

2025  
Annual Report



REINSURANCE EXCELLENCE



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# ABOUT US

The Namibian insurance industry witnessed a lack of reinsurance capacity for a very long time. This meant that most insurance companies had to buy reinsurance business from abroad. This resulted in large volumes of capital outflow from Namibia to countries overseas.

It is against this background that Namibia National Reinsurance Corporation was established by an Act of Parliament (Act No.22 of 1998) to become a truly Namibian enterprise tasked with carrying out reinsurance business in Namibia.

## VISION

We shall be the best reinsurer, the best employer and the best public enterprise.

## MANDATE

To provide reinsurance services and to minimise the placement of insurance and reinsurance business outside the borders of Namibia.

## MISSION

To mould and refine our business philosophy to unlock the full potential of the value chain, influencing and shaping the markets in which we operate, serve our clients.

NamibRe prides itself with the highest commitment to core business principles, compliance to legal requirements and governance, commitment to business ethics and conduct. We are committed to conduct our business dealings with all stakeholders, beneficiaries and communities with the utmost transparency and integrity. Moreover, our value system extends to our internal stakeholders, our most valuable asset, our staff members. Our values are therefore:



### AGILITY

NamibRe is an agile company and we anticipate, respond and adapt to environmental changes in a seamless way as we see change as a continuous process.



### SUSTAINABILITY

We are dedicated to creating sustainable value. We create wealth while respecting the environment, enhancing our employees' lives, and contributing to our communities. Our success is evidenced through our continuous financial growth and our contribution to a sustainable world.



### INNOVATION

We strive to utilise technology as a tool to challenge traditional beliefs and develop novel solutions for our stakeholders.



### UBUNTU

We cultivate a conducive, respectful and responsible environment for all staff members to thrive as a team with dignity and co-responsibility.



### ETHICAL LEADERSHIP

We set ourselves apart by our conscious efforts to set a positive example of behaviour, to build trust, to be reliable and transparent in decision-making.

# OUR VALUES

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# FOREWORD BY THE CHAIRPERSON OF THE BOARD

On behalf of the Board of Directors, I am pleased to present the Namibia National Reinsurance Corporation Limited's (NamibRe) Annual Report for the financial year ended **31 March 2025**.

The year under review was defined by strong financial performance, operational discipline, and the successful embedding of strategic and financial reforms. Despite continued global and regional economic uncertainty, heightened climate-related risks, and evolving regulatory requirements, NamibRe remained firmly focused on its mandate as Namibia's national reinsurer. Sound underwriting practices, disciplined risk management, and prudent capital stewardship continued to underpin sustainable value creation for our shareholder and broader stakeholders.

A key achievement during the year was the **successful and stable implementation of International Financial Reporting Standard (IFRS) 17**. Following its initial adoption, the 2025 financial year marked the first full period in which IFRS 17 was operationally embedded across the Corporation's financial, actuarial, and reporting processes. The Board is satisfied that IFRS 17 has enhanced the transparency, comparability, and robustness of NamibRe's financial reporting, while strengthening the linkage between risk, performance, and capital management. This achievement reflects the commitment of Management and technical teams to sound governance, rigorous controls, and international best practice.

The Corporation delivered a strong financial outcome, recording a **profit after tax of N\$90.5 million** for the year. This performance was supported by continued growth in underwriting activity, improved investment outcomes, and disciplined cost management. **Total assets increased to N\$1.08 billion**, reflecting balance sheet strength and prudent asset allocation, while **shareholder equity rose to N\$382.3 million**, reinforcing NamibRe's capital adequacy and long-term financial sustainability. Insurance revenue growth further reflects the Corporation's expanding risk portfolio and improved business mix under the evolving reinsurance market framework.

Strategically, the year represented an important phase in the execution of NamibRe's **Integrated Strategic Business Plan (ISBP) for the period 1 April 2024 to 31 March 2029**. The focus shifted from strategy formulation to **strategy execution**, with deliberate efforts to align operational performance with strategic priorities. Central to this approach was the development and refinement of **performance monitoring tools**, enhanced management dashboards, and improved reporting mechanisms to track progress against ISBP objectives. A key milestone include the alignment of the performance management and performance bonus policy to the balanced scorecard methodology.

NamibRe's credit profile remained stable during the year. The Corporation's Insurance Financial Strength Rating and Baseline Credit Assessment continue to reflect its solid business fundamentals, prudent capital management, and the strategic importance of its role within Namibia's financial system.

Looking ahead, the Board remains confident in NamibRe's strategic direction. The Corporation's mandate as Namibia's national reinsurer remains both relevant and critical in strengthening the resilience of the insurance sector and supporting broader economic development. Our focus remains on building a financially strong, operationally agile, and strategically aligned institution that delivers sustainable value.

On behalf of the Board of Directors, I extend my sincere appreciation to Management and staff for their professionalism, resilience, and commitment during the year. We also thank the Namibian insurance industry, our business partners, and technical advisors for their continued collaboration. We are grateful to our shareholder, the Ministry of Finance, for its guidance and support, and to the regulator, NAMFISA, for its ongoing oversight.

Together, we remain committed to advancing NamibRe's vision of becoming **the best reinsurer, the best employer, and the best public enterprise**, while delivering long-term value to Namibia and its people.



**Mr. Daniel Kisting**  
Chairperson of the Board of Directors  
Namibia National Reinsurance Corporation Limited



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# MESSAGE FROM THE MANAGING DIRECTOR

It is my privilege to present the Annual Report of the Namibia National Reinsurance Corporation Limited (NamibRe), prepared in accordance with Section 36(1) of the Namibia National Reinsurance Corporation Act (Act No. 22 of 1998).

This report presents the audited financial statements for the year ended 31 March 2025 and highlights the key operational, governance and strategic milestones achieved during the period under review.

## Operating Environment

The year under review was characterised by a dynamic and evolving economic landscape, shaped by both emerging opportunities and structural challenges within Namibia and the broader global economy.

Namibia continues to navigate a complex macroeconomic environment marked by inflationary pressures, climate-related risks such as recurring drought and flood conditions, and volatility in global commodity markets. At the same time, the country stands at the threshold of transformative economic change following significant offshore oil and gas discoveries. These developments have positioned Namibia as an emerging energy frontier market, attracting increased foreign direct investment and creating new prospects for infrastructure development, skills transfer and sectoral diversification.

The discovery of oil and gas resources has profound implications for the financial services sector, particularly insurance and reinsurance, as the industry prepares to underwrite increasingly complex and capital-intensive risks. This evolving risk landscape presents both opportunity and responsibility for NamibRe to support local capacity building, strengthen retention within the domestic market and ensure that the insurance industry remains responsive to national development priorities.

In addition, 2025 marked a historic milestone for the Republic of Namibia with the election of the country's first female President. This moment represents not only democratic maturity but also a renewed commitment to inclusive growth, institutional accountability and socio-economic transformation. The evolving policy environment continues to emphasise industrialisation, local content development and sustainable economic participation.

Within this context, Namibia's insurance sector remains stable, well-capitalised and prudently regulated. The industry continues to demonstrate sound underwriting discipline and strong governance standards, positioning it to support emerging sectors while maintaining financial resilience in a shifting economic environment.

## Global and Local Economic Performance

Global inflation also eased during this period as monetary tightening and stabilising commodity prices began to take effect. Many advanced economies experienced a gradual return toward their inflation targets, while emerging and developing economies continued to navigate inflationary pressures linked to energy prices, supply chain adjustments and currency volatility.

Namibia's economic performance continued to reflect both opportunities and structural challenges within the domestic economy. Real GDP growth slowed to 3.7% in 2024, largely due to weaker global demand for diamonds and a sharp contraction in agricultural output following one of the most severe droughts recorded in recent decades. Despite these headwinds, the economy maintained positive momentum supported by mining activity, services and ongoing oil and gas exploration.

Economic activity remained moderate in 2025, with real GDP growth projected at around 3.0%, reflecting subdued performance in the diamond sector and slower activity in agriculture and manufacturing. Inflationary pressures remained contained during the period, with average consumer price inflation easing to approximately 4.1% in 2025, supported by declining global food and fuel prices and prudent monetary policy by the Bank of Namibia.

While Namibia faces structural and climate-related challenges, the medium-term outlook remains cautiously optimistic, supported by macroeconomic stability and expanding investment activity.

## Insurance Industry Overview

During the period under review, Namibia's insurance industry sustained its resilience and steady growth, underpinned by robust capital positions and continued demand across key insurance classes.

### Long-Term Insurance

The long-term insurance industry maintained a strong asset base and growing policyholder participation. During 2025, the total number of active long-term insurance policies reflected positive growth year-on-year and continued consumer engagement.

Total industry assets for long-term insurers stood at about N\$ 85 billion in 2025, supported by investment growth and stronger financial market performance.

Gross Written Premiums (GWP) in the long-term sector continued to show momentum, reflecting year-on-year growth in premium income.

### *Short-Term Insurance*

The short-term insurance sector likewise sustained a solid financial position. Total assets in this segment were approximately N\$ 9.9 billion, supported by inflation-adjusted premiums and increased underwriting activity.

Gross Written Premiums for the broader short-term insurance industry grew, supported by strong motor and property business lines, with industry reports citing premiums rising to around N\$ 5.5 billion in the latest annual data.

### *Policyholder Coverage & Market Depth*

Active policy counts across both long-term and short-term sectors remained robust, with the long-term industry alone exceeding 2.2 million policies by 31 March 2025. This reflects improved retention, greater product uptake and steady consumer confidence.

Both segments maintained adequate solvency and liquidity positions throughout the review period, consistently meeting regulatory prudential requirements and demonstrating strong capital cushions.

Overall, the Namibian insurance industry stayed well-capitalised and resilient from 1 April 2024 to 31 March 2025. Despite external economic pressures and evolving market conditions, both the long-term and short-term insurance sectors recorded growth in assets, premium income and policyholder coverage, reinforcing their role as pillars of financial stability and risk management in the Namibian economy.

## **Financial Performance of NamibRe**

### *Premium Income of the Corporation*

During the financial year, the company's insurance revenue grew significantly to N\$902.87 million, reflecting a 9% increase from N\$829.95 million in 2024. This growth was driven by improved underwriting performance and ultimately resulted in improved profit before tax for the year of N\$ 130.5 million compared to a profit before tax of N\$102.1million in 2024(27.8% growth).

The shareholder's funds increased from N\$291.7 million to N\$382.3 million in the same period (31.1% growth) and the total assets of the Corporation increased from N\$961.7 (12.1% growth) million in 2024 to N\$1.078 billion in 2025.

### *Premium Retained in Namibia*

The Corporation strives to maintain the maximum amount of capital in the Country. The increase in GWP has aided a 0.58% increase [2025: 55.98%, 2024: 55.4%] in the Corporation's retention rate in pursuance of its mandate to curb capital outflow due to placement of insurance and reinsurance business outside the country and building reinsurance capacity in the local industry.

### *Sources of Business*

Local reinsurance business continues to be a significant contributor to the Corporation's business, accounting for 96% of the gross premium income for the 2025 financial year. The proportion of business sourced from outside Namibia decreased marginally by 2% in comparison to prior year, from 6% to 4%. This was attributed to the Corporation's decision to focus on profitable non-domestic business, which has necessitated prudent underwriting with non-acceptance and cancellation of non-domestic loss-making businesses.

From the perspective of type of business, the Corporation earned 86% of revenue from short-term insurance and the remaining 14% from long-term insurance. Breaking down the business into the type of cession, shows that 68% of the Corporation's premium income is sourced from treaty business, with 18% from facultative reinsurance business and with the remainder being life business.

### *Profitability*

The Corporation's profitability improved substantially, with profit before tax reaching N\$130.50 million for the year ended 31 March 2025, yielding a 27.83% increase from N\$102.09 million in the prior year. This marks a continued upward trajectory in financial performance. Underwriting profit also strengthened, with the net insurance service result rising to N\$127.81 million, compared to N\$93.19 million in 2024(37.1%).

Insurance revenue grew by 8.8% year-on-year, reaching N\$902.87 million (2024: N\$829.95 million), while insurance service expenses declined by 4.6% to N\$622.62 million (2024: N\$ 652 414 million), reflecting enhanced operational efficiency and cost containment. Although reinsurance premiums increased to N\$324.63 million (2024: N\$324.63million), recoveries from reinsurers fell to N\$172.18 million (2024: N\$199million), resulting in a higher net reinsurance expense of N\$152.45 million (up from N\$84.34 million), which slightly dampened retention gains.

Despite this, the Corporation benefited from increased investment income (up 17.6%) and fair value adjustments (up 50.9%), which bolstered other income. The rise in other operating expenses to N\$38.02 million, from N\$25.25 million (50.6% increase) was offset by the overall growth in income streams, leading to a robust bottom line.

The Corporation's ability to grow revenue while managing service costs and leveraging investment returns underscores its resilience and strategic focus on profitability.

### *Balance Sheet of the Corporation*

A noteworthy financial highlight on the balance sheet of the Corporation is the 12.08% increase in total assets from N\$ 961.7 million to N\$ 1077.8 million. Shareholder funds increased to N\$ 382.3 million from N\$ 291.7 million, which represents a 36.8% increase year on year. The Corporation's liquidity measures remain well above minimum prudential levels.

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## HR and Capacity Development

### Talent development

#### *Graduate Development Programme: Building Future Industry Talent*

Launched in 2023, NamibRe's Graduate Development Programme continues to make strong strides in nurturing young professionals for the reinsurance industry. The programme has grown steadily and remains an integral flagship programme of the Corporation.

The programme is designed to provide structured, hands-on exposure to the core operations of NamibRe, while supporting academic advancement toward industry recognised professional qualifications.

All participants are demonstrating satisfactory academic and workplace progress. The programme not only equips graduates with technical knowledge and professional qualifications but also fosters essential life and interpersonal skills.

### Staff Engagement and Wellness

In 2025, NamibRe reinforced its commitment to holistic employee wellness through the launch of the "Fit for Business" 12-week wellness challenge. This programme marked a significant milestone in promoting healthier lifestyle habits among staff across all levels. The initiative focused on physical activity, nutrition, mental wellbeing, and sleep hygiene—encouraging participation through team-based competition, onsite fitness classes, and structured education sessions. Pre- and post-programme health screenings recorded measurable improvements in key health indicators: 50% of participants reduced high blood pressure levels, 35% saw reductions in cholesterol, and 20% showed improved blood glucose profiles. These outcomes underscore NamibRe's strategic focus on people-centered development and creating a healthier, more engaged workforce.

The challenge fostered a culture of collaboration and motivation, with 94% of participants rating the programme positively. Staff members reported increased energy, healthier eating habits, better stress management, and improved mental health. Engagement was high across departments, supported by real-time sharing, structured coaching, and a gamified points system. The initiative not only contributed to measurable health improvements but also strengthened team dynamics and cross-departmental interaction. NamibRe remains committed to embedding wellness into its organisational culture and will continue to expand such programmes, recognising that the wellbeing of its people is foundational to achieving its strategic goals.

### Corporate Social Responsibility

As a responsible corporate citizen, NamibRe remains committed to creating sustainable development opportunities that contribute to the empowerment and advancement of the Namibian people. Our Corporate

Social Responsibility (CSR) initiatives continue to focus on key pillars, namely education, sports, entrepreneurship, arts, innovation and health.

During the period under review, NamibRe extended meaningful support to communities affected by unforeseen hardship. Our bursary scheme remains a cornerstone of our education pillar. During the year under review, NamibRe continued to fund students currently enrolled at various tertiary institutions across disciplines aligned to national development priorities and the Corporation's strategic skills requirements. The programme continues to provide financial assistance and academic support to ensure successful completion of studies.

Through these initiatives, NamibRe reaffirms its commitment to inclusive growth, human capital development and sustainable nation-building.

### Stakeholder Engagement

Recognising stakeholder management as a critical strategic priority, NamibRe remains committed to transparent engagement, collaboration and value creation across the public and private sectors.

NamibRe further strengthened its domestic stakeholder footprint through strategic partnerships. At regional and continental levels, NamibRe actively participated in leading industry platforms, including the **African Insurance Organisation (AIO) Conference** and the **Organisation of Eastern and Southern Africa Insurers (OESAI) Conference**. These forums attract global insurance and reinsurance leaders and provide critical opportunities for knowledge exchange, market positioning and strategic collaboration.

As a founding signatory to the **Nairobi Declaration on Sustainable Insurance (NDSI)**, NamibRe continues to champion sustainable insurance principles and ESG integration both nationally and across the African continent. Through its leadership role in the NDSI.

Through these engagements, NamibRe reaffirms its commitment to strengthening partnerships, advancing national development priorities and contributing meaningfully to the evolution of the African insurance industry.

### Conclusion

The 2024/2025 financial year reflects NamibRe's continued resilience, strategic discipline and unwavering commitment to delivering sustainable value. In a dynamic operating environment shaped by evolving economic conditions and emerging sector opportunities, the Corporation remained focused on strengthening its core mandate, enhancing profitability and reinforcing its leadership position within the insurance and reinsurance landscape.

Our performance during the year underscores the strength of our governance structures, the effectiveness of our strategic execution and the

dedication of our people. We have not only safeguarded the Corporation's financial stability but also positioned NamibRe to respond proactively to new growth areas, including the expansion of specialist risks and increased local capacity development within priority sectors of the economy.

As we advance the implementation of our 2025–2029 Strategic Plan, our focus remains clear: deepen market relevance, strengthen partnerships, advance sustainable insurance practices and continue building institutional excellence. We are confident that the foundations laid during the year under review will enable us to accelerate progress and deliver long-term value to our shareholder and the Namibian economy.

I extend my sincere gratitude to the Board of Directors for their steadfast leadership, strategic counsel and commitment to sound governance. My appreciation also goes to management and staff for their professionalism, resilience and shared commitment to our mandate. Together, we will continue to strengthen NamibRe's role as a trusted reinsurer, a responsible corporate citizen and a catalyst for sustainable growth in Namibia and across the African continent.



**Patty Karuaihe-Martin**  
Managing Director





CORPORATE  
**GOVERNANCE**  
**SECTION**

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# GOVERNANCE SECTION

Section 4 of the Namibia National Reinsurance Corporation (NamibRe) Act, 1998 (Act No. 22 of 1998), and Section 8 of the Public Enterprises Governance Act, 2019 (Act No. 1 of 2019), jointly mandate the constitution of a functional Board to ensure compliance with the relevant legislative requirements. In accordance with the NamibRe Act, the Managing Director serves as an Executive Director, bringing the total number of Directors on the NamibRe Board to eight (8).

Governance Structure:

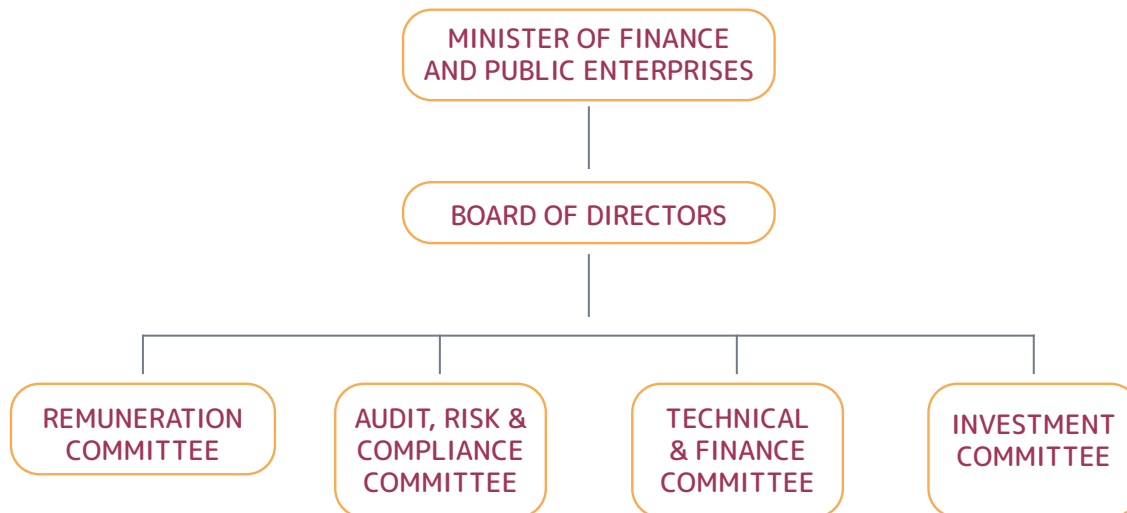


Figure 1: Governance Structure

# BOARD COMMITTEES

In furtherance of its mandate and oversight function, the Board has established four Board Committees:

- Technical and Finance Committee
- Remuneration Committee
- Investment Committee
- Audit, Risk and Compliance Committee

Terms of reference for each Committee serve as a guide for the Committees on how to carry out their mandates and execute their respective tasks. The Terms of Reference are subject to yearly reviews. All the Committees have reviewed their respective Terms of Reference and have made recommendations, the Board has provided approval.

Additionally, in 2024 the Board established a **Sale of Shares Committee** to oversee the process of amending the NamibRe Act, where necessary, to facilitate the sale of shares and ensure compliance with applicable laws and regulatory requirements.

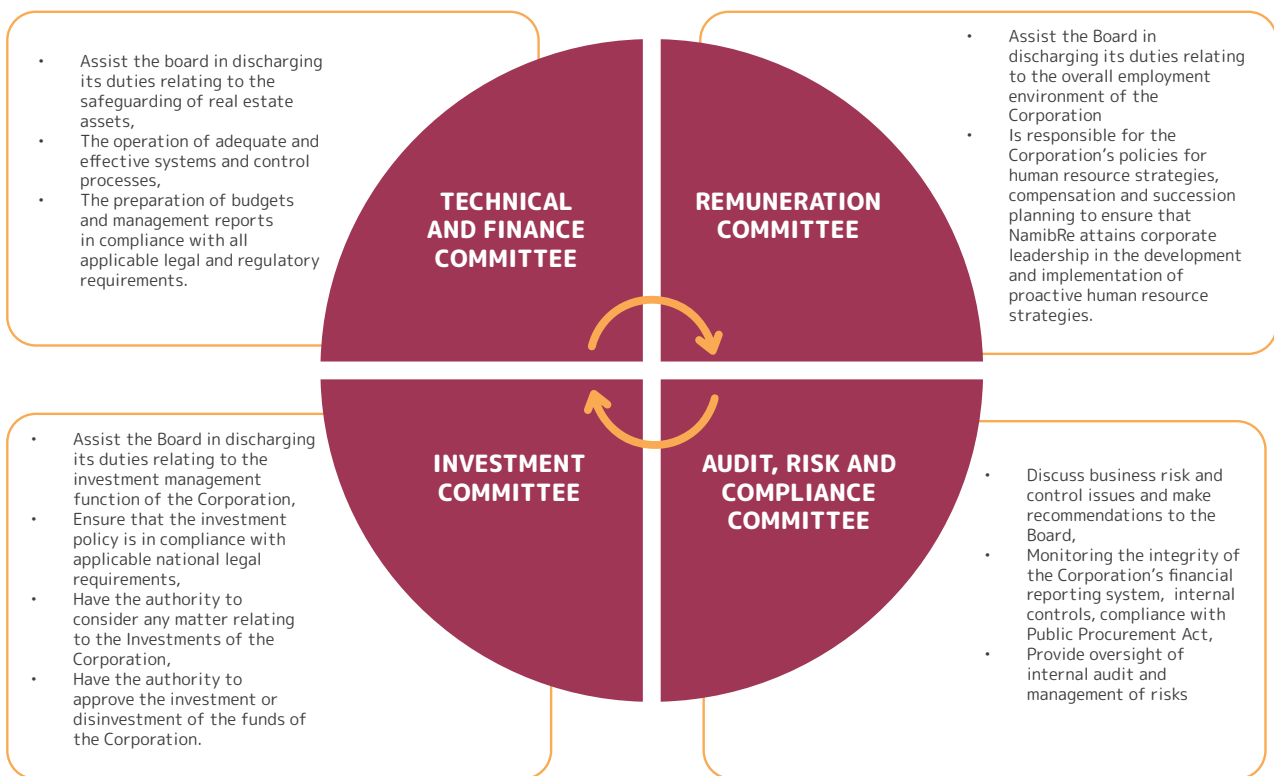


Figure 2: Responsibilities of the Board Committees

**BOARD AND COMMITTEE MEETINGS FOR THE 2024/2025 FINANCIAL YEAR & DIRECTORS ATTENDANCE AT MEETINGS (01 April 2024 -31 March 2025)**

	BOARD MEETINGS	SPECIAL MEETINGS	AUDIT, RISK & COMPLIANCE COMMITTEE	REMUNERATION COMMITTEE	TECHNICAL & FINANCE COMMITTEE	INVESTMENT COMMITTEE	SALE OF SHARES COMMITTEE
<b>BOARD OF DIRECTORS</b>							
F. Kisting	3/3	2/2	1/3		4/4		2/2
C. Loots	3/3	2/2	2/3		4/4		2/2
B. Muteka	2/3	1/2		1/3		1/3	1/2
G. Kasper	3/3	2/2	1/3	3/3	1/4	3/3	2/2
A.Munyika	3/3	2/2		3/3	1/4	3/3	2/2
R. Hanghuwo	1/3	2/2	1/3		2/4		
L. Usiku	3/3	2/2	2/3				2/2
P. Karuaihe-Martin	3/3	2/2	2/3	3/3	4/4	3/3	2/2
<b>Total:</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>2</b>

BOARD OF  
DIRECTORS



Board Chairperson  
**Faniel Kisting**



Deputy Chairperson  
**Beata Muteka**  
(Term ended- 23/10/24)



Board Member  
**Rauna Hanghuwo**



Board Member  
**Dr. Akutu Munyika**



Board Member  
**Christell Loots**



Board Member  
**Lelly Usiku**



Board Member  
**Gilroy Kasper**



Managing Director  
**Patty Karuaihe-Martin**



Managing Director  
**Patty Karuaihe-Martin**



GM: Finance and Administration  
**Francios Francis**



GM: Corporate Affairs and Strategy  
**Ntwala Mwilima**



GM: Reinsurance  
**Rudolph Humavindu**

# EXECUTIVE COMMITTEE



Managing Director  
**Patty Karuaihe-Martin**



Chief Internal Auditor  
**Hiskia Ndjavera**



MD Executive Assistant  
**Erika Shikusinde**



Administrative Assistant  
**Loryn Tjimbundu**

MANAGING  
DIRECTOR'S  
OFFICE

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# REINSURANCE DEPARTMENT



GM: Reinsurance  
**Rudolph Humavindu**



Chief Reinsurance Officer: Life  
**Tuyeni Nampila**



Chief Reinsurance Officer: Non-Life  
**Herman Shilongo**



Chief Claims  
**Nelson Matheus**



Senior Underwriter: Non-Life  
**Sesilia Nkoshi**



Underwriter: Non-Life  
**Valentino Jahs**



Underwriter: Life  
**Rochelle Tjirondero**



Claims Team Leader  
**Jerevasiu Ndwemwoongela**



Assistant Claims Officer  
**Lothe Henguva**



Assistant Underwriter: Non-Life  
**Hilya Intamba**



Assistant Claims  
**David Shafudah**

# REINSURANCE DEPARTMENT

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CORPORATE AFFAIRS  
AND STRATEGY  
DEPARTMENT



GM: Corporate Affairs and Strategy  
**Ntwala Mwilima**



Chief Corporate Communications Officer  
**Elizabeth Nailenge**



Human Resource Officer  
**Georgia Kauapirura**



Administrative Assistant  
**Alina Primus**

FINANCE AND  
ADMINISTRATION DEPARTMENT



GM: Finance and Administration  
**Francois Francis**



Management Accountant  
**Xenia Frank-Schultz**



Actuary in Training  
**Lindiwe Gei-Khoibes**



Technical Accountant  
**Adeline Kasera**



Procurement Officer  
**Kelly Ndyenge**



Assistant Finance Officer  
**Michelle De Klerk**

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# FINANCE AND ADMINISTRATION DEPARTMENT



Finance Officer  
**Lizette Engelbrecht**



Administrative Officer  
**Brian Nuseb**



Assistant Technical Accountant  
**Justina Lukas**



Receptionist  
**Otilie Negonga**



Assistant Technical Accountant  
**Petrina Hamunyela**



Driver  
**Ellis Haindobo**

# FINANCIAL STATEMENTS

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# GENERAL INFORMATION

Country of incorporation and domicile	<b>Namibia</b>
Nature of business and principal activities	<b>Reinsurance</b>
Directors	<b>F Kisting (Chairperson) C Loots (Deputy Chairperson) P A Martin (Managing Director) A Munyika L Usiku R Hanghuwo G L Kasper M H Tjivikua (Appointed 1 July 2025)</b>
Registered office	<b>NamibRe Building, Cnr of Sir Seretse Khama &amp; Julius K. Nyerere Street No 39, Ausspannplatz</b>
Business address	<b>NamibRe Building, Cnr of Sir Seretse Khama &amp; Julius K. Nyerere Street No 39, Ausspannplatz</b>
Postal address	<b>P O Box 716 Windhoek Namibia</b>
Holding entity	<b>The Namibian Ministry of Finance</b>
Ultimate holding entity	<b>Government of the Republic of Namibia</b>
Auditors	<b>Grand Namibia Registered Accountants and Auditors Chartered Accountants (Namibia) 9 Axail Doeseb Street, Windhoek, Namibia P.O. Box 24304 Windhoek, Namibia</b>
Company registration number	<b>99/369</b>

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The reports and statements set out below comprise the annual financial statements presented to the shareholder:

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# DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act of Namibia to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS® Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.


The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

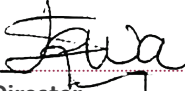
The directors are responsible for implementing controls and security to maintain the integrity of the company's website. The directors of the company are responsible for the controls over, and the security of the website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to shareholders. The board of directors is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the annual financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by experienced personnel.


The directors have reviewed the company's cash flow forecast for the year to 31 March 2026 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 6.

The annual financial statements set out on pages 7 to 57, which have been prepared on the going concern basis, were approved by the board of directors. The annual financial statements have been authorised for issue by the board of directors and no authority was given to anyone to amend the annual financial statements after the date of issue. The financial statements were signed on behalf of the board of directors by:

  
.....  
**Director**

  
.....  
**Director**

  
.....  
**Director**

25/09/2025  
.....  
**Date**  
**Windhoek**

# INDEPENDENT AUDITOR'S REPORT

## **To the Shareholder of Namibia National Reinsurance Corporation Limited**

### **Opinion**

We have audited the annual financial statements of Namibia National Reinsurance Corporation Limited (the company) set out on pages 9 to 57, which comprise the statement of financial position as at 31 March 2025, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including material accounting policy information. In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Namibia National Reinsurance Corporation Limited as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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# INDEPENDENT AUDITOR'S REPORT

## **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the document titled "Namibia National Reinsurance Corporation Limited annual financial statements for the year ended 31 March 2025", which includes the Directors' Report as required by the Companies Act of Namibia. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Directors for the Annual Financial Statements**

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Annual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 the directors.
- Conclude on the appropriateness of the directors' 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 annual 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 annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# INDEPENDENT AUDITOR'S REPORT

We communicate with the 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.



**Grand Namibia**  
**Registered Accountants and Auditors**  
**Chartered Accountants (Namibia)**  
**Per: Richard Theron**  
**Engagement Partner**  
**Windhoek**  
**29 September 2025**

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# DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Namibia National Reinsurance Corporation Limited for the year ended 31 March 2025.

## 1. Nature of business

Namibia National Reinsurance Corporation Limited was incorporated in Namibia with interests in the insurance industry. The company operates in Namibia.

The company is the only reinsurer in Namibia and provides reinsurance to local and international insurance companies. In terms of the Namibian National Reinsurance Corporation Act, insurance companies are obliged to present 20% of all their underwritten insurance to the company. The company provides both long-term and short-term reinsurance. Short-term reinsurance is provided for fire, aviation, guarantee, miscellaneous, personal lines, special riot risk, medical, motor, marine, liability and property in the form of reinsurance treaties. Long term reinsurance is provided for individual life, group life, credit life and catastrophe cover.

There have been no material changes to the nature of the company's business from the prior year.

## 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with IFRS® Accounting Standards and the requirements of the Companies Act of Namibia. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

## 3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

## 4. Dividends

The company's dividend policy is to consider a final dividend in respect of each financial year. At its discretion, the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends. Dividends declared and paid to the shareholder in the current financial year amounted to N\$ nil (2024: N\$ nil).

## 5. Shareholder

The company is wholly-owned by the Government of the Republic of Namibia (Ministry of Finance).

## 6. Directorate

The directors in office at the date of this report are as follows:

Directors	Designation	Nationality	Changes
F Kisting (Chairperson)	Non-executive Independent	Namibian	
C Loots (Deputy Chairperson)	Non-executive Independent	Namibian	
P A Martin (Managing Director)	Executive	Namibian	
B Muteka	Non-executive Independent	Namibian	Deceased 23 October 2024
A Munyika	Non-executive Independent	Namibian	
L Usiku	Non-executive Independent	Namibian	
R Hanghuwo	Non-executive Independent	Namibian	
G L Kasper	Non-executive Independent	Namibian	
M H Tjivikua	Non-executive Independent	Namibian	Appointed 1 July 2025

## 7. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

# DIRECTORS' REPORT

## **8. Litigation statement**

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. Namibre is still engaged in litigation with insurance companies since 19 January 2022.

## **9. Secretary**

The acting company secretary Ms R M Siteketa resigned on 30 April 2024. This position remains vacant and needs to be filled. Currently, Sima-Six Accounting & Consultancy is providing in an interim capacity secretarial services to the Board and its sub- committees.

## **10. Auditors**

Grand Namibia were the independent auditors for the year under review in accordance with Section 278 (2) of the Companies Act of Namibia.

# STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Note	2025 N\$ '000	2024 N\$ '000
<b>Assets</b>			
Property, plant and equipment	5	40 856	41 620
Intangible assets	6	7 375	6 854
Financial instruments held at amortised cost	7	16 988	29 388
Financial instruments held at fair value	8	472 757	371 360
Reinsurance contract assets	9	109 702	84 309
Insurance contract assets	10	316 076	365 761
Current tax receivable	11	-	4 943
Staff loans and other prepayments	12	1 969	654
Cash and cash equivalents	13	112 088	56 790
<b>Total Assets</b>		<b>1 077 811</b>	<b>961 679</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	14	20 000	20 000
Reserves		112 126	112 126
Retained income		250 143	159 607
		<b>382 269</b>	<b>291 733</b>
<b>Liabilities</b>			
Deferred tax	18	7 801	9 197
Current tax payable	11	13 717	-
Reinsurance contracts	9	89 955	-
Insurance contracts	10	377 506	465 358
Provisions	19	175 653	175 653
Other payables	20	30 910	19 738
<b>Total Liabilities</b>		<b>695 542</b>	<b>669 946</b>
<b>Total Equity and Liabilities</b>		<b>1 077 811</b>	<b>961 679</b>

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	2025 N\$ '000	2024 N\$ '000
Insurance revenue	21	902 870	829 945
Insurance service expenses	22	(622 616)	(652 414)
<b>Insurance service result</b>		<b>280 254</b>	<b>177 531</b>
Allocation of reinsurance premiums		(324 629)	(283 368)
Amounts recoverable from reinsurers		172 184	199 029
<b>Net expenses from reinsurance contracts held</b>		<b>(152 445)</b>	<b>(84 339)</b>
<b>Insurance service result</b>		<b>127 809</b>	<b>93 192</b>
Insurance finance expense for insurance contracts issued	23	(15 129)	(8 626)
Reinsurance finance income for reinsurance contracts held	24	6 500	2 804
<b>Net insurance finance result</b>		<b>(8 629)</b>	<b>(5 822)</b>
<b>Profit before other income and expenses</b>		<b>119 180</b>	<b>87 370</b>
Investment income	25	30 680	26 090
Sundry income	26	1 344	87
Fair value adjustments	8	17 365	11 512
<b>Other income</b>		<b>49 389</b>	<b>37 689</b>
Foreign exchange gains		(51)	2 277
Other operating expenses		(38 019)	(25 251)
<b>Other expenses</b>		<b>(38 070)</b>	<b>(22 974)</b>
<b>Profit before taxation</b>		<b>130 499</b>	<b>102 085</b>
Taxation	30	(39 963)	(25 691)
<b>Profit for the year</b>		<b>90 536</b>	<b>76 394</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Gains on property revaluation		-	2 280
<b>Other comprehensive income for the year net of taxation</b>		<b>-</b>	<b>2 280</b>
<b>Total comprehensive income for the year</b>		<b>90 536</b>	<b>78 674</b>

# STATEMENT OF CHANGES IN EQUITY

	Share capital N\$ '000	Revaluation reserve N\$ '000	Staff welfare reserve N\$ '000
<b>Balance at 1 April 2023</b>	<b>20 000</b>	<b>5 792</b>	<b>1 233</b>
Profit for the year	-	-	-
Other comprehensive income	-	2 280	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>2 280</b>	<b>-</b>
<b>Balance at 1 April 2024</b>	<b>20 000</b>	<b>8 072</b>	<b>1 233</b>
Profit for the year	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 March 2025</b>	<b>20 000</b>	<b>8 072</b>	<b>1 233</b>
Note(s)	14	15	16

General reserve N\$ '000	Total reserves N\$ '000	Retained income N\$ '000	Total equity N\$ '000
<b>102 821</b>	<b>109 846</b>	<b>83 213</b>	<b>213 059</b>
-	-	76 394	76 394
-	2 280	-	2 280
-	<b>2 280</b>	<b>76 394</b>	<b>78 674</b>
<b>102 821</b>	<b>112 126</b>	<b>159 607</b>	<b>291 733</b>
-	-	90 536	90 536
-	-	<b>90 536</b>	<b>90 536</b>
<b>102 821</b>	<b>112 126</b>	<b>250 143</b>	<b>382 269</b>

# STATEMENT OF CASH FLOWS

	Note(s)	2025 N\$ '000	2024 N\$ '000
<b>Cash flows from operating activities</b>			
Cash generated from operations	28	121 417	12 710
Tax paid	29	(22 699)	(16 550)
<b>Net cash from operating activities</b>		<b>98 718</b>	<b>(3 840)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	5	(578)	(423)
Proceeds from sale of property, plant and equipment	5	-	51
Purchases of intangible assets	6	(1 679)	-
Proceeds from financial instruments held at amortised cost		12 000	-
Purchases of investments at fair value		(53 112)	(14 381)
<b>Net cash from investing activities</b>		<b>(43 369)</b>	<b>(14 753)</b>
<b>Cash flows from financing activities</b>			
<b>Total cash movement for the year</b>			
		<b>55 349</b>	<b>(18 593)</b>
Cash and cash equivalents at the beginning of the year		56 790	73 106
(Gains) losses on foreign exchange on cash and cash equivalents		(51)	2 277
<b>Cash and cash equivalents at the end of the year</b>	13	<b>112 088</b>	<b>56 790</b>

# ACCOUNTING POLICIES

## 1. Material accounting policies

Management has considered the principles of materiality in IFRS® Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these annual financial statements.

### 1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with IFRS® Accounting Standards and IFRICS® Interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of Namibia as amended.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Namibia Dollars, which is the company's functional currency.

These accounting policies are consistent with the previous period.

### 1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS® Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

#### Classification and impairment of financial instruments

The classification of financial instruments is based on the business model in which the financial instruments are managed and the SPPI test. The business model is determined based on several factors, such as the risks that affect the performance of the business model and the way in which those risks are managed as well as how the performance is evaluated and reported to management. In some instances, determining the business model under which certain financial instruments are managed requires the exercise of judgement. In addition, when assessing whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding and are compatible with a basic lending arrangement, depending on the structure of the financial instrument, such an assessment also requires the use of judgement.

The recognition of loss allowances under the expected credit-loss model requires that criteria be defined to determine whether the credit risk on a financial instrument has increased significantly since initial recognition. The definition of such criteria relies on a certain degree of judgement.

#### Classification of insurance contracts

NamibRe applies IFRS 17 – Insurance Contracts to insurance contracts it issues and reinsurance contracts it holds. A contract is classified as an insurance contract where the company provides insurance coverage by accepting significant insurance risk when agreeing with the policyholder to pay benefits if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary. Significant insurance risk is assessed on a contract level and exists where there is at least one scenario in which the insured event results both in significant additional payments and also in an overall loss to the company on a present value basis. In the course of conducting our risk transfer test, we assess whether contracts transfer a significant insurance risk. In cases where it is found that a significant insurance risk is transferred, the contracts are accounted for in accordance with the provisions of IFRS 17.

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# ACCOUNTING POLICIES

## 1.2 Significant judgements and sources of estimation uncertainty (continued)

### Measurement of insurance contracts

Insurance contracts falling under the scope of IFRS 17 are measured at the level of groups of insurance contracts. To a certain extent, judgement is exercised when identifying portfolios and defining groups of insurance contracts based on the profitability of those contracts. In addition, determining the procedures to set the discount rates and the risk adjustment for non-financial risks requires the use of judgement. Furthermore, a certain degree of judgement must be exercised when systematically allocating certain fixed and variable overheads to groups of insurance contracts.

### Key sources of estimation uncertainty

#### Impairment of financial assets

The key parameters for calculating expected credit losses are the probability of default, the loss given default and the exposure at default.

The probability of default is the basis for specifying a stage of the impairment model. In addition, the probability of default is considered whenever expected credit losses are calculated. During our internal rating process, the probability of default is calculated on the basis of historical data, current market conditions, and assumptions about the future.

The loss given default and the exposure at default are likewise factored into calculations of expected credit losses. In this context, the loss given default is derived from the recovery and default studies published by rating agencies. The exposure at default corresponds to the gross carrying amount as at the reporting date.

#### Measurement of insurance and reinsurance contracts

The measurement of insurance contracts is subject to estimates based on the assumptions used. In particular, estimates are made when determining the fulfilment cash flows. This is particularly the case when it comes to determining the future cash flows which will arise when the insurance contracts are fulfilled, as well as when determining discount rates and the risk adjustment for non-financial risks.

Estimates of future cash flows are based on reasonable and supportable information that is available without undue cost or effort. Internal and external sets of historical data as well as current conditions are considered when portraying expectations as to future developments. The purpose of estimating future cash flows is to determine the expected value (probability-weighted mean) for the entire range of potential events. Estimates of future cash flows are made on the basis of assumptions such as those with regard to mortality, disability, policyholder behaviour and participation, as well as claims payments and settlement costs.

Estimates of future cash flows are discounted to reflect the time value of money. The discount rates selected must be as consistent as possible with the overall cash flow characteristics of the groups of insurance contracts. A bottom-up approach is used to determine the discount rates applied to cash flows that do not vary based on returns with underlying items. A risk-free yield curve, adjusted to reflect the illiquidity of the group of insurance contracts where applicable, is applied to cash flows that do not vary based on the returns on underlying items. The table below sets out the risk-free yield curves used:

	Year 1	Year 2	Year 3	Year 4	Year 5
FY2024	8.7%	8.9%	9.1%	9.1%	9.1%
FY2025	7.5%	8.5%	8.8%	9.1%	9.5%

In order to account for the uncertainty arising from non-financial risk pertaining to the amount and the timing of cash flows, the estimate of the present value of future expected cash flows is subject to an explicit risk adjustment to reflect non-financial risk. The risk adjustment for non-financial risk is the compensation that NamibRe requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

NamibRe has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, NamibRe has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. NamibRe has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

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# ACCOUNTING POLICIES

## 1.2 Significant judgements and sources of estimation uncertainty (continued)

### Fair value estimation

The fair value of financial instruments where no active market exists or where quoted market prices are not available, are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments. Where market observable inputs are not available, they are estimated based on an appropriate assumption.

Information about the specific techniques and inputs of the financial instruments is disclosed in note 8.

### Taxation

In terms of Section 45 of the Namibia National Reinsurance Corporation Act of 1998, the company is not liable to pay income taxation under Namibian legislation until such time that the general reserve fund is equal to or exceeds twice the amount of the authorised share capital. As the general reserve (after a transfer of profit before tax) has exceeded twice the amount of the authorised share capital since year ended 31 March 2014, the company became liable for income taxation in the previous financial year.

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

### Liability adequacy testing

In compliance with certain regulations governing the insurance sector in Namibia, the company must meet specific solvency ratios in the life and non-life insurance business, respectively. At each end of each reporting period, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net of related assets.

These solvency ratios are derived through actuarial calculations where insurance liabilities are quantified, gross and net of related assets, and subjected to a 'liability adequacy test'. In deriving the liability values, estimations and assumptions are made. For more information on the sensitivity surrounding these estimations, refer to 'Insurance risk' within note 3.

### Revalued amount of land and buildings

Land and buildings are revalued to their fair value. Valuations of land and buildings are determined from market based evidence by appraisals undertaken by professional valuers. Revaluations are performed every three years and with such sufficiency that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

### Contingent assets

Contingent assets are not recognised in the annual financial statements but are disclosed when as a result of past events, it is probable that economic benefits will flow to the company, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the company's control.

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# ACCOUNTING POLICIES

## 1.2 Significant judgements and sources of estimation uncertainty (continued)

### Contingent liabilities

The company discloses a contingent liability when:

- i. It has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- ii. It has a present obligation that arises from past events but is not recognised because:
  - It is probable that an outflow of resources will be required to settle an obligation; and
  - the amount of the obligation cannot be measured with sufficient reliability.

### 1.3 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently measured at cost less accumulated depreciation and impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Amounts recognised in the revaluation reserve are not distributable to shareholders.

Revaluations of land and buildings are made every 3 years based on management's assessment that this interval will ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year.

Gains and losses on revaluation are recognised in other comprehensive income and accumulated in the revaluation reserve in equity. However, losses are recognised in profit or loss to the extent that they exceed amounts previously accumulated from gains in equity. Subsequent gains are recognised in profit or loss to the extent that they reverse revaluation decreases of the same asset previously recognised in profit or loss.

On revaluation, the accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

The revaluation reserve related to a specific asset is transferred directly to retained income when the asset is derecognised.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. No material changes were made.

There were no indicators of impairment for property, plant and equipment and no impairment tests were performed.

### 1.4 Intangible assets

Intangible assets are initially recognised at cost.

Intangible assets are subsequently measured at cost less any accumulated amortisation and impairment losses.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	10 years

The useful life and amortisation method of intangible assets are reviewed at the end of each reporting year. No material changes were made.

There were no indicators of impairment for intangible assets and no impairment tests were performed.

# ACCOUNTING POLICIES

## 1.5 Financial instruments

### Financial instruments – Financial assets

#### Recognition and Derecognition

Financial instruments are recognised as financial instrument in the Statement of Financial Position at the time when we become a party to the contractual provisions of the financial instrument.

When the contractual rights to receive the cash flows from a financial instrument have expired, the financial instrument is derecognised. If a financial instrument is transferred, the derecognition requirements of IFRS 9 are assessed to determine if they are met. As part of this process, we consider the extent to which we retain the risks and rewards of ownership of the financial instrument and – if applicable – whether we retain control. Depending on the outcome of this evaluation, we derecognise the financial instrument, or we continue to recognise it in full or to the extent of our continuing involvement. Financial liabilities are recognised and derecognised as at the trade date.

#### Classification

For the purpose of subsequent measurement, financial instruments are classified as measured at “amortised cost”, “fair value through other comprehensive income” or “fair value through profit or loss”.

The classification is determined on the basis of the business model for managing the financial instruments and the contractual cash flow characteristics of the financial instruments.

#### Business Model

An entity’s business model refers to how the entity manages the Financial Instruments in order to generate cash flows. The business model is determined by management at the level of groups of Financial Instruments; it is based on several factors, such as the risks that affect the performance of the business model and the way in which those risks are managed as well as how the performance is evaluated and reported to management. A distinction is made between the following business models:

In the business model “hold to collect”, the Financial Instruments are managed with the objective to collect contractual cash flows. The sale of Financial Instruments is not part of the management strategy, but is, under certain circumstances, not incompatible with the application of this business model, for example if there is an increase in the Financial Instrument’s credit risk.

The objective of the business model “hold to collect and sell” is achieved by both collecting contractual cash flows and selling Financial Instruments. The sale of assets is a key aspect of the management of the portfolio. The business model “other” applies to Financial Instruments that are managed neither under the “hold to collect” nor under the “hold to collect and sell” business models. This is the case, for example, if the objective of the business model is in particular to realise cash flows by selling assets, or if a group of Financial Instruments is managed on the basis of their fair value.

#### Contractual cash flow characteristics

If Financial Instruments are held within the business model “hold to collect” or “hold to collect and sell”, an additional assessment as to whether they pass the solely payments of principal and interest (SPPI) test is necessary for the classification for subsequent measurement. Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are consistent with a basic lending arrangement and pass the SPPI test. In a basic lending arrangement, compensation for the time value of money and for the credit risk are typically the most significant elements of interest. In addition, interest may include compensation for other basic lending risks (such as the liquidity risk) and costs (such as administration costs) as well as an appropriate profit margin consistent with a basic lending arrangement.

#### Measurement on initial recognition

On initial recognition at the trade date, financial assets are recognised at the transaction price or fair value. For financial assets that are not subsequently measured at fair value through profit or loss, directly attributable transaction costs must be included in addition.

#### Subsequent measurement

The measurement of a financial asset after initial recognition is based on the classification in accordance with the business model and the result of the SPPI test.

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# ACCOUNTING POLICIES

## 1.5 Financial instruments (continued)

Financial assets managed within the business model “hold to collect” that pass the SPPI test are measured at amortised cost. At NamibRe, this includes in particular financial receivables and cash and cash equivalents.

Financial assets subject to the business model “hold to collect and sell” that pass the SPPI test are measured at fair value through other comprehensive income. This includes the major part of our financial investments. They are mostly used to back insurance liabilities and are managed as part of our asset-liability management on the basis of their duration and risk profile. This means that the management strategy is aimed at both collecting contractual cash flows and selling financial assets.

Financial assets that are managed under the business model “other” or that do not pass the SPPI test are measured at fair value through profit or loss. In view of the business model, at NamibRe, this includes in particular the investments for unit-linked life insurance and the insurance related financial instruments – such as insurance contracts that do not transfer significant insurance risk.

Derivatives and equity instruments are generally measured at fair value through profit or loss. NamibRe does not make use of the option to designate equity instruments as “measured at fair value through other comprehensive income”. We present investments in affiliated companies, associates and joint ventures that are not consolidated because they are immaterial under non-financial investments and, in the interest of simplicity, measure them in the same way as equity instruments. Accordingly, on transition to IFRS 9, we now measure these investments at “fair value through profit or loss” and no longer at “fair value through other comprehensive income”.

Contracts with embedded derivatives where the host contract is not a financial asset within the scope of IFRS 9 may under certain circumstances be designated as measured at “fair value through profit or loss”.

### Impairment

IFRS 9 calls for using an expected credit loss model to recognise impairment losses, under which expected credit losses are anticipated before they arise and must be recognised as an expense. These impairment requirements primarily affect financial assets measured at amortised cost or at fair value through other comprehensive income, as well as lease receivables.

A three-stage impairment model is used to recognise and measure impairment losses on financial assets.

Stage 1: On initial recognition, financial instruments are always assigned to Stage 1 of the impairment model and they remain at Stage 1 if their credit risk has not increased significantly since they were initially recognised. The loss allowance is measured at an amount equal to the 12-month expected credit losses, which represents the expected credit losses that result from default events that may occur within 12 months of the reporting date.

Stage 2: If the credit risk of a financial instrument has increased significantly since initial recognition but there is no objective evidence of impairment, the loss allowance at Stage 2 of the impairment model is measured at an amount equal to the lifetime expected credit loss.

Stage 3: If in addition to a significant increase in credit risk, there is objective evidence of impairment, the instrument is allocated to Stage 3 of the impairment model (credit impaired financial assets). As in Stage 2, the loss allowance is measured at an amount equal to the lifetime expected credit losses. Interest revenue is calculated by applying the effective interest method – unlike in Stage 1 and Stage 2 – on the basis of the net carrying amount of the financial asset (i.e. after deducting the loss allowance).

We assume that the credit risk of a financial instrument has not increased significantly if it has low credit risk as at the reporting date (low credit risk exception).

We generally make use of the rebuttable presumption that the credit risk has increased significantly since initial recognition if a contractual payment is more than 30 days past due, unless we have evidence to the contrary.

Objective evidence of credit impairment includes but is not limited to:

- significant financial difficulty of the borrower;
- a breach of contract (such as a default or past due event);
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for the financial asset because of financial difficulties.

To measure expected credit losses, we use the probability of default, the loss given default and the exposure at default.

# ACCOUNTING POLICIES

## 1.5 Financial instruments (continued)

Expected credit losses are equal to the discounted product of these three components. The calculation includes probability-weighted scenarios that take account of reasonable and supportable information that is available without disproportionate cost or effort as at the reporting date and incorporates past events, current conditions and forecasts of future economic conditions.

Financial assets are written off if, based on a reasonable assessment, it must be assumed that these assets are not recoverable. Indicators for this include a debtor lacking sufficient assets to service their debts or failing to commit to a repayment schedule. Upon completion of insolvency proceedings against a debtor, the financial assets are likewise deemed to be no longer recoverable and are fully derecognised. Such write-offs do not have an impact on profit or loss since the amounts are reflected in the loss allowance and therefore have already been recognised previously through profit or loss.

### Financial instruments – Financial liabilities

#### Recognition and derecognition

We recognise financial liabilities in the consolidated balance sheet at the time when we become a party to the contractual provisions of the financial instrument.

We derecognise financial liabilities when they are extinguished, i.e. when the obligations specified in the contract are discharged, are cancelled, or expire. Financial liabilities are recognised and derecognised as at the trade date.

#### Classification

For subsequent measurement, IFRS 9 specifies that financial liabilities must be classified as “measured at amortised cost” or “measured at fair value through profit or loss”.

Measurement on initial recognition On initial recognition on the trade date, financial liabilities are recognised at the transaction price or fair value. For financial liabilities that are not subsequently measured at fair value through profit or loss, directly attributable transaction costs must also be included.

#### Subsequent measurement

The financial liabilities are measured at amortised cost using the effective interest method.

#### Offsetting financial assets and liabilities

Provided that we have a legally enforceable right to offset, and we intend to both realise the affected financial assets and concurrently to settle the associated liabilities, or instead to settle on a net basis, we offset the affected financial assets and liabilities.

## 1.6 Tax

### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

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# ACCOUNTING POLICIES

## **1.6 Tax (continued)**

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

### **Tax expenses**

The income tax expense consists of current and deferred tax and is recognised in profit or loss.

## **1.7 Impairment of non-financial assets**

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

Impairment losses are recognised immediately in profit or loss.

## **1.8 Share capital and equity**

Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

## **1.9 Employee benefits**

### **Short-term employee benefits**

Short-term employee benefits, which consist of paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care, are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal obligation to make such payments as a result of past performance.

### **Termination benefits**

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

## **1.10 Provisions and contingencies**

The company recognises provisions in circumstances where it has a present obligation resulting from past events, which can be measured reliably and for which it is probable that the company will be required to settle the obligation.

# ACCOUNTING POLICIES

## 1.10 Provisions and contingencies (continued)

There is always a degree of estimation uncertainty involved with provisions as they are measured at management's best estimate of the amount which will be required to settle the obligation. When the effect of discounting is material, the provision is measured at the present value of such amounts.

Contingent liabilities are not recognised. Contingencies are disclosed in 32.

## 1.11 Translation of foreign currencies

### Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are translated at the end of the reporting period using the closing rate.

Cash flows arising from transactions in a foreign currency are recorded in Namibia Dollars by applying to the foreign currency amount the exchange rate between the Namibia Dollar and the foreign currency at the date of the cash flow.

Refer to the individual accounting policies for financial instruments for the detailed foreign exchange accounting policies.

## 1.12 Dividend distribution

Dividend declared to the Government of the Republic of Namibia are recognised as a liability in the annual financial statements in the period in which the dividends are approved by the directors of the company to the extent they are unpaid.

## 1.13 Insurance and reinsurance contracts

### Classification as an insurance contract

NamibRe issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. Insurance contracts are those contracts under which NamibRe (as insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects them. Such contracts may also transfer financial risk. As a general guideline, NamibRe defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur. NamibRe also holds reinsurance contracts it acquires in the normal course of business to receive compensate from the reinsurer for claims arising from one or more insurance contracts issued by NamibRe. NamibRe does not issue any contracts with direct participating features.

### Separation of components

Insurance contracts can contain one or more of the following components:

- Embedded Derivatives;
- Investment Components;
- Non-Insurance Services.

If an insurance contract contains embedded derivatives that are themselves not contracts within the scope of IFRS 17, IFRS 9 requirements are applied when assessing the obligation to separate components and accounting for the given derivative.

Distinct investment components and distinct non-insurance services are separated from the insurance contract and accounted for in accordance with IFRS 9 and/or IFRS 15 requirements. NamibRe has not identified any significant distinct investment or service components to date.

### Level of aggregation policy

NamibRe recognises and measures insurance contracts at the level of groups of insurance contracts. Insurance contracts are first included in portfolios comprising contracts that are subject to similar risks and are managed together. Where insurance contracts are issued in different currencies but exhibit similar risk profiles and are managed collectively, these may be included in the same portfolio and grouped accordingly.

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# ACCOUNTING POLICIES

## 1.13 Insurance and reinsurance contracts (continued)

Subsequently, each portfolio is categorized into one of three groups of insurance contracts based on profitability at initial recognition:

- A group of contracts identified as onerous at initial recognition;
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently;
- A group consisting of the remaining contracts within the portfolio.

An insurance contract is classified as onerous at initial recognition if the risk-adjusted present value of expected cash flows for contract fulfillment results in a net cash outflow. Changes in estimates related to future service may render a group of contracts onerous upon subsequent measurement. However, such changes do not alter the classification into groups determined at initial recognition. NamibRe ensures that all contracts within a group have been issued within the same 12-month period.

### Recognition

A group of insurance contracts issued is recognised from the earliest of the following: - the beginning of the coverage period of the group of contracts; - the date when the first payment from a policyholder in the group becomes due; or - for a group of onerous contracts, when the group becomes onerous.

### Contract boundary

NamibRe includes in the measurement of a group of insurance contracts all future cash flows within the boundary of each contract in the group. Cash flows are considered within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which NamibRe can compel the policyholder to pay premiums or in which NamibRe has a substantive obligation to provide insurance contract services to the policyholder. A substantive obligation to provide insurance contract services ends when:

- NamibRe has the practical ability to reassess the risks of the specific policyholder, allowing it to set a price or level of benefits that fully reflects those risks, or

Both of the following criteria are met:

- NamibRe has the practical ability to reassess the risks of the portfolio of insurance contracts that includes the contract, enabling it to set a price or level of benefits that fully reflects the risks of that portfolio.
- The pricing of the premiums up to the date of reassessment does not consider risks related to periods following the reassessment date.

### Measurement

IFRS 17 establishes a consistent accounting framework for all insurance contracts. The standard's fundamental measurement approach is the General Measurement Model (GMM). Given the complexity of the GMM, IFRS 17 permits the use of a simplified measurement model—the Premium Allocation Approach (PAA)—primarily for short-term contracts. NamibRe employs the PAA for contracts that meet the specified criteria under IFRS 17.

NamibRe applies the PAA measurement for all business in force.

### Premium Allocation Approach (PAA)

NamibRe applies the Premium Allocation Approach (PAA) to all insurance contracts it issues and reinsurance contracts it holds under the following conditions:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary, or
- For contracts with a coverage period longer than one year, NamibRe has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage under the PAA will not differ materially from the measurement that would result from applying the general model. In assessing materiality, NamibRe considers both quantitative and qualitative factors, such as the nature of the risks and the types of its lines of business.

NamibRe does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would impact the measurement of the liability for remaining coverage before a claim is incurred. This variability may increase, for example, with:

- The extent of future cash flows related to any derivatives embedded in the contracts, or
- The length of the coverage period for the group of contracts.

# ACCOUNTING POLICIES

## 1.13 Insurance and reinsurance contracts (continued)

### Initial measurement

For a group of contracts that is not onerous at initial recognition, NamibRe measures the liability for remaining coverage as follows:

- The premiums received at initial recognition (if any), minus any insurance acquisition cash flows incurred at that date (except for contracts with a coverage period of one year or less, where these are expensed),
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows, and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that NamibRe pays or receives before the group of insurance contracts is recognised.

For all PAA business, NamibRe does not account for the time value of money, as the premiums are received within one year of the coverage period. In cases where facts and circumstances indicate that contracts are onerous at initial recognition, NamibRe performs additional analysis to determine whether a net outflow is expected from the contract. Such onerous contracts are grouped separately from others, and NamibRe recognises a loss in profit or loss for the net outflow. This results in the carrying amount of the liability for the group being equal to the fulfilment cash flows. NamibRe establishes a loss component for the liability for remaining coverage for such onerous groups, reflecting the losses recognised.

### Subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

The carrying amount of a group of insurance contracts issued at the end of each reporting date is the sum of:

- the liability for remaining coverage; and
- the liability for incurred claims, comprising the fulfilment cash flows for past incurred claims not paid.

For a group of insurance contracts issued, at the end of each reporting date, NamibRe measures the liability for remaining coverage as the carrying amount at the start of the reporting period:

- plus the premiums received in the period;
- minus insurance acquisition cash flows (if not recognised as an expense in profit or loss);
- plus any amounts relating to the amortisation of insurance acquisition cash flows (if not recognised as an expense in profit or loss);
- minus the amount recognised as insurance revenue for the services provided in the period; and
- minus any investment component paid or transferred to the liability for incurred claims.

Where cash flows related to incurred claims have been adjusted for the effect of the time value of money where the claims settlement period is expected to be one year or less. For insurance contracts measured under the PAA, the liability for incurred claims is adjusted for the time value of money where the claims settlement period is more than one year.

A risk adjustment for non-financial risk is determined for the liability for incurred claims where there is uncertainty in the size of the estimate and/or the timing of the underlying cash flows. Note 1.2 provides further details on the methods and assumptions used to determine the risk adjustment for non-financial risk.

Where NamibRe has established a loss-recovery component, NamibRe subsequently reduces the loss-recovery component to nil in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

### Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

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# ACCOUNTING POLICIES

## 1.13 Insurance and reinsurance contracts (continued)

NamibRe has elected to allocate acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group and to future groups that are expected to arise from renewals of contracts in that group. Where such insurance acquisition cash flows are paid (or where a liability has been recognised applying another IFRS standard) before the related group of insurance contracts is recognised, an asset for insurance acquisition cash flows is recognised. When insurance contracts are recognised, the related portion of the asset for insurance acquisition cash flows is derecognised and subsumed into the measurement at initial recognition of the insurance liability for remaining coverage of the related group. NamibRe allocates the acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis:

- a) Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:
  - i. to that group; and
  - ii. to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.
- b) Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance acquisition cash flow is derecognised from the statement of financial position when then insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

At the end of each reporting period, NamibRe revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, NamibRe assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, NamibRe applies:

An impairment test at the level of an existing or future group of insurance contracts; and

- An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.
- If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

NamibRe recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

### Modification and derecognition

NamibRe derecognises insurance contracts when:

The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired) or

The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, NamibRe derecognises the initial contract and recognises the modified contract as a new contract

When a modification is not treated as a derecognition, NamibRe recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

### Presentation

NamibRe has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

# ACCOUNTING POLICIES

## 1.13 Insurance and reinsurance contracts (continued)

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.

NamibRe disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

NamibRe does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

NamibRe separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

### Insurance revenue

NamibRe's insurance revenue depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration to which NamibRe expects to be entitled in exchange for those services. Insurance revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts, (i.e., the amount of premiums paid to NamibRe adjusted for financing effect (the time value of money) and excluding any investment components).

For contracts measured using the premium allocation approach; the insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. NamibRe allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

NamibRe changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

### Loss components

NamibRe has grouped contracts that are onerous at initial recognition separately from contracts in the same portfolio that are not onerous at initial recognition. Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes. NamibRe has established a loss component of the liability for remaining coverage for any onerous group depicting the future losses recognised.

A loss component represents a notional record of the losses attributable to each group of onerous insurance contracts (or contracts profitable at inception that have become onerous). The loss component is released based on a systematic allocation of the subsequent changes relating to future service in the fulfilment cash flows to: (i) the loss component; and (ii) the liability for remaining coverage excluding the loss component. The loss component is also updated for subsequent changes relating to future service in estimates of the fulfilment cash flows and the risk adjustment for non-financial risk. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts (since the loss component will have been materialised in the form of incurred claims). NamibRe uses the proportion on initial recognition to determine the systematic allocation of subsequent changes in future cash flows between the loss component and the liability for remaining coverage excluding the loss component.

### Loss-recovery components

When NamibRe recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, NamibRe establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognised from related reinsurance contracts held is disclosed as a loss-recovery component. Where a loss-recovery component has been set up at initial recognition or subsequently, NamibRe adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts.

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# ACCOUNTING POLICIES

## **1.13 Insurance and reinsurance contracts (continued)**

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that NamibRe expects to recover from the group of reinsurance contracts held. On this basis, the loss-recovery component recognised at initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts and is nil when loss component of the onerous group of underlying insurance contracts is nil.

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

### **Insurance finance income and expense**

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

NamibRe has elected to present total insurance finance income and expenses in profit or loss as a whole as per the requirements of IFRS 17.88.

### **Net income or expense from reinsurance contracts held**

NamibRe presents the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid as separate line items on the face of the statement of profit or loss and other comprehensive income. NamibRe treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income.

## **1.14 Finance income**

Finance income comprises interest income on funds invested and dividend income. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the company's right to receive payment is established, which is generally when shareholders approve the dividend.

## **1.15 Other income**

Other income comprises sundry income. Other income is recognised to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is received.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 2. New Standards and Interpretations

### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

#### **Supplier finance arrangements - amendments to IAS 7 and IFRS 7**

The amendment applies to circumstances where supplier finance arrangements exist. These are arrangements whereby finance providers pay the suppliers of the entity, thus providing the entity with extended payment terms or the suppliers with early payment terms. The entity then pays the finance providers based on their specific terms and conditions. The amendment requires the disclosure of information about supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows as well as on the entity's exposure to liquidity risk.

The effective date of the amendment is for years beginning on or after 1 January 2024.

The company has adopted the amendment for the first time in the 2025 annual financial statements.

The impact of the amendment is not material.

#### **Non-current liabilities with covenants - amendments to IAS 1**

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

The effective date of the amendment is for years beginning on or after 1 January 2024.

The company has adopted the amendment for the first time in the 2025 annual financial statements.

The impact of the amendment is not material.

#### **Lease liability in a sale and leaseback**

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after 1 January 2024.

The company has adopted the amendment for the first time in the 2025 annual financial statements.

The impact of the amendment is not material.

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# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## **New Standards and Interpretations (continued)**

### **2.2 Standards and interpretations not yet effective**

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 April 2025 or later periods:

#### **IFRS 18 Presentation and Disclosure in Financial Statements**

This is a new standard which replaces IAS 1 Presentation of Financial Statements and introduces several new presentation requirements. The first relates to categories and subtotals in the statement of financial performance. Income and expenses will be categorised into operating, investing, financing, income taxes and discontinued operations categories, with two new subtotals, namely "operating profit" and "profit before financing and income taxes" also being required. These categories and sub totals are defined in IFRS 18 for comparability and consistency across entities. The next set of changes requires disclosures about management-defined performance measures in a single note to the financial statements. These include reconciliations of the performance measures to the IFRS defined subtotals, as well as a description of how they are calculated, their purpose and any changes. The third set of requirements enhance the guidance on grouping of information (aggregation and disaggregation) to prevent the obscuring of information.

The effective date of the amendment is for years beginning on or after 1 January 2027.

The company expects to adopt the amendment for the first time in the 2028 annual financial statements.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

#### **Amendments to IFRS 7 Financial Instruments: Disclosures**

Annual Improvements to IFRS Accounting Standards - Volume 11 - Gain or loss on derecognition - Amendment to delete an obsolete reference that remained in IFRS 7 after the publication of IFRS 13 Fair Value Measurement, as well as to improve consistency of wording of the requirements of IFRS 7 with IFRS 13 concepts regarding disclosure of a gain or loss on derecognition.

The effective date of the amendment is for years beginning on or after 1 January 2026.

The company expects to adopt the amendment for the first time in the 2027 annual financial statements.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

#### **Amendments to IFRS 9 Financial Instruments**

Annual Improvements to IFRS Accounting Standards - Volume 11 - Derecognition of lease liabilities. The amendment clarifies that if a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to recognise any resulting gain or loss in profit or loss.

The effective date of the amendment is for years beginning on or after 1 January 2026.

The company expects to adopt the amendment for the first time in the 2027 annual financial statements.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

#### **Amendments to IFRS 9 Financial Instruments**

Annual Improvements to IFRS Accounting Standards - Volume 11 - Transaction price. The amendment clarifies that trade receivables must be measured initially, in accordance with IFRS 9, at the amount determined by applying IFRS 15 Revenue from Contracts with Customers.

The effective date of the amendment is for years beginning on or after 1 January 2026.

The company expects to adopt the amendment for the first time in the 2027 annual financial statements.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 2. New Standards and Interpretations (continued)

### Amendments to IAS 10 Statement of Cash flows

Annual Improvements to IFRS Accounting Standards - Volume 11 - Cost method - Amendment to replace the term 'cost method' with 'at cost' following the earlier removal of the definition of cost method from IFRS Accounting Standards.

The effective date of the amendment is for years beginning on or after 1 January 2026.

The company expects to adopt the amendment for the first time in the 2027 annual financial statements.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

### Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.

The amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features, as such features could affect whether the assets are measured at amortised cost or fair value. The amendment also clarifies the date on which a financial asset or financial liability is derecognised in cases where liabilities are settled through electronic payment systems.

The effective date of the amendment is for years beginning on or after 1 January 2026.

The company expects to adopt the amendment for the first time in the 2027 annual financial statements.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

### Lack of exchangeability - amendments to IAS 21

The amendments apply to currencies which are not exchangeable. The definition of exchangeable is provided as being when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The amendments require an entity to estimate the spot exchange rate at measurement date when a currency is not exchangeable into another currency. Additional disclosures are also required to enable users of financial statements to understand the impact of the non-exchangeability on financial performance, financial position and cash flow.

The effective date of the amendment is for years beginning on or after 1 January 2025.

The company expects to adopt the amendment for the first time in the 2026 annual financial statements.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 3. Financial instruments and risk management

### Categories of financial instruments

#### Categories of financial assets

##### 2025

Figures in N\$ '000

	Note(s)	Financial instruments held at amortised cost	Fair value through profit or loss - FVTPL	Total
Staff loans	12	1 969	-	1 969
Cash and cash equivalents	13	112 088	-	112 088
Investments	7 & 8	16 988	472 757	489 745
		<b>131 045</b>	<b>472 757</b>	<b>603 802</b>

##### 2024

Figures in N\$ '000

	Note(s)	Financial instruments held at amortised cost	Fair value through profit or loss - FVTPL	Total
Staff loans	12	654	-	654
Cash and cash equivalents	13	56 790	-	56 790
Investments	7 & 8	29 388	371 360	400 748
		<b>86 832</b>	<b>371 360</b>	<b>458 192</b>

#### Categories of financial liabilities

##### 2025

Figures in N\$ '000

	Note(s)	Amortised cost	Total
Other payables	20	30 705	30 705

##### 2024

Figures in N\$ '000

	Note(s)	Amortised cost	Total
Other payables	20	19 533	19 533

#### Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The company must comply with certain regulatory requirements which require that the company maintain a minimum solvency margin where the aggregate value of its assets exceeds its liabilities by not less than N\$ 4 000 or 15% (2024:N\$ 4 000 or 15%), whichever is the greater amount. The company ensures that its solvency requirement is met at all times.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 3. Financial instruments and risk management (continued)

### Financial risk management

#### Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk and interest rate risk).

The company's activities expose it to a variety of financial risks, namely liquidity risk, credit risk and market risk. Market risk includes interest rate risk, foreign exchange risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out by internal audit function under policies approved by the board of directors. Company treasury identifies, evaluates and manages financial risks in close co-operation with the company's operating units. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

#### Credit risk

Credit risk arises out of financial instruments held at amortised cost, insurance contract assets, reinsurance contract assets, staff loans and prepayments and cash and cash equivalents.

The company only invests with reputable institutions with high quality credit standing and limits exposure to any one counter-party. The credit quality of insurance receivables is individually assessed using a credit rating scorecard which takes into account the financial position, past experience and other factors.

Financial assets exposed to credit risk at year end are presented in the table below. The amounts represent the maximum exposure to credit risks. All amounts are presented net of impairments where applicable. Refer to the respective notes for further information. The maximum exposure to credit risk is presented in the table below:

Figures in N\$ '000	2025			2024		
	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Financial instruments held at amortised cost	7 16 988	-	16 988	29 388	-	29 388
Reinsurance contract assets	9 109 702	-	109 702	84 309	-	84 309
Insurance contract assets	10 316 076	-	316 076	365 761	-	365 761
Staff loans and other prepayments	12 1 969	-	1 969	654	-	654
Cash and cash equivalents	13 112 088	-	112 088	56 790	-	56 790
	<b>556 823</b>	<b>-</b>	<b>556 823</b>	<b>536 902</b>	<b>-</b>	<b>536 902</b>

#### Liquidity risk

Cash flow forecasting is performed in the operating units of the company and aggregated by company treasury. Company treasury monitors rolling forecasts of the company's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and external regulatory requirements. The company is required to maintain a minimum solvency margin.

Surplus cash held by the operating entities over and above the balance required for working capital management is transferred to company treasury who then invests surplus cash in money market deposits and government securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the forecasting process.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 3. Financial instruments and risk management (continued)

The table below analyses the company's financial insurance and reinsurance liabilities into relevant maturity groupings based on the remaining period at the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

### 2025

Figures in N\$ '000		Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total	Discounting impact	Carrying amount
Other payables	20	30 705	-	-	-	30 705	-	30 705
Reinsurance contracts	9	2 076	(18 163)	(5 000)	(4 166)	(25 253)	5 505	(19 748)
Insurance contracts	10	(16 058)	64 552	22 374	11 597	82 465	(21 035)	61 430
		<b>16 723</b>	<b>46 389</b>	<b>17 374</b>	<b>7 431</b>	<b>87 917</b>	<b>(15 530)</b>	<b>72 387</b>

### 2024

Figures in N\$ '000		Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total	Discounting impact	Carrying amount
Other payables	20	19 533	-	-	-	19 533	-	19 533
Reinsurance contracts	9	(50 105)	(19 607)	(8 770)	(18 859)	(97 341)	13 032	(84 309)
Insurance contracts	10	3 168	77 215	18 730	27 246	126 359	(26 762)	99 597
		<b>(27 404)</b>	<b>57 608</b>	<b>9 960</b>	<b>8 387</b>	<b>48 551</b>	<b>(13 730)</b>	<b>34 821</b>

### Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Zambian Kwacha, Malawi Kwacha, Botswana Pula and the Kenya Shillings.

The company does not hedge foreign exchange fluctuations.

The company reviews its foreign currency exposure, including commitments, on an ongoing basis.

A reasonable movement in the exchange rates would not have had a material effect on profit or loss.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 3. Financial instruments and risk management (continued)

### Foreign currency exposure as at 31 March 2025

(Figures in N\$ '000)	Cash and cash equivalents	Reinsurance and insurance contract assets	Reinsurance and insurance contract liabilities	Total
US Dollar	4 149	4 078	(1 464)	6 763
Botswana Pula	-	274	(98)	176
Malawian Kwacha	-	6	(2)	4
Kenyan Shillings	-	778	(279)	499
Tanzania Shillings	-	10	(3)	7
Lesotho Loti	-	96	(34)	62
Mozambican Metical	-	68	(24)	44
Nigerian Naira	-	6	(2)	4
Swazi Lilangeni	-	242	(87)	155
SA Rand	-	-	(62 238)	(62 238)
Euro	-	1	-	1
Mauritius Rupee	-	7	(2)	5
Western African CFA Franc	-	860	(309)	551
	<b>4 149</b>	<b>6 426</b>	<b>(64 542)</b>	<b>(53 967)</b>

### Foreign currency exposure as at 31 March 2024

(Figures in N\$ '000)	Cash and cash equivalents	Reinsurance and insurance contract assets	Reinsurance and insurance contract liabilities	Total
US Dollar	13 896	11 371	(6 386)	18 881
Botswana Pula	-	3 864	(2 170)	1 694
Tanzania Shillings	-	520	(292)	228
Lesotho Loti	-	1 280	(719)	561
Mozambican Metical	-	2 747	(1 543)	1 204
Swazi Lilangeni	-	626	(352)	274
Tunisian Dinar	-	81	(46)	35
SA Rand	-	580	(326)	254
	<b>13 896</b>	<b>21 069</b>	<b>(11 834)</b>	<b>23 131</b>

### Interest rate risk

Interest rate risk is the risk that future cash flows of a variable rate financial asset will fluctuate because of changes in market rates. Interest on investments contributes a significant portion of earnings and is necessary for liquidity management.

The company's exposure to the risk of changes in market interest rates primarily arises from interest-bearing investments and cash and cash equivalents, both of which have variable risk rates. Had the interest rates increased (decreased) by 100 basis points (2024: 100 basis points), the after-tax effect on profit would have been a decrease (increase) of N\$ 1 758 948 (2024: N\$ 1 567 385). The company is also exposed to interest rate risk through the valuation of insurance and reinsurance contracts. The impact of a change in interest rate to the valuation of insurance and reinsurance contracts is captured in the tables below:

### Insurance interest sensitivity rate tables

2025	Scenario	Amount	Impact	% Difference
Liability for incurred claims	Base rate	398 617 365	N/A	N/A %
	Interest rate increase (+2.5%)	393 237 313	(5 380 052)	(1.4)%
	Interest rate decrease (-2.5%)	404 367 822	5 750 457	1.4 %

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 3. Financial instruments and risk management (continued)

	Scenario	Amount	Impact	% Difference
<b>Assets recoverable for incurred claims</b>	Base rate	108 512 584	N/A	N/A %
	Interest rate increase (+2.5%)	107 121 140	(1 391 444)	(1.3)%
	Interest rate decrease (-2.5%)	110 000 237	1 487 653	1.4 %
<b>2024 Liability for incurred claims</b>	Base rate	339 334 713	N/A	N/A %
	Interest rate increase (+2.5%)	333 302 045	6 032 667	(1.8)%
	Interest rate decrease (-2.5%)	345 801 347	6 466 634	1.9 %
<b>Assets recoverable for incurred claims</b>	Base rate	121 050 903	N/A	N/A %
	Interest rate increase (+2.5%)	118 318 722	2 732 181	(2.3)%
	Interest rate decrease (-2.5%)	124 018 279	2 967 376	2.5 %

### Insurance risk

The company is exposed to a number of risks as a result of the nature of its business activities. The purpose of the company's risk management process is to ensure that the operations that expose it to risk are consistent with the company's strategy, business objectives and risk philosophy while maintaining an appropriate risk/reward balance and enhancing stakeholder value which does not compromise the company's ability to pay claims or fulfil policyholder commitments.

The objective of the insurance risk management policy is to ensure that sufficient reserves are available in order to cover the liabilities that arise out of insurance contracts. The principal risk that the company faces is that the actual amount and timing of insurance claims and benefit payments may differ from expectations. This is influenced by the frequency and severity of claims, particularly relating to foreign business.

The company mitigates this risk by diversifying its reinsurance across the portfolio of insurance contracts and geographical areas so as to avoid a concentration of risk in any one subset within the portfolio. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines as well as the use of reinsurance management systems. The reinsurance portfolio includes highly rated, highly liquid securities.

As part of the risk mitigation process, the company purchases reinsurance and cedes it on a proportional and non-proportional basis to reduce exposure. The spread is that proportional constitutes 75% (2024: 82%), non-proportional 4% (2024: 2%) and facultative 21% (2024: 16%).

The company underwrites both life and non-life insurance contracts.

Due to the long-term nature of the life insurance business, the company accepts market risk which arises due to mismatches between assets and liabilities, provided it is managed within specific risk tolerances and limits. The company enters into reinsurance agreements with other reinsurers to mitigate the risk exposure.

Included in the non-life insurance business is aviation, fire, liabilities, marine, motor, miscellaneous, personal lines and medical insurance. Fire (which includes engineering class of business), personal lines and liabilities businesses are the highest contributors to gross written premium. The fire, personal lines and motor businesses contribute the highest to loss ratio.

These exposures are strategically mitigated through specific risk selection and underwriting methodologies which diversifies risk across the geographical areas. The company has selected specific markets in Eastern, Central and Southern Africa for foreign business underwriting.

The company avoids underwriting risks in areas which are prone to hurricanes, earthquakes, major floods and unstable political environment. Furthermore, the company has event limit clauses in the underwriting slips.

The concentration of life and non-life insurance risk by insurance type before and after reinsurance is summarised in the following tables.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 3. Financial instruments and risk management (continued)

### 31 March 2025

	Insurance contract asset/(liability)	Reinsurance contract asset/(liability)	Net liability
(Figures in N\$ '000)			
Life	(68 418)	56 812	(11 606)
Fire and engineering	(30 491)	-	(30 491)
Per policy	(39 242)	15 697	(23 545)
Marine	(4 836)	-	(4 836)
Facultative	(76 544)	11 783	(64 761)
Motor	(2 822)	-	(2 822)
Liability	(3 525)	-	(3 525)
Guarantee	(1 796)	-	(1 796)
Miscellaneous	(9 821)	-	(9 821)
Medical	(338)	-	(338)
Personal	(240)	-	(240)
Other insurance receivables	316 076	25 410	341 486
Other insurance payables	(137 782)	(89 955)	(227 737)
ULAE	(1 649)	-	(1 649)
	<b>(61 428)</b>	<b>19 747</b>	<b>(41 681)</b>

### 31 March 2024

	Insurance contract asset/(liability)	Reinsurance contract asset/(liability)	Net liability
(Figures in N\$ '000)			
Life	(59 148)	47 666	(11 482)
Fire and engineering	(44 785)	-	(44 785)
Facultative	(151 496)	(8 418)	(159 914)
Marine	(4 583)	-	(4 583)
Motor	(3 627)	-	(3 627)
Bond	(1 360)	-	(1 360)
Liability	(19 936)	-	(19 936)
Miscellaneous	(28 524)	-	(28 524)
Personal	(12)	-	(12)
Debtors	355 549	45 061	400 610
Creditors	(141 675)	-	(141 675)
	<b>(99 597)</b>	<b>84 309</b>	<b>(15 288)</b>

The geographical concentration of the company's life and non-life contract liabilities is noted below. The disclosure is based on the countries where the business is written. The analysis would not be materially different if based on the countries in which the counterparties are situated.

Country	2025	2024
Namibia	96.41 %	93.82 %
Kenya	1.03 %	0.94 %
Botswana	0.89 %	1.84 %
Sierra Leone	0.44 %	0.65 %
Togo	0.29 %	-
Mozambique	0.27 %	-
Rest of Africa	0.67 %	1.74 %
Zimbabwe	-	0.56 %
Zambia	-	0.45 %
	<b>100.00 %</b>	<b>100.00 %</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 3. Financial instruments and risk management (continued)

### Sensitivity analysis for short-term insurance liabilities

Included within the Liability for Incurred claims, the claims IBNR liability is statistically calculated using certain assumptions, refer to note 1.2 "Insurance liabilities". The tables below illustrates the effect of an adjustment to the claims loss ratio on the Liability for Incurred Claims and the effect post risk mitigation of reinsurance contracts.

#### Loss ratio sensitivity rate table

	Scenario	Amount	Impact	% Difference
<b>2025 Liability for incurred claims</b>	Base rate	398 617 365	N/A	N/A %
	BEL LIC+10%	436 001 756	37 384 391	9.4 %
	BEL LIC-10%	364 631 555	(33 985 810)	(8.5)%
<b>Assets recoverable for incurred claims</b>	Base rate	108 512 584	N/A	N/A %
	BEL LIC+10%	118 372 904	9 860 320	9.1 %
	BEL LIC-10%	99 548 656	(8 963 927)	(8.2)%
<b>2024 Liability for incurred claims</b>	Base rate	339 334 713	N/A	N/A %
	BEL LIC+10%	359 100 717	19 766 005	5.8 %
<b>Assets recoverable for incurred claims</b>	Base rate	121 050 903	N/A	N/A %
	BEL LIC+10%	128 649 946	7 599 043	6.3 %

### Sensitivity analysis for long-term insurance liabilities

The following tables contains the results of the existing asset recoverable for incurred claims on various sensitivity scenarios:

#### Existing Reinsurance IBNR (Gross)

Treaty N\$ 000 2025	IBNR Gross	Economic 1%	Claims +10%	Withdrawals	Claims -10%	IBNR +1 Month	IBNR -1 Month
Funeral	3 790	3 790	3 790	3 790	3 790	4 633	2 948
Individual Life	4 512	4 512	4 512	4 512	4 512	5 515	3 510
Group Life	6 938	6 938	6 938	6 938	6 938	6 938	6 938
Credit Life	372	372	372	372	372	372	372
Individual PHI	30	30	30	30	30	36	23
Group PHI	3 482	3 482	3 482	3 482	3 482	3 482	3 482
CAT	3 317	3 317	3 317	3 317	3 317	3 317	3 317
<b>Total</b>	<b>22 441</b>	<b>22 441</b>	<b>22 441</b>	<b>22 441</b>	<b>22 441</b>	<b>24 293</b>	<b>20 590</b>

#### Per Policy IBNR (Gross)

Treaty N\$ 000 2025	IBNR Gross	Economic 1%	Claims +10%	Withdrawals	Claims -10%	IBNR +1 Month	IBNR -1 Month
Funeral	4 189	4 189	4 189	4 189	4 189	5 120	3 258
Individual Life	8 450	8 450	8 450	8 450	8 450	10 328	6 572
Group Life	18 756	18 756	18 756	18 756	18 756	22 924	14 588
Credit Life	1 089	1 089	1 089	1 089	1 089	1 089	1 089
Individual PHI	60	60	60	60	60	73	47
Group PHI	8 567	8 567	8 567	8 567	8 567	8 567	8 567
<b>Total</b>	<b>41 111</b>	<b>41 111</b>	<b>41 111</b>	<b>41 111</b>	<b>41 111</b>	<b>48 101</b>	<b>34 121</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 3. Financial instruments and risk management (continued)

### Existing Reinsurance IBNR (Net)

Treaty N\$ 000 2025	IBNR Net	Economic 1%	Claims +10%	Withdrawals +10%	Claims -10%	IBNR +1 Month	IBNR -1 Month
Funeral	758	758	758	758	758	927	590
Individual Life	902	902	902	902	902	1 103	702
Group Life	1 388	1 388	1 388	1 388	1 388	1 388	1 388
Credit Life	74	74	74	74	74	74	74
Individual PHI	6	6	6	6	6	7	5
Group PHI	696	696	696	696	696	696	696
CAT	166	166	166	166	166	166	166
<b>Total</b>	<b>3 990</b>	<b>3 990</b>	<b>3 990</b>	<b>3 990</b>	<b>3 990</b>	<b>4 361</b>	<b>3 621</b>

### Per Policy IBNR (Net)

Treaty N\$ 000 2025	IBNR Net	Economic 1%	Claims +10%	Withdrawals +10%	Claims -10%	IBNR +1 Month	IBNR -1 Month
Funeral	838	838	838	838	838	1 024	652
Individual Life	1 690	1 690	1 690	1 690	1 690	2 066	1 314
Group Life	3 751	3 751	3 751	3 751	3 751	4 585	2 918
Credit Life	218	218	218	218	218	218	218
Individual PHI	12	12	12	12	12	15	9
Group PHI	1 713	1 713	1 713	1 713	1 713	1 713	1 713
<b>Total</b>	<b>8 222</b>	<b>8 222</b>	<b>8 222</b>	<b>8 222</b>	<b>8 222</b>	<b>9 621</b>	<b>6 824</b>

### Existing Reinsurance IBNR (Retro)

Treaty (N\$ 000) IBNR Gross 2025	Economic 1%	Claims +10%	Withdrawals +10%	Claims -10%	IBNR +1 Month	IBNR -1 Month
Funeral	3 032	3 032	3 032	3 032	3 706	2 358
Individual Life	3 610	3 610	3 610	3 610	4 412	2 808
Group Life	5 550	5 550	5 550	5 550	5 550	5 550
Credit Life	297	297	297	297	297	297
Individual PHI	24	24	24	24	29	19
Group PHI	2 786	2 786	2 786	2 786	2 786	2 786
CAT	3 151	3 151	3 151	3 151	3 151	3 151
<b>Total</b>	<b>18 450</b>	<b>18 450</b>	<b>18 450</b>	<b>18 450</b>	<b>19 931</b>	<b>16 969</b>

### Per Policy IBNR (Retro)

Treaty (N\$ 000) IBNR Gross 2025	Economic 1%	Claims +10%	Withdrawals +10%	Claims -10%	IBNR +1 Month	IBNR -1 Month
Funeral	3 351	3 351	3 351	3 351	4 096	2 607
Individual Life	6 760	6 760	6 760	6 760	8 262	5 258
Group Life	15 005	15 005	15 005	15 005	18 339	11 670
Credit Life	871	871	871	871	871	871
Individual PHI	48	48	48	48	59	37
Group PHI	6 854	6 854	6 854	6 854	6 854	6 854
<b>Total</b>	<b>32 889</b>	<b>32 889</b>	<b>32 889</b>	<b>32 889</b>	<b>38 481</b>	<b>27 297</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 3. Financial instruments and risk management (continued)

The following table contains the results (gross of reinsurance) of the existing asset recoverable for incurred claims (reinsurance IBNR) on various sensitivity scenarios:

2024	IBNR Gross	Claims +10%	Claims -10%	IBNR +1 Month	IBNR -1 Month
(Figures in N\$ '000)					
Funeral	2 786	2 786	2 786	3 405	2 167
Individual life	3 971	6 329	3 971	4 853	3 089
Group life	3 010	5 563	3 010	3 679	2 341
Credit life	579	579	579	579	579
Individual PHI	58	58	58	58	58
Group PHI	4 085	4 085	4 085	4 085	4 085
CAT	2 524	2 524	2 524	2 524	2 524
<b>Total</b>	<b>17 013</b>	<b>21 924</b>	<b>17 013</b>	<b>19 183</b>	<b>14 843</b>

The following table contains the results (net of reinsurance) of the existing reinsurance IBNR reserve on various sensitivity scenarios:

2024	IBNR Net	Claims +10%	Claims -10%	IBNR +1 Month	IBNR -1 Month
(Figures in N\$ '000)					
Funeral	557	557	557	681	433
Individual life	794	1 719	794	971	706
Group life	602	1 113	602	736	468
Credit life	116	116	116	116	116
Individual PHI	12	12	12	12	12
Group PHI	817	817	817	817	817
CAT	673	673	673	673	673
<b>Total</b>	<b>3 571</b>	<b>5 007</b>	<b>3 571</b>	<b>4 006</b>	<b>3 225</b>

The following table contains the results (gross of reinsurance) of the valuation on various sensitivity scenarios for the per- policy IBNR reserves:

2024	IBNR Gross	Claims +10%	Claims -10%	IBNR +1 Month	IBNR -1 Month
(Figures in N\$ '000)					
Funeral	2 679	2 679	2 679	3 274	2 084
Individual life	5 072	7 373	5 072	6 199	3 945
Group life	13 282	21 567	13 282	16 233	10 330
Credit life	947	947	947	947	947
Individual PHI	90	90	90	90	90
Group PHI	9 092	9 092	9 092	9 092	9 092
<b>Total</b>	<b>31 162</b>	<b>41 748</b>	<b>31 162</b>	<b>35 835</b>	<b>26 488</b>

The following table contains the results (net of reinsurance) of the valuation on various sensitivity scenarios for the per- policy cessions IBNR reserve:

2024	IBNR Net	Claims +10%	Claims -10%	IBNR +1 Month	IBNR -1 Month
(Figures in N\$ '000)					
Funeral	536	536	536	655	417
Individual life	1 014	1 475	1 014	1 240	789
Group life	2 656	4 313	2 656	3 247	2 066
Credit life	189	189	189	189	189
Individual PHI	18	18	18	18	18
Group PHI	1 818	1 818	1 818	1 818	1 818
<b>Total</b>	<b>6 231</b>	<b>8 349</b>	<b>6 231</b>	<b>7 167</b>	<b>5 297</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 3. Financial instruments and risk management (continued)

The following table contains the results (gross of reinsurance) of the existing reinsurance cession deficiency reserves on various sensitivity scenarios:

<b>2024</b>	<b>Deficiency Gross</b>	<b>Economic +1%</b>	<b>Claims +10%</b>	<b>Withdrawals +10%</b>	<b>Claims -10%</b>
(Figures in N\$ '000)					
Funeral	2 082	1 949	3 076	1 948	1 088
Individual life	3 734	3 714	5 151	3 719	2 317
Credit life	122	121	167	121	76
<b>Total</b>	<b>5 938</b>	<b>5 784</b>	<b>8 394</b>	<b>5 788</b>	<b>3 481</b>

The following table contains the results (net of reinsurance) of the existing reinsurance cession deficiency reserves on various sensitivity scenarios:

<b>2024</b>	<b>Prospective Net</b>	<b>Economic +1%</b>	<b>Claims +10%</b>	<b>Withdrawals +10%</b>	<b>Claims -10%</b>
(Figures in N\$ '000)					
Funeral	1 149	1 123	1 348	1 119	950
Individual life	1 704	1 701	1 988	1 697	1 421
Group life	512	524	727	510	297
Credit life	55	55	64	55	46
<b>Total</b>	<b>3 420</b>	<b>3 403</b>	<b>4 127</b>	<b>3 381</b>	<b>2 714</b>

The following table contains the results (gross of reinsurance) of the valuation on various sensitivity scenarios for the per-policy cession deficiency reserve:

<b>2024</b>	<b>Deficiency Gross</b>	<b>Economic +1%</b>	<b>Claims +10%</b>	<b>Withdrawals +10%</b>	<b>Claims -10%</b>
(Figures in N\$ '000)					
Funeral	1 730	1 724	2 686	1 723	774
Individual life	2 126	2 126	3 936	2 117	316
<b>Total</b>	<b>3 856</b>	<b>3 850</b>	<b>6 622</b>	<b>3 840</b>	<b>1 090</b>

The following table contains the results (net of reinsurance) of the valuation on various sensitivity scenarios for the per-policy cession deficiency reserve:

<b>2024</b>	<b>Prospective Net</b>	<b>Economic +1%</b>	<b>Claims +10%</b>	<b>Withdrawals +10%</b>	<b>Claims -10%</b>
(Figures in N\$ '000)					
Funeral	1 064	1 064	1 255	1 060	873
Individual life	1 890	1 892	2 252	1 883	1 528
Group life	3 425	3 457	4 373	3 411	2 477
Credit life	-	-	6	-	-
<b>Total</b>	<b>6 379</b>	<b>6 413</b>	<b>7 886</b>	<b>6 354</b>	<b>4 878</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 3. Financial instruments and risk management (continued)

### Claims development tables

#### Life development tables (Facultative reinsurance)

Financial Year	2020	2021	2022	2023	2024	2025	Total
<b>Liability for incurred claims (net) (N\$ '000)</b>							
2020	25 678						
2021	18 960	22 945					
2022	5 650	6 811	21 349				
2023	18 819	11 189	10 414	16 126			
2024	10 346	11 780	4 685	9 073	14 864		
2025	7 082	13 407	3 930	3 798	9 553	32 870	<b>70 640</b>
<b>Ultimate Loss (net) (N\$ '000)</b>							
2020	161 365						
2021	211 323	23 761					
2022	101 766	7 849	21 570				
2023	185 770	14 194	15 328	28 200			
2024	204 545	16 061	12 675	23 760	15 217		
2025	66 722	21 447	47 783	5 800	10 788	32 905	<b>185 445</b>
<b>Claim Settlement</b>	<b>94 643</b>	<b>2 314</b>	<b>(26 213)</b>	<b>22 400</b>	<b>4 429</b>	-	<b>97 573</b>
<b>Changes 2024 to 2025</b>	<b>137 823</b>	<b>(5 386)</b>	<b>(35 108)</b>	<b>17 960</b>	<b>4 429</b>	-	<b>119 718</b>

#### Life development tables (Treaty reinsurance)

2020	2021	2022	2023	2024	2025	Total
<b>Liability for incurred claims (net) N\$ '000</b>						
2020	68 890					
2021	21 830	42 545				
2022	8 270	33 865	48 828			
2023	3 179	12 060	24 217	49 916		
2024	3 132	9 225	10 335	14 024	21 391	
2025	4 276	2 973	4 747	8 412	23 401	66 700
<b>Ultimate Loss (net) N\$ '000</b>						
2020	1 035 000					
2021	968 740	184 835				
2022	951 314	217 994	283 134			
2023	850 908	218 409	324 447	280 551		
2024	821 911	220 979	192 238	207 757	79 314	
2025	151 389	218 213	179 296	209 054	144 170	79 089
<b>Claim Settlement</b>	<b>883 611</b>	<b>(33 378)</b>	<b>103 838</b>	<b>71 497</b>	<b>(64 856)</b>	-
<b>Changes 2024 to 2025</b>	<b>670 522</b>	<b>2 766</b>	<b>12 942</b>	<b>(1 297)</b>	<b>(64 856)</b>	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 3. Financial instruments and risk management (continued)

### Non Life development tables

	2020	2021	2022	2023	2024	2025
<b>BEL IBNR (N\$ '000)</b>						
2020						
2021						
2022	9 997	332	3 698	5 966		
2023	8 970		298	3 318	5 353	
2024	10 774			358	3 986	6 430
2025	12 187				991	1 139
	<b>332</b>	<b>3 996</b>	<b>9 642</b>	<b>10 330</b>	<b>7 569</b>	<b>10 057</b>
<b>Ultimate Loss (N\$ '000)</b>						
2020						
2021						
2022	1 848	20 582	33 204			
2023		1 893	21 078	34 005		
2024			1 383	15 398	24 841	
2025				3 948	4 538	40 064
	<b>1 848</b>	<b>22 475</b>	<b>55 665</b>	<b>53 351</b>	<b>29 379</b>	<b>40 064</b>
<b>Claim Settlement</b>			<b>33 204</b>	<b>30 057</b>	<b>20 303</b>	
<b>Changes 2024 to 2025</b>			<b>1 383</b>	<b>11 450</b>	<b>20 303</b>	

## 4. Fair value information

### Fair value hierarchy

Financial Instruments are classified into different levels based on the method used to determine their fair value (valuation method).

Level 1: The fair value of financial instruments traded in an active market is based on quoted market prices at period end. Quoted prices are readily available and represent actual and regularly occurring market transactions on an arm's length basis. The company does not have any level 1 financial instruments.

Level 2: The fair value of financial instruments which do not trade in an active market are determined by using valuation techniques. The valuation techniques are based on market data. Level 2 instruments comprise the following:

- Collective Investment Schemes; and
- Debt and short-term money market instruments where the value of the investments is based on the quoted price from the asset managers for similar instruments.

Level 3: If inputs are not based on observable market data, the instrument is included in level 3. Instruments classified in level 3 are government bonds held at amortised cost with predetermined rates. It is therefore assumed that the carrying value of these instruments is equal to their fair value.

The table below analyses assets and liabilities carried at fair value.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2025 N\$ '000	2024 N\$ '000
<b>4. Fair value information (continued)</b>			
<b>Levels of fair value measurements</b>			
<b>Level 2</b>			
<b>Recurring fair value measurements</b>			
<b>Assets</b>	Note(s)		
Financial assets mandatorily at fair value through profit or loss			
Money market instruments	8	472 756	371 360
<b>Financial assets at amortised cost</b>			
Staff loans and other prepayments	12	1 969	654
Cash and cash equivalents	13	112 088	56 790
<b>Total financial assets at amortised cost</b>		<b>114 057</b>	<b>57 444</b>
<b>Liabilities</b>	Note(s)		
<b>Financial liabilities at amortised cost</b>			
Other payables	20	30 705	19 533
Provisions	19	175 653	175 653
<b>Total financial liabilities at amortised cost</b>		<b>206 358</b>	<b>195 186</b>
<b>Total</b>		<b>380 455</b>	<b>233 618</b>

## 5. Property, plant and equipment

	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	4 448	-	4 448	4 448	-	4 448
Buildings	38 930	(3 932)	34 998	38 930	(3 268)	35 662
Furniture and fixtures	2 683	(2 570)	113	2 662	(2 488)	174
Motor vehicles	1 204	(741)	463	1 204	(741)	463
Office equipment	865	(696)	169	775	(555)	220
IT equipment	4 479	(3 814)	665	4 019	(3 366)	653
<b>Total</b>	<b>52 609</b>	<b>(11 753)</b>	<b>40 856</b>	<b>52 038</b>	<b>(10 418)</b>	<b>41 620</b>

### Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Land	4 448	-	-	-	4 448
Buildings	35 662	-	-	(664)	34 998
Furniture and fixtures	174	20	-	(81)	113
Motor vehicles	463	-	-	-	463
Office equipment	220	90	-	(141)	169
IT equipment	653	476	(8)	(456)	665
	<b>41 620</b>	<b>586</b>	<b>(8)</b>	<b>(1 342)</b>	<b>40 856</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2025  
N\$ '000

2024  
N\$ '000

## 5. Property, plant and equipment (continued)

### Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Total
Land	4 448	-	-	-	-	4 448
Buildings	34 047	-	-	2 280	(665)	35 662
Furniture and fixtures	236	-	(5)	-	(57)	174
Motor vehicles	463	-	-	-	-	463
Office equipment	351	9	-	-	(140)	220
IT equipment	981	414	-	-	(742)	653
	<b>40 526</b>	<b>423</b>	<b>(5)</b>	<b>2 280</b>	<b>(1 604)</b>	<b>41 620</b>

### Depreciation rates

Land		Not depreciated	
Buildings	Straight line	basis - years	50
Furniture and fixtures	Straight line	basis - years	5
Motor vehicles	Straight line	basis - years	4
Office equipment	Straight line	basis - years	5
IT equipment	Straight line	basis - years	3

### Revaluations

The valuation of land and buildings is done on a triennial basis by an independent, professional, recognised valuator with sufficient experience in the locations and segments of the property being valued. At 31 March 2024, Mr FA Frank - Schultz valued land and buildings at N\$ 36.7 million. The next independent valuation will be done during the 2026 financial year.

The carrying value of land and buildings under the cost model would have been N\$ 34.1 million (2024: N\$ 34.1 million).

Land is measured using the revaluation model model in terms of IAS 16: Property, plant and equipment. The company carries land, at the fair value on the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The key variable which affects the value of the land is the estimated sellable land rate per square metre of N\$ 3 750 (2024: N\$ 3 750).

### Sensitivity analysis

The effect of a 5% change in the estimated sellable land rate per square metre will result in the recoverable amount of land increase/decrease by N\$ 2.0 million (2024: N\$ 2.0 million).

Details of properties

Land and buildings consist of a property situated on ERF 8571 registered under title deed T2114/2011, Corner of Lazarett Street and Feld Street, Windhoek, Namibia. The property measures 1,949 square metres in size.

## 6. Intangible assets

	2025			2024		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	13 256	(5 881)	7 375	11 578	(4 724)	6 854

### Reconciliation of intangible assets - 2025

	Opening balance	Additions	Amortisation	Total
Computer software	6 854	1 678	(1 157)	7 375

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2025	2024
	N\$ '000	N\$ '000

## 6. Intangible assets (continued)

### Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Total
Computer software	8 012	(1 158)	6 854

## 7. Financial instruments held at amortised cost

Republic of Namibia Government bonds (Baa3)	16 988	29 388
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### Risk exposure

The investments held by the company expose it to various risks, including credit risk, currency risk, interest rate risk and price risk. Refer to note 3 Financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

Investment house	Bond	Purchase date	Maturity date	Yield	Coupon Rate	Nominal Amount	Carrying	Carrying	
							Amount	Amount	
							<b>2025</b>	<b>2024</b>	
Cirrus Capital (Pty) Ltd	GC24	31 March 2016	15 October 2024	10.09%	10.50%	2 000	-	2 100	
Simonis Storm Securities (Pty) Ltd	GC24	31 March 2016	15 October 2024	10.00%	9.00%	10 000	-	10 493	
Cirrus Capital (Pty) Ltd	GC25	31 March 2016	15 April 2025	10.31%	8.50%	9 750	10 123	9 960	
PSG*	GC25	13 August 2020	15 April 2025	8.00%	8.50%	270	273	276	
PSG*	GC27	13 August 2020	15 January 2027	8.15%	8.00%	220	222	222	
Simonis Storm Securities (Pty) Ltd	GC32	23 October 2020	15 October 2032	10.23%	10.50%	5 350	5 345	5 315	
PSG*	GC32	20 August 2020	14 April 2032	10.04%	9.00%	1 040	1 025	1 022	
							<b>28 630</b>	<b>16 988</b>	<b>29 388</b>

\*PSG Wealth Management (Namibia) (Pty) Ltd.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2025 N\$ '000	2024 N\$ '000
<b>8. Financial instruments held at fair value</b>		
Level 2 fair value investments in funds with no credit ratings		
Bank Windhoek Money Market Investment Fund	4 305	1 040
Bank Windhoek Select Fund	63 976	58 902
FNB Namibia Unit Trust Income Fund	69 806	63 318
IJG Money Market Fund	33 359	30 790
Momentum Diversified Income Fund	6 767	6 184
Old Mutual Namibia Income Fund	17 908	16 338
Old Mutual Namibia Money Fund	26 116	24 028
Old Mutual Nedbank Namibia Corporate Fund	5	5
PSG Collective Investment Scheme	41 280	37 669
PSG Money Market Fund	27 913	25 629
Sanlam Namibia Floating Rate Fund	34 666	31 750
Simonis Storm Arysteq Real Return Fund	24 782	21 768
Simonis Storm Money Market	13 114	1 102
Nampost Fixed Deposit	-	21 233
M & G Namibia Inflation Plus Fund	11 647	10 439
Catalyst Cautios Balance Fund	-	10 537
Old Mutual Managed Fund	11 884	10 628
Arysteq Bond Fund	11 022	-
Catalyst Balanced Fund	10 507	-
Lebela Income Fund	10 680	-
Ninety One High Income Fund	10 668	-
Stanlib Cash Plus Fund	10 520	-
Stanlib Income Fund	10 585	-
Nedbank Fixed Deposit	5 312	-
Allan Gray Balanced Fund	15 934	-
	<b>472 756</b>	<b>371 360</b>

These investments do not individually carry their own credit rating as they are made up of a portfolio of diversified assets which carry their own individual ratings. Prior to investment, management analyses the risk and only invests with reputable institutions. Refer to note 3 for information on risk management and to note 4 for fair value information.

All balances are denominated in Namibian dollars.

#### Reconciliation of level 2 financial assets held at fair value through profit or loss

Opening balance	371 360	319 780
Additions at fair value	49 968	21 526
Interest capitalised	10 751	8 393
Dividend capitalised	11 091	9 508
Coupon interest on government bonds	12 381	870
Fair value adjustments	17 365	11 512
Expenses	(160)	(229)
	<b>472 756</b>	<b>371 360</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 9. Reinsurance contract assets

31 March 2025	Asset for Remaining Coverage	Asset for Incurred claims	Asset for Incurred claims	Total Asset/ (Liability)
	Non-loss- recovery component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non- financial risk	
Opening reinsurance contract assets	(36 742)	111 422	9 629	84 309
Opening reinsurance contract liabilities	-	-	-	-
	<b>(36 742)</b>	<b>111 422</b>	<b>9 629</b>	<b>84 309</b>
<b>Allocation of the reinsurance premiums</b>				
Full retrospective approach	(324 629)	-	-(324 629)	
<b>Amounts recoverable from reinsurers</b>				
Amounts recoverable for claims and other expenses incurred in the period	-	116 587	9 846	126 433
Changes in amounts recoverable arising from changes in liability for incurred claims	-	54 697	(8 946)	45 751
<b>Net income (expenses) from reinsurance contracts held</b>	<b>(324 629)</b>	<b>171 284</b>	<b>900</b>	<b>(152 445)</b>
Interest accreted	-	5 361	778	6 139
Effect of changes in interest rates and other financial assumptions	-	362	-	362
<b>Reinsurance finance income / (expense) from reinsurance contracts held</b>	<b>-</b>	<b>5 723</b>	<b>778</b>	<b>6 501</b>
<b>Total changes in the statement of comprehensive income</b>	<b>(324 629)</b>	<b>177 007</b>	<b>1 678</b>	<b>(145 944)</b>
<b>Cash flows (actual cashflows in the period)</b>				
Premiums paid	272 605	-	-	272 605
Amounts received	-	(191 222)	-	(191 222)
<b>Total cash flows</b>	<b>272 605</b>	<b>(191 222)</b>	<b>-</b>	<b>81 383</b>
<b>Net closing balance of reinsurance contract assets/ (liabilities)</b>	<b>(88 766)</b>	<b>97 207</b>	<b>11 307</b>	<b>19 748</b>
<b>Net closing reinsurance contract assets / (liabilities) summarised as:</b>				
Closing reinsurance contract assets	1 189	97 207	11 307	109 703
Closing reinsurance contract liabilities	(89 955)	-	-	(89 955)
	<b>(88 766)</b>	<b>97 207</b>	<b>11 307</b>	<b>19 748</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 9. Reinsurance contract assets (continued)

31 March 2024	Asset for Remaining Coverage	Asset for Incurred claims	Asset for Incurred claims	Total Asset/ (Liability)
	Non-loss-recovery component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
Opening reinsurance contract assets	6 010	93 298	6 649	105 957
Opening reinsurance contract liabilities	(53 342)	-	-	(53 342)
	<b>(47 332)</b>	<b>93 298</b>	<b>6 649</b>	<b>52 615</b>
<b>Allocation of the reinsurance premiums</b>				
Full retrospective approach	(283 368)	-	-	(283 368)
<b>Amounts recoverable from reinsurers</b>				
Amounts recoverable for claims and other expenses incurred in the period	-	98 973	6 381	105 354
Changes in amounts recoverable arising from changes in liability for incurred claims	-	97 553	(3 878)	93 675
	<b>(283 368)</b>	<b>196 526</b>	<b>2 503</b>	<b>(84 339)</b>
Interest accreted	-	3 288	477	3 765
Effect of changes in interest rates and other financial assumptions	-	(961)	-	(961)
<b>Reinsurance finance income / (expense) from reinsurance contracts held</b>	<b>-</b>	<b>2 327</b>	<b>477</b>	<b>2 804</b>
<b>Total changes in the statement of comprehensive income</b>	<b>(283 368)</b>	<b>198 853</b>	<b>2 980</b>	<b>(81 535)</b>
<b>Cash flows (actual cashflows in the period)</b>				
Premiums paid	293 958	-	-	293 958
Amounts received	-	(180 729)	-	(180 729)
Total cash flows	293 958	(180 729)	-	113 229
<b>Net closing balance of reinsurance contract assets / (liabilities)</b>	<b>(36 742)</b>	<b>111 422</b>	<b>9 629</b>	<b>84 309</b>
<b>Net closing reinsurance contract assets / (liabilities) summarised as:</b>				
Closing reinsurance contract assets	(36 742)	111 422	9 629	84 309
Closing reinsurance contract liabilities	-	-	-	-
	<b>(36 742)</b>	<b>111 422</b>	<b>9 629</b>	<b>84 309</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 10. Insurance contracts

31 March 2025

	Liabilities for Remaining Coverage	Liabilities for Remaining Coverage	Liabilities for Incurred claims	Liabilities for Incurred claims	Total Liability/(Asset)
	Excluding loss component	Loss component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
Opening insurance contract assets	(365 761)	-	-	-	(365 761)
Opening insurance contract liabilities	123 950	2 074	314 288	25 046	465 358
	<b>(241 811)</b>	<b>2 074</b>	<b>314 288</b>	<b>25 046</b>	<b>99 597</b>
<b>Insurance revenue</b>					
Full retrospective approach	(902 870)	-	-	-	(902 870)
	<b>(902 870)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(902 870)</b>
<b>Insurance service expenses</b>					
<b>Incurred insurance service expenses:</b>					
Incurred claims and other expenses	-	(2 074)	341 009	22 344	361 279
Amortisation of insurance acquisition cash flows	190 125	-	-	-	190 125
Losses on onerous contracts and reversals of those losses	-	459	-	-	459
Changes to liabilities for incurred claims	-	-	81 677	(10 924)	70 753
	<b>190 125</b>	<b>(1 615)</b>	<b>422 686</b>	<b>11 420</b>	<b>622 616</b>
<b>Total insurance service expenses</b>	<b>(712 745)</b>	<b>(1 615)</b>	<b>422 686</b>	<b>11 420</b>	<b>(280 254)</b>
<b>Total insurance service result</b>					
Interest accreted	-	-	13 575	-	13 575
Effect of changes in interest rates and other financial assumptions	-	-	1 554	-	1 554
	<b>-</b>	<b>-</b>	<b>15 129</b>	<b>-</b>	<b>15 129</b>
<b>Insurance finance income / (expense) from insurance contracts issued</b>	<b>(712 745)</b>	<b>(1 615)</b>	<b>437 815</b>	<b>11 420</b>	<b>(265 125)</b>
<b>Total changes in the statement of financial performance</b>					
Cash flows (actual cashflows in the period)					
Premiums received	806 597	-	-	-	806 597
Claims and other expenses paid	-	-	(389 951)	-	(389 951)
Insurance acquisition cash flows	(189 688)	-	-	-	(189 688)
<b>Total cash flows</b>	<b>616 909</b>	<b>-(389 951)</b>	<b>-</b>	<b>-</b>	<b>226 958</b>
	<b>(337 647)</b>	<b>459</b>	<b>362 152</b>	<b>36 466</b>	<b>61 430</b>
<b>Net closing balance</b>					
Insurance contract (assets) / liabilities summarised as:					
Closing insurance contract assets	(316 076)	-	-	-	(316 076)
Closing insurance contract liabilities	(21 571)	459	362 152	36 466	377 506
	<b>(337 647)</b>	<b>459</b>	<b>362 152</b>	<b>36 466</b>	<b>61 430</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 10. Insurance contracts (continued)

31 March 2024	Liabilities for Remaining Coverage	Liabilities for Remaining Coverage	Liabilities for Incurred claims	Liabilities for Incurred claims	Total Liability/ (Asset)
	Excluding loss component	Loss component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
Opening insurance contract assets	(288 031)	44	233	32	(287 722)
Opening insurance contract liabilities	105 871	7 614	280 051	20 706	414 242
	<b>(182 160)</b>	<b>7 658</b>	<b>280 284</b>	<b>20 738</b>	<b>126 520</b>
<b>Insurance revenue</b>					
Full retrospective approach	(829 945)	-	-	-	(829 945)
	<b>(829 945)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(829 945)</b>
<b>Insurance service expenses</b>					
<b>Incurred insurance service expenses:</b>					
Incurred claims and other expenses	-	(7 652)	136 681	9 175	138 204
Amortisation of insurance acquisition cash flows	209 118	-	-	-	209 118
Losses on onerous contracts and reversals of those losses	-	-	2 068	-	2 068
Changes to liabilities for incurred claims	-	-	307 893	(4 867)	303 026
<b>Total insurance service expenses</b>	<b>209 118</b>	<b>(5 584)</b>	<b>444 574</b>	<b>4 308</b>	<b>652 416</b>
<b>Total insurance service result</b>	<b>(620 827)</b>	<b>(5 584)</b>	<b>444 574</b>	<b>4 308</b>	<b>(177 529)</b>
Interest accreted	-	-	10 352	-	10 352
Effect of changes in interest rates and other financial assumptions	-	-	(1 726)	-	(1 726)
<b>Insurance finance income / (expense) from insurance contracts issued</b>	<b>-</b>	<b>-</b>	<b>8 626</b>	<b>-</b>	<b>8 626</b>
<b>Total changes in the statement of financial performance</b>	<b>(620 827)</b>	<b>(5 584)</b>	<b>453 200</b>	<b>4 308</b>	<b>(168 903)</b>
<b>Cash flows (actual cashflows in the period)</b>					
Premiums received	799 309	-	-	-	799 309
Claims and other expenses paid	-	-	(419 195)	-	(419 195)
Insurance acquisition cash flows	(238 134)	-	-	-	(238 134)
<b>Total cash flows</b>	<b>561 175</b>	<b>-(419 195)</b>	<b>-</b>	<b>-</b>	<b>141 980</b>
<b>Net closing balance</b>	<b>(241 812)</b>	<b>2 074</b>	<b>314 289</b>	<b>25 046</b>	<b>99 597</b>
<b>Insurance contract (assets) / liabilities summarised as:</b>					
Closing insurance contract assets	(365 761)	-	-	-	(365 761)
Closing insurance contract liabilities	123 950	2 074	314 288	25 046	465 358
	<b>(241 811)</b>	<b>2 074</b>	<b>314 288</b>	<b>25 046</b>	<b>99 597</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2025 N\$ '000	2024 N\$ '000
<b>11. Current tax receivable</b>		
Normal tax	(13 717)	4 943
<b>Provision for taxation</b>		
Balance at the beginning of the year	4 943	2 028
Provision for the year	(41 359)	(13 635)
Provisional tax payment	22 699	16 550
	<b>(13 717)</b>	<b>4 943</b>
<b>Balance of provision for taxation consists of:</b>		
2024	4 943	4 943
2025	(18 660)	-
	<b>(13 717)</b>	<b>4 943</b>

Refer to note 31 for related party information.

## 12. Staff loans and other prepayments

Staff loans advanced	929	555
Deposits and prepayments	1 040	99
	<b>1 969</b>	<b>654</b>

The balances are denominated in Namibian dollar. No amounts are past due and have no indication of impairment. The carrying amounts approximate the fair values of the balances due to their short term nature.

Staff loans are amounts that have been advanced to staff members of the company in line with the company's staff welfare policy. The balances are denominated in Namibian dollar. No amounts are past due and have no indication of impairment. The carrying amounts approximate the fair values of the balances due to their short-term nature.

Refer to note 3 for information on credit risk.

Refer to note 31 for information on related parties.

## 13. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	4	2
Bank balances	12 006	8 648
Short-term deposits	100 078	48 140
	<b>112 088</b>	<b>56 790</b>

### Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

<b>Credit rating</b>		
AAA	99 220	47 323
AA	12 865	9 465
	<b>112 085</b>	<b>56 788</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2025  
N\$ '000

2024  
N\$ '000

## 13. Cash and cash equivalents (continued)

### Exposure to currency risk

Included in the bank balances is a USD-denominated bank balance. The total loss on exchange differences recognised in profit or loss for the period is N\$ 51.3 thousand (2024: N\$ 2.3 million).

Refer to note 3 Financial instruments and financial risk management for details of currency risk management for cash and cash equivalents.

## 14. Share capital

### Authorised

20 000 ordinary shares of N\$1 each	20 000	20 000
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### Issued

20 000 ordinary shares of N\$1 each	20 000	20 000
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## 15. Revaluation reserve

The revaluation reserve relates to revaluations performed on land and building every 3 years. Refer to note 5 for information on land and buildings.

Opening balance	8 072	5 792
Movement during the year	-	2 280
	<b>8 072</b>	<b>8 072</b>

## 16. Staff welfare reserve

A staff welfare fund is required to be maintained in terms of section 29 of the Namibia National Reinsurance Corporation Act, 1998. The annual amount transferred to the fund may not exceed 5% of the net profit after tax of the company for the financial year.

The reserve shall be utilised for recreation facilities, low interest-bearing loans and any other purposes aimed at enhancing the employees' welfare of the company.

Opening balance	1 233	1 233
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## 17. General reserve

In terms of the section 28 of the Namibia National Reinsurance Corporation Act, 1998, the company is required to maintain a general reserve into which it shall deposit at the end of the each financial year end an amount equal to 50% of the net profit before tax for the year provided the general reserve fund is less than the authorised share capital of the company. Alternatively, should the general reserve be equal to or exceed the authorised share capital of the company, then 25% of the net profit before tax must be transferred to the reserve.

Opening balance	102 821	102 821
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# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2025 N\$ '000	2024 N\$ '000
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## 18. Deferred tax

Deferred tax liability	(7 801)	(9 197)
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### Reconciliation of deferred tax liability

At beginning of year	(9 197)	2 859
Other	1 396	(12 056)
	<u>(7 801)</u>	<u>(9 197)</u>

## 19. Provisions

### Reconciliation of provisions - 2025

Insurance contract liability	<b>Opening balance</b> 175 653	<b>Total</b> 175 653
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### Reconciliation of provisions - 2024

Insurance contract liability	<b>Opening balance</b> 175 653	<b>Total</b> 175 653
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The insurance contract liability relates to a liability which is currently under dispute with a local insurance company. While the particular cedent was complying with the notices and regulations contained in Government Notices 332 - 338 as gazetted on 29 December 2017 for their Alternative risk transfer business, the company ceded 12.5% of their experience account book to the company while also ceding 12.5% for full premiums.

The company is of the opinion that the cession method was incorrect and as such the corrected treatment should be applied retrospectively for this business. The cedent in question is also of the view that the cession was done incorrectly but want this applied prospectively. The company is currently in negotiations with the cedent on this and management has decided to raise a provision for the possible exposure on this dispute.

The provision was calculated as 12.5% of the experience account balance held by the cedent as of 31 March 2021. There is no movement of the balance for the 2025 and 2024 financial years as management has assessed the provision to still be adequate. Please refer to note 32.2 (Contingent asset) for related contingent asset raised.

## 20. Other payables

<b>Financial instruments:</b>		
Other payables	30 705	19 533

### Non-financial instruments:

Amounts received in advance	205	205
	<b>30 910</b>	<b>19 738</b>

### Financial instrument and non-financial instrument components of other payables

At amortised cost	30 705	19 533
Non-financial instruments	205	205
	<b>30 910</b>	<b>19 738</b>

## 21. Insurance revenue

Insurance revenue from contracts measured under PAA	902 870	829 945
	<b>902 870</b>	<b>829 945</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2025 N\$ '000	2024 N\$ '000
<b>22. Insurance service expenses</b>		
Insurance service expenses	394 864	400 656
Directly attributable expenses	37 627	42 628
Commission paid	190 125	209 130
	<b>622 616</b>	<b>652 414</b>
<b>23. Insurance finance expense for insurance contracts issued</b>		
Interest accreted to insurance contracts using current financial assumptions	(15 129)	(10 352)
Interest accreted to insurance contracts using locked-in rate	-	1 726
	<b>(15 129)</b>	<b>(8 626)</b>
<b>24. Reinsurance finance income from reinsurance contracts held</b>		
Interest accreted to insurance contracts using current financial assumptions	6 500	3 765
Interest accreted to insurance contracts using locked-in rate	-	(961)
	<b>6 500</b>	<b>2 804</b>
<b>25. Investment income</b>		
Dividend income		
Dividend income	11 091	9 508
Interest income Loans to:		
Directors, managers and employees	24	25
<b>Investments in financial assets:</b>		
Bank and other cash	6 510	3 831
Other financial assets	13 055	12 726
<b>Total interest income</b>	<b>19 589</b>	<b>16 582</b>
<b>Total investment income</b>	<b>30 680</b>	<b>26 090</b>
<b>26. Other income</b>		
Profit on sale of assets	4	48
Sundry income	1 340	39
	<b>1 344</b>	<b>87</b>
<b>27. Operating profit</b>		
Operating profit for the year is stated after charging (crediting) the following, amongst others:		
<b>Employee costs - directors</b>		
Fees	2 949	2 322

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2025 N\$ '000	2024 N\$ '000
<b>27. Operating profit (continued)</b>		
<b>Employee costs - salaried staff</b>		
Salaries, wages, bonuses and other benefits	11 658	10 185
Housing benefit	3 133	1 128
Travel allowance	161	-
Motor vehicle allowance	3 145	-
Termination benefits	1 227	-
	<b>19 324</b>	<b>11 313</b>
<b>Expenses by nature</b>		
The total insurance service expenses, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:		
Advertising and marketing	2 233	1 800
Amortisation	579	1 158
Auditor's remuneration - external audit	1 286	-
Bank charges	68	14
Bursaries	-	67
Business development	2 674	1 833
Cleaning	162	101
Computer expenses	8	8
Depreciation	671	357
Donations and sponsorships	82	100
Employee costs - salaried staff	19 324	11 313
Employee costs - directors	2 949	2 322
Entertainment	403	332
Insurance	191	376
Investment expenses	160	229
Legal fees	17	-
Membership and subscriptions	320	239
Motor vehicle expenses	48	26
Municipal expenses	189	108
NTA Levies	166	-
Other consulting and professional fees	3 296	4 433
Other expenses	-	(736)
Other final taxes	542	488
Other operating expenses not individually material	96	33
Printing and stationery	38	73
Repairs and maintenance	92	57
Secretarial fees	683	-
Security	70	47
Staff training and development	42	151
Staff welfare	690	485
Telephone and internet expenses	811	434
VAT apportionment adjustment	129	117
	<b>38 019</b>	<b>25 251</b>
<b>Foreign exchange gains (losses)</b>		
Net foreign exchange gains (losses)	(51)	2 277

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2025 N\$ '000	2024 N\$ '000
28. Cash generated from operations		
Profit before taxation	130 499	102 085
<b>Adjustments for non-cash items:</b>		
Depreciation and amortisation	1 250	2 762
Gains on sale of assets and liabilities	(4)	(46)
Losses (gains) on exchange differences	51	(2 277)
Fair value gains	(17 365)	(10 038)
Expenses on investments	160	229
<b>Adjust for items which are presented separately:</b>		
Interest income	(19 589)	(18 166)
Dividends received	(11 091)	(9 378)
<b>Changes in working capital:</b>		
Increase in insurance contract assets	49 685	(78 039)
(Decrease) increase in insurance contract liabilities	(87 852)	51 116
Increase in reinsurance liabilities	89 955	-
Increase in other payables	12 426	6 192
Increase in staff loans and other prepayments	(1 315)	(36)
Increase in reinsurance assets	(25 393)	(31 694)
	<b>121 417</b>	<b>12 710</b>
<b>29. Tax paid</b>		
Balance at beginning of the year	4 943	2 028
Current tax recognised in profit or loss	(41 359)	(13 635)
Balance at end of the year	13 717	(4 943)
	<b>(22 699)</b>	<b>(16 550)</b>
<b>Reconciliation of net receipts / (payments)</b>		
Tax payments made		
2022	(41 359)	(13 635)
2024		
- First provisional payment	-	16 550
2025		
- First provisional payment	-	-
- Second provisional payment	-	-
	<b>(41 359)</b>	<b>2 915</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2025 N\$ '000	2024 N\$ '000
<b>30. Taxation</b>		
<b>Major components of the tax (income) expense</b>		
<b>Current</b>		
Short-term insurance business	41 359	13 635
<b>Deferred</b>		
Originating and reversing temporary differences	(1 396)	12 056
	<b>39 963</b>	<b>25 691</b>
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense.		
Accounting (loss) profit	130 499	102 085
Tax at the applicable tax rate of 31% (2024: 32%)	40 455	32 667
<b>Tax effect of adjustments on taxable income</b>		
Temporary differences on insurance contracts	(492)	(6 976)
	<b>39 963</b>	<b>25 691</b>

## 31. Related parties

Relationships	
Ultimate holding entity	Government of the Republic of Namibia
Holding entity	The Namibian Ministry of Finance
Directors	Refer to the directors' report

### Related party balances

#### Amount owing by (to) the Government of the Republic of Namibia

Value-added tax		
(25 487)		
(15 803)		
Current tax receivable (payable)	2 028	1 664
PAYE (employees' tax)	(519)	(1 183)
Withholding taxes	-	(56)
	<b>(23 978)</b>	<b>(15 378)</b>

Balances with related parties are unsecured, interest free and payable on demand. However, balances in arrears incur interest and penalties as specified by the VAT, PAYE, Withholding tax and Income tax legislations.

### Related party transactions

#### Compensation to directors and other key management

For services as directors	2 949	2 322
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# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## **32. Contingencies**

### **32.1 Contingent liabilities**

#### **32.1 Claim resulting from incorrect treatment of ceded business**

The company has a contingent liability related to a cedent who in the process of complying with the notices and regulations contained in Government Notices 332 - 338 as gazetted on 29 December 2017, has been submitting various returns since 2019. It is the view of the company that principles applied in the calculation and submission of these returns are incorrect. The company is in the process of negotiations with the cedant on the correct way of ceding business in line with the legislation. The total amount of this liability is N\$ 8,280,533 (After tax N\$ 5,630,762) as per the returns submitted by the cedent. The company expects to finalise this matter within the next 12 months.

#### **32.2 Contingent asset**

The company has a contingent asset related to a claim for the over-rider commission from a cedent. This claim is related to amounts which were deducted by the cedent regarding over-rider commission. This was when the cedent was in the process of compliance in terms of the notices and regulations contained in Government Notices 332 - 338 as gazetted on 29 December 2017. It is the view of the company that the cedent deducted over rider commission in a manner that is not in line with standard insurance practices in relation to alternate risk transfer business. The commission in this regard is related to the period June 2018 to 31 March 2021 and amounts to an estimated amount of N\$ 28,275,614 (after tax N\$ 19,227,417). This estimate does not take into account any time value of money. Please refer to note 20 for information related to the liability.

## **33. Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

## **34. Events after the reporting period**

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.







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