

Contents

Company Information	02
Directors' Review	03
Balance Sheet	05
Profit and Loss Account	06
Cash Flow Statement	07
Statement of Changes in Equity	08
Notes to the Financial Statements	09
Consolidated Financial Statements	18
Consolidated Balance Sheet	19
Consolidated Profit and Loss Account	20
Consolidated Cash Flow Statement	21
Consolidated Statement of Changes in Equity	22
Notes to the Consolidated Financial Statements	23

Company Information

Board of Directors

Syed Babar Ali - Chairman
Mr. Towfiq H. Chinoy - Director
Mr. Farid Khan - Director
Mr. Arif Faruque - Director
Mr. Jalees A. Siddiqi - Director
Mr. Khalid Yacob - Director
S. Javed Hassan - Managing Director
& Chief Executive

Audit Committee

Mr. Khalid Yacob - Chairman
Mr. Jalees A. Siddiqi
Mr. Farid Khan

Auditors

M/s Ernst & Young Ford Rhodes
Sidat Hyder & Co.
Chartered Accountants

Legal Advisors

M/s Hassan & Hassan, Advocates
M/s Mohsin Tayebaly & Co.,
Advocate & Legal Consultants
M/s Orr, Dignam & Co.,
Advocates

Bankers

Allied Bank Ltd.
Atlas Bank Ltd.
Bank Alfalah Ltd.
Bank AL Habib Ltd.
Faysal Bank Ltd.
Habib Metropolitan Bank Ltd.
JS Bank Ltd.
MCB Bank Ltd.
My Bank Ltd.
NIB Bank Ltd.
Soneri Bank Ltd.
United Bank Ltd.

Shares Registrar

Noble Computer Services
(Private) Limited
Mezzanine Floor, House of Habib
Building (Siddiqsons Tower),
3-Jinnah Cooperative House Society,
Main Shahrah-e-Faisal,
Karachi-75350
Tel: (021) 34325482-87
Fax: (021) 34325442

Lahore Registered Office

5 F.C.C. Ground Floor,
Syed Maratib Ali Road,
Gulberg, Lahore.
Tel: (042) 111-234-234
(042) 35753414-16
Fax: (042) 111-567-567
(042) 35762790

Karachi Office

7th Floor, The Forum,
Suite Nos. 701-713, G-20,
Block 9, Khayaban-e-Jami, Clifton,
Karachi-75600, Pakistan.
Tel: (021) 111-234-234
Fax: (021) 111-567-567

Islamabad Office

Mezzanine Floor, Razia Sharif
Plaza, 90, Blue Area, G / 7,
Islamabad.
Tel: (051) 111-234-234
(051) 2275256-58
Fax: (051) 2273861

Faisalabad Office

9th Floor, State Life Building,
Faisalabad.
Tel: (041) 2540811-12
Fax: (041) 2540815

Multan Office

Mezzanine Floor, Abdali Tower,
Abdali Road, Multan.

Tel: (061) 4504461-62

Fax: (061) 4784403

UAN

Tel: 111-234-234

Fax: 111-567-567

Website

www.igiinvestmentbank.com.pk

Email

contact.center@igi.com.pk

Directors' Review

The Board of Directors of IGI Investment Bank Limited is pleased to present the un-audited financial statements for the third quarter ended March 31, 2010.

The bank's financials continued to improve during the third quarter ended March 31, 2010 after the last financial year's crisis. Our liquidity position has remained robust and we have fulfilled all our financial commitments on due dates.

During the current period your bank has continued to emphasize on its strategic goals and focused its attention on increasing revenues and decreasing cost of funds as well as administrative costs in order to recover losses incurred last year. Moreover with well planned emphasis on the recoveries of loans and advances and investments in rated and sound modes of investments, the outlook of the bank is likely to continue improving in future.

Your bank has reported an after tax Profit of Rs. 2.228 million for the third quarter ended March 31, 2010 as compared to a Loss of Rs. 81.119 million in the corresponding period of last year. These nine month results are also reflective of the strategy which the Board and the Management have adopted to bring over all improvement in financials of the bank.

Financial Summary

The financial highlights for the nine months ended March 31, 2010 are as follows:

	March 31, 2010	March 31, 2009	Increase / (Decrease)	
	Rupees in thousands			%
INCOME				
Fund based Income	622,740	582,469	40,271	6.91
Fund based Cost	499,909	514,212	(14,303)	(2.78)
Net Fund Based Income	122,831	68,257	54,574	79.95
Fee Based Income	20,277	34,158	(13,881)	(40.64)
EXPENDITURE				
Administrative and operating expenses	137,217	150,963	(13,746)	(9.11)

Our Fund based income increased from Rs. 582.469 million to Rs. 622.740 million and Fund based cost decreased from Rs. 514.212 million to Rs. 499.909 million resultantly showing 79.95% increase in net fund based income. Your bank has effectively controlled the administrative expenses, and reports decrease of 9.11% over the corresponding period of last year. The revenue generated from fee based lines of business i.e. corporate finance, advisory and portfolio management decreased from Rs. 34.158 million to Rs. 20.277 million due to the prevalent market situation.

Directors' Review

We anticipate that 2010 will be a steady year for the financial sector and the national economy. We are exploring new business opportunities, such as wealth management and will continue to maintain our extra prudent stance towards financial management in order to remain Pakistan's premier investment bank.

We are indeed grateful to our shareholders, valued customers and business partners, whose support and feedback has been invaluable. We also take this opportunity to place on record our appreciation for the hard work and continued loyalty of the employees.

For & on behalf of the Board

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive

Karachi: April 28, 2010.

Condensed Interim Balance Sheet (Un-audited)
As at March 31, 2010

	Note	March 31, 2010 Un-audited	June 30, 2009 Audited
------(Rupees in '000)-----			
ASSETS			
Non-current assets			
Property and equipment	4	62,990	82,175
Intangible assets		5,108	6,274
Long-term investments	5	1,515,308	1,293,943
Long-term loans and advances - net		147,541	162,315
Net investment in finance lease - net	6	471,931	843,382
Long-term deposits		4,893	6,795
Deferred taxation		181,781	135,056
		2,389,552	2,529,940
Current assets			
Current maturity of long-term loans and advances - net		146,951	195,746
Current maturity of net investment in finance lease - net		924,263	985,714
Short-term loans and advances	7	97,200	405,980
Lendings - secured		100,000	98,600
Short-term investments	8	3,815,248	1,892,946
Taxation - net		251,680	247,835
Prepayments		6,491	6,036
Interest, mark-up and profit accrued		92,637	49,152
Receivable against sale of securities		30,004	2,857
Other receivables - net	9	25,475	21,184
Cash and bank balances		97,553	112,664
		5,587,502	4,018,714
TOTAL ASSETS		<u>7,977,054</u>	<u>6,548,654</u>
EQUITY & LIABILITIES			
Share capital and reserves			
Share capital		2,121,025	2,121,025
Reserves		(203,166)	(251,796)
		1,917,859	1,869,229
Deficit on revaluation of investments - net	10	(36,112)	(1,767)
		1,881,747	1,867,462
Non-current liabilities			
Term finance certificates		61,828	186,330
Long-term finance	11	233,334	66,667
Long-term certificates of deposit	12	270,845	165,130
Long-term deposits on lease contracts		166,046	271,464
		732,053	689,591
Current liabilities			
Current maturity of term finance certificates		124,950	124,950
Current maturity of long-term finance		191,666	341,666
Current maturity of long-term certificates of deposit		253,136	243,411
Current maturity of long-term deposits on lease contracts		295,444	253,074
Short-term finance		200,201	299,472
Short-term certificates of deposit	12	3,023,384	2,248,334
Borrowings from financial institutions	13	1,037,269	225,868
Interest and mark-up accrued		179,320	141,445
Payable against purchase of securities		18,692	74,647
Accrued expenses and other liabilities		39,192	38,734
		5,363,254	3,991,601
CONTINGENCIES	14		
TOTAL EQUITY AND LIABILITIES		<u>7,977,054</u>	<u>6,548,654</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive

Condensed Interim Profit and Loss Account (Un-audited)
For the Nine Months period ended March 31, 2010

Note	Nine months ended		Quarter ended		
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	
----- (Rupees in '000) -----					
INCOME					
Income from investments	15	409,976	109,773	145,079	45,372
Income from loans and advances		52,349	102,956	12,005	24,657
Income from lease finance		118,034	217,917	38,679	68,652
Income from lendings and continuous funding system transactions		42,381	151,823	16,506	19,154
Income from fees, commission and brokerage		20,277	34,158	4,879	13,088
		<u>643,017</u>	<u>616,627</u>	<u>217,148</u>	<u>170,923</u>
Finance costs		499,909	514,212	175,980	150,643
		<u>143,108</u>	<u>102,415</u>	<u>41,168</u>	<u>20,280</u>
Administrative and general expenses		133,156	146,572	45,981	46,933
		<u>9,952</u>	<u>(44,157)</u>	<u>(4,813)</u>	<u>(26,653)</u>
Other operating income		24,430	25,953	9,747	9,833
		<u>34,382</u>	<u>(18,204)</u>	<u>4,934</u>	<u>(16,820)</u>
Other operating expenses		4,061	4,391	1,227	3,142
Operating profit / (loss) before provisions and impairment		<u>30,321</u>	<u>(22,595)</u>	<u>3,707</u>	<u>(19,962)</u>
Reversal / (provision) for bad and doubtful loans and advances / potential lease losses - general - net	3.3	36,469	(1,253)	-	(65)
Provision for bad and doubtful loans and advances / potential lease losses - specific - net		(68,487)	(17,743)	(7,178)	(7,833)
		<u>(32,018)</u>	<u>(18,996)</u>	<u>(7,178)</u>	<u>(7,898)</u>
Reversal / (impairment) against investments:					
- fund placement and debt security		15,709	(44,826)	7,178	-
- equity securities and units of mutual funds		-	(171,259)	-	(52,392)
Profit / (Loss) before taxation		<u>14,012</u>	<u>(257,676)</u>	<u>3,707</u>	<u>(80,252)</u>
Taxation					
Current		(4,800)	(2,169)	(1,479)	(867)
Deferred		39,418	-	-	-
		<u>34,618</u>	<u>(2,169)</u>	<u>(1,479)</u>	<u>(867)</u>
Profit / (Loss) after taxation		<u>48,630</u>	<u>(259,845)</u>	<u>2,228</u>	<u>(81,119)</u>
Other comprehensive income - net of tax		-	-	-	-
Total comprehensive income / (loss) - net of tax		<u>48,630</u>	<u>(259,845)</u>	<u>2,228</u>	<u>(81,119)</u>
Earnings / (loss) per share - basic and diluted		<u>0.23</u>	<u>(1.23)</u>	<u>0.01</u>	<u>(0.38)</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive

Condensed Interim Cash Flow Statement (Un-audited)
For the Nine Months period ended March 31, 2010

	Nine months ended	
	March 31, 2010	March 31, 2009
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) for the period before taxation	14,012	(257,676)
Adjustments for non cash and other items:		
Gain on disposal of property & equipment	(1,991)	(2,547)
Depreciation on property & equipment	17,293	19,562
Amortisation of intangible assets	1,787	1,845
Amortisation of transaction cost on TFCs	377	840
Provision for staff gratuity scheme	1,757	926
Interest, mark-up and profit income	(492,064)	(564,902)
Dividend income	(3,411)	(5,011)
Finance cost	499,909	514,212
(Reversal) / Provision for bad and doubtful loans and advances		
/ potential lease losses - general - net	(36,469)	1,253
Provision for bad and doubtful loans and advances / lease losses - specific - net	68,487	17,743
	55,675	(16,079)
	69,687	(273,755)
(Increase) / decrease in current assets:		
Short-term loans and advances	308,780	255,121
Lendings - secured	(1,400)	728,522
Receivable against continuous funding system transactions	-	360,468
Short-term investments	(1,956,647)	660,980
Receivable against sale of securities	(27,147)	555,809
Prepayments and other receivables	(5,209)	21,074
	(1,681,623)	2,581,974
Increase / (decrease) in current liabilities:		
Short-term certificates of deposit	775,050	(1,089,248)
Borrowings from financial institutions	811,401	(1,091,110)
Accrued expenses and other liabilities	(57,255)	(214,980)
	1,529,196	(2,395,338)
	(82,740)	(87,119)
Disbursements / (repayment) of long-term loans and advances - net	63,569	(169,547)
Net investments in finance lease	400,884	348,583
Long-term deposits	1,902	(161)
Issuance / (repayment) of long-term certificates of deposit - net	115,440	(280,132)
Receipts from deposits on lease contracts - net	(63,048)	(27,059)
Interest, mark-up and profit received	448,580	555,236
Dividend received	3,874	5,011
Finance cost paid	(462,034)	(555,489)
Income tax paid	(15,951)	(11,363)
Contribution made against gratuity	-	(4,742)
Net cash generated from / (used in) operating activities	493,216	(139,663)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure incurred	(4,292)	(14,360)
Long-term investments made	(221,365)	(37,500)
Proceeds from disposal of fixed assets	7,553	13,475
Net cash used in investing activities	(218,104)	(38,385)
CASH FLOWS FROM FINANCING ACTIVITIES		
Term finance certificates paid	(124,879)	(124,950)
Long-term finance - net	16,667	(323,333)
Net cash generated from / (used in) financing activities	(108,212)	(448,283)
Net increase / (decrease) in cash and cash equivalents	84,160	(713,450)
Cash and cash equivalents at the beginning of the period	(186,808)	550,681
Cash and cash equivalents at the end of the period	(102,648)	(162,769)
Cash and cash equivalents at the end of the period		
Cash and bank balances	97,553	136,971
Short-term finance	(200,201)	(299,740)
	(102,648)	(162,769)

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive

Condensed Interim Statement of Changes in Equity (Un-audited)
For the Nine Months period ended March 31, 2010

	Reserves			Total	
	Capital	Revenue			
	Statutory reserve	General reserve	Accumulated losses		
Issued, subscribed and paid-up capital					
----- (Rupees in thousand) -----					
Balance as at June 30, 2008	2,121,025	97,098	39,733	(13,541)	2,244,315
Loss after taxation for the nine months period ended March 31, 2009	-	-	-	(259,845)	(259,845)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	-	-	(259,845)	(259,845)
Balance as at March 31, 2009	<u>2,121,025</u>	<u>97,098</u>	<u>39,733</u>	<u>(273,386)</u>	<u>1,984,470</u>
Balance as at June 30, 2009	2,121,025	97,098	39,733	(388,627)	1,869,229
Profit after taxation for the nine months period ended March 31, 2010	-	-	-	48,630	48,630
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	48,630	48,630
Balance as at March 31, 2010	<u>2,121,025</u>	<u>97,098</u>	<u>39,733</u>	<u>(339,997)</u>	<u>1,917,859</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive

Notes to the Condensed Interim Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

1. LEGAL STATUS AND OPERATIONS

IGI Investment Bank Limited (the Bank) is a public limited company incorporated in Pakistan on February 07, 1990 under the Companies Ordinance, 1984. The Bank is licensed to carry out investment finance activities and leasing operations as a Non-Banking Finance Company under Section 282C of the Companies Ordinance, 1984, Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations 2008 (the NBFC Regulations). The Bank's shares are quoted on all three Stock Exchanges. The registered office of the Bank is situated at 5 F.C.C., Syed Maratib Ali Road, Gulberg, Lahore. The principal place of business is situated at 7th Floor, The Forum, Suite No. 701 to 713, G-20, Block-9, Khayaban-e-Jami, Clifton, Karachi.

Based on the financial statements of the Bank for the year ended June 30, 2009, the Pakistan Credit Rating Agency (PACRA) has maintained the long-term credit rating of the Bank as 'A' and the short-term rating as 'A1'.

2. STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan, NBFC Rules and NBFC Regulations. The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Bank's annual financial statements for the year ended June 30, 2009.

2.2 The SECP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' through Circular No. 19 dated August 13, 2003 for Non-Banking Finance Companies (NBFCs) providing investment finance services, discounting services and housing finance services. In addition, the SECP has also deferred the application of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' through SRO 411(1) / 2008 on such Non-Banking Finance Companies which are engaged in investment finance services, discounting services and housing finance services.

3. ACCOUNTING POLICIES AND ESTIMATES

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended June 30, 2009 except for the following changes:

3.1 IAS-1 (revised) "Presentation of Financial Statements" separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognized income and expense, either in one single statement, or in two linked statements. The Bank has elected to present one statement.

The Bank considers that the above change in the requirements relating to the presentation of the financial statements does not affect the Bank's financial statements for the period due to the fact that currently all items of income and expense are being recognised in the profit and loss account other than surplus / deficit arising on revaluation of fixed assets, held-for-trading and available-for-sale investments which, in accordance with the requirements of the Companies Ordinance, 1984 and SBP directives, are reported below equity. Accordingly, the Bank does not have any item of other comprehensive income to report for the current period and prior year and therefore, total comprehensive income is equal to the net profit / (loss) reported for all years presented.

3.2 IFRS-8 replaced IAS-14 "Segment Reporting" upon its effective date. The Bank concluded that the operating segments determined in accordance with IFRS-8 are the same as the business segments previously identified under IAS-14. IFRS-8 disclosures are shown in note 18, including the related revised comparative information.

Notes to the Condensed Interim Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

- 3.3** During the period ended on December 31, 2009 the Bank has reversed the general provision made in prior periods against the loans and advances and potential lease losses as the said provision is no longer required or prescribed by the NBFC Regulations.

The above change has been treated as a change in accounting estimates as per IAS 8 "Accounting policies, changes in accounting estimates and errors". Hence, the above change has been applied prospectively in the books of the Bank as per the requirement of the said IAS. As a result, provision amounting to Rs.36.469 million has been reversed during that period. Had the provision not been reversed the profit for the period ended March 31, 2010 would have decreased by the same amount.

	Note	March 31, 2010 (Un-Audited)	June 30, 2009 (Audited)
----- (Rupees in '000) -----			
4. PROPERTY AND EQUIPMENT			
Opening written down value		82,175	104,369
Additions		3,670	18,280
Less: Disposals		(5,562)	(14,893)
Depreciation for the period		<u>(17,293)</u>	<u>(25,581)</u>
Closing written down value		<u>62,990</u>	<u>82,175</u>
5. LONG-TERM INVESTMENTS			
Related parties - at cost			
Investment in subsidiary companies		895,011	895,011
Investment in associates		521,365	300,000
		1,416,376	1,195,011
Others - available-for-sale			
Investment in unquoted companies - at cost	5.1	<u>98,932</u>	<u>98,932</u>
		<u>1,515,308</u>	<u>1,293,943</u>
5.1		Included herein is a sum of Rs.76 (June 30, 2009: Rs.76) million representing 7.6 (June 30, 2009: 7.6) million ordinary shares of Rs.10 each in DHA Cogen Limited (DCL). As at June 30, 2009, the break up value of DCL amounted to Rs.4.99 per share.	

The annual audited financial statements of DCL for the year ended June 30, 2009 indicate that (a) DCL is in the process of negotiating its tariff with the Karachi Electric Supply Company (KESC) under the Purchase Price Agreement (PPA) and (b) DCL has been allowed rehabilitation period by the lenders and thereafter the terms of loans with the respective lenders will be renegotiated for restructuring. In addition to the above, the management believes that due to the qualitative factors and future outlook of DCL, no impairment in the value of investment is required at this stage. However, the management plans to carry out, at year end, a detailed assessment of the above referred factor and their consequential impact, if any, on the value of investment.

Notes to the Condensed Interim Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

	March 31, 2010 (Un-Audited)	June 30, 2009 (Audited)
	----- (Rupees in '000) -----	
6. NET INVESTMENT IN FINANCE LEASE		
Lease contract receivables	1,123,450	1,625,153
Add: Residual value	464,942	528,341
Gross lease contract receivables	<u>1,588,392</u>	<u>2,153,494</u>
Less: Unearned finance income	<u>(98,632)</u>	<u>(213,194)</u>
Net Investment in finance lease	1,489,760	1,940,300
Less: Allowance for potential lease losses	<u>(93,566)</u>	<u>(111,204)</u>
	1,396,194	1,829,096
Less: Current maturity	<u>(924,263)</u>	<u>(985,714)</u>
	<u>471,931</u>	<u>843,382</u>
7. SHORT-TERM LOANS AND ADVANCES -Secured		
Considered good		
Short term loans and advances	22,200	285,980
Considered doubtful		
Short term loans and advances	150,000	150,000
Less: provision for bad and doubtful loans and advances	<u>(75,000)</u>	<u>(30,000)</u>
	<u>97,200</u>	<u>405,980</u>
8. SHORT-TERM INVESTMENTS - NET		
Held-to-maturity		
Fund placements	439,500	487,000
Term deposit receipts	-	75,000
	<u>439,500</u>	<u>562,000</u>
Held-for-trading		
Pakistan investment bonds	44,185	95,422
Market treasury bills	<u>1,232,437</u>	<u>362,270</u>
	1,276,622	457,692
Available-for-sale		
Term finance certificates	1,969,232	702,505
Mutual fund units / certificates	85,125	159,631
Listed shares	<u>128,060</u>	<u>110,118</u>
	2,182,417	972,254
	<u>3,898,539</u>	<u>1,991,946</u>
Impairment loss on fund placement and debt security	<u>(83,291)</u>	<u>(99,000)</u>
	<u>3,815,248</u>	<u>1,892,946</u>

In accordance with the requirements of NBFC Regulations, the Bank has invested Rs.551.40 (June 30, 2009: Rs.391.241) million (representing 15 percent of the funds raised through issue of certificates of deposit by the Bank excluding certificates of deposit held by financial institutions) in Pakistan Investment Bonds and Market Treasury Bills.

Notes to the Condensed Interim Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

	Note	March 31, 2010 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2009 (Audited)
9. OTHER RECEIVABLES - NET			
Secured - considered good			
Assets repossessed in respect of terminated lease contracts		1,795	4,732
Unsecured - considered good			
Dividend receivable		100	563
Excise duty paid on behalf of customers		4,471	4,471
Balances due from related parties:			
Packages Limited		200	250
IGI Funds Limited		972	2,887
Staff Provident Fund		-	-
Staff Gratuity Scheme		1,740	254
		2,912	3,391
Accrued commission / fee income	9.1	10,902	5,847
Others		5,295	2,180
Unsecured - considered doubtful			
Receivable from lessees in satisfaction of claims		14,583	13,185
		40,058	34,369
Less: provision against bad and doubtful receivables		(14,583)	(13,185)
		25,475	21,184
9.1 Included herein is a sum of Rs.1.862 (June 30, 2009: Rs.0.966) million due from related parties.			
10. DEFICIT ON REVALUATION OF INVESTMENTS - NET			
Government securities		(4,903)	1,093
Term finance certificates		(34,967)	(15,880)
Mutual funds units / certificates		(1,418)	(5,367)
Listed shares		(3,541)	(23,235)
		(44,829)	(43,389)
Impairment losses on investment classified as available-for-sale transferred to profit and loss account		-	40,211
		(44,829)	(3,178)
Related deferred tax asset - net		8,717	1,411
		(36,112)	(1,767)

Notes to the Condensed Interim Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

	Note	March 31, 2010 (Un-Audited) ---- (Rupees in '000) ----	June 30, 2009 (Audited)
11. LONG-TERM FINANCE			
Secured			
Local currency - banking companies	11.1	425,000	408,333
Less: Current maturity of long-term finance		<u>(191,666)</u>	<u>(341,666)</u>
		<u>233,334</u>	<u>66,667</u>
11.1 These are secured against first pari passu charge on all present and future assets and receivables of the Bank. These are repayable latest by June 24, 2012.			
12. CERTIFICATES OF DEPOSIT			
Long-term			
For one year or more	12.1	523,981	408,541
Less: Current maturity		<u>(253,136)</u>	<u>(243,411)</u>
		<u>270,845</u>	<u>165,130</u>
Short-term	12.2 & 12.3	<u>3,023,384</u>	<u>2,248,334</u>
12.1 The term of certificates of deposit ranges from one to seven years and return thereon ranges from 9.25% to 20% (June 30, 2009: 8.25% to 20%) per annum.			
12.2 The term of certificates of deposit ranges from one month to one year and return thereon ranges from 10.15% to 14.8% (June 30, 2009: 11.75% to 15.5%) per annum.			
12.3 Included herein is a sum of Rs.599.89 (June 30, 2009: Rs.70.667) million due to related parties.			
13. BORROWING FROM FINANCIAL INSTITUTIONS			
Securities sold under repurchase agreement - secured	13.1	737,269	89,868
Unsecured borrowings	13.2	<u>300,000</u>	<u>136,000</u>
		<u>1,037,269</u>	<u>225,868</u>

Notes to the Condensed Interim Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

13.1 These carry mark-up at rates ranging from 12.15% to 12.18% (June 30, 2009: 13.6%) per annum and are repayable latest by April 08, 2010. These are secured against market treasury bills.

13.2 These carry mark-up at rates ranging from 12.25% to 12.60% (June 30, 2009: 14%) per annum and are repayable latest by April 19, 2010.

14. CONTINGENCIES

There has been no change in the status of contingencies as disclosed in last annual audited financial statements except for the returns for the tax years 2006 and 2007 filed by the Bank were amended by the Taxation Officer through proceedings under section 122(5A) who raised a demand aggregating to Rs.9.528 million. The Bank has filed appeals before the Commissioner of Income Tax (Appeals) to agitate against the above demand. Pending the outcome of the appeals, no provision has been made in the financial statements for the demand raised as the management and its tax advisor are confident that the outcome of the appeals will be in favour of the Bank.

	Nine Months ended		Quarter ended	
	March 31, 2010 (Un-audited)	March 31, 2009 (Un-audited)	March 31, 2010 (Un-audited)	March 31, 2009 (Un-audited)
	(Rupees in '000)			
15. INCOME FROM INVESTMENTS				
Interest / mark-up / profit on investments	257,888	70,476	97,455	18,909
Gain on disposal of investments	148,677	34,286	46,756	26,117
Dividend income	3,411	5,011	868	346
	409,976	109,773	145,079	45,372

	March 31, 2010 (Un-audited)		June 30, 2009 (Audited)	
	Cost	Market Value	Cost	Market Value
	(Rupees in '000)			

16. NON DISCRETIONARY PORTFOLIO

Portfolio invested amount in:

Term Finance Certificates	2,854	2,860	-	-
Certificates of investment	750	750	-	-
Mutual Funds	1,500	1,543	-	-
	5,104	5,153	-	-
Number of Clients	1		-	

Notes to the Condensed Interim Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

17. TRANSACTIONS WITH RELATED PARTIES

The Bank has related party relationship with its employee benefit plans, subsidiaries, group companies and its key management personnel. The transactions with related parties carried out during the period are as follows:

	Nine Months period ended March 31, 2010			Total
	Subsidiaries	Other related parties	Key management personnel	
	------(Rupees in thousand)-----			
Transactions during the period				
Certificate of deposits issued	-	2,341,609	10,406	2,352,015
Insurance premium paid	-	3,392	-	3,392
Purchase of assets	1,230	347	-	1,577
Sales of fixed assets	2,212	164	660	3,036
Lending's - secured	1,813,300	-	-	1,813,300
Purchase of marketable securities	256,947	-	-	256,947
Sale of marketable securities	212,474	-	-	212,474
Sales of TFCs	117,746	656,794	-	774,540
Purchase of TFCs	255,091	727,977	-	983,068
Investment in mutual fund units	-	3,040,465	-	3,040,465
Redemption of mutual fund units	-	2,834,515	-	2,834,515
Income from loans & finances	-	-	253	253
Income from Lending's - secured	5,795	-	-	5,795
Brokerage, commission and fee paid	480	-	-	480
Return on certificate of deposits	-	19,973	66	20,039
Rent expense	5	11,129	-	11,134
Reimbursement of rent	4,094	481	-	4,575
Travelling and lodging	-	-	1,477	1,477
Subscription	624	-	-	624
Expenses relating to employee benefit and contribution plan	-	4,760	-	4,760
Remuneration to key management personnel	-	-	43,272	43,272

	Nine Months period ended March 31, 2009			Total
	Subsidiaries	Other related parties	Key management personnel	
	------(Rupees in thousand)-----			
Transactions during the period				
Certificate of deposits issued	2,833	1,716,928	-	1,719,761
Insurance premium paid	-	3,953	-	3,953
Purchase of marketable securities	591,109	-	-	591,109
Sale of marketable securities	719,198	-	-	719,198
Sale of fixed assets	102	-	-	102
Purchase of shares of IGI Funds	-	37,500	-	37,500
Short term finance repaid by IGI Funds	30,000	-	-	30,000
Investment in mutual fund units	-	102,961	-	102,961
Finance provided	30,000	-	35	30,035
Income from finances	246	-	128	374
Brokerage, commission and fee paid	288	-	-	288
Return on deposits	-	18,233	-	18,233
Rent expense	286	14,878	-	15,164
Expense incurred by IGI Bank on behalf of IGI Funds Limited	10,090	-	-	10,090
Commission on sale of units through fund select	1,518	-	-	1,518
Mark-up on short term finance	256	-	-	256
Mark-up received on short-term finance	933	-	-	933
Expenses relating to employee benefit and contribution plan	-	7,931	-	7,931
Remuneration to key management personnel	-	-	58,088	58,088

Notes to the Condensed Interim Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

18. SEGMENTAL ANALYSIS

The Bank's activities are broadly categorized into two primary business segments namely financing activities and investment activities within Pakistan:

Financing activities

Financing activities include providing long-term and short-term financing facilities to corporate and individual customers including lease financing.

Investment activities

Investment activities include money market activities, investment in government securities, advisory services, capital market activities and the management of the Bank's liquidity.

	Nine months ended March 31, 2010		
	Financing activities	Investing activities	Total
	----- (Rupees in '000) -----		
Income from investments	-	409,976	409,976
Income from loans and advances	52,349	-	52,349
Income from lease finance	118,034	-	118,034
Income from fund placements	-	42,381	42,381
Income from fees, commission and brokerage	-	20,277	20,277
Total income for reportable segments	170,383	472,634	643,017
Finance costs	(147,679)	(352,230)	(499,909)
Administrative and general expenses	(17,927)	(20,172)	(38,099)
Provision for bad and doubtful debts	(32,018)	-	(32,018)
Reversal of impairment against fund placement	-	15,709	15,709
Segment result	<u>(27,241)</u>	<u>115,941</u>	<u>88,700</u>
Segment assets	<u>1,794,913</u>	<u>5,564,526</u>	<u>7,359,439</u>
Segment liabilities	<u>1,996,265</u>	<u>3,900,077</u>	<u>5,896,342</u>
Capital Expenditure	<u>973</u>	<u>2,698</u>	<u>3,671</u>

Notes to the Condensed Interim Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

	Nine months ended March 31, 2009		
	Financing activities	Investing activities	Total
	----- (Rupees in '000) -----		
Income from investments	-	109,773	109,773
Income from loans and advances	102,956	-	102,956
Income from lease finance	217,917	-	217,917
Income from lendings	-	151,823	151,823
Income from fees, commission and brokerage	-	34,158	34,158
Total income for reportable segments	320,873	295,754	616,627
Finance costs	(303,136)	(211,076)	(514,212)
Administrative and general expenses	(21,344)	(24,573)	(45,917)
Provision for bad and doubtful debts	(18,996)	-	(18,996)
Provision against investments	-	(44,826)	(44,826)
Impairment charge for diminution in available for sale investments	-	(171,259)	(171,259)
Segment result	(22,603)	(155,980)	(178,583)
Segment assets	3,020,871	2,871,359	5,892,230
Segment liabilities	547,445	506,008	1,053,453
Capital Expenditure	7,138	6,579	13,717

19. DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue on April 28, 2010 by the Board of Directors of IGI BANK.

20. GENERAL

20.1 Figures have been rounded off to the nearest thousand rupees.

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive

Consolidated Financial Statements
For the Nine Months period ended March 31, 2010

Condensed Interim Consolidated Balance Sheet (Un-audited)
As at March 31, 2010

	Note	March 31, 2010 Un-audited	June 30, 2009 Audited
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Fixed assets	5	281,615	313,820
Long-term investments	6	98,932	98,932
Investment in associates	7	704,663	563,869
Long-term loans and advances - net		147,541	162,683
Net investment in finance lease - net	8	471,931	843,382
Long-term deposits and other receivables		14,759	15,333
Deferred tax asset - net		253,089	202,710
		1,972,530	2,200,729
Current assets			
Current maturity of long-term loans and advances - net		146,951	196,258
Current maturity of net investment in finance lease - net		924,263	985,714
Short-term loans and advances	9	97,864	405,980
Lendings - secured		114,000	48,600
Short-term investments	10	3,817,449	1,928,111
Taxation - net		272,112	265,762
Advances, deposits and prepayments		89,468	18,494
Interest, mark-up and profit accrued		115,023	51,265
Trade debts-net		1,385,616	288,590
Receivable against sale of securities		30,004	2,857
Other receivables -net		35,922	24,719
Cash and bank balances		113,948	216,952
		7,142,620	4,433,302
TOTAL ASSETS		<u>9,115,150</u>	<u>6,634,031</u>
EQUITY & LIABILITIES			
Share Capital and reserves			
Share Capital		2,121,025	2,121,025
Reserves		(443,885)	(518,842)
		1,677,140	1,602,183
Minority Interest			
		45	45
		1,677,185	1,602,228
Deficit on revaluation of investments - net			
	11	(36,130)	(12,133)
Non-current liabilities			
Term finance certificates		61,828	186,330
Long-term finance	12	233,334	66,667
Long-term certificates of deposit	13	270,845	165,130
Long term deposits on lease contracts		166,046	271,464
Liabilities against assets subject to finance lease		715	1,500
		732,768	691,091
Current liabilities			
Current maturity of term finance certificates		124,950	124,950
Current maturity of long-term finance		191,666	341,666
Current maturity of long-term certificates of deposit		253,136	243,411
Current maturity of deposits on lease contracts		295,444	253,074
Current maturity of liabilities against assets subject to finance lease		291	417
Short-term finance		505,024	518,468
Short-term certificates of deposit		3,023,384	2,248,334
Borrowings from financial institutions	14	1,037,269	225,868
Interest and mark-up accrued		188,929	143,173
Trade Payable		1,050,008	-
Payable against purchase of securities		18,692	74,647
Accrued expenses and other liabilities		52,534	178,837
		6,741,327	4,352,845
CONTINGENCIES			
	15		
TOTAL EQUITY AND LIABILITIES		<u>9,115,150</u>	<u>6,634,031</u>

The annexed notes from 1 to 21 form an integral part of these consolidated financial statements.

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive

Condensed Interim Consolidated Profit and Loss Account (Un-audited)
For the Nine Months period ended March 31, 2010

	Note	Nine months ended		Quarter ended	
		March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
(Rupees in '000)					
INCOME					
Income from investments	16	365,234	114,192	145,599	46,949
Income from loans and advances		52,349	102,710	12,005	24,657
Income from lease finance		118,034	217,917	38,679	68,652
Income from lendings and continuous funding system transactions		49,409	230,267	20,015	33,131
Remuneration from funds under management		29,952	22,185	11,837	5,263
Income from fees, commission and brokerage		128,932	77,762	46,503	38,055
		743,910	765,033	274,638	216,707
Finance costs		523,319	570,200	184,464	160,562
		220,591	194,833	90,174	56,145
Administrative and general expenses		308,099	351,274	101,414	106,145
		(87,508)	(156,441)	(11,240)	(50,000)
Other operating income		51,348	32,493	17,814	15,669
		(36,160)	(123,948)	6,574	(34,331)
Other operating expenses		5,432	4,391	1,482	2,370
Operating profit / (loss) before provisions and impairment		(41,592)	(128,339)	5,092	(36,701)
Reversal / (provision) for bad and doubtful loans and advances / potential lease losses - general - net		36,469	(1,253)	-	(65)
Provision for bad and doubtful loans and advances / potential lease losses - specific - net		(68,487)	(17,743)	(7,178)	(7,833)
		(32,018)	(18,996)	(7,178)	(7,898)
Reversal / (impairment) against investments -fund placement and debt security		15,709	(44,826)	7,178	-
-equity securities and units of mutual funds		-	(171,259)	-	(52,392)
Share of profit in associates		103,494	-	19,899	-
Profit / (loss) before taxation		45,593	(363,420)	24,991	(96,991)
Taxation					
Current		(13,708)	(5,972)	(6,623)	(2,505)
Deferred		43,072	(25,030)	3,654	408
		29,364	(31,002)	(2,969)	(2,097)
Profit / (loss) after taxation		74,957	(394,422)	22,022	(99,088)
Other comprehensive income - net of tax		-	-	-	-
Total comprehensive income / (loss) - net of tax		74,957	(394,422)	22,022	(99,088)
Comprehensive income / (loss) attributable to minority interest		-	(8,806)	-	(3,054)
Comprehensive income / (loss) attributable to shareholders		74,957	(385,616)	22,022	(96,034)
Earnings / (loss) per share - basic and diluted		0.35	(1.82)	0.10	(0.45)

The annexed notes from 1 to 21 form an integral part of these consolidated financial statements.

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive

Condensed Interim Consolidated Cash Flow Statement (Un-audited)
For the Nine Months period ended March 31, 2010

	Nine months ended	
	March 31, 2010	March 31, 2009
.....(Rupees in '000).....		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) for the period before taxation	45,593	(363,420)
Adjustments for non-cash and other items:		
Gain on disposal of property & equipment	(4,087)	(513)
Depreciation on property & equipment	29,445	32,696
Amortisation of intangible assets	5,046	8,762
Amortisation of transaction cost on TFCs	377	840
Provision for staff gratuity scheme	1,757	1,528
Interest, mark-up and profit income	(447,073)	(564,920)
Dividend income	(3,411)	570,446
Finance cost	529,288	(5,011)
Return on bank deposits	(4)	-
Share of profit in associates	(103,494)	(78)
(Reversal) / Provision for bad and doubtful loans and advances / potential lease losses - general - net	(36,469)	1,253
Provision for bad and doubtful loans and advances / lease losses - specific - net	68,487	17,743
	<u>39,862</u>	<u>62,746</u>
	85,455	(300,674)
(Increase) / decrease in current assets:		
Short-term loans and advances	307,801	255,121
Lendings - secured	(1,400)	690,513
Receivable against reverse repo & continuous funding system transactions	(114,000)	592,065
Short-term investments	(1,956,647)	660,979
Trade debts	(1,097,025)	1,611,949
Accrued mark-up	(20,498)	-
Receivable against sale of securities	(27,147)	-
Prepayments and other receivables	(71,254)	17,988
	<u>(2,980,170)</u>	<u>3,828,615</u>
Increase / (decrease) in current liabilities:		
Short-term certificates of deposit	775,050	(1,089,248)
Borrowings from financial institutions	811,401	(1,053,101)
Accrued expenses and other liabilities	956,842	(1,062,172)
	<u>2,543,293</u>	<u>(3,204,521)</u>
	(351,422)	323,420
Disbursements / (repayment) of long-term loans and advances - net	63,569	(169,547)
Net investment in finance lease - net	400,884	348,583
Long-term deposits and prepayments	(395)	(161)
Issuance / (repayment) of long-term certificates of deposit - net	115,440	(280,132)
Receipts from deposits on lease contracts - net	(63,048)	(27,059)
Interest, mark-up and profit received	448,580	555,152
Dividend received	3,874	5,011
Finance cost paid	(483,363)	(609,250)
Income tax paid	(27,364)	(19,223)
Gratuity paid	(1,183)	(4,742)
Net cash generated from / (used in) operating activities	<u>456,994</u>	<u>(201,368)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure incurred	(14,888)	(27,863)
Long-term investments made	(204,164)	9,728
Proceeds from dis-investment in securities - net	165,188	-
Proceeds from disposal of fixed assets	16,686	17,555
Long-term loans and advances	1,335	13,551
Interest Received	4	-
Net cash generated from / (used in) investing activities	<u>(35,839)</u>	<u>12,971</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Term finance certificates	(124,879)	(125,055)
Long-term finance - net	16,667	(323,333)
Lease Rental paid	(1,080)	(479)
Net cash (used in) from financing activities	<u>(109,292)</u>	<u>(448,867)</u>
Net decrease in cash and cash equivalents	<u>(39,559)</u>	<u>(313,844)</u>
Cash and cash equivalents at the beginning of the period	(351,517)	148,784
Cash and cash equivalents at the end of the period	<u>(391,076)</u>	<u>(165,060)</u>
Cash and cash equivalents at the end of the period		
Cash and bank balances	113,948	174,680
Short-term finance	(505,024)	(339,740)
	<u>(391,076)</u>	<u>(165,060)</u>

The annexed notes from 1 to 21 form an integral part of these consolidated financial statements.

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive

Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)
For the Nine Months period ended March 31, 2010

	Issued, subscribed and paid-up capital	Reserve arising on acquisition of minority interest-Capital reserve	Statutory Reserve	General Reserve	Accumulated Profit/(losses)	Total Reserves	Minority Interest	Total
(Rupees in '000)								
Balance as at June 30, 2008	2,121,025	-	97,098	39,733	(95,011)	41,820	23,384	2,186,229
Loss after taxation for the nine months period ended March 31, 2009	-	-	-	-	(394,422)	(394,422)	-	(394,422)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	(394,422)	(394,422)	-	(394,422)
Transfer of resources by the minority interest consequent to the partial disposal of shareholding in IGI Funds Ltd	-	-	-	-	-	-	(14,549)	(14,549)
Comprehensive income / (loss) attributable to minority Interest	-	-	-	-	8,806	8,806	(8,806)	-
Balance as at March 31, 2009	<u>2,121,025</u>	<u>-</u>	<u>97,098</u>	<u>39,733</u>	<u>(480,627)</u>	<u>(343,796)</u>	<u>29</u>	<u>1,777,258</u>
Balance as at June 30, 2009	2,121,025	(21,686)	97,098	39,733	(633,987)	(518,842)	45	1,602,228
Profit after taxation for the nine months period ended March 31, 2010	-	-	-	-	74,957	74,957	-	74,957
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	74,957	74,957	-	74,957
Comprehensive income / (loss) attributable to minority Interest	-	-	-	-	-	-	-	-
Balance as at March 31, 2010	<u>2,121,025</u>	<u>(21,686)</u>	<u>97,098</u>	<u>39,733</u>	<u>(559,030)</u>	<u>(443,885)</u>	<u>45</u>	<u>1,677,185</u>

The annexed notes from 1 to 21 form an integral part of these consolidated financial statements.

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

1 THE GROUP AND ITS OPERATIONS

The Group consists of :

Holding company

- IGI Investment Bank Limited ("IGI BANK")

**Percentage holding of
IGI Investment Bank Limited**

Subsidiary companies

- | | |
|--|--------|
| - IGI Finex Securities Limited ("IGI FINEX") | 100% |
| - IGI Funds Limited ("IGI FUNDS") | 99.97% |

IGI Investment Bank Limited

IGI Investment Bank Limited (the Bank) is a public limited company incorporated in Pakistan on February 07, 1990 under the Companies Ordinance, 1984. The Bank is licensed to carry out investment finance activities and leasing operations as a Non-Banking Finance Company under Section 282C of the Companies Ordinance, 1984, Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations 2008 (the NBFC Regulations). The Bank's shares are quoted on all three Stock Exchanges. The registered office of the Bank is situated at 5 F.C.C., Syed Maratib Ali Road, Gulberg, Lahore. The principal place of business is situated at 7th Floor, The Forum, Suite No. 701 to 713, G-20, Block-9, Khayaban-e-Jami, Clifton, Karachi.

Based on the financial statements of the Bank for the year ended June 30, 2009, the Pakistan Credit Rating Agency (PACRA) has maintained the long-term credit rating of the Bank as 'A' and the short-term rating as 'A1'.

IGI Finex Securities Limited

IGI Finex Securities Limited was incorporated in Pakistan on June 28, 1994 as a Public limited company under the Companies Ordinance, 1984. The registered office of IGI Finex is situated at Suite No. 701 to 713, 7th Floor, The Forum, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi. IGI Finex is a public unlisted company and a corporate member of the Karachi Stock Exchange (Guarantee) Limited, the Lahore Stock Exchange (Guarantee) Limited and National Commodity Exchange Limited. The principal activities of IGI Finex include shares brokerage and money market operations and providing financing for continuous funding system transactions.

IGI Funds Limited

IGI Funds was incorporated in Pakistan on January 18, 2006 under the Companies Ordinance, 1984 with the name of "First International Capital Management Limited" as a public limited company. The Company obtained its certificate of commencement of business on May 12, 2006. The name of the company was subsequently changes to "IGI Funds Limited". IGI Funds is licensed to carry out Asset Management Services under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. The principal activities of IGI Funds are floating and managing mutual funds and investment advisory services. The registered office of IGI Funds is situated at 5 F.C.C Ground Floor, Syed Maratib Ali Road Gulberg, Lahore.

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the Nine Months period ended March 31, 2010

2 BASIS OF PRESENTATION

- a) The consolidated financial statements include the financial statements of IGI Investment Bank Limited, IGI Finex Securities Limited and IGI Funds Limited.
- b) Subsidiaries are entities over which the Group has the power to govern the financial and operating policies accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date when control ceases. The assets and liabilities of subsidiary companies have been consolidated on a line by line basis based on the un-audited financial statements for the nine month ended March 31, 2010 and the carrying value of investments held by IGI BANK is eliminated against the subsidiaries' shareholders' equity in these consolidated financial statements. Intra-Group balances and transactions have been eliminated.
- c) Minority interests are that part of the net results of operations and of net assets of subsidiary companies attributable to interests which are not owned by the group.

3 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations or the directives issued by SECP differ with the requirements of IFRS, the requirements of the Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The SECP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' through Circular No. 19 dated August 13, 2003 for Non-Banking Finance Companies (NBFCs) providing investment finance services, discounting services and housing finance services. In addition, the SECP has also deferred the application of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' through SRO 411(1) / 2008 on such Non-Banking Finance Companies which are engaged in investment finance services, discounting services and housing finance services.

These financial statements are the consolidated financial statements of the Bank and its subsidiary companies. In addition to these financial statements, separate standalone financial statements of IGI Bank have also been prepared.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed consolidated financial statements are the same as those applied in the preparation of the preceding annual published financial statements.

During the period ended December 31, 2009 the Bank has reversed the general provision made in prior periods against the loans and advances and potential lease losses as the said provision is no longer required or prescribed by the NBFC Regulations.

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

The above change has been treated as a change in accounting estimates as per IAS 8 "Accounting policies, changes in accounting estimates and errors". Hence, the above change has been applied prospectively in the books of the Bank as per the requirement of the said IAS. As a result, provision amounting to Rs.36.469 million has been reversed during that period. Had the provision not been reversed the profit for the period ended March 31, 2010 would have decreased by the same amount.

	March 31, 2010 (Un-Audited)	June 30, 2009 (Audited)
Note	---- (Rupees in '000) ----	
5 FIXED ASSETS		
Opening written down value	313,820	358,189
Additions	14,888	40,562
Less: Disposals	(12,602)	(21,259)
Depreciation for the period	(34,491)	(63,672)
Closing written down value	281,615	313,820

6 LONG-TERM INVESTMENTS

Available for sale

Investment in unquoted companies - at cost	6.1	98,932	98,932
--	-----	--------	--------

- 6.1** Included herein is a sum of Rs.76 (June 30, 2009: Rs.76) million representing 7.6 (June 30, 2009: 7.6) million ordinary shares of Rs.10 each in DHA Cogen Limited (DCL). As at June 30, 2009, the break up value of DCL amounted to Rs. 4.99 per share.

The annual audited financial statements of DCL for the year ended June 30, 2009 indicate that (a) DCL is in the process of negotiating its tariff with the Karachi Electric Supply Corporation Limited (KESC) under the Purchase Price Agreement (PPA) and (b) DCL has been allowed rehabilitation period by the lenders and thereafter the terms of loans with the respective lenders will be renegotiated for restructuring. In addition to the above, the management believes that due to the qualitative factors and future outlook of DCL, no impairment in the value of investment is required at this stage. However, the management plans to carry out, at year end, a detailed assessment of the above referred factor and their consequential impact, if any, on the value of investment.

	March 31, 2010 (Un-Audited)	June 30, 2009 (Audited)
	---- (Rupees in '000) ----	
7 INVESTMENTS IN ASSOCIATES		
Investment in associate companies - related party		
IGI Stock Fund	271,365	100,000
IGI Income Fund	279,804	410,077
IGI Islamic Income Fund	50,000	-
	601,169	510,077
Share of profit from associates	103,494	53,792
	704,663	563,869

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

	March 31, 2010 (Un-Audited)	June 30, 2009 (Audited)
	----- (Rupees in '000) -----	
8 NET INVESTMENT IN FINANCE LEASE		
Lease contract receivables	1,123,450	1,625,153
Add: Residual value	464,942	528,341
Gross lease contract receivables	<u>1,588,392</u>	<u>2,153,494</u>
Less: Unearned finance income	<u>(98,632)</u>	<u>(213,194)</u>
Net Investment in finance lease	1,489,760	1,940,300
Less: Allowance for potential lease losses	<u>(93,566)</u>	<u>(111,204)</u>
	1,396,194	1,829,096
Less: Current maturity	<u>(924,263)</u>	<u>(985,714)</u>
	<u>471,931</u>	<u>843,382</u>
9 SHORT-TERM LOANS AND ADVANCES - Secured		
Considered good		
Short term loans and advances	22,864	285,980
Considered doubtful		
Short term loans and advances	150,000	150,000
Less: provision for bad and doubtful loans and advances	<u>(75,000)</u>	<u>(30,000)</u>
	<u>97,864</u>	<u>405,980</u>
10 SHORT-TERM INVESTMENTS		
Held-to-maturity		
Fund placements	439,500	487,000
Term deposit receipts	-	75,000
	439,500	562,000
Held-for-trading		
Pakistan Investment Bonds	44,185	95,422
Market Treasury Bills	1,232,437	362,270
Listed Term finance certificate	2,201	2,220
Listed Shares	-	32,945
	1,278,823	492,857
Available-for-sale		
Term finance certificates	1,969,232	702,505
Mutual fund units / certificates	85,125	159,631
Listed shares	128,060	110,118
	<u>2,182,417</u>	<u>972,254</u>
	3,900,740	2,027,111
Impairment loss on fund placement and debt security	<u>(83,291)</u>	<u>(99,000)</u>
	<u>3,817,449</u>	<u>1,928,111</u>

In accordance with the requirements of NBFC Regulations, the Bank has invested Rs. 551.40 (June 30, 2009: Rs. 391.241) million (representing 15 percent of the funds raised through issue of certificates of deposit by the Bank excluding certificates of deposit held by financial institutions) in Pakistan Investment Bonds and Market Treasury Bills.

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

		March 31, 2010 (Un-Audited) ---- (Rupees in '000) ----	June 30, 2009 (Audited)
11 DEFICIT ON REVALUATION OF INVESTMENTS - NET			
Government securities		(4,903)	1,093
Term finance certificates		(34,985)	(15,969)
Mutual funds units / certificates		(1,418)	(5,367)
Listed shares		(3,541)	(33,554)
		<u>(44,847)</u>	<u>(53,797)</u>
Impairment losses on investment classified as available for sale transferred to profit and loss account		-	40,211
		<u>(44,847)</u>	<u>(13,586)</u>
Related deferred tax asset - net		8,717	1,453
		<u>(36,130)</u>	<u>(12,133)</u>
12 LONG-TERM FINANCE			
Secured			
Local currency - banking companies		425,000	408,333
Less: Current maturity of long-term finance		(191,666)	(341,666)
		<u>233,334</u>	<u>66,667</u>
12.1	These are secured against first pari passu charge on all present and future assets and receivables of the Bank. These are repayable latest by June 11, 2011.		
		March 31, 2010 (Un-Audited) ---- (Rupees in '000) ----	June 30, 2009 (Audited)
13 CERTIFICATES OF DEPOSIT			
Long-term			
For one year or more	13.1	523,981	408,541
Less: Current maturity		(253,136)	(243,411)
		<u>270,845</u>	<u>165,130</u>
Short-term	13.2 & 13.3	<u>3,023,384</u>	<u>2,248,334</u>
13.1	The term of certificates of deposit ranges from one to five years and return thereon ranges from 9.25% to 20% (June 30, 2009: 8.25% to 20%) per annum.		
13.2	The term of certificates of deposit ranges from one month to one years and return thereon ranges from 10.15% to 14.80% (June 30, 2009: 11.75% to 15.5%) per annum.		
13.3	Included herein is a sum of Rs.599.89 (June 30, 2009: Rs.70.667) million due to related parties.		

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

	Note	March 31, 2010 (Un-Audited) ---- (Rupees in '000) ----	June 30, 2009 (Audited)
14 BORROWING FROM FINANCIAL INSTITUTIONS			
Securities sold under repurchase agreement - secured	14.1	737,269	89,868
Unsecured borrowings	14.2	300,000	136,000
		1,037,269	225,868

14.1 These carry mark-up at rates ranging from 12.15% to 12.18% (June 30, 2009: 13.6%) per annum and are repayable latest by April 08, 2010. These are secured against market treasury bills.

14.2 These carry mark-up at rates ranging from 12.25% to 12.60% (June 30, 2009: 14%) per annum and are repayable latest by April 19, 2010.

15 CONTINGENCIES

There has been no change in the status of contingencies as disclosed in last annual audited financial statements except for the returns for the tax years 2006 and 2007 filed by the Bank were amended by the Taxation Officer through proceedings under section 122(5A) who raised a demand aggregating to Rs.9.528 million. The Bank has filed appeals before the Commissioner of Income Tax (Appeals) to agitate against the above demand. Pending the outcome of the appeals, no provision has been made in the financial statements for the demand raised as the management and its tax advisor are confident that the outcome of the appeals will be in favor of the Bank.

	Nine Months ended		Quarter ended	
	March 31, 2010 (Un-audited)	March 31, 2009 (Un-audited)	March 31, 2010 (Un-audited)	March 31, 2009 (Un-audited)
	----- (Rupees in '000) -----			
16 INCOME FROM INVESTMENTS				
Interest / mark-up / profit on investments	203,259	72,377	97,532	17,968
Gain on disposal of investments	158,564	36,804	47,199	28,635
Dividend income	3,411	5,011	868	346
	365,234	114,192	145,599	46,949

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

	March 31, 2010 (Un-audited)		June 30, 2009 (Audited)	
	Cost	Market Value	Cost	Market Value
----- (Rupees in '000) -----				
17. NON DISCRETIONARY PORTFOLIO				
Portfolio invested amount in:				
Term Finance Certificates	2,854	2,860	-	-
Certificates of investment	750	750	-	-
Mutual Funds	1,500	1,543	-	-
	5,104	5,153	-	-
Number of Clients	1		-	

18 TRANSACTIONS WITH RELATED PARTIES

	Nine months ended March 31, 2010		
	Other related parties including associated undertakings	Key Management personnel	Total
----- (Rupees in thousand) -----			
Transactions during the period			
Certificate of deposits issued	2,341,609	10,406	2,352,015
Insurance premium paid	3,687	-	3,687
Purchase of fixed assets	573	-	573
Sale of fixed assets	231	660	891
Purchase of marketable securities through IGI Finex	170,330	112,475	282,805
Sale of marketable securities through IGI Finex	532,931	111,519	644,450
Income from loan & finance	-	266	266
Brokerage, commission and fee	1,233	243	1,476
Sales of TFCs	656,794	-	656,794
Purchase of TFCs	727,977	-	727,977
Investment in mutual fund units	3,040,465	-	3,040,465
Redemption of mutual fund units	2,834,515	-	2,834,515
Return on certificate of deposits	19,973	66	20,039
Rent expense	11,129	-	11,129
Reimbursement of rent	481	-	481
Travelling and lodging	-	1,477	1,477
Expenses incurred by IGI Insurance & IGI Finex on behalf of IGI Funds	2,381	-	2,381
Remuneration from IGI Income Fund, IGI Stock Fund, IGI Islamic Fund	29,916	-	29,916
Purchase of units of IGI Income Fund & IGI Islamic Income Fund	114,265	-	114,265
Sale of units of IGI Income Fund & IGI Islamic Income Fund	131,465	-	131,465
Bonus units received -IGI Income Fund	9,458	-	9,458
NCCPL charges paid on behalf of IGI Income Fund	3	-	3
Sales load- IGI Stock Fund & IGI Islamic Income Fund	39	-	39
Formation cost paid on behalf of IGI Islamic Income Fund & IGI Money Market Fund	2,231	-	2,231
Initial & annual listing fee paid on behalf of IGI Islamic Income Fund	95	-	95
Printing charges paid on behalf of IGI Income Fund, IGI Stock Fund & IGI Islamic Income Fund	66	-	66
Payment made in respect of final settlement of an outgoing employees	172	-	172
Expenses relating to employees benefit and contribution plan	5,447	-	5,447
Remuneration to key management personnel	-	43,272	43,272

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

	Nine months ended March 31, 2009		
	Other related parties including associated undertakings	Key Management personnel	Total
	----- (Rupees in thousand) -----		
Transactions during the period			
Certificate of deposits issued	1,716,928	-	1,716,928
Insurance premium paid	4,280	-	4,280
Purchase of shares of IGI Funds-subsidiary company	37,500	-	37,500
Purchase of marketable securities through IGI Finex	222,643	2,560	225,203
Sale of marketable securities through IGI Finex	659,876	2,640	662,516
Income from loan & finance	-	128	128
Brokerage, commission and fee	965	162	1,127
Return on certificate of deposits	18,233	-	18,233
Investment in funds	102,961	-	102,961
Finance provided	-	35	35
Rent expense	14,878	-	14,878
Expenses incurred by IGI Insurance & IGI Finex on behalf of IGI Funds	11,036	-	11,036
Remuneration from IGI Income Fund & IGI Stock Fund	22,171	-	22,171
Purchase of units of IGI Income Fund & IGI Islamic Income Fund	97,500	-	97,500
Sale of units of IGI Income Fund	183,500	-	183,500
Bonus units received -IGI Income Fund	4,121	-	4,121
Sales load- IGI Stock Fund	14	-	14
Formation cost paid on behalf of IGI Stock Fund, IGI Islamic Income Fund & IGI Pak Brunei Plus Fund	2,228	-	2,228
Security deposit paid on behalf of IGI Stock Fund	100	-	100
Payment made in respect of final settlement of an outgoing employees	2,880	-	2,880
Expenses relating to employees benefit and contribution plan	8,837	-	8,837
Remuneration to key management personnel	-	58,088	58,088

19 SEGMENTAL ANALYSIS

The Group's activities are broadly categorized into four primary business segments namely financing activities, investment activities, brokerage and asset management services activities within Pakistan.

Financing activities

Financing activities include providing long-term and short-term financing facilities to corporate and individual customers including lease financing.

Investment activities

Investment activities include money market activities, investment in government securities, advisory services, capital market activities and the management of IGI Bank's liquidity.

Brokerage activities

Brokerage activities include brokerage services offered to retail and institutional clients through IGI Finex Securities Limited.

Asset management services activities

Asset management services include the services provided for the management of collective investment schemes carried out by IGI Funds Limited.

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

	Nine months ended March 31, 2010				
	Financing activities	Investing activities	Brokerage activities	Asset Management services	Total
	(Rupees in thousand)				
Income from investments	-	355,098	7,054	3,082	365,234
Income from loans	52,349	-	-	-	52,349
Income from lease finance	118,034	-	-	-	118,034
Income from lendings and continuous funding system transactions	-	36,586	12,823	-	49,409
Remuneration from funds under management	-	-	-	29,952	29,952
Income from fees, commission and brokerage	-	20,277	106,292	2,363	128,932
Total income for reportable segments	170,383	411,961	126,169	35,397	743,910
Finance costs	(147,679)	(352,230)	(23,410)	-	(523,319)
Administrative and general expenses	(17,927)	(20,172)	(137,552)	(38,500)	(214,151)
Provision for bad and doubtful debts	(32,018)	-	-	-	(32,018)
Reversal of impairment against fund placement and debt security	-	15,709	-	-	15,709
Segment result	(27,241)	55,268	(34,793)	(3,103)	(9,869)
Segment assets	1,794,913	4,570,583	1,500,280	82,005	7,947,781
Segment liabilities	1,887,330	4,009,012	1,454,831	1,006	7,352,179
Capital expenditure	973	2,698	6,520	58	10,249

	Nine months ended March 31, 2009				
	Financing activities	Investing activities	Brokerage activities	Asset Management services	Total
	(Rupees in thousand)				
Income from investments	-	109,773	3,251	1,168	114,192
Income from loans	102,710	-	-	-	102,710
Income from lease finance	217,917	-	-	-	217,917
Income from lendings and continuous funding system transactions	-	151,823	78,444	-	230,267
Remuneration from funds under management	-	-	-	22,185	22,185
Income from fees, commission and brokerage	-	25,158	52,604	-	77,762
Total income for reportable segments	320,627	286,754	134,299	23,353	765,033
Finance costs	(303,136)	(211,076)	(55,741)	(247)	(570,200)
Administrative and general expenses	(21,156)	(24,573)	(126,516)	(71,756)	(244,001)
Provision for bad and doubtful debts	(18,996)	-	-	-	(18,996)
Provision against investments	-	(44,826)	-	-	(44,826)
Impairment charge for diminution in available for sale investments	-	(171,259)	-	-	(171,259)
Segment result	(22,661)	(164,980)	(47,958)	(48,650)	(284,249)
Segment assets	3,020,871	2,871,359	519,620	83,211	6,495,061
Segment liabilities	547,445	506,008	292,496	-	1,345,949
Capital expenditure	7,138	6,579	8,837	2,491	25,045



Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the Nine Months period ended March 31, 2010

20 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue on April 28, 2010 by the Board of Directors of IGI BANK.

21 GENERAL

Figures have been rounded off to the nearest thousand rupees.

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive