Total	101,425	327,812	365,434	139,047	36,523	167,859	213,414	82,079	56,968	91,515

Class	Nine months ended September 30, 2008									Nine months ended Sep 30, 2007 Net claims expense
	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		
	Opening	Closing			Opening	Closing				
..... (Rupees in thousand)										
Direct and facultative										
1. Fire and Property Damage	110,779	168,030	163,720	106,468	89,287	131,095	129,970	88,162	18,306	6,363
2. Marine, Aviation and Transport	49,842	68,904	48,659	29,597	32,325	46,539	30,971	16,757	12,840	6,263
3. Motor	213,201	183,867	105,489	134,823	18,595	20,039	20,706	19,263	115,560	226,769
4. Miscellaneous	30,095	55,915	47,567	21,746	11,582	42,809	31,767	539	21,207	16,723
Total	403,917	476,716	365,434	292,635	151,789	240,482	213,414	124,721	167,913	256,118

The annexed notes from 1 to 11 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 EXPENSES FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 (UNAUDITED)

Business underwritten inside Pakistan

Class	Quarter ended September 30, 2008							Quarter ended Sep 30, 2007	
	Commission paid or payable	Deferred Commission		Net Commission expense	Other management expenses	Under-writing expenses	Commission from reinsurers	Net under-writing expenses	
		Opening	Closing						Net under-writing expenses
	(Rupees in thousand)								
Direct and facultative									
1. Fire and Property Damage	13,222	-	-	13,222	15,734	28,956	24,162	4,794	(2,791)
2. Marine, Aviation and Transport	4,285	-	-	4,285	7,884	12,170	11,613	557	751
3. Motor	6,118	-	-	6,118	11,809	17,928	4	17,924	19,790
4. Miscellaneous	5,682	-	-	5,682	7,232	12,914	5,645	7,269	5,829
Total	29,307	-	-	29,307	42,659	71,967	41,423	30,544	23,579

Class	Nine months ended September 30, 2008							Nine months ended Sep 30, 2007	
	Commission paid or payable	Deferred Commission		Net Commission expense	Other management expenses	Under-writing expenses	Commission from reinsurers	Net under-writing expenses	
		Opening	Closing						Net under-writing expenses
	(Rupees in thousand)								
Direct and facultative									
1. Fire and Property Damage	24,109	-	-	24,109	42,036	66,145	67,100	(955)	(18,978)
2. Marine, Aviation and Transport	13,358	-	-	13,358	25,325	38,684	34,960	3,724	(16,579)
3. Motor	20,606	-	-	20,606	35,619	56,226	38	56,188	56,636
4. Miscellaneous	12,783	-	-	12,783	19,231	32,014	14,234	17,780	15,155
Total	70,856	-	-	70,856	122,211	193,068	116,331	76,737	36,234

The annexed notes from 1 to 11 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 NINE MONTHS ENDED SEPTEMBER 30, 2008 (UNAUDITED)

	Quarter ended		Nine months ended	
	September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007
..... (Rupees in thousand)				
Income from trading investments				
Gain on trading (i.e. buying and selling difference)	(9,007)	1,052	(17,340)	23,358
Dividend income (earned while holding the securities)	1,989	1,102	4,764	2,528
	(7,018)	2,154	(12,576)	25,886
Income from non-trading investments				
Held to maturity				
Return on Government Securities	-	-	98	267
Return on other fixed income securities and deposits	4,161	4,555	17,712	12,129
	4,161	4,555	17,809	12,396
Available for sale				
Dividend income	62,194	23,839	156,688	172,417
Gain on sale of available for sale investments	3,810	48,296	42,542	140,889
	66,004	72,135	199,230	313,306
Diminution in value of held for trading investments	2,013	(1,327)	(2,565)	12,577
Provision for diminution in value of available for sale investments	-	-	(41,526)	44,566
Less: Investment related expenses	(1,003)	(567)	(2,577)	(1,812)
Net investment income	64,156	76,950	157,795	406,919

The annexed notes from 1 to 11 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 NINE MONTHS ENDED SEPTEMBER 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 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."

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 the period end 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

5.1 Long term finance - secured

	September 30, 2008	December 31, 2007
	(Rupees in thousand)	
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. INVESTMENTS

The investments comprise of the following:

Equity instruments of associated companies	1,044,819	470,225
Held to maturity	63,205	66,889
Available for sale	11,613,511	11,743,595
Held for trading	30,586	124,018
	<u>12,752,122</u>	<u>12,404,727</u>

7. FIXED ASSETS

Opening book value	309,283	39,001
Add: Additions during the period / year	26,770	304,030
	<u>336,053</u>	<u>343,031</u>
Less: Written down value of disposal	6,550	8,583
Less: Depreciation for the period / year	23,694	25,165
	<u>30,244</u>	<u>33,748</u>
Closing book value	<u>305,809</u>	<u>309,283</u>

8. 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	January to September 2008	2007
	(Rupees in thousand)	
Premium Underwritten	318,229	259,178
Premium Collected	308,122	247,147
Claims paid	111,838	88,835
Commission paid	10,665	8,159
Service charges paid	1,265	-
Interest expense	7,518	-
Interest income	3,331	-
Rental Income	10,459	6,785
Dividends received	107,984	127,390
Contribution to retirement benefit fund	3,920	3,217
Key management personnel compensation	20,531	10,919
Period-end balances:		
Receivable from related parties	203,885	69,240
Payable to related parties	42,605	2,360



9. DATE OF AUTHORISATION FOR ISSUE


This condensed interim financial information is authorised for issue by the Board of Directors of the Company on October 29, 2008.

10. CORRESPONDING FIGURES

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

11. GENERAL

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


SYED HYDER ALI
Director

SHAMIM AHMAD KHAN
Director


SYED BABAR ALI
Chairman


SAULAT SAID
Principal Officer & Chief Executive



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

PUNA: 042-5373701, 6283475



IGI OFFICES

Head Office/ Corporate Office

7th Floor, The Forum, Suite Nos. 701-713,
G-20, Block 9, Khayaban-e-Jami,
Clifton, Karachi - 75600, Pakistan
Phone : 92-21-5301730-39
Fax : 92-21-5301729

Karachi

Bungalow # D-32,
Block - 2 Kehkashan, Clifton
Karachi - 74000
Phone : 92-21-5831030-32
E-mail : insurance.karachi@igi.com.pk

Lahore (Maratib Ali Road Branch)

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

Lahore (Hali Road Branch)

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

Islamabad

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

Faisalabad

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

Multan

First Floor, Abdali Tower
Abdali Road, Chowk Nawa Shehar
Multan Cantt.
Phone : 92-61-4784401-2
Fax : 92-61-4784403
E-mail : insurance.multan@igi.com.pk

Sialkot

Suite No. 10 & 11, First Floor
Soni Square, Khadim Ali Road
Mubarik Pura, Sialkot
Phone : 92-52-3258437
Fax : 92-52-3258438
E-mail : insurance.sialkot@igi.com.pk

Gujranwala

Nasir Plaza,
Adjacent to New Railway Station,
G.T. Road, Gujranwala
Phone : 92-55-3846425-26
Fax : 92-55-3257453
E-mail : insurance.gujranwala@igi.com.pk

Peshawar

Second Floor, Mall Tower
35-The Mall, Peshawar
Phone : 92-91-5253981-8
Fax : 92-91-5253989
E-mail : insurance.peshawar@igi.com.pk