



General Insurance Company

National Assets Insurance Limited

| Financial Statements with
| Accompanying Information |

==== Annual Report ====
==== 31 December 2019 ====



National Assets Insurance Ltd.

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National Assets Insurance Ltd.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Tariq Jamali	(Chairman)
Mr. Usman Shahid	(Director)
Mr. Wajahat A. Baqai	(Director)
Mr. Javed Muslim	(Chief Executive Officer)

DEPARTMENTAL HEADS

Syed Iqbal Hussain	(Operations)
Mr. Mushtaq Ahmed Qureshi	(Marketing)
Mr. Muhammad Umair Bhaur	(CFO & Company Secretary)

Auditors

Grant Thorton Anjum Rahman
1st & 3rd Floor, Modern Motors House
Beaumont Road, Karachi

Registered Office

69/2, Abid Majeed Road, Lahore Cantt. Lahore

Head Office

3rd Floor, 78/C, Main Khayaban-e-Jami,
Phase VII, DHA
Karachi

Bankers

National Bank of Pakistan

Registrar & Share Transfer Office

THK Associates (Pvt.) Ltd.
1st floor, 40-C, Block 6, P.E.C.H.S.
Karachi

Legal Advisors

Lex-Firma
(Advocates, Barristers & Legal Consultants)
418, Continental Trade Centre, Clifton, Karachi



National Assets Insurance Ltd.

NOTICE OF THE 11TH ANNUAL GENERAL MEETING

Notice is hereby given that the 11th Annual General Meeting of **National Assets Insurance Limited** will be held at 78/C, Khayaban-e-Jami, Phase-VII, D.H.A, Karachi, on 14 May 2020 at 11:00 a.m., to transact the following business:

1. To consider and approve the minutes of the 10th Annual General Meeting of the company held at 78/C, Khayaban-e-Jami, Phase-VII, D.H.A, Karachi, on 31 March, 2019 at 11:00 a.m.
2. To approve and adopt the Audited Financial Statements of the company for the year ended 31 December 2019 along with all the policies as mentioned in the Financial Statements.
3. To appoint statutory auditors of the company for the year ended 31 December 2020 and to fix their audit fee for the same period.
4. To transact any other business with the permission of the chair.

Date: April 07, 2020

MUHAMMAD UMAIR BHAUR
(CFO & Company Secretary)

Notes:

1. The Register of members will remain closed from 07 May 2020 to 14 May 2020 (both days inclusive).
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a proxy and vote on his/her behalf. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time of the meeting.
3. The financial statements are available on website.



National Assets Insurance Ltd.

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of your Company feel pleasure in presenting the annual report together with audited financial statements for the year ended 31 December 2019.

1. Financial Results

The Company made a Pre-tax profit of Rs. 29.4 million for the year under consideration (31 December 2018, 12.5 million) after charging costs, expenses and provisions for the year.

	For the year ended 31 December 2019 Rupees	For the year ended 31 December 2018 Rupees
Pre Tax Profit	41,201,712	12,457,988
Taxation	11,762,800	3,868,502
Profit after taxation	<u>29,438,912</u>	<u>8,589,486</u>

All the accumulated profits are kept in retained earnings

2. Review of financial Affairs and Future Prospects

The company had raised its paid up capital up to Rs. 500 million after 1st half of the year 2011 and thus has met the minimum capital requirement.

During the year 2019, the Company kept most of the available funds in Treasury Bills and the remaining in National Income Daily Account (NIDA).

During the current year, the Company continued its efforts to convince the regulators. Although the efforts have not yet been proven to be fruitful, the break through is expected during 2020. The basic observation of SECP that has caused delay was on the basis of State Bank of Pakistan's (SBP's) reservations regarding presumed control of National Bank of Pakistan (NBP) over the Company.

The renowned Corporate Lawyer Mohsin Tayebaly & Co. possesses strong opinion that the company is not a subsidiary of NBP either directly or indirectly. (Please refer to Note 1.3 to these financial statements that reflect that how this matter has been taken up).

Once the above referred changes would have been made, the reservations of regulators are hoped to be duly addressed and license is expected to be issued.

The company has completed all other formalities of the insurance license including the compliance with the minimum paid up capital requirement.

It is expected that the company will start business operations during the next year after obtaining Insurance License from Securities and Exchange Commission of Pakistan.

The main reason of increase in profit during the year 2019 as compared to 2018 is increase in policy rate of SBP.



National Assets Insurance Ltd.

DIRECTORS' REPORT TO THE SHAREHOLDERS

The financial health of the company is getting stronger and its total equity has reached Rs. 659.6 million during the current year (Rs. 629.9 million 2018).

The board is confident that after starting operations, the company will start making underwriting profits as well.

3. Auditors

The present auditors M/s. Grant Thornton Anjum Rahman (Chartered Accountants) are retiring and offer themselves for re-appointment for 7th time. But at the same time Riaz Ahmad & Company (Chartered Accountants) have also given their consent for becoming auditors of the Company for the year ended 31 December 2020. The matter of appointment of auditors shall be finalized in the next Annual General Meeting.

4. Pattern of Shareholding

The statement of pattern of shareholding of the company as at December 31, 2019 is annexed.

5. Profit and break-up value per share

The profit per share for the year is Rs. 0.59/- (31 December 2018, Rs. 0.17/-) and breakup value per share is Rs. 13.19 (31 December 2018, Rs. 12.59).

6. Board members during the year

S. No.	Board Members	Designation	Office tenure
1	Mr. Tariq Jamali	Chairman	Complete year
2	Mr. Wajahat A. Baqai	Director	Complete year
4	Mr. Usman Shahid	Director	Complete year
5	Mr. Javed Muslim	CEO	Complete year

7. The company observes adequate internal controls over the accounting systems and other matters.

For and on behalf of the Board of Directors

CHIEF EXECUTIVE OFFICER

Karachi
March 17, 2020



Grant Thornton

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INDEPENDENT AUDITORS' REPORT

To the members of National Assets Insurance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **National Assets Insurance Limited** (the Company), which comprise the statement of financial position as at **December 31, 2019** and the profit and loss account, statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at **December 31, 2019** and of the profit, the other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern

We draw attention to note 1.3 to the financial information which inter alia states that the Company has applied for certificate for registration to carry on insurance activities (the certificate) as required by Insurance Ordinance, 2000 (the Ordinance); however, the Securities and Exchange Commission of Pakistan has regretted the Company's application for insurance license, based on the reservation as stipulated in above mentioned note. The Company has obtained legal opinion based on which the Company might be able to obtain the license once such discrepancies have been resolved. This indicates the existence of a material uncertainty that

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Chartered Accountants
Member of Grant Thornton International Ltd
Offices in Islamabad, Lahore

may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Insurance Ordinance, 2000 and Companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on

the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

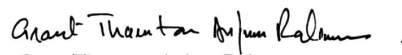
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, profit and loss account and the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI of 2017), and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the company's business; and;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Khalid Aziz



Grant Thornton Anjum Rahman
Chartered Accountants

Karachi

Date: March 17, 2020

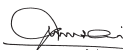


National Assets Insurance Ltd.

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

	Note	2019	2018
		----- Rupees -----	
ASSETS			
Property and equipment	7	2,069,116	2,349,325
Intangible asset	8	2,074,334	2,618,620
Investments - debt securities	9	629,951,339	594,311,244
Loans and other receivables	10	7,318,013	2,038,325
Deferred taxation	11	3,781,332	1,864,891
Taxation - payment less provisions		-	4,307,415
Prepayments	12	152,795	133,264
Cash and bank	13	22,693,683	28,016,406
TOTAL ASSETS		668,040,612	635,639,490
EQUITY AND LIABILITIES			
Authorised share capital	14	1,250,000,000	1,250,000,000
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	14.1	500,000,000	500,000,000
Unappropriated profit		159,648,641	129,968,761
Total equity		659,648,641	629,968,761
Liabilities			
Retirement benefit obligations	15	5,594,478	4,022,096
Other creditors and accruals	16	2,705,684	1,648,633
Taxation - provisions less payment		91,809	-
Total liabilities		8,391,971	5,670,729
TOTAL EQUITY AND LIABILITIES		668,040,612	635,639,490
Contingency and commitment	17		

The annexed notes from 1 to 30 form an integral part of these financial statements.


Javed Muslim
Chief Executive Officer


Tariq Jamali
Chairman


Muhammad Umair Bhaur
Chief Financial Officer


Usman Shahid
Director


Wajahat A. Baqai
Director

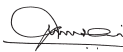


National Assets Insurance Ltd.


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	2019	2018
		----- Rupees -----	
Underwriting results		-	-
Investment income	18	70,250,943	36,057,597
Profit on bank deposits		3,367,408	3,300,001
Other income	19	1,656,288	-
		75,274,639	39,357,598
General and administration expenses	20	(29,831,366)	(26,896,753)
Results of operating activities		45,443,273	12,460,845
Finance cost	21	(4,241,561)	(2,857)
Profit before tax		41,201,712	12,457,988
Income tax expense	22	(11,762,800)	(3,868,502)
Profit for the year		29,438,912	8,589,486
Earnings per share	23	0.59	0.17

The annexed notes from 1 to 30 form an integral part of these financial statements.


Javed Muslim
Chief Executive Officer


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Director


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Director

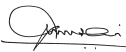


National Assets Insurance Ltd.

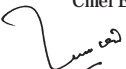
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	2019	2018
		-----	-----
		Rupees	
Profit after tax		29,438,912	8,589,486
Other comprehensive income			
Items that will not be reclassified to profit and loss account			
Remeasurement of defined benefit obligation - net of deferred tax	15.5	240,968	132,567
Other comprehensive income for the year		240,968	132,567
Total comprehensive income for the year		29,679,880	8,722,053

The annexed notes from 1 to 30 form an integral part of these financial statements.


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Chief Executive Officer


Tariq Jamali
Chairman


Muhammad Umair Bhaur
Chief Financial Officer


Usman Shahid
Director


Wajahat A. Baqai
Director



National Assets Insurance Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	2019	2018
		----- Rupees -----	
Operating Cash Flows			
a) Underwriting activities			
Insurance premium received		-	-
Reinsurance premium paid		-	-
Claims paid		-	-
Reinsurance and other recoveries received		-	-
Commission paid		-	-
Commission received		-	-
Management expenses paid		-	-
Net cash flow from underwriting activities		-	-
Net cash flow from underwriting activities		-	-
b) Other operating activities			
Income tax paid		(9,378,440)	(6,982,606)
General and administration expenses paid		(29,848,961)	(23,605,687)
Other receipts		4,071,665	21,266,546
Loan to employee - net		(5,676,657)	-
Net cash used in other operating activities		(40,832,393)	(9,321,747)
Total cash used in all operating activities		(40,832,393)	(9,321,747)
Investment activities			
Proceeds from investment		2,689,965,000	1,910,000,000
Payments for investment		(2,655,354,152)	(1,991,151,590)
Fixed capital expenditure		(441,178)	(2,195,299)
Proceeds from sale of property and equipment		1,340,000	288,083
Total cash generated from/(used in) investing activities		35,509,670	(83,058,806)
Financing activities		-	-
Net cash flow used in all activities		(5,322,723)	(92,380,553)
Cash and cash equivalent at the beginning of the year		28,016,406	120,396,959
Cash and cash equivalent at the end of the year	13	<u>22,693,683</u>	<u>28,016,406</u>




National Assets Insurance Ltd.

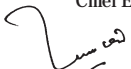
CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
	----- Rupees -----	
Reconciliation to Profit and Loss Account		
Operating cash flows	(40,832,393)	(9,321,747)
Depreciation expense	(582,827)	(950,945)
Amortization expense	(544,286)	(532,190)
Charge for staff retirement benefits	(1,911,773)	(1,512,445)
Profit on sale of property and equipment	1,340,000	-
Investment income	70,250,943	24,982,401
Increase / (decrease) in assets other than cash	5,299,219	(6,896,060)
Increase in liabilities	(1,057,051)	(293,632)
Fixed assets write off	(138,560)	-
Income tax paid	9,378,440	6,982,606
Profit before taxation	41,201,712	12,457,988
Definition of cash:		
Cash comprises of bank balances in NBP current and NIDA account.		
Cash for the purpose of the statement of cash flows consists of:		
Current account	10,000	10,000
NIDA account	22,683,683	28,006,406
Total cash and cash equivalents	22,693,683	28,016,406

The annexed notes from 1 to 30 form an integral part of these financial statements.


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Chief Executive Officer


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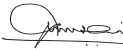


National Assets Insurance Ltd.

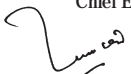
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2019

	Attributable to equity holders of the Company		
	Share capital	Unappropriated profit	Total
	----- Rupees -----		
Balance as at January 1, 2018	500,000,000	121,246,708	621,246,708
Comprehensive income for the year ended December 31, 2018			
Profit for the year	-	8,589,486	8,589,486
Other comprehensive income	-	132,567	132,567
Total comprehensive income for the year	-	8,722,053	8,722,053
Balance as at December 31, 2018	500,000,000	129,968,761	629,968,761
Comprehensive income for the year ended December 31, 2019			
Profit for the year	-	29,438,912	29,438,912
Other comprehensive income	-	240,968	240,968
Total comprehensive income for the year	-	29,679,880	29,679,880
Balance as at December 31, 2019	<u>500,000,000</u>	<u>159,648,641</u>	<u>659,648,641</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.


Javed Muslim
Chief Executive Officer


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Chairman


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Director



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

1 LEGAL STATUS NATURE OF BUSINESS

- 1.1 National Assets Insurance Limited (the Company) was incorporated on June 26, 2009 as a Public Limited Company in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the Company is situated at 69-2 Abid Majeed Road, Lahore Cantt, Lahore.
- 1.2 The principal activity of the Company will be to carry on any or all classes of non-life insurance business specified in the Insurance Ordinance, 2000 (as amended, modified and/or re-enacted from time to time) including re-insurance of any or all classes of business.
- 1.3 The Company has not yet started its underwriting operations because despite ongoing efforts it could not so far obtain Insurance License from Securities and Exchange Commission of Pakistan (SECP). In the previous year, SECP issued letter No. SECP/ID/PRDD/7/2018/NAIL/V/13441 dated January 29, 2018 to the Company, based on its communications with State Bank of Pakistan (SBP), stating that the Company appears to be a subsidiary of National Bank of Pakistan (NBP) under Section 2(1)(68) of the Companies Act, 2017 whereas a banking company cannot establish a subsidiary to carry out insurance business. As per letter, majority of directors on the Company's board are NBP's executives and powers are also vested with NBP through NBP's directors on the boards of other shareholders of the Company i.e. NBP Employees Pension Fund, NBP Employees Benevolent Fund and NBP Staff Welfare Foundation. SECP, therefore, regretted the Company's application for insurance license.

In view of the above letter received from SECP, the Company initiated legal consultation process. The Company's legal advisers are of the opinion that NBP does not have a control over the Company. NBP employee funds are separate entities from NBP, and their shareholding in the Company does not create NBP's indirect control over the Company resulting in a parent-subsiidiary relationship. However, besides providing this opinion, the Company's legal advisers have also advised the management a roadmap for repositioning the Company's shareholding and governance structure to resolve the regulatory objections regarding NBP's presumed control over the Company. In the light of this consultation, the Company is now contemplating to change its shareholding structure through divestment by NBP employee funds to a strategic equity investor (that is being located), and to reduce the number of directors from NBP's executives below 50% of total directorship on the Company's board, thereby reducing NBP's shareholding and directors in the Company. Once the Company makes these proposed changes, NBP's executives who are on the board of the Company will reduce, and its direct and indirect shareholding will fall well below the threshold of providing any control under Section 2(68) of the Companies Act, 2017 that has been presumed by the regulators.

The management has started working proactively on the legal advice. Management, directors and shareholders of the Company strongly believe that with a revised shareholding and governance structure, the Company will be able to obtain its insurance license successfully. Apart from pending regulatory approvals, the Company enjoys a strong net assets and liquidity position and has been profitable through its investing activities.



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

Should the Company be unable to achieve its plan, there is a material uncertainty which may cast significant doubt as to whether the Company will continue as a going concern and, therefore, whether it will realize its assets and extinguish its liabilities in the normal course of business and at the amounts stated in these financial statements. However, based on the aforementioned plans which management strongly believes is workable, it has prepared these financial statements on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the ordinary course of business.

1.4 Significant transactions and events affecting the Company's financial position and performance

The Company has issued house loan to an employee during the year as disclosed in note 10 of these financial statements.

2 BASIS OF PREPARATION

These financial statements have been prepared on the format prescribed in Insurance Accounting Regulations, 2017 issued by the SECP vide its S.R.O 89(1)/2017 dated February 09, 2017.

a) 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 (IASB) as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000 (the Insurance Ordinance), Insurance Rules, 2017 (the Rules) and Insurance Accounting Regulations 2017 (the Regulations). In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, the Rules and the Regulations shall prevail.

b) Basis of measurement

These financial statements have been prepared under the historical cost convention. Accrual basis of accounting has been used in preparation of these financial statements except for the cash flow information which is prepared on cash basis.

c) Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

3 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

3.1 Standards, amendments and interpretations to the published standards that are relevant to the Company and adopted in the current year

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 15 'Revenue from Contracts with Customers'	July 1, 2018
Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instrument' with IFRS 4	July 1, 2018
IFRS 9 'Financial Instruments'	July 1, 2018
IFRS 16 'Leases'	January 1, 2019
IFRIC 23 'Uncertainty over Income Tax Treatments'	January 1, 2019
IAS 28 'Long-term Interests in Associates and Joint Ventures' (Amendments to IAS 28)	January 1, 2019
Annual improvements to IFRSs 2015 - 2017 Cycle	January 1, 2019
IAS 19 'Plan Amendment, Curtail or Settlement' (Amendments to IAS 19)	January 1, 2019

Adoption of the above standard have no significant effect on the amounts for the year ended December 31, 2019 except for those mentioned in change in accounting policy note.

3.2 Standards, amendments to published standards and interpretations that are effective but not relevant

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on January 01, 2019 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are therefore not presented here.



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

3.3 Other standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 14 'Regulatory Deferral accounts'	July 1, 2019
IFRS 3 'Definition of a business' Amendment to IFRS 3	January 1, 2020
IAS 1/IAS 8 'Definition of Material' (Amendments to IAS 1 and IAS 8)	January 1, 2020
Various Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020

The Company is in the process of assessing the impact of these standards, amendments and interpretations to the published standards on the financial statements of the Company.

3.4 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 17 - Insurance Contracts	January 1, 2022
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 1, 2009



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

4 USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan require management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, incomes and expenses. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these financial statements or judgments were exercised in application of accounting policies are as follows:

4.1 Useful lives, patterns of economic benefits and impairments - property and equipment and intangibles

Estimates with respect to residual values, useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment and intangibles, with a corresponding effect on the depreciation and amortization charge and impairment.

4.2 Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of the appellate authorities on certain issues in the past.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies and methods of computation have been consistently applied to all the periods presented, unless otherwise stated.

5.1 Creditors, accruals and provisions

Provisions including accruals are recognized when the Company has a present, legal or constructive obligation as a result of past events and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

5.2 Cash and bank

Cash and bank are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank deposited in Company's bank accounts.

5.3 Financial instruments

Financial instruments carried on the statement of financial position include cash and bank, investments, loan and other receivable, retirement benefit obligations and other creditors and accruals. Financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on the de-recognition of the financial assets and liabilities is included in the profit and loss account currently. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

5.3.1 Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortized cost or cost as the case may be.

Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit and loss ("FVTPL")
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortized cost

The Company determines the classifications of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit and loss ("FVTPL"), or
- at amortized cost

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instrument held for trading or derivatives) or the Company has opted to measure them at FVTPL.

5.3.2 Subsequent measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income.

ii) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit and loss account. Realized and unrealized gains and losses arising from changes in the fair value of financial assets and liabilities held at FVTPL are included in the profit and loss account in the period in which they arise.

Where the management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income. Currently, there are no financial liabilities designated at FVTPL.



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

5.3.3 Derecognition

i) Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable recognized in the profit and loss account. In addition, on derecognition of an investment in a debt

instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve reclassified to the profit and loss account. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the profit and loss account, but is transferred to statement of changes in equity.

ii) Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the profit and loss account.

5.3.4 Date of recognition

Regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognized at the trade date. Trade date is the date on which the Company commits to purchase or sell the investment.

5.4 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any.

Deferred

Deferred tax is accounted for by using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in these financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in the profit and loss account, except to the case that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

5.5 Property and equipment

Property and equipment are stated at cost signifying historical cost less accumulated depreciation and any accumulated impairment loss. The useful lives, residual values and depreciation method are reviewed, and adjusted if appropriate, at each statement of financial position date. Depreciation is charged to income applying reducing balance method except for vehicles which are depreciated using the straight line method at the rates specified for calculation of depreciation in note 7 to these financial statements.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit and loss account as and when incurred.

Depreciation on additions is charged from the month the assets are available for use while on disposals, depreciation is charged up to the month in which the assets are disposed off.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that this carrying value may not be recoverable. If any such indications exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the assets disposed off. These are included in the profit and loss account currently.

5.6 Intangibles

Intangibles are stated initially at cost. After initial recognition, an intangible asset is carried at cost less any accumulated amortization and any accumulated impairment loss.

Amortization is based on its useful life. The Company assesses whether the useful life of the intangible asset is finite or infinite. In case of finite life, amortization is charged to income on a systematic basis over its useful life.

Amortization shall begin when the asset is available for use. Amortization shall cease at the earlier of the date asset is classified as held for sale and the date the asset is derecognized.



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

Method for amortization shall reflect the pattern in which asset's future economic benefits are expected to be consumed. If pattern is not determinable, then straight line method is used.

Intangible asset arising from development phase are recognized separately. Moreover, expenditure on research phase are recognized as expense when it is incurred.

Amortization is charged to income applying straight line method with the useful life of seven years.

5.7 Revenue

i) Return on fixed income investments

Return on fixed income securities classified as held to maturity is recognized on a time proportion basis.

ii) Dividend

Dividend income is recognized when the Company's right to receive the dividend is established.

iii) Return on bank deposits

Return on bank deposits is recognized on accrual basis in accordance with the contractual terms.

5.8 Foreign currencies

Transactions in foreign currencies are accounted for in Pak Rupees at the rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date. Exchange differences are taken to the profit and loss account currently.

5.9 Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the board of directors.

5.10 Off setting

Financial asset and financial liability are offset and the net amount is reported in the statement of financial position when the Company has a legally enforceable right to set-off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

5.11 Impairment of assets

Financial assets

The Company recognizes loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost and FVTOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determine to have low credit risk at the reporting date, in which case twelve months' ECL is recorded. The following were either determine to have low or there was no credit risk since initial recognition and at the reporting date:

- bank balances;
- employee receivable; and
- other receivables.

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve months ECLs are portion of ECL that result from default events that are possible within twelve months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash short falls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in entirety or a portion thereof.

Non - financial assets

The carrying amount of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds the recoverable amount.

Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the assets in prior year. Such reversal is recognized in profit and loss account.



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

5.12 Staff retirement benefits

Actuarial gains and losses are recognized in other comprehensive income (OCI) in the periods in which they occur. Amounts recorded in the profit and loss account are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit obligation are recognized directly in other comprehensive income with no subsequent recycling through the profit and loss account.

5.13 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the board of directors) who is responsible for allocating resources and assessing performance of the operating segments.

Since the Company has not yet started underwriting operations, the segment reporting cannot be presented in these financial statements.

5.14 Ordinary share Capital

Ordinary shares are classified as equity.

5.15 General

Figures have been rounded off to the nearest rupee unless otherwise stated.

5.16 Transaction

All transactions involving related parties arising in the normal course of business are conducted at agreed or commercial terms and conditions.

6 CHANGES IN ACCOUNTING POLICIES

6.1 IFRS 9 - Financial Instrument

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instrument, impairment of financial assets and hedge accounting. The adoption of IFRS 9 from January 01, 2019 resulted in changes in accounting policies and adjustments to the amount recognized in the financial statements. The new accounting policies are set out in the note 5.3 above. In accordance with the transitional provisions in IFRS 9, corresponding figures have not been restated.

Classifications and remeasurement

On January 01, 2019 (the date of initial application of IFRS 9), the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for the Company's financial assets and financial liabilities as at January 01, 2019.



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

Financial Assets	Original Classification Under IAS 39	New Classification Under IFRS 09
Investments	Held to maturity	Amortized cost
Loans and other receivables	Loans and receivables	Amortized cost
Cash and bank	Loans and receivables	Amortized cost
Financial Liabilities Under IAS 39	Original Classification Under IFRS 09	New Classification Under IFRS 09
Other creditors and accruals	Other financial liabilities	Amortized cost

In relation to impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

There is no impact on the Company's statement of changes in equity as a result of the above changes.

6.2 IFRS 15 - Revenue from contracts with customers

The adoption of IFRS 15 did not impact the timing or amount of dividend, profit, markup and other investment income and related assets and liabilities recognized by the Company. Accordingly, there is no impact on comparative information.

6.3 IFRS 16 - Leases

The adoption of IFRS 16 did not impact the accounting treatment of property and equipment and related assets and liabilities recognized by the Company. Accordingly, there is no impact on comparative information.

	Note	2019	2018
		----- Rupees -----	
7 PROPERTY AND EQUIPMENT			
Operating assets	7.1	<u>2,069,116</u>	<u>2,349,325</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

7.1 Operating Assets

	2019				
	Computer & related accessories	Motor vehicles	Furniture and fittings	Office equipment	Total
Rupees.....				
Opening net book value	184,874	1,847,159	102,386	214,906	2,349,325
Additions	-	-	-	441,178	441,178
Disposals					
Cost	-	1,884,500	-	-	1,884,500
Accumulated depreciation	-	(1,884,500)	-	-	(1,884,500)
	-	-	-	-	-
Impairment charge for the year	-	-	-	(138,560)	(138,560)
Depreciation charge for the year	(55,463)	(472,108)	(20,477)	(34,779)	(582,827)
Closing net book value	<u>129,411</u>	<u>1,375,051</u>	<u>81,909</u>	<u>482,745</u>	<u>2,069,116</u>
As at December 31, 2019					
Cost	638,015	2,203,500	486,950	888,378	4,216,843
Accumulated depreciation	(508,604)	(828,449)	(405,041)	(267,073)	(2,009,167)
Accumulated impairment	-	-	-	(138,560)	(138,560)
Net book value	<u>129,411</u>	<u>1,375,051</u>	<u>81,909</u>	<u>482,745</u>	<u>2,069,116</u>
Depreciation rate per annum	30%	20%	20%	10%	

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2018				
	Computer & related accessories	Motor vehicles	Furniture and fittings	Office equipment	Total
	Rupees				
Opening net book value	228,171	798,117	127,982	238,784	1,393,054
Additions	25,799	2,169,500	-	-	2,195,299
Disposals					
Cost	-	1,728,500	-	-	1,728,500
Accumulated depreciation	-	(1,440,417)	-	-	(1,440,417)
	-	(288,083)	-	-	(288,083)
Depreciation charge for the year	(69,096)	(832,375)	(25,596)	(23,878)	(950,945)
Closing net book value	<u>184,874</u>	<u>1,847,159</u>	<u>102,386</u>	<u>214,906</u>	<u>2,349,325</u>
As at December 31, 2018					
Cost	638,015	4,088,000	486,950	447,200	5,660,165
Accumulated depreciation	(453,141)	(2,240,841)	(384,564)	(232,294)	(3,310,840)
Net book value	<u>184,874</u>	<u>1,847,159</u>	<u>102,386</u>	<u>214,906</u>	<u>2,349,325</u>
Depreciation rate per annum	30%	20%	20%	10%	

7.1.1 The disposal of fully depreciated vehicle of Company owned Toyota Corolla (CEO as custodian) amounting to Rs. 1,340,000 which is also the gain on disposal.

8 INTANGIBLE ASSET	Note	2019	2018
		Rupees	
Cost		3,810,000	3,810,000
Less: Amortization			
- Opening		(1,191,380)	(659,190)
- Charge for the year		(544,286)	(532,190)
- Closing	5.6	(1,735,666)	(1,191,380)
Balance as at December 31, 2019		<u>2,074,334</u>	<u>2,618,620</u>



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	2019	2018
		----- Rupees -----	
9 INVESTMENTS - DEBT SECURITIES			
At amortized cost			
Treasury bills	9.1	<u>629,951,339</u>	<u>594,311,244</u>

9.1 Face value

Face value		Tenure (days)	Maturity	Coupon Percentage	Amortized cost	
2019	2018				2019	2018
----- Rupees -----					----- Rupees -----	
250,000,000	250,000,000	84	16-Jan-20	13.25%	248,590,857	248,980,862
140,000,000	250,000,000	84	13-Feb-20	13.46%	137,796,553	247,342,054
250,000,000	100,000,000	84	12-Mar-20	13.45%	243,563,929	97,988,328
<u>640,000,000</u>	<u>600,000,000</u>				<u>629,951,339</u>	<u>594,311,244</u>

9.2 The market value of these treasury bills as at December 31, 2019 is Rs. 636,589,696 (2018 : Rs. 593,661,350).

	Note	2019	2018
		----- Rupees -----	
10 LOANS AND OTHER RECEIVABLES			
Income accrued on bank deposits		1,386,356	1,774,325
Security deposit		255,000	255,000
House loan to employee - amortized cost	10.1	5,676,657	-
Advance salary		-	9,000
		<u>7,318,013</u>	<u>2,038,325</u>



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	2019	2018
		----- Rupees -----	
10.1 Amortized cost			
Loan to employee	10.2	9,916,993	-
Less: present value adjustment	10.3	(4,240,336)	-
		<u>5,676,657</u>	<u>-</u>
10.2 Movement during the year			
Opening		-	-
Issuance	10.3	10,000,000	-
Less: Repayment	10.3	(83,007)	-
		<u>9,916,993</u>	<u>-</u>
10.3 This represents house loan of Rs. 10 million to Chief Financial Officer @ 3% per annum which is secured against 1% (of loan amount) equitable registered mortgage . The market rate of interest is 13.25% per annum which is used as discount rate for present value adjustment. Loan to be adjusted from monthly salary in 145 equal installments.			
11 DEFERRED TAXATION			
Deferred tax (liabilities)/assets arising in respect of:			
- accelerated depreciation on property and equipment		183,887	1,166,408
- amortization		39,285	193,506
- fair value loss on house loan to employee		1,229,697	-
- provision for impairment		40,182	-
- provision for Sindh Workers Welfare Fund due but not paid		665,882	113,471
- provision for retirement benefit due but not paid		1,622,399	391,506
		<u>3,781,332</u>	<u>1,864,891</u>
11.1 Movement in deferred tax asset during the year			
Balance at beginning of the year		1,864,891	1,504,202
Charge to profit and loss account during the year		2,014,864	414,836
Charge to other comprehensive income during the year		(98,423)	(54,147)
		<u>1,916,441</u>	<u>360,689</u>
Balance at end of the year		<u>3,781,332</u>	<u>1,864,891</u>



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	2019	2018
		----- Rupees -----	
12 PREPAYMENTS			
Prepaid rent		45,795	32,664
Prepaid professional tax		107,000	100,600
		<u>152,795</u>	<u>133,264</u>
13 CASH AND BANK			
Current account		10,000	10,000
National income daily account (NIDA)		22,683,683	28,006,406
	13.1	<u>22,693,683</u>	<u>28,016,406</u>

13.1 These bank accounts are maintained with National Bank of Pakistan (a related party). The mark-up on NIDA is calculated on daily basis on the previous day's account balance @ 8% to 11.25% (2018: 3.75% to 5.50%) and credited on a semi-annual basis.

14 AUTHORIZED SHARE CAPITAL

2019	2018		2019	2018
(Number of shares)			----- Rupees -----	
<u>125,000,000</u>	<u>125,000,000</u>	Ordinary shares of Rupees 10 each fully paid in cash	<u>1,250,000,000</u>	<u>1,250,000,000</u>
		Ordinary shares of Rupees 10 each fully paid in cash	<u>500,000,000</u>	<u>500,000,000</u>

14.1 Ordinary share capital

14.2 These includes:

14.2.1 4,481,500 ordinary shares (2018: 4,481,500 ordinary shares) of the Company are held by National Bank of Pakistan.

14.2.2 9,000,000 ordinary shares (2018: 9,000,000 ordinary shares) of the Company are held by NBP Staff Welfare Foundation.

14.2.3 5,000,000 ordinary shares (2018: 5,000,000 ordinary shares) of the Company are held by NBP Employees Benevolent Fund.

14.2.4 16,000,000 ordinary shares (2018: 16,000,000 ordinary shares) of the Company are held by NBP Employees Pension Fund.



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

14.2.5 Capital risk management policies and procedures

The Company's objective when managing the capital are:

- To be an appropriately capitalized institution in compliance with the paid-up capital requirement set by the SECP. Minimum paid-up capital requirement for non-life insurers as at December 31, 2019 is Rs. 500 million. The Company's current paid-up capital meet the limit as prescribed by the SECP;
- to safeguard its ability to continue as a going concern so that it can continue to provide return to shareholders and benefits to other stakeholders; and
- to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to shareholders, issue new shares and adopt other means commensuration to the circumstances.

15 RETIREMENT BENEFIT OBLIGATIONS

The Company operates an unfunded gratuity scheme, a defined benefit scheme, for all employees up to the age of 60 years. The latest valuation was carried out as at December 31, 2019 by an independent actuary - M/S Akhtar & Hassan (Private) Limited.

The employees who have completed one year of their service with the Company are eligible for the scheme. Provision is made in these financial statements on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method.

The defined benefit plans expose the Authority to various risks including actuarial risks such as interest rate risk, investment risk, longevity risk and inflation risk.

	Note	2019	2018
		-----	-----
		Rupees	
15.1 Reporting date position			
Present value of defined benefit	15.2	<u>5,594,478</u>	<u>4,022,096</u>



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	2019	2018
		----- Rupees -----	
15.2 Movement in net liability			
Opening balance		4,022,096	2,696,365
Charge for the year	15.4	1,911,773	1,512,445
Premeasurements recognized in statement of comprehensive income		(339,391)	(186,714)
Closing balance		5,594,478	4,022,096
15.3 Movement in present value of defined benefit obligation			
Present value as at January 01		4,022,096	2,696,365
Current service cost		1,306,761	1,244,974
Interest cost		605,012	267,471
Actuarial (gain)/ loss:			
- due to change in financial assumption		(50,062)	67,152
- due to change in experience adjustments	15.5	(289,329)	(253,866)
		(339,391)	(186,714)
Present value as at December 31		5,594,478	4,022,096
15.4 The amounts charged in profit and loss account are as follows:			
Current service cost		1,306,761	1,244,974
Interest cost		605,012	267,471
Expense for the year		1,911,773	1,512,445
15.5 The amount charged in other comprehensive income is as follows:			
Actuarial gain on obligation	15.3	(339,391)	(186,714)
Related deferred tax		98,423	54,147
		(240,968)	(132,567)



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
15.6 Following significant assumptions have been used for valuation of this scheme:		
Significant actuarial valuation assumptions		
Financial assumptions		
- Discount rate percentage	11.25%	13.3%
- Long term salary increase rate percentage	11.25%	13.3%
Demographic assumptions		
- Mortality rate (for death in service)	SLIC(2001-05)-1	SLIC(2001-05)-1
- Rate of employee turnover	Moderate	Moderate
15.7 Sensitivity analysis of assumptions		
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts as under:		
	Note	
	2019	2018
	-----	-----
	Rupees	Rupees
15.8 Maturity analysis of undiscounted payments for future years		
For the first year after year-end	3,113,531	183,780
For the second year after year-end	162,828	3,295,518
For the third year after year-end	188,995	168,702
For the fourth year after year-end	217,761	199,393
For the fifth year after year-end	249,938	233,934
For the period from sixth to tenth year after year-end	1,067,905	1,233,911
16 OTHER CREDITORS AND ACCRUALS		
Bills payable	17,367	11,590
Retirement benefit payable to employee	28,002	28,002
Provision for Sindh Workers Welfare Fund	16.1 2,296,144	1,350,019
Audit fee payable	196,297	160,719
Directors' meeting fee payable	20.2 125,000	50,000
Other payable	42,874	48,303
	<u>2,705,684</u>	<u>1,648,633</u>



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

16.1 As per 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, is required to pay Sindh Workers Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income.

The Management is of the view that the Company does not actually fall under the scope of Sindh WWF Act 2014 and neither has been registered under the Insurance Ordinance 2000 nor has commenced business. However, the management has obtained an opinion in 2017 with this respect from a well reputed Lawyer, and for the sake of prudence it has kept the provision and further provided for the current year under Sindh WWF Act 2014.

17 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2019 (2018 : Nil).

	Note	2019	2018
		-----	-----
		Rupees	
18 INVESTMENT INCOME			
At amortized cost			
Return on debt securities - treasury bills		70,250,943	24,982,401
Return on term deposits		-	11,075,196
		<u>70,250,943</u>	<u>36,057,597</u>
19 OTHER INCOME			
Gain on disposal of vehicle	7.1.1	1,340,000	-
Interest income on house loan	10.3	316,168	-
Other income	120	-	-
		<u>1,656,288</u>	<u>-</u>



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	2019	2018
		----- Rupees -----	
20 GENERAL AND ADMINISTRATION EXPENSES			
Salaries, allowances and other benefits	20.1 and 20.2	20,683,500	19,096,240
Charges for post employment benefit	15.4	1,911,773	1,512,445
Legal and professional charges		672,051	475,151
Advertisement		24,891	10,920
Auditors' remuneration	20.4	222,109	172,714
Depreciation	7.1	582,827	950,945
Amortization	8	544,286	532,190
Insurance		114,655	103,277
Rent, rates and taxes		1,987,629	1,777,303
Printing & stationery		556,197	462,887
Utilities		630,148	647,708
Repair and maintenance		85,264	64,100
Entertainment		75,321	79,348
Postage and periodicals		212,350	214,100
Travelling expense		86,759	164,994
Sindh workers welfare fund		946,125	283,488
Vehicle running expense		36,930	61,330
Impairment of office equipment		138,560	-
Miscellaneous		319,991	287,613
		29,831,366	26,896,753
20.1 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES			
Chief Executive Officer			
Managerial remuneration and other benefits		12,621,993	11,745,202
Number of persons		1	1
Director			
Fee		150,000	125,000
Number of persons		1	1
Executives			
Managerial remuneration and other benefits		8,160,976	7,307,024
Number of persons		3	3
20.2 Rs.150,000 charged for attending the board meetings by one of the directors during the year (2018: Rs.125,000).			
20.3 In addition to above, one of the executives is provided a company maintained car.			



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	2019	2018
		----- Rupees -----	----- Rupees -----
20.4 Auditors' remuneration			
Annual audit fee		160,719	146,108
Out of pocket expenses including government levy		61,390	26,606
		<u>222,109</u>	<u>172,714</u>
21 FINANCE COST			
Fair value loss		4,240,336	-
Bank charges		1,225	2,857
		<u>4,241,561</u>	<u>2,857</u>
22 INCOME TAX EXPENSE			
Current tax		13,718,817	4,110,583
Prior year tax		58,847	172,755
Deferred tax		(2,014,864)	(414,836)
		<u>11,762,800</u>	<u>3,868,502</u>
22.1 The relationship between accounting profit and tax expense is as follows			
Profit before taxation		<u>41,201,712</u>	<u>12,457,988</u>
Tax at the applicable rate at 29% (2018: 29%)		11,948,496	3,612,817
Tax effect of:			
Prior year tax		58,847	172,755
Change in rate adjustment		-	50,140
Others		(244,543)	32,790
		<u>11,762,800</u>	<u>3,868,502</u>
23 EARNINGS PER SHARE			
Profit after tax		<u>29,438,912</u>	<u>8,589,486</u>
		----- Shares -----	----- Shares -----
Number of ordinary shares		50,000,000	50,000,000
		----- Rupees -----	----- Rupees -----
Earnings per share		<u>0.59</u>	<u>0.17</u>

No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

24 FINANCIAL INSTRUMENTS

Financial instruments consist of financial asset and financial liabilities.

Financial asset of the Company including investments, loan and other receivables and cash and cash equivalent. Financial liabilities of the Company include retirement benefit obligations and other creditors and accruals.

	Note	2019		2018	
		At amortised cost	Total	At amortised cost	Total
		Rupees		Rupees	
Assets					
Investments	9	629,951,339	629,951,339	594,311,244	594,311,244
Loans and other receivables	10	7,318,013	7,318,013	2,029,325	2,029,325
Cash and bank	13	22,693,683	22,693,683	28,016,406	28,016,406
		<u>659,963,035</u>	<u>659,963,035</u>	<u>624,356,975</u>	<u>624,356,975</u>

	Note	2019		2018	
		At amortised cost	Total	At amortised cost	Total
		Rupees		Rupees	
Liabilities					
Other creditors and accruals	16	381,538	381,538	270,612	270,612



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

25 FINANCIAL RISK MANAGEMENT

25.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the board of directors (the board). The board provides principles for the overall risk management, as well as policies covering specific areas such as price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by the factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risk.

(ii) Interest rate risk

The company invests in securities and has deposits that are subject to interest / mark-up rate risk. Interest / mark-up rate risk to the company is the risk of changes in market interest / mark-up rates reducing the overall return on its interest bearing securities. The company limits interest / mark-up rate risk by monitoring changes in interest / mark-up rates in the currencies in which its cash and investments are denominated. The following table provides information about the exposure of the company to interest / mark-up rate risk at the balance sheet date based on contractual re-pricing or maturity dates which ever is earlier:

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

		2019							
		Mark-up / interest bearing financial instruments			Non-mark-up / interest bearing financial instruments	Total			
	Effective interest per annum	Upto one year	Over one year to five years	Over five years	Sub total				
Note	Percentage								
-----Rupees -----									
Financial assets									
Investments - debt securities	9 13.25 to 13.45	629,951,339	-	-	629,951,339	-	629,951,339		
Loans and other receivables	10	-	-	-	-	7,318,013	7,318,013		
Cash and bank	13 8 to 11.25	22,683,683	-	-	22,683,683	10,000	22,693,683		
Total		652,635,022	-	-	652,635,022	7,328,013	659,963,035		
Financial liabilities									
Other creditors and accruals	16	-	-	-	-	381,538	381,538		
Total		-	-	-	-	381,538	381,538		
Interest rate sensitivity gap		<u>652,635,022</u>	<u>-</u>	<u>-</u>	<u>652,635,022</u>	<u>6,946,475</u>	<u>659,581,497</u>		
Cumulative Interest rate sensitivity gap		<u>652,635,022</u>	<u>-</u>	<u>-</u>	<u>652,635,022</u>	<u>6,946,475</u>	<u>659,581,497</u>		
		2018							
		Mark-up / interest bearing financial instruments			Non-mark-up / interest bearing financial instruments	Total			
	Effective interest per annum	Upto one year	Over one year to five years	Over five years	Sub total				
Note	Percentage								
-----Rupees -----									
Financial assets									
Investments	9 6.26 to 10.30	594,311,244	-	-	594,311,244	-	594,311,244		
Loans and other receivables	10	-	-	-	-	2,029,325	2,029,325		
Cash and bank	13 3.75 to 5.50	28,006,406	-	-	28,006,406	10,000	28,016,406		
Total		622,317,650	-	-	622,317,650	2,039,325	624,356,975		
Financial liabilities									
Other creditors and accruals	16	-	-	-	-	270,612	270,612		
Total		-	-	-	-	270,612	270,612		
Interest rate sensitivity gap		<u>622,317,650</u>	<u>-</u>	<u>-</u>	<u>622,317,650</u>	<u>1,768,713</u>	<u>624,086,363</u>		
Cumulative Interest rate sensitivity gap		<u>622,317,650</u>	<u>-</u>	<u>-</u>	<u>622,317,650</u>	<u>1,768,713</u>	<u>624,086,363</u>		



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

(b) Credit risk and concentration of credit risk

Credit risk is the risk that arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in various industries and by continually assessing the credit worthiness of counterparties.

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in similar manner. The company's credit risk exposure is not significantly different from that reflected in the financial statements. The management monitors and limits the company's exposure to credit risk through monitoring of client's exposure and conservative estimates of provisions for doubtful assets, if any. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors and backed by government of Pakistan.

The carrying amount of financial assets represents the maximum credit exposure as specified below:

	Note	2019	2018
----- Rupees -----			
Investments	9	629,951,339	594,311,244
Loans and other receivables	10	7,318,013	2,029,325
Cash and bank	13	22,693,683	28,016,406
		<u>659,963,035</u>	<u>624,356,975</u>

The Company did not hold any collateral against the above during the year. General provision is made for receivables according to the company's policy. The impairment provision is written off when the company expects that it cannot recover the balance due.

The credit quality of the Company's cash and bank balances can be assessed with reference to external credit ratings as follows:

	Rating			2019	2018
	Short term	Long term	Rating agency		
National Bank of Pakistan	A1+	AAA	PACRA	<u>22,693,683</u>	<u>28,016,406</u>



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

25.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Company is not subject to significant liquidity risk as it has sufficient cash and bank balances to meet its working capital requirements.

26 Fair value measurement

IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

LEVEL 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities. Level 1 assets and liabilities are one way to measure the strength and reliability of an entity's balance sheet.

LEVEL 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. Level 2 assets and liabilities are commonly held by private equity firms, insurance companies and other financial institutions that have investment arms.

LEVEL 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. These assets and liabilities are not actively traded, and their values can only be estimated using a combination of complex market prices, mathematical models and subjective assumptions.

There were no financial instruments at the year end whose fair value is significantly different from their carrying value.

	Level 1	Level 2	Level 3
	----- Rupees -----		
2019			
Financial cost at amortized cost			
Treasury bills	-	629,951,339	-
	<u>-</u>	<u>629,951,339</u>	<u>-</u>
	Level 1	Level 2	Level 3
	----- Rupees -----		
2018			
Financial cost at amortized cost			
Treasury bills	-	594,311,244	-
	<u>-</u>	<u>594,311,244</u>	<u>-</u>



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

26.1 Insurance risk

Insurance risk signifies the risk which the Company may face under insurance contracts because the actual claims and benefit payments or the timing thereof may differ from expectations. This is typically influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of claims etc. Since the Company has not started insurance activities, it has not taken any exposure against insurance contracts till the year-end. Therefore, the Company is not subject to insurance risk.

27 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of directors and their close family members; key management personnel and major shareholders of the Company. The associated companies are associated either based on holding in equity or due to the same management and / or common directors. All transactions involving related parties arising in the normal course of business are conducted at agreed terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements. Balances, including investments in associates, are disclosed in relevant notes to these financial statements. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	2019	2018
	----- Rupees -----	
National Bank of Pakistan - associated company - refer note 1.3		
<i>-Transactions</i>		
Profit on bank deposits	<u>3,367,408</u>	<u>3,300,001</u>
Investment income	<u>-</u>	<u>11,075,196</u>
Bank charges	<u>(1,225)</u>	<u>(2,857)</u>
Rent expense - Lahore office	<u>103,180</u>	<u>95,986</u>
<i>-Balances</i>		
Receivable against bank deposits	<u>1,386,356</u>	<u>1,774,325</u>
Cash and bank	<u>22,693,683</u>	<u>28,016,406</u>
Investment	<u>629,951,339</u>	<u>594,311,244</u>
Prepaid rent	<u>25,795</u>	<u>32,664</u>



National Assets Insurance Ltd.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
	----- Employees -----	
28 NUMBER OF EMPLOYEES		
At year end	<u>6</u>	<u>6</u>
Average	<u>6</u>	<u>6</u>

29 SUBSEQUENT EVENTS

There is no subsequent event.

30 AUTHORIZATION FOR ISSUE

These financial statements have been approved and authorized for issue by the board of directors of the Company in their meeting dated March 17, 2020.

Javed Muslim
Chief Executive Officer

Tariq Jamali
Chairman

Muhammad Umair Bhaur
Chief Financial Officer

Usman Shahid
Director

Wajahat A. Baqai
Director



National Assets Insurance Ltd.

PATTERN OF SHAREHOLDING

No. of shareholders	From	To	Total Shares Held	% of Capital
15485	1	1000	15,485,000	30.97%
3	1001	2000	33,500	0.07%
1	2001	4500000	4,481,500	8.96%
1	4500001	5000000	5,000,000	10.00%
1	5000001	9000000	9,000,000	18.00%
1	9000001	16000000	16,000,000	32.00%
			<u>50,000,000</u>	<u>100%</u>

Categories of Shareholders

Description	No. of Shareholders	Shares Held	% of Capital
Individuals	15,488	15,518,500	31.04%
NBP	1	4,481,500	8.96%
NBP Staff Welfare Foundation	1	9,000,000	18.00%
NBP Employees Benevolent Fund	1	5,000,000	10.00%
NBP Employees Pension Fund	1	16,000,000	32.00%
	<u>15,492</u>	<u>50,000,000</u>	<u>100%</u>



National Assets Insurance Ltd.

NOTICE UNDER SECTION 244(1)(B) OF THE COMPANIES ACT 2017

Notice is hereby given that the shares issued by the Company, the details of which will be shortly available on www.nail.com.pk could not reach the owners even after exhaustive efforts and have been returned to the Company.

This notice is being sent on the last known addresses of the shareholders by registered post acknowledgement due so that the shareholders could submit their claims within three months to the Company.

The Company hereby invites claims from the shareholders to be lodged within 90 days to our Head Office or Share Registrar at following addresses.

The shares against which claims will not be received within the given period, shall be treated by the Company as per the requirements of subject section of the Companies Act 2017.

SHARE REGISTRAR

THK Associates (Pvt.) Ltd.
Share Transfer Office
1st floor, 40-C, Block 6, P.E.C.H.S.
Karachi

HEAD OFFICE

National Assets Insurance Limited
3rd floor, Plot # 78-C
Khayaban-e-Jami, Phase VII
Karachi

M. UMAIR BHAUR
Company Secretary



National Assets Insurance Ltd.

Proxy Form

I/We, _____ of _____ being member of “National Assets Insurance Limited” and holder of _____ ordinary shares as per Share Register Folio No. _____ hereby appoint _____ of _____ at my/our proxy to attend, speak and vote for me/us and on my/our behalf at the 11th Annual General Meeting of the Company to be held at 78/C, Khayaban-e-Jami, Phase-VII, D.H.A, Karachi, on 14 May 2020 at 11:00 a.m., to transact the business as mentioned in the notice of this AGM on page no. 2.

Signed this _____ day of _____, 2020.

Witness:

1. Signature _____
Name _____
Address _____
CNIC No. _____
2. Signature _____
Name _____
Address _____
CNIC No. _____

Signature
on Revenue
Stamp of Rs.5/-

Notes:

1. The proxy form in order to be valid must be signed across five rupees revenue stamp and should be deposited with the company not later than 48 hours before the time of holding the meeting.
2. The proxy must be a member of the company.
3. Signature should agree with the specimen signature, registered with the company.
4. The Register of members will remain closed from 07 May 2020 to 14 May 2020 (both days inclusive).

BOOK POST

If undelivered, please return to:

NATIONAL ASSETS INSURANCE LIMITED

Plot # 78-C, 3rd Floor, Main Khayaban-e-Jami,
Phase-VII, D.H.A. Karachi

Tel: (92-21) 3531 4286, Fax: (92-21) 3531 4288

E-mail: jehanzaib@nail.com.pk Web: www.nail.com.pk