

Moody assigns Ba1 financial strength (IFS) rating to NamibRe; Outlook stable

Moody's Investor Service ("Moody's"), in December 2015, assigned a Ba1 IFS rating to the Namibia National Reinsurance Corporation Ltd (NamibRe). The outlook for NamibRe's rating remains stable.

Moody believes that NamibRe's Ba1 IFS rating reflects its Ba2 standalone credit assessment and one notch of uplift due to implicit support from its sole shareholder, the Government of Namibia (Baa3, stable). Moody anticipates that NamibRe's Act and mandatory cessions will remain in effect for the foreseeable future.

Accordingly, NamibRe's Ba 2 standalone assessment, is mainly influenced by its secure position in the Namibian insurance market a result of the legislated mandatory cession, and its good capitalization relative to its insured exposures and actions of management that will improve operating profitability. Another contributing factor is NamibRe's moderate asset risk due to its primary investment exposures being to the government and the local banking sector, and the relatively short-tailed nature of the majority of its insurance exposures, which lowers reserving risk.

NamibRe's implicit support, according to Moody, is evidenced in the government's 100% ownership of NamibRe; its track record of supporting state owned corporations, NamibRe's track record of profitability and progress in fulfilling the government's policy objective and the governments active involvement in the oversight of NamibRe, including a requirement that it appoints all the directors on NamibRe's board.

For Moody's rating, an overview of the rating process and rating methodologies, please visit <http://www.namibre.com>.

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