IGI
Investment Bank

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

IGI
Investment Bank

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,
Chartered Accountants

Legal Advisors

M/s. Hassan & Hassan, Advocates
M/s. Haider Mota & Co.,
Barristers-at-law & Corporate Conselors
M/s. Mohsin Tayebaly & Co.,
Advocate & Legal Consultants
M/s. Orr, Dignam & Co.,
Advocates

Bankers

Allied Bank Ltd.
Bank AL Habib Ltd.
Habib Metropolitan Bank Ltd.
JS Bank Ltd.
MCB Bank Ltd.
My Bank Ltd.
NIB Bank Ltd.
Soneri Bank Ltd.
Standard Chartered Bank
Summit 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) 2540811-14
Fax: (041) 2540815

Multan Office

C-2, 1st Floor, Hasan Arcade,
Multan Cantt.
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

IGI
Investment Bank

Directors' Review

The Board of Directors of IGI Investment Bank Limited is pleased to present the unaudited financial statements for the third quarter ended March 31, 2011.

During the period under review your bank has continued to focus its attention on increasing revenue and controlling administrative costs. The over all outlook of the bank is likely to improve in future.

The macroeconomic stability of the country has shown some improvements during the current quarter due to favorable external current account position, improvement in export receipts and home remittances. However due to the turmoil in some of the oil producing countries in the middle-east and North Africa the oil prices have increased very substantially which has also directly affected the prices in Pakistan resulting in higher inflation.

The NBFC sector continues to face impediments in its business activities due to various reasons like high interest rates, overall reluctance of the financial institutions/banks to provide long term borrowing lines, continuous increase in costs of doing business for the industry, especially for the SME sector, and the erratic behavior of the stock exchanges in Pakistan.

Your bank has reported an after tax Profit of Rs.7.338 million for the third quarter ended March 31, 2011 as compared to a Profit of Rs.2.228 million in the corresponding period of last year.

Financial Summary

The financial highlights for the nine months ended March 31, 2011 are as follows:

	March 31, 2011	**March 31, 2010**	**Increase / (Decrease)**	
	Rupees in thousands			**%**
INCOME				
Fund based Income	714,218	622,740	91,478	14.68
Fund based Cost	584,900	499,909	84,991	17.00
Net Fund Based Income	129,318	122,831	6,487	5.28
Fee Based Income	18,164	20,277	(2,113)	(10.42)
EXPENDITURE				
Administrative and operating expenses	138,079	137,217	862	0.62

Our Fund based income increased from Rs. 622.740 million to Rs. 714.218 million and Fund based cost increased from Rs. 499.909 million to Rs. 584.900 million resultantly showing 5.28% increase in net fund based income. Despite of the adverse circumstances explained above the management has controlled the administrative expenses and reports increase of only 0.62% 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. 20.277 million to Rs. 18.164 million due to the prevalent market situation.

Our current focus on growing the fee based businesses, diverting the energies of our corporate marketing staff fully on recoveries of loans and advances, and clamp on disbursements of loans and leases will be continued during the next quarter also.

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 25, 2011.

IGI
Investment Bank

Condensed Interim Balance Sheet (Un-audited)

As at March 31, 2011

	Note	(Un-audited) March 31, 2011	(Audited) June 30, 2010
		-------- (Rupees in '000) --------	
ASSETS			
Non-current assets			
Fixed assets	4	53,798	63,024
Long-term investments	5	1,248,961	1,504,621
Long-term loans and advances - net		203,581	204,694
Net investment in finance lease	6	179,719	369,706
Long-term deposits		5,951	5,345
Deferred tax assets - net		349,431	336,041
		2,041,441	2,483,431
Current assets			
Current maturity of non-current assets		696,161	946,868
Short-term loans and advances		7,754	22,834
Lendings - secured	7	1,005,935	651,391
Short-term investments	8	5,303,267	3,548,523
Taxation - net		251,737	251,741
Deposit, prepayments and other receivables	9	47,942	55,061
Interest, mark-up and profit accrued		106,019	86,006
Cash and bank balances		143,122	214,834
		7,561,937	5,777,258
TOTAL ASSETS		9,603,378	8,260,689
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		2,121,025	2,121,025
Reserves		136,831	136,831
Accumulated losses		(557,472)	(587,997)
		1,700,384	1,669,859
Deficit on revaluation of investments - net of tax	10	(82,949)	(37,305)
		1,617,435	1,632,554
Non-current liabilities			
Redeemable capital		-	62,133
Long-term finance	11	99,999	150,000
Long-term certificates of deposit		199,959	271,709
Long-term deposits under lease contracts		59,763	133,801
		359,721	617,643
Current liabilities			
Current maturity of non-current liabilities		907,691	935,601
Short-term certificates of deposit		2,720,386	3,265,344
Borrowings from financial institutions	12	3,666,164	1,591,689
Interest and mark-up accrued		220,429	157,325
Accrued expenses and other liabilities		111,552	60,533
		7,626,222	6,010,492
TOTAL LIABILITIES		7,985,943	6,628,135
Contingencies and commitments	13		
TOTAL EQUITY AND LIABILITIES		9,603,378	8,260,689

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive

IGI
Investment Bank

Condensed Interim Profit and Loss Account (Un-audited)

For the Nine Months Period Ended March 31, 2011

	Note	Nine months ended		Quarter ended	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
		(Rupees in '000)			
Income					
Income from investments	14	535,744	409,976	212,837	145,079
Income from loans and advances		38,842	52,349	7,051	12,005
Income from lease finance		61,073	118,034	16,345	38,679
Income from lendings		78,559	42,381	33,758	16,506
Income from fees, commission and brokerage		18,164	20,277	4,654	4,879
		732,382	643,017	274,645	217,148
Finance costs		584,900	499,909	222,104	175,980
		147,482	143,108	52,541	41,168
Administrative and general expenses		134,032	133,156	43,791	45,981
		13,450	9,952	8,750	(4,813)
Other operating income		9,595	24,430	1,963	9,747
		23,045	34,382	10,713	4,934
Other operating expenses		4,047	4,061	709	1,227
Operating profit before provisions		18,998	30,321	10,004	3,707
Reversal of provision against bad and doubtful loans and advances / lease losses - general - net		-	36,469	-	-
Provision for bad and doubtful loans and advances / lease losses - specific - net		-	(68,487)	-	(7,178)
Reversal of impairment against fund placements		21,550	15,709	-	7,178
		21,550	(16,309)	-	-
Profit before taxation		40,548	14,012	10,004	3,707
Taxation - current		(7,202)	(4,800)	(2,666)	(1,479)
- deferred		(2,821)	39,418	-	-
		(10,023)	34,618	(2,666)	(1,479)
Profit after taxation		30,525	48,630	7,338	2,228
Other comprehensive income		-	-	-	-
Total comprehensive income		30,525	48,630	7,338	2,228
Earnings per share - basic		0.14	0.23	0.03	0.01

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive

IGI
Investment Bank

Condensed Interim Cash Flow Statement (Un-audited)

For the Nine Months Period Ended March 31, 2011

	Nine months ended	
	March 31, 2011	March 31, 2010
	---------- (Rupees in '000) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	40,548	14,012
Adjustments for non cash and other items:		
Gain on disposal of fixed assets	(1,437)	(1,991)
Depreciation on property & equipment	15,400	17,293
Amortisation of intangible assets	1,702	1,787
Amortisation of transaction cost on term finance certificates	489	377
Provision for staff gratuity scheme	2,219	1,757
Interest, mark-up and profit income	(519,703)	(492,064)
Dividend income	(51,315)	(3,411)
Finance cost	584,900	499,909
Reversal of provision against bad and doubtful loans and advances / lease losses - general - net	-	(36,469)
Provision for bad and doubtful loans and advances / lease losses - specific - net	-	68,487
	32,255	55,675
	72,803	69,687
(Increase) / decrease in current assets:		
Short-term loans and advances	15,080	308,780
Lendings - secured	(354,544)	(1,400)
Short-term investments	(1,800,388)	(1,956,647)
Deposits, prepayments and other receivables	26,282	(32,356)
	(2,113,570)	(1,681,623)
(Decrease) / increase in current liabilities:		
Short-term certificates of deposit	(544,958)	775,050
Borrowings from financial institutions	1,926,011	811,401
Accrued expenses and other liabilities	52,775	(57,255)
	1,433,828	1,529,196
	(606,939)	(82,740)
Repayment of long-term loans and advances	1,113	63,569
Net recovery from finance lease	440,694	400,884
Long-term deposits	(606)	1,902
(Repayment) / issuance of certificates of deposit	(12,865)	115,440
Payments of deposits on lease contracts	(65,052)	(63,048)
Interest, mark-up and profit received	499,690	448,580
Dividend received	32,152	3,874
Finance cost	(521,796)	(462,034)
Income tax paid	(23,409)	(15,951)
Gratuity paid	(3,975)	-
Net cash generated from operating activities	345,946	493,216
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(12,892)	(4,292)
Long-term investments made	255,660	(221,365)
Proceeds from disposal of fixed assets	6,453	7,553
Net cash generated from / (used in) investing activities	249,221	(218,104)
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of term finance certificates	(124,478)	(124,879)
Long-term finance - net repaid	(83,926)	16,667
Net cash (used in) / generated from financing activities	(208,404)	(108,212)
Net (decrease) / increase in cash and cash equivalents	(220,176)	84,160
Cash and cash equivalents at the beginning of the period	65,124	(186,808)
Cash and cash equivalents at the end of the period	(155,052)	(102,648)
Cash and cash equivalents at the end of the period		
Cash and bank balances	143,122	97,553
Running finance utilised under mark-up arrangement	(298,174)	(200,201)
	(155,052)	(102,648)

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive

IGI
Investment Bank

Condensed Interim Statement of Changes in Equity (Un-audited)

For the Nine Months Period Ended March 31, 2011

	Issued, subscribed and paid-up capital	Reserves			Total
		Capital	Revenue		
		Statutory reserve	General reserve	Accumulated losses	
	(Rupees in '000)				
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	2,121,025	97,098	39,733	(339,997)	1,917,859
Balance as at June 30, 2010	2,121,025	97,098	39,733	(587,997)	1,669,859
Profit after taxation for the nine months period ended March 31, 2011	-	-	-	30,525	30,525
Other Comprehensive income	-	-	-	-	-
Total Comprehensive income	-	-	-	30,525	30,525
Balance as at March 31, 2011	2,121,025	97,098	39,733	(557,472)	1,700,384

The annexed notes from 1 to 18 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, 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

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 the Karachi, Islamabad and Lahore 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, 2010, 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 of the Bank for the Nine months period ended March 31, 2011 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.2 These 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 financial statements of the Bank for the year ended June 30, 2010.

2.3 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 the same as those applied in the preparation of the annual financial statements of the Bank for the year ended June 30, 2010 except as follows:

The Bank has adopted the following amended IFRS and related interpretations which became effective during the period:

- IAS 32 - Financial Instruments: Presentation - Classification of Rights Issues (Amendment)
- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

In April 2009, International Accounting Standards Board issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations
IFRS 8 – Operating Segments
IAS 1 – Presentation of Financial Statements
IAS 7 – Statement of Cash Flows
IAS 17 – Leases

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

For the Nine Months Period Ended March 31, 2011

IAS 36 – Impairment of Assets
IAS 38 – Intangible Assets
IAS 39 – Financial Instruments: Recognition and measurement

The adoption of the above standards, amendments / improvements and interpretations did not have any material effect on these condensed interim financial statements.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Bank for the year ended June 30, 2010.

		Note	(Un-audited) March 31, 2011	(Audited) June 30, 2010
4.	**FIXED ASSETS**		-------- (Rupees in '000) --------	
	Property and equipment	4.1	49,754	57,577
	Intangible asset		4,044	5,447
			53,798	63,024
4.1	**Property and equipment**			
	Opening written down value		57,577	82,175
	Additions:			
	Lease hold improvements		-	585
	Furniture and fittings		81	-
	Motor vehicles		11,771	4,568
	Office equipment		417	610
	Computer equipment		323	114
			12,592	5,877
	Less: Disposals written down value			
	Lease hold improvements		-	(33)
	Furniture and fittings		-	(612)
	Motor vehicles		(4,964)	(6,249)
	Office equipment		(20)	(412)
	Computer equipment		(29)	(499)
			(5,013)	(7,805)
	Depreciation for the period / year		15,402	22,670
	Closing written down value		49,754	57,577
5.	**LONG-TERM INVESTMENTS**			
	Related parties - at cost			
	Investment in unquoted subsidiary companies		895,011	895,011
	Investment in associates		365,705	621,365
			1,260,716	1,516,376
	Others - available-for-sale - at cost			
	Investment in unquoted companies		98,932	98,932
	Investment in unquoted preference shares		20,000	20,000
			1,379,648	1,635,308
	Less: Impairment against investments		(130,687)	(130,687)
			1,248,961	1,504,621

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

For the Nine Months Period Ended March 31, 2011

		Note	(Un-audited) March 31, 2011	(Audited) June 30, 2010
6.	**NET INVESTMENT IN FINANCE LEASE**		-------- (Rupees in '000) --------	
	Lease rental receivables		677,886	982,819
	Add: Residual value		371,426	436,700
			1,049,312	1,419,519
	Less: Unearned finance income		(50,152)	(64,811)
			999,160	1,354,708
	Less: Provision for lease losses		(207,266)	(216,474)
	Less: Current maturity of net investment in finance lease		(612,175)	(768,528)
			179,719	369,706

7.	**LENDINGS - SECURED**			
	Considered good - due from:			
	Related parties		606,000	165,000
	Others		399,935	486,391
		7.1	1,005,935	651,391

7.1 These carry mark-up at rates ranging from 13.90% to 16% (June 30, 2010: 12% to 15.50%) per annum and are repayable latest by April 1, 2011. These lendings are secured against market treasury bills and quoted shares having market value aggregating to Rs.841.061 million (June 30, 2010: Rs.745.538 million).

		(Un-audited) March 31, 2011	(Audited) June 30, 2010
8.	**SHORT-TERM INVESTMENTS**	-------- (Rupees in '000) --------	
	Held-to-maturity		
	Fund placements	14,000	159,000
	Commercial paper	9,540	-
		23,540	159,000
	Held-for-trading		
	Pakistan Investment Bonds	42,151	44,188
	Market treasury bills	3,090,446	1,111,777
		3,132,597	1,155,965
	Available-for-sale		
	Term finance certificates	1,677,398	2,037,636
	Units of open end mutual funds	25,007	22,234
	Listed shares and certificates	523,906	274,419
		2,226,311	2,334,289
		5,382,448	3,649,254
	Impairment loss on fund placement and term finance certificates	(79,181)	(100,731)
		5,303,267	3,548,523

8.1 In accordance with the requirements of NBFC Regulations, the Bank has invested Rs.554.40 million (June 30, 2010: Rs.651.40 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, 2011

	Note	(Un-audited) March 31, 2011	(Audited) June 30, 2010
		-------- (Rupees in '000) --------	
9. DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES			
Deposit			
Margin deposit		-	20,000
Prepayments			
Rent		2,696	10,625
Others		1,743	1,618
Other receivables - net			
Secured - considered good			
Assets repossessed in respect of terminated lease contracts		1,701	2,092
Excise duty paid on behalf of customers		4,471	4,471
Balances due from related parties:			
Packages Limited		13	273
Staff Gratuity Scheme		2,527	254
		2,540	527
Receivable against sale of securities		-	1,221
Accrued commission / fee income	9.1	5,371	4,945
Fair value of derivative financial instruments		-	5,263
Others		29,420	4,299
Unsecured and considered doubtful			
Receivable from lessees in satisfaction of claims		18,380	18,527
		66,322	73,588
Less: Provision against bad and doubtful receivables		(18,380)	(18,527)
		47,942	55,061

9.1 This includes commission aggregating to Rs.1.481 million (June 30, 2010: Rs.1.915 million) due from IGI Securities Limited, IGI Funds Limited, IGI Insurance Limited, Packages Limited,Tetra Pak Limited and Nestle Pakistan Limited (related parties).

	(Un-audited) March 31, 2011	(Audited) June 30, 2010
	-------- (Rupees in '000) --------	
10. DEFICIT ON REVALUATION OF INVESTMENTS - NET		
Net (deficit) / surplus on revaluation of:		
Government securities	(7,419)	(4,188)
Listed and unlisted term finance certificates	(75,564)	(33,160)
Units of open end mutual fund	(2,600)	(2,766)
Listed shares and certificates	(21,150)	(11,925)
Fair value of derivative financial instruments	(1,898)	5,263
	(108,631)	(46,776)
Related deferred tax asset - net	25,682	9,471
	(82,949)	(37,305)

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

For the Nine Months Period Ended March 31, 2011

		Note	(Un-audited) March 31, 2011	(Audited) June 30, 2010
11.	**LONG-TERM FINANCE**		-------- (Rupees in '000) --------	
	Secured			
	Local currency - banking companies	11.1	233,333	316,667
	Less: Current maturity of long-term finance		(133,334)	(166,667)
			99,999	150,000

11.1 These are secured against first pari passu charge on all present and future assets and receivables of the Bank. These carry mark-up at the rate ranging from 14.29% to 15.84% (June 30, 2010: 13.64% to 14.60%) and are repayable latest by April 28, 2011.

		Note	(Un-audited) March 31, 2011	(Audited) June 30, 2010
12.	**BORROWING FROM FINANCIAL INSTITUTIONS**		-------- (Rupees in '000) --------	
	Secured			
	Running finance utilised under mark-up arrangement	12.1	298,174	149,710
	Securities sold under repurchase agreements to:			
	Related parties		301,576	200,000
	Others		3,066,414	1,141,979
		12.2	3,367,990	1,341,979
	Unsecured borrowings	12.3	-	100,000
			3,666,164	1,591,689

12.1 These carry mark-up at the rate ranging from 15.21% to 15.28% (June 30, 2010: 14.04% to 14.45%) per annum and are repayable latest by April 18, 2011.

12.2 These carry mark-up at the rate ranging from 12.60% to 13.98% (June 30, 2010: 12.10% to 12.50%) per annum and are repayable latest by April 01, 2011.

12.3 These carry mark-up at the rate of NIL (June 30, 2010: 12.35%) per annum.

13. CONTINGENCIES AND COMMITMENTS

13.1 There has been no change in the status of contingencies as disclosed in last annual audited financial statements.

		(Un-audited) March 31, 2011	(Audited) June 30, 2010
13.2	**Commitments**	-------- (Rupees in '000) --------	
	Commitment in respect of forward sale of shares	58,962	155,806
	Commitment in respect of forward purchase of shares	-	20,760

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

For the Nine Months Period Ended March 31, 2011

	Nine months period ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	(Rupees in '000)			
14. INCOME FROM INVESTMENTS				
Interest / mark-up / profit on investments	333,071	257,888	139,065	97,455
Gain on disposal of investments	151,358	148,677	49,095	46,756
Dividend income	51,315	3,411	24,677	868
	535,744	409,976	212,837	145,079

15. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, directors, key management employees and employees fund. The Bank has a policy whereby all transactions with related parties, are entered into at contractual rates. The following table provides the transactions with related parties. For information regarding outstanding balances as at March 31, 2011 and March 31, 2010 refer to respective notes.

	Nine Months Period Ended March 31, 2011			
	Subsidiaries	Other related parties	Key management personnel	Total
Transactions during the period	(Rupees in '000)			
Certificates of deposits issued	-	3,030,776	117,506	3,148,282
Certificates of deposits matured	-	2,668,902	110,938	2,779,840
Dividend received	3,998	-	-	3,998
Insurance premium paid	-	2,057	-	2,057
Purchase of fixed assets	1,325	-	-	1,325
Sale of fixed assets	-	47	1,350	1,397
Lendings - secured	14,077,000	-	-	14,077,000
Repayment of secured lendings	13,471,000	-	-	13,471,000
Purchase of marketable securities	6,542,024	-	-	6,542,024
Sale of marketable securities	6,675,524	-	-	6,675,524
Sale of term finance certificates	-	249,795	-	249,795
Purchase of term finance certificates	-	217,771	-	217,771
Sale of Government Securities	-	473,099	-	473,099
Purchase of Government Securities	-	486	-	486
Investment in mutual fund units	-	1,303,700	-	1,303,700
Redemption of mutual fund units	-	1,559,360	-	1,559,360
Income from loan and finances	-	-	180	180
Income from lendings - secured	39,096	-	-	39,096
Borrowings-secured	-	301,576	-	301,576
Markup on borrowings-secured	-	22,892	-	22,892
Brokerage, commission and fees paid	7,436	-	-	7,436
Return on certificates of deposit	-	102,986	1,112	104,098
Rent expense	-	12,882	-	12,882
Reimbursement of rent	2,540	3,810	-	6,350
Traveling and lodging	-	-	2,121	2,121
Subscription expense	1,248	-	-	1,248
Charge for the year in respect of employee benefit and contribution plan	-	5,124	-	5,124
Remuneration to key management personnel	-	-	45,841	45,841

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

For the Nine Months Period Ended March 31, 2011

	Nine Months Period Ended March 31, 2010			
	Subsidiaries	Other related parties	Key management personnel	Total
	(Rupees in '000)			
Transactions during the period				
Certificate of deposits issued	-	2,341,609	10,406	2,352,015
Certificates of deposits matured	-	1,809,984	7,250	1,817,234
Insurance premium paid	-	3,392	-	3,392
Purchase of fixed assets	1,230	347	-	1,577
Sale of fixed assets	2,212	164	660	3,036
Lendings - secured	1,813,300	-	-	1,813,300
Purchase of marketable securities	256,947	-	-	256,947
Sale of marketable securities	212,474	-	-	212,474
Sale of term finance certificates	117,746	656,794	-	774,540
Purchase of term finance certificates	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 lendings - secured	5,795	-	-	5,795
Brokerage, commission and fee paid	480	-	-	480
Return on certificates of deposit	-	19,973	66	20,039
Rent expense	5	11,129	-	11,134
Reimbursement of rent	4,094	481	-	4,575
Traveling and lodging	-	-	1,477	1,477
Subscription expense	624	-	-	624
Charge for the year in respect of employee benefit and contribution plan	-	4,760	-	4,760
Remuneration to key management personnel	-	-	43,272	43,272

16. SEGMENTAL ANALYSIS

The Bank activities are broadly categorised 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 liquidity.

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

For the Nine Months Period Ended March 31, 2011

	Nine months period ended March 31, 2011		
	Financing activities	Investing activities	Total
	(Rupees in '000)		
Income from investments	-	535,744	535,744
Income from loans and advances	38,842	-	38,842
Income from lease finance	61,073	-	61,073
Income from lendings	-	78,559	78,559
Income from fees, commission and brokerage	-	18,164	18,164
Total income for reportable segments	99,915	632,467	732,382
Finance costs	(96,920)	(487,980)	(584,900)
Administrative and general expenses (excluding depreciation and amortisation)	(17,947)	(21,348)	(39,295)
Depreciation and amortisation	(2,333)	(14,769)	(17,102)
Reversal of impairment against fund placements	-	21,550	21,550
Segment result	(17,285)	129,920	112,635
Other operating income			9,595
Unallocated administrative expenses			(77,635)
Other operating expenses			(4,047)
Profit before taxation			40,548
Segment assets	1,138,834	7,759,251	8,898,085
Unallocated assets			705,293
			9,603,378
Segment liabilities	1,233,525	6,711,165	7,944,690
Unallocated liabilities			41,253
			7,985,943
Capital expenditure - tangible	1,718	10,874	12,592
Capital expenditure - intangible	41	259	300

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

For the Nine Months Period Ended March 31, 2011

	Nine months period 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 lendings	-	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 (excluding depreciation and amortisation)	(17,927)	(20,172)	(38,099)
Depreciation and amortisation	(5,056)	(14,024)	(19,080)
Provision for bad and doubtful debts (general & specific)	(32,018)	-	(32,018)
Reversal of impairment against fund placements	-	15,709	15,709
Segment result	(32,297)	101,917	69,620
Other operating income			24,430
Unallocated administrative expenses			(75,977)
Other operating expenses			(4,061)
Profit before taxation			14,012
Segment assets	1,794,913	5,564,526	7,359,439
Unallocated assets			617,615
			7,977,054
Segment liabilities	1,996,265	3,900,077	5,896,342
Unallocated liabilities			198,965
			6,095,307
Capital expenditure - tangible	973	2,698	3,671
Capital expenditure - intangible	165	456	621

17. DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue on April 25, 2011 by the Board of Directors of the BANK.

18. GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive

Consolidated Financial Statements
For the Nine Months Period Ended March 31, 2011

Condensed Interim Consolidated Balance Sheet (Un-audited)

As at March 31, 2011

	Note	(Un-audited) March 31, 2011	(Audited) June 30, 2010
		-------- (Rupees in '000) --------	
ASSETS			
Non-current assets			
Fixed assets	5	177,543	194,547
Long-term investments	6	22,932	22,932
Investment in associates	7	640,707	837,704
Long-term loans and advances - net		203,581	204,795
Net investment in finance lease	8	179,719	369,706
Long-term deposits and other receivables		11,273	10,730
Receivable from funds		-	4,575
Deferred tax assets - net		478,294	466,172
		1,714,049	2,111,161
Current assets			
Current maturity of non-current assets		696,161	949,108
Short-term loans and advances		8,046	23,347
Lendings - secured	9	513,935	600,391
Short-term investments	10	5,313,947	3,568,972
Taxation - net		281,337	273,182
Advances, deposits, prepayments and other receivables	11	208,184	143,333
Interest, mark-up and profit accrued		113,292	88,859
Trade debts - net		1,217,033	568,934
Cash and bank balances		161,146	216,618
		8,513,081	6,432,744
TOTAL ASSETS		10,227,130	8,543,905
EQUITY & LIABILITIES			
Capital and reserves			
Share capital		2,121,025	2,121,025
Reserves		115,145	115,145
Accumulated losses		(760,872)	(824,895)
		1,475,298	1,411,275
Non-controlling interest		45	45
		1,475,343	1,411,320
Deficit on revaluation of investments - net of tax	12	(82,637)	(38,141)
		1,392,706	1,373,179
Non-current liabilities			
Redeemable capital		-	62,133
Long-term finance	13	99,999	150,000
Long-term certificates of deposit		199,959	271,709
Long-term deposits under lease contracts		59,763	133,801
Liabilities against assets subject to finance lease		-	635
		359,721	618,278
Current liabilities			
Current maturity of non-current liabilities		907,691	935,903
Short-term certificates of deposit		2,720,386	3,265,344
Borrowings from financial institutions	14	4,241,006	1,889,999
Interest and mark-up accrued		242,777	168,009
Accrued expenses and other liabilities		362,843	293,193
		8,474,703	6,552,448
TOTAL LIABILITIES		8,834,424	7,170,726
Contingencies and commitments	15		
TOTAL EQUITY AND LIABILITIES		10,227,130	8,543,905

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

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive

IGI
Investment Bank

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the Nine Months Period Ended March 31, 2011

	Note	Nine months ended		Quarter ended	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
		(Rupees in '000)			
Income					
Income from investments	16	540,405	365,234	216,249	145,599
Income from loans and advances		38,842	52,349	7,051	12,005
Income from lease finance		61,073	118,034	16,345	38,679
Income from lendings and continuous funding system transactions		55,433	49,409	18,083	20,015
Remuneration from funds under management		33,362	29,952	10,040	11,837
Income from fees, commission and brokerage		199,495	128,932	88,147	46,503
		928,610	743,910	355,915	274,638
Finance costs		655,674	523,319	249,262	184,464
		272,936	220,591	106,653	90,174
Administrative and general expenses		272,724	308,099	90,462	101,414
		212	(87,508)	16,191	(11,240)
Other operating income		32,211	51,348	9,933	17,814
		32,423	(36,160)	26,124	6,574
Other operating expenses		20,424	5,432	8,001	1,482
Operating profit / (loss) before provisions and share of profit in associates		11,999	(41,592)	18,123	5,092
Reversal of provision against bad and doubtful loans and advances / lease losses - general - net		-	36,469	-	-
Provision for bad and doubtful loans and advances / lease losses - specific - net		-	(68,487)	-	(7,178)
Reversal of impairment against fund placements		21,550	15,709	-	7,178
		21,550	(16,309)	-	-
Share of profit in associates		44,934	103,494	15,143	19,899
Profit before taxation		78,483	45,593	33,266	24,991
Taxation - current		(10,369)	(13,708)	(3,692)	(6,623)
- deferred		(4,091)	43,072	77	3,654
		(14,460)	29,364	(3,615)	(2,969)
Profit after taxation		64,023	74,957	29,651	22,022
Gain attributable to non-controlling interest		-	-	-	-
Gain attributable to shareholders		64,023	74,957	29,651	22,022
Gain for the period after taxation		64,023	74,957	12,970	22,022
Other comprehensive income - net of tax		-	-	-	-
Total comprehensive income - net of tax		64,023	74,957	12,970	22,022
Gain attributable to non-controlling interest		-	-	-	-
Gain attributable to shareholders		64,023	74,957	12,970	22,022
Earnings per share - basic		0.30	0.35	0.06	0.10

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

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive

IGI
Investment Bank

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the Nine Months Period Ended March 31, 2011

	Nine months ended	
	March 31, 2011	March 31, 2010
	---------- (Rupees in '000) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	78,483	45,593
Adjustments for non cash and other items:		
Gain on disposal of fixed assets	(4,435)	(4,087)
Gain on sale of investments	(4,293)	-
Depreciation on property and equipment	25,215	29,445
Amortization of intangible assets	3,920	5,046
Amortization of transaction cost on term finance certificates	489	377
Provision for staff gratuity scheme	2,219	1,757
Interest, mark-up and profit income	(519,703)	(447,073)
Dividend income	(51,315)	(3,411)
Finance cost	695,098	529,288
Return on bank deposits	(3)	(4)
Share of profit in associates	(44,934)	(103,494)
Provision/(Reversal) against other assets	(104)	-
Reversal of provision against bad and doubtful loans and advances / lease losses - general - net	-	(36,469)
Provision for bad and doubtful loans and advances / lease losses - specific - net	-	68,487
	102,154	39,862
	180,637	85,455
(Increase) / decrease in current assets:		
Short-term loans and advances	15,316	307,801
Lendings - secured	(354,544)	(1,400)
Receivable against reverse repo / continuous funding system transactions	-	(114,000)
Short-term investments	(1,800,388)	(1,956,647)
Trade debts	(648,100)	(1,097,025)
Advances, Deposits, prepayments and other receivables	(44,182)	(118,899)
	(2,831,898)	(2,980,170)
(Decrease) / increase in current liabilities:		
Short-term certificates of deposit	(544,958)	775,050
Borrowings from financial institutions	2,427,011	811,401
Accrued expenses and other liabilities	70,822	956,842
	1,952,875	2,543,293
	(698,386)	(351,422)
Repayment of long-term loans and advances - net	1,113	63,569
Net recovery from finance lease	440,694	400,884
Long-term deposits	(706)	(395)
(Repayment) / issuance of certificates of deposit	(12,865)	115,440
Payment of deposit under lease contracts	(65,052)	(63,048)
Interest, mark-up and profit received	499,690	448,580
Dividend received	32,152	3,874
Finance cost paid	(620,125)	(483,363)
Income tax paid	(34,735)	(27,364)
Gratuity paid	(3,975)	(1,183)
Net cash generated from operating activities	236,191	456,994
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(20,508)	(14,888)
Long-term investments made / (disposed)	248,110	(204,164)
Proceeds from dis-investment in securities	14,636	165,188
Proceeds from disposal of fixed assets	12,083	16,686
Interest Received	3	4
Payment received against long-term and advances	652	1,335
Net cash generated from / (used in) investing activities	254,976	(35,839)
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of term finance certificates	(124,478)	(124,879)
Lease rentals paid	(846)	(1,080)
Dividend paid	(4,000)	-
Long-term finance - net repaid	(83,926)	16,667
Net cash (used in) / generated from financing activities	(213,250)	(109,292)
Net (decrease) / increase in cash and cash equivalents	(420,469)	(39,559)
Cash and cash equivalents at the beginning of the period	(231,401)	(351,517)
Cash and cash equivalents at the end of the period	(651,870)	(391,076)
Cash and cash equivalents at the end of the period		
Cash and bank balances	161,146	113,948
Running finance utilized under mark-up arrangement	(813,016)	(505,024)
	(651,870)	(391,076)

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

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive

IGI
Investment Bank

Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)

For the Nine Months Period Ended March 31, 2011

		Reserves						
		Capital		Revenue				
	Issued, subscribed and paid-up capital	Reserve arising on acquisition of non-controlling interest	Statutory Reserve	General Reserve	Accumulated Profit / (losses)	Total Reserves	Non-Controlling interest	Total
	(Rupees in '000)							
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 ended March 31, 2010	-	-	-	-	74,957	74,957	-	74,957
Profit attributable to non-controlling Interest	-	-	-	-	-	-	-	-
Other Comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive income	-	-	-	-	74,957	74,957	-	74,957
Balance as at March 31, 2010	2,121,025	(21,686)	97,098	39,733	(559,030)	(443,885)	45	1,677,185
Balance as at June 30, 2010	2,121,025	(21,686)	97,098	39,733	(824,895)	(709,750)	45	1,411,320
Profit after taxation for the nine months ended March 31, 2011	-	-	-	-	64,023	64,023	-	64,023
Profit attributable to non-controlling Interest	-	-	-	-	-	-	-	-
Other Comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive income	-	-	-	-	64,023	64,023	-	64,023
Balance as at March 31, 2011	2,121,025	(21,686)	97,098	39,733	(760,872)	(645,727)	45	1,475,343

The annexed notes 1 to 20 form an integral part of these condensed interim 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, 2011

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, 2010, 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, 2011

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 months period ended March 31, 2011 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.

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the Nine Months Period Ended March 31, 2011

		Note	(Un-audited) March 31, 2011	(Audited) June 30, 2010
			-------- (Rupees in '000) --------	
5.	**FIXED ASSETS**			
	Property and equipment	5.1	97,038	110,537
	Intangible asset		80,505	84,010
			177,543	194,547
5.1	**Property and equipment**			
	Opening written down value		110,537	152,527
	Additions		20,093	9,349
	Less: Disposals written down value		(8,375)	(12,113)
	Depreciation for the period / year		(25,217)	(39,226)
	Closing written down value		97,038	110,537
6.	**LONG-TERM INVESTMENTS**			
	Available for sale - at cost			
	Investment in unquoted companies		98,932	98,932
	Investment in unquoted preference shares		20,000	20,000
			118,932	118,932
	Less: Impairment against investments		(96,000)	(96,000)
			22,932	22,932
7.	**INVESTMENTS IN ASSOCIATES**			
7.1	**Movement of investment in associates**			
	Opening balance		697,574	510,077
	Net addition / deletions made during the year		(241,931)	187,497
	Total acquisition at cost		455,643	697,574
	Post acquisition share of associates profit		185,064	140,130
			640,707	837,704
7.2	**Investment in associate companies**			
	IGI Stock Fund		75,000	271,365
	IGI Income Fund		77,938	276,209
	IGI Money Market Fund		246,093	100,000
	IGI Islamic Income Fund		56,612	50,000
			455,643	697,574

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the Nine Months Period Ended March 31, 2011

	Note	(Un-audited) March 31, 2011	(Audited) June 30, 2010
		-------- (Rupees in '000) --------	
8. NET INVESTMENT IN FINANCE LEASE			
Lease rental receivables		677,886	982,819
Add: Residual value		371,426	436,700
		1,049,312	1,419,519
Less: Unearned finance income		(50,152)	(64,811)
		999,160	1,354,708
Less: Provision for lease losses		(207,266)	(216,474)
Less: Current maturity of net investment in finance lease		(612,175)	(768,528)
		179,719	369,706
9. LENDINGS - SECURED			
Repurchase agreements (Reverse Repo)	9.1	513,935	600,391

9.1 These carry mark-up at rates ranging from 13.90% to 19.00% (2010: 12.00% to 19.00%) per annum and are repayable latest by April 01, 2011.

	(Un-audited) March 31, 2011	(Audited) June 30, 2010
	-------- (Rupees in '000) --------	
10. SHORT-TERM INVESTMENTS		
Held-to-maturity		
Fund placements	14,000	159,000
Commercial paper	9,540	-
	23,540	159,000
Held-for-trading		
Government securities	3,132,597	1,155,965
Shares / Certificates	8,439	8,130
Listed term finance certificates	2,241	2,238
Units of open end mutual funds	-	10,081
	3,143,277	1,176,414
Available-for-sale		
Term finance certificates	1,677,398	2,037,636
Units of open end mutual funds	25,007	22,234
Listed shares and certificates	523,906	274,419
	2,226,311	2,334,289
	5,393,128	3,669,703
Impairment loss on fund placement and term finance certificates	(79,181)	(100,731)
	5,313,947	3,568,972

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the Nine Months Period Ended March 31, 2011

	(Un-audited) March 31, 2011	(Audited) June 30, 2010
	-------- (Rupees in '000) --------	
11. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advances		
Employees	556	169
Deposit		
Receivable from National Commodity Exchange Limited - margin deposit	4,693	25,000
Exposure deposits with Karachi Stock Exchange (Guarantee) Limited	76,109	55,650
Others	1,622	2,974
	82,424	83,624
Prepayments		
Rent	7,898	20,271
Others	5,702	-
Other receivables - net		
Secured - considered good		
Assets repossessed in respect of terminated lease contracts	1,701	2,092
Excise duty paid on behalf of customers	4,471	4,471
Balances due from related parties:		
Packages Limited	13	273
IGI Income Fund	1,567	2,953
IGI Stock Fund	1,171	853
IGI Insurance Limited	291	-
IGI Islamic Income Fund	580	493
IGI Money Market Fund	1,419	518
IGI Aggressive Income Fund	1,513	-
IGI Capital Protected Fund	125	-
Staff Gratuity Fund of IGI Bank Limited	2,527	254
	9,206	5,344
Accrued commission / fee income	5,371	4,945
Advance against vehicle	-	1,879
Receivable against sale of securities	-	1,221
Fair value of derivative financial instruments	-	5,263
Others	90,855	14,054
Unsecured and considered doubtful		
Other receivables	25,626	25,583
Receivable from lessees in satisfaction of claims	18,380	18,527
	44,006	44,110
Less: Provision for bad and doubtful receivables	(44,006)	(44,110)
	208,184	143,333

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

For the Nine Months Period Ended March 31, 2011

	Note	(Un-audited) March 31, 2011	(Audited) June 30, 2010
		-------- (Rupees in '000) --------	
12. DEFICIT ON REVALUATION OF INVESTMENTS - NET			
Net surplus / (deficit) on revaluation of:			
Government securities		(7,419)	(4,188)
Listed and unlisted term finance certificates		(75,561)	(33,140)
Units of open end mutual fund		(2,600)	(2,685)
Listed shares and certificates		(20,841)	(12,862)
Fair value of derivative financial instruments		(1,898)	5,263
		(108,319)	(47,612)
Related deferred tax asset - net		25,682	9,471
		(82,637)	(38,141)
13. LONG-TERM FINANCE			
Secured			
Local currency - banking companies	13.1	233,333	316,667
Less: Current maturity of long-term finance		(133,334)	(166,667)
		99,999	150,000

13.1 These are secured against first pari passu charge on all present and future assets and receivables of the Bank. These carry mark-up at the rate ranging from 14.29% to 15.84% (June 30, 2010: 13.64% to 14.60%) and are repayable latest by April 28, 2011.

	Note	(Un-audited) March 31, 2011	(Audited) June 30, 2010
		-------- (Rupees in '000) --------	
14. BORROWINGS FROM FINANCIAL INSTITUTIONS			
Secured			
Running finance utilized under mark-up arrangement	14.1	813,016	448,020
Securities sold under repurchase agreements	14.2	3,427,990	1,341,979
		4,241,006	1,789,999
Unsecured borrowings	14.3	-	100,000
		4,241,006	1,889,999

14.1 These carry mark-up at the rate ranging from 15.21% to 15.71% (June 30, 2010: 14.04% to 14.45%) per annum and are repayable latest by April 18, 2011.

14.2 These carry mark-up at the rate ranging from 12.60% to 15.00% (June 30, 2010: 12.10% to 12.50%) per annum and are repayable latest by April 01, 2011.

14.3 These carry mark-up at the rate of NIL (June 30, 2010: 12.35%) per annum.

15. CONTINGENCIES AND COMMITMENTS

15.1 There has been no change in the status of contingencies as disclosed in last annual audited financial statements.

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the Nine Months Period Ended March 31, 2011

		(Un-audited) March 31, 2011	(Audited) June 30, 2010
15.2	**Commitments**	-------- (Rupees in '000) --------	
	Commitment in respect of forward sale of shares	58,962	155,806
	Commitment in respect of forward purchase of shares	-	20,760

		Nine months ended		Quarter ended	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
16.	**INCOME FROM INVESTMENTS**	---------- (Rupees in '000) ----------			
	Interest / mark-up / profit on investments	333,317	203,259	139,149	97,532
	Gain on disposal of investments	155,651	158,564	52,423	47,199
	Dividend income	51,437	3,411	24,677	868
		540,405	365,234	216,249	145,599

		Nine months period ended March 31, 2011		
17.	**TRANSACTIONS WITH RELATED PARTIES**	Other related parties including associated undertakings	Key management personnel	Total
	Transactions during the period	---------- (Rupees in '000) ----------		
	Certificates of deposits issued	3,030,776	117,506	3,148,282
	Certificates of deposits matured	2,668,902	110,938	2,779,840
	Insurance premium paid	2,472	-	2,472
	Sale of fixed assets	47	1,350	1,397
	Purchase of marketable securities	568,141	63,005	631,146
	Sale of marketable securities	162,423	56,609	219,032
	Sale of term finance certificates	249,795	-	249,795
	Purchase of term finance certificates	217,771	-	217,771
	Sale of Government Securities	473,099	-	473,099
	Purchase of Government Securities	486	-	486
	Investment in mutual fund units	1,335,734	-	1,335,734
	Redemption of mutual fund units	1,573,110	-	1,573,110
	Income from loan and finances	-	180	180
	Borrowings-secured	301,576	-	301,576
	Markup on borrowings-secured	22,892	-	22,892
	Brokerage, commission and fees earned	3,530	112	3,642
	Return on certificates of deposit	102,986	1,112	104,098
	Rent expense	12,882	-	12,882
	Reimbursement of rent	3,810	-	3,810
	Traveling and lodging	-	2,121	2,121
	Remuneration from IGI Income Fund, IGI Stock Fund, IGI Islamic Income Fund, IGI Money Market Fund & IGI Aggressive Income Fund	46,827	-	46,827
	Sales load- IGI Stock Fund & IGI Islamic Income Fund	1,103	-	1,103
	Legal and professional charges received from IGI Income Fund, IGI Stock Fund & IGI Aggressive Income Fund	1,031	-	1,031
	Printing charges received from IGI Income Fund,IGI Stock Fund, IGI Money Market Fund & IGI Aggressive Income Fund	238	-	238
	Formation cost paid on behalf of IGI Stock Fund & IGI Islamic Income Fund, IGI Money Market Fund & IGI Aggressive Income Fund	7,609	-	7,609
	Rating fee received from IGI Islamic Income Fund & IGI Money Market Fund	350	-	350
	Annual listing fee received from IGI Money Market Fund	95	-	95
	Charge for the year in respect of employee benefit and contribution plan	5,965	-	5,965
	Remuneration to key management personnel	-	45,841	45,841

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

For the Nine Months Period Ended March 31, 2011

	Nine months period ended March 31, 2010		
	Other related parties including associated undertakings	Key management personnel	Total
Transactions during the period	(Rupees in '000)		
Certificates of deposits issued	2,341,609	10,406	2,352,015
Certificates of deposits matured	1,809,984	7,250	1,817,234
Insurance premium paid	3,687	-	3,687
Purchase of fixed assets	573	-	573
Sale of fixed assets	231	660	891
Purchase of marketable securities	170,330	112,475	282,805
Sale of marketable securities	532,931	111,519	644,450
Sale of term finance certificates	656,794	-	656,794
Purchase of term finance certificates	727,977	-	727,977
Investment in mutual fund units	3,164,188	-	3,164,188
Redemption of mutual fund units	2,965,980	-	2,965,980
Income from loan & finances	-	266	266
Brokerage, commission and fees earned	1,233	243	1,476
Return on certificates of deposit	19,973	66	20,039
Rent expense	11,129	-	11,129
Reimbursement of rent	481	-	481
Traveling 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 Income Fund	29,916	-	29,916
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 received on behalf of IGI Income Fund, IGI Stock Fund & IGI Islamic Income Fund	66	-	66
Charge for the year in respect of employee benefit and contribution plan	5,619	-	5,619
Remuneration to key management personnel	-	43,272	43,272

18. 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.

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the Nine Months Period Ended March 31, 2011

Asset management services activities

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

	Nine months period ended March 31, 2011				
	Financing activities	Investing activities	Brokerage activities	Asset Management services	Total
	(Rupees in '000)				
Income from investments	-	580,678	3,821	840	585,339
Income from loans and advances	38,842	-	-	-	38,842
Income from lease finance	61,073	-	-	-	61,073
Income from lendings	-	39,278	16,155	-	55,433
Remuneration from funds under management	-	-	-	33,362	33,362
Income from fees, commission and brokerage	-	18,164	177,305	4,026	199,495
Total income for reportable segments	99,915	638,120	197,281	38,228	973,544
Finance costs	(96,920)	(487,980)	(70,707)	(67)	(655,674)
Administrative and general expenses (excluding depreciation and amortization)	(17,947)	(21,348)	(72,633)	(34,600)	(146,528)
Depreciation and amortization	(2,333)	(14,769)	(10,485)	(1,548)	(29,135)
Reversal of impairment against fund placements	-	21,550	-	-	21,550
Segment result	(17,285)	135,573	43,456	2,013	163,757
Other operating income					32,211
Unallocated administrative expenses					(97,061)
Other operating expenses					(20,424)
Profit before taxation					78,483
Segment assets	1,138,833	7,153,252	1,534,660	22,525	9,849,270
Unallocated assets					377,860
					10,227,130
Segment liabilities	1,233,525	6,711,165	834,384	13,508	8,792,582
Unallocated liabilities					41,842
					8,834,424
Capital expenditure - tangible	1,718	10,874	5,496	2,005	20,093
Capital expenditure - intangible	41	259	115	-	415

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

For the Nine Months Period Ended March 31, 2011

	Nine months period ended March 31, 2010				
	Financing activities	Investing activities	Brokerage activities	Asset Management services	Total
	(Rupees in '000)				
Income from investments	-	458,592	7,054	3,082	468,728
Income from loans	52,349	-	-	-	52,349
Income from lease finance	118,034	-	-	-	118,034
Income from Lendings	-	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	515,455	126,169	35,397	847,404
Finance costs	(147,679)	(352,230)	(23,410)	-	(523,319)
Administrative and general expenses (excluding depreciationcand amortization)	(17,927)	(20,172)	(137,552)	(38,500)	(214,151)
Depreciation and amortization	(4,740)	(14,340)	(12,425)	(2,986)	(34,491)
Provision for bad and doubtful debts (general & specific)	(32,018)	-	-	-	(32,018)
Reversal of impairment against fund placements & debt security	-	15,709	-	-	15,709
Segment result	(31,981)	144,422	(47,218)	(6,089)	59,134
Other operating income					51,348
Unallocated administrative expenses					(59,457)
Other operating expenses					(5,432)
Profit before Taxation					45,593
Segment assets	1,794,913	4,570,583	1,500,280	82,005	7,947,781
Unallocated assets					1,167,369
					9,115,150
Segment liabilities	1,887,330	4,009,012	1,454,831	1,006	7,352,179
Unallocated liabilities					121,916
					7,474,095
Capital expenditure - tangible	973	2,698	6,520	58	10,249
Capital expenditure - intangible	154	467	3,756	262	4,639

19. DATE OF AUTHORIZATION OF ISSUE

The financial statements were approved by the Board of Directors and authorized for issue on April 25, 2011.

20. GENERAL

Figures have been rounded off to the nearest thousand rupees.

SYED BABAR ALI
Chairman

S. JAVED HASSAN
Managing Director & Chief Executive