

PAKISTAN REINSURANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 (UNAUDITED)

1. The Company and its Operations

- 1.1** Pakistan Reinsurance Co. Ltd., ("the Company") was incorporated on March 30, 2000, under the Companies Ordinance, 1984. The object of the Company is the development of insurance and reinsurance business in Pakistan and to carry on reinsurance business.

The registered office of the company is located at PIC Towers, 32-A, Lalazar Drive, M.T. Khan Road, Karachi. Its shares are quoted on Karachi and Lahore Stock Exchanges

2 Significant Accounting Policies

These financial statements have been prepared in accordance with the requirements of S.R.O 938 issued by the Securities and Exchange Commission of Pakistan, in December, 2002, the Insurance Ordinance 2000, the requirements of Companies Ordinance, 1984 and approved accounting standards as applicable in Pakistan.

3 Quarterly Returns for Compulsory Surplus Treaties

PRC receives compulsory surplus reinsurance business from all insurance companies doing general insurance business as provided in Section 42(2) of the Insurance Ordinance 2000. Because of the nature of business of PRCL, the preparation of its accounts depend on the returns from ceding insurance companies. The time prescribed for submission of returns as per amendment made in PIC/PRC (Compulsory Surplus Reinsurance) Regulations 1978, is twenty one days after the close of the Quarter in case of 1st & 3rd Quarters.

For the 3rd Quarter 2007, PRC received returns from thirty general insurance companies and as such above accounts have been prepared by incorporating only these returns. The rest of the business reflects facultative business as per record of the Company.

4 Date of Authorization for issue

These financial statements have been authorized for issue on October 26, 2007 by the Board of Directors of the Company.

5 Corresponding Figures

Corresponding figures have been restated wherever necessary for the purpose of comparison

6 Contingencies

There have been no significant change in the contingent liabilities since last published financial statements.

- 7** All figures have been rounded off to the nearest rupees.

(Asghar Imam Khalid)
Chief Financial Officer

Director

Director

(Rukhsana Saleem)
Chief Executive

Karachi October 26, 2007