NAMIBRE

NAMIBIA NATIONAL REINSURANCE CORPORATION LTD

ANNUAL REPORT 2009

OUR MANDATE

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

VISION

To be the preferred reinsurance company in Africa.

MISSION

To provide professional and quality reinsurance services to our clients and to maximise shareholder return.

CORE VALUES

Integrity:
We will always be honest and transparent in everything we do.

Professional Service Delivery:
We will provide consistent quality service to all our clients through teamwork.

People Growth:
We will enhance the well being of our team by embracing competency development initiatives and ensuring equitable conditions of employment.

CONTENTS

BOARD OF DIRECTORS

MARIA S. DAX
CHAIRPERSON

RAPAMA R. KAMEHOZU
BOARD MEMBER

SAARA KUUGONGELWA-AMADHILA
BOARD MEMBER

CARL SCHLETTWEIN
BOARD MEMBER

DAVID KEENJELE
BOARD MEMBER

NELAGO KASUTO
BOARD MEMBER

MANAGEMENT

FRANCOIS FRANCIS
MANAGER
FINANCE & ADMINISTRATION

ANNA C. NAKALE-KAWANA
MANAGING DIRECTOR

I-BEN NASHANDI
MANAGER
REINSURANCE

CHAIRPERSON'S STATEMENT

Introduction

The year under review was a challenging period due to the global economic crisis. Besides the economic crisis, we also had to deal with the aftermaths of other disasters such as floods that severely affected some parts of namibia. The claims in respect of motor insurance have also gone significantly compared to previous years. Higher motor related claims are driven by, amongst others the high costs of repairs as a result of high frequency of motor vehicle accidents. Costs of medical claims also adversely affect our medical portfolio, albeit at minimal scale given smaller volume of the portfolio.

I am however pleased to state that NamibRe achieved a healthy growth in the period under review. The commitment, further development and training of our staff by the Corporation is attributable to this growth. This performance was achieved thanks to the commitment and dedication of our staff members.

Financial overview

We are reporting a growth of 16.7% in gross premium, from N$69,6m in 2008 to N$81,189m in the year under review. The corporation has also realized a 23.2% increase in net profit and a 26.4% increase in investment income. This is an excellent performance under the circumstances of world financial crisis.

The growth in gross premium was due to the effect of increased cessions on treaties from both major cedants as well as increased volume of business written prudently from both local and foreign other treaties. Our underwriting operations remain largely based on the Namibian risks. The foreign business with a relatively small volume of business risks is being sourced from the Southern and Eastern African markets. Our penetration in foreign markets is hoped to gradually expanded and enhance the Corporation's growth.

Corporate governance

The Board of Directors continues to give policy directives and innovative strategic guidance to the Corporation. The strategic guidance provided to management is immediately monitored through Board committees, namely; Finance and Technical, Audit, Investment and Administration Committees.

Dividends

In consultation with the Minister of Finance, Hon Sara Kuugongelwa-Amadhila, representing the shareholder, the Corporation has declared a dividend of N$ 1,225,000.00. This amount is notably less compared to dividend paid in the past because a significant part of the realized profits will be utilized in the construction of the Namibre Head Office being constructed in Windhoek.

Appreciation

I firstly would like to thank management and staff, for their hard work, commitment and innovative ideas that led to positive achievements in the year under review. I also appreciate the co-operation I received from the members of the board of directors.

Finally, I would like to express my sincere appreciation to the honorable minister of finance and her team for their continued support and guidance.

A special word of thanks goes to our brokers, cedants and retrocessionaires for their continued unwavering support and business relations over the years.

MARIA S. DAX
CHAIRPERSON

MANAGING DIRECTOR'S

Operational Report 2009

It is my pleasure to present the Corporation's financial results for the financial year ended 31st March 2009, which reflects another year of positive and continued growth. We managed to record these positive results despite challenges such as increase in net claims incurred in the year under review. The table below depicts the financial performance and position during the year under review.

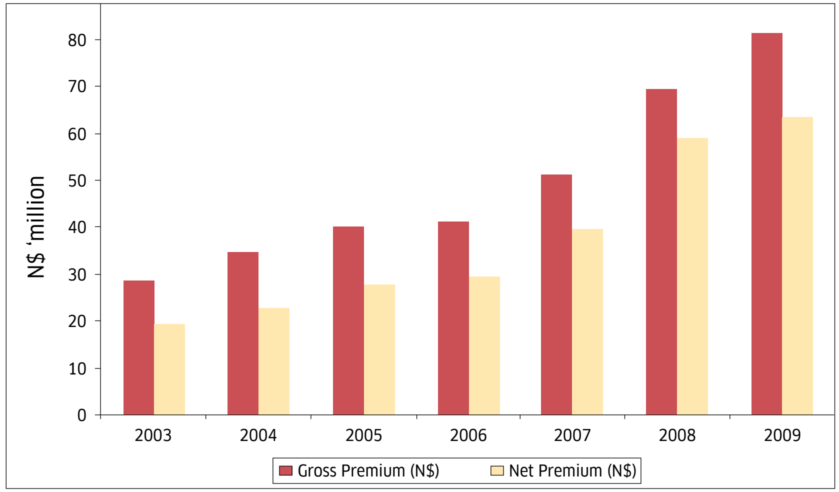
Financial Performance Highlights

Table 1: Financial Results 2008 – 2009 (N$'000)

	2009	2008
Gross Written Premium	81,189	69,587
Net Written Premium	63,450	58,700
Shareholders' Funds	73,991	60,828
Net Claims Incurred	40,053	33,859
Net Profit	13,888	11,274
Total Assets	97,642	82,763

Despite the difficult macroeconomic parameters as a result of global financial crisis, which undoubtedly also affected our operating environment, our core business, i.e. reinsurance, performed satisfactorily in the year under review. We wrote a gross premium income of N$81.2 million (2008: N$69.6), representing growth of 17% (2008: 35.8%). Of the gross written premium, 8.5% of that was written from outside Namibia in southern and eastern African markets and the reminder 91.5% is in respect of Namibian business. This is in line with our outward growth strategy of writing inward business from selected markets. The performance is broadly in line with the Corporation's projected annual growth.

Chart 1: Growth in Gross Premium



Of our gross written premium (Chart 2), motor remained the dominant class, accounting for 44.0% of our gross premium income, followed by miscellaneous (20.3%) and fire (18.8%). Medical class, which is reinsurance of mainly health products/hospital insurance accounts for 3.5%. Special riot, underwritten by NASRIA, which is the reinsurance of riot and strike risks, still remain relatively small, in tandem with its penetration ratio in the market.

Chart 2(a): Gross Premium Income by Class of Business for 2009

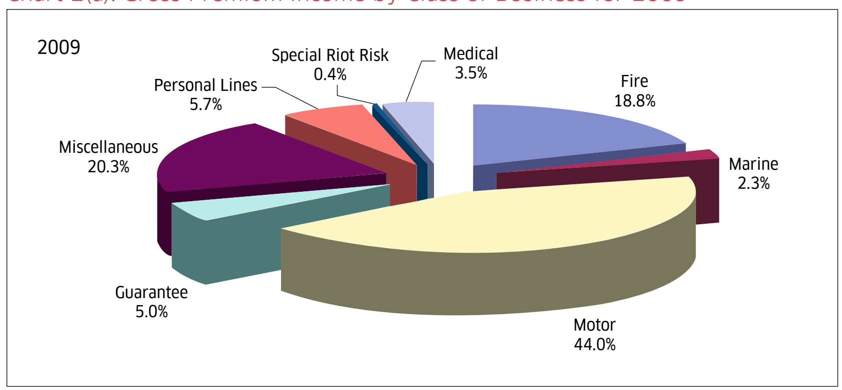
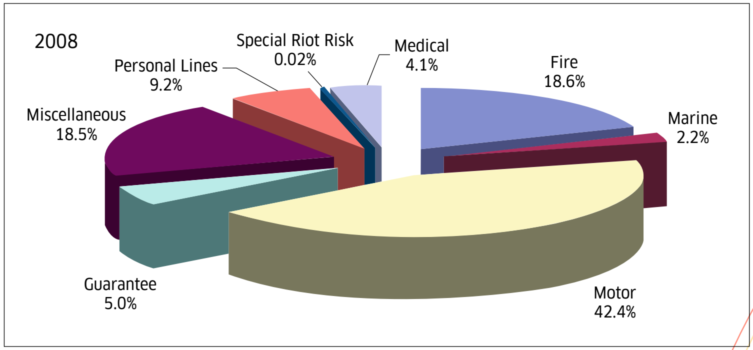


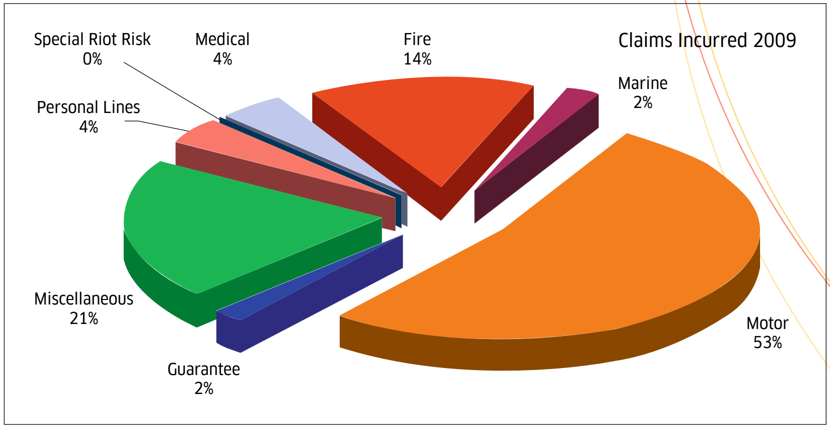
Chart 2(b): Gross Premium Income by Class of Business for 2008



Our net retention ratio decreased by 6.2 percentage points to 78.2% (2008: 84.4%) (Chart 1). The decrease in retention ratio is due to lower retention in respect of non-Namibian business, whose retention was 51.6%, compared to retention of 80.6 in respect of Namibian written business.

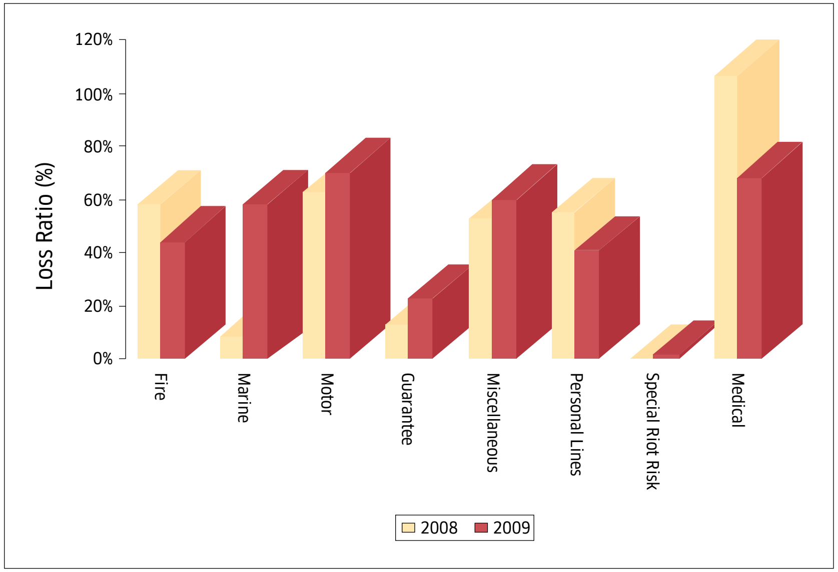
We incurred claims of N$47.6 million during the year (2008: N$39.3 million) (Chart 3), reflecting a growth of 21%. Save for our retrocession protections, we recovered N$7.5 million (2008: N$5.5 million) from our retrocessionaires/ reinsurers. Hence, the growth on our net incurred claims moderated, representing an increase of 18.3%, compared a massive increase of 96.6% in 2008, from N$33.9 million to N$40.1 million.

Chart 3: Gross Claims Incurred by Class of Business



The loss performance (chart 3 & chart 4) was worst in the motor class of business as a results of increased claims and resultant high cost of repairs, with a loss ratio of 70.2% (2008: 62.7%), and makes up 53% of the claims incurred, followed by health/ medical class with 68.4% (2008: 106.9%) loss ratio, given high costs of medical services, but its contribution to overall claims incurred is only 4.0%. Fire loss ratio improved this year to 44.2% compared to 58% last year. Special (NASRIA) riot did not record claims for few years. Marine related claims showed a remarkable deterioration in the year under review, relative to the previous year.

Chart 4: Loss Ratio (%) by Class of Business



Overall, our gross loss ratio, measured by incurred claims expressed as a percentage of gross premiums, worsened 63.1% (2008: 57.7%). Of this, our business from non-Namibian territories performed better, with a loss ratio of 24.1%, while the Namibian territory had a gross loss ratio of 61.8%. Therefore, non-Namibian business contributed 8.5% to gross premiums, compared to 3.5% contribution to claims incurred. The performance of the Namibian business is affected by general unfavourable business climate, caused by impact of global financial crises as well as the effect of widespread floods in the northern part of Namibia in February 2009.

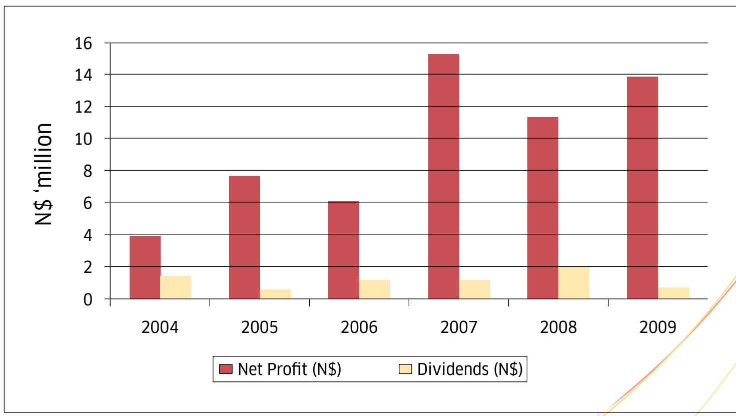
Our credit rating was reaffirmed for the 4th time by Global Credit Rating, with the claims paying ability ratings of AA- (national) , A- (regional) and BB (International). These ratings compare favourably with other reinsurers, and reaffirm NamibRe as a quality reinsurer, hence our growing, albeit still small, non-Namibian portfolio.

We increased our investments from N$64.7 million to N$67.6 million for the year under review, recording a growth of 4.3% per cent. Notably, our liquid investments, classified under cash also rose by N$4.7 million. As a result of these growth movements, we derived N$8.6 million as income from investments, compared to N$6.8 million reported in the previous period.

Our reinsurance business performed satisfactorily in the year under review, supported by a growth in our gross premium income. Although a higher number of claims led to significant expenditure, we recorded an underwriting profit of N$5.3 million compared to N$4.5 million a year ago, recording a healthy underwriting margin[1] of 62.6% (Table 2). Save for our investments returns and our satisfactory underwriting result, we registered a 23.2% increase in our net profit of N$13.8 million from last year's N$11.3 million (Chart 4).

We had consistently since 2005 paid yearly dividends to our shareholder. This amounts to a total of N$5.6 million. Our dividends are guided by our corporate strategic financial needs, coupled with our financial results.

Chart 5: Growth in Net Profit and Dividend



Thanks to our positive profit levels, we managed to record positive returns, as demonstrated by the 69.4% return on capital. Similarly, we recorded positive growth in our shareholders funds by 3.6 percentage points to 21.6%.

[1]Underwriting profit as a % of Net Premium Income

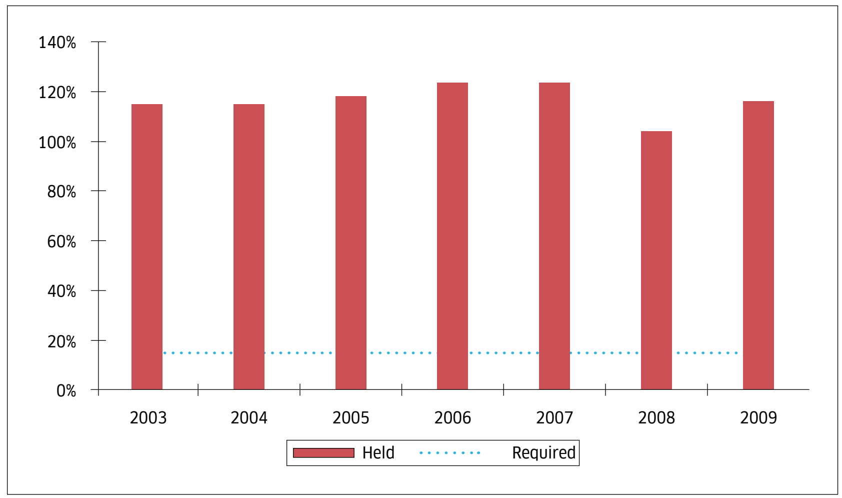
Our **management expenses** as percentage of net premium decreased from 8.3 per cent to 7.8 per cent, implying that compared to last year, and our ratio of net premium income used to fund management expenses did shrink. The remaining 92.2 per cent of our net premium was thus utilized to fund claims and acquisition and contributes to net profit.

Table 2: Financial Ratios

	2009	2008
Return on Capital	69.4%	56.4%
Underwriting Profit Margin	62.6%	58.6%
Management efficiency	7.9%	8.2%
Solvency Margin	116.6 %	103.6 %

Our **solvency margin** (Table 2 & Chart 6) stood at 116.6 per cent and is adequate since it meets the regulatory requirement of 15 per cent as set by NAMFISA. Our solvency margin indicates a considerable scope for profitable future expansion. The solvency margin measures the scope of income with which the company can grow given its capital and reserves.

Chart 6: Solvency and statutory requirement



Our social **responsibility** we are still sponsoring 2 students with their tuition and textbook fees. We made a donation of 250 blankets to the Government Emergency Relief Efforts through the Office of the Prime Minister to ease the burden of floods.

I wish to appreciate the commitment and hard work of my management team and staff members for the impressive results achieved during the year under review. I also acknowledge the support and guidance we received from the Board of Directors, our line Minister and her staff. We also commend the support we receive from our business partners, namely insurance companies, reinsurance brokers and our regulator. Without their support, we would not have achieved what we did. We value their confidence in our operations.

ANNA C. NAKALE-KAWANA
MANAGING DIRECTOR

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The directors of the corporation are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The annual financial statements have been prepared in accordance with International Financial Reporting Standards. The corporation's independent external auditors have audited the annual financial statements and their report appears on page 2.

The directors are 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 suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the corporation will not remain a going concern for the foreseeable future.

DIRECTORS' APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 3 to 25 were approved by the board of directors on <date> and are signed on their behalf by:

....
Director

....
Director

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBER OF NAMIBIA NATIONAL REINSURANCE CORPORATION LIMITED

We have audited the annual financial statements of Namibia National Reinsurance Corporation Limited, which comprise the balance sheet as at 31 March 2009, income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 25.

Directors' Responsibility for the Financial Statements

The corporation's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Namibia National Reinsurance Corporation Act, 1998. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Namibia National Reinsurance Corporation Limited at 31 March 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Namibia National Reinsurance Corporation Act, 1998 and the Namibian Companies Act.

Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Deloitte & Touche

Per VJ Mungunda
Partner

..................2009

REPORT OF THE DIRECTORS

for the year ended 31 March 2009

The directors have pleasure in presenting their report on the activities of the corporation for the year ended 31 March 2009.

NATURE OF BUSINESS

The corporation transacts several classes of insurance business.

RESULTS FOR THE YEAR

The results for the year are fully set out in the attached annual financial statements.

DIVIDEND

A dividend of N$725 000 was declared during the current year (2008: N$2 000 000).

SHARE CAPITAL

The authorised and issued share capital of the corporation remained unchanged during the current year.

DIRECTORS AND SECRETARY

- M S Dax	(Chairperson)
- A C Nakale-Kawana	(Managing Director)
- N Kasuto	
- R R Kamehozu	
- I Gei-Khoibeb	
- D Keendjele	
- M Kavekotora	

The board members term of office expired on 3rd March 2009 and their term was extended for another six months on 17th June 2009 retrospectively to the 3rd of March 2009 until the 3rd of September 2009.

Secretary	Until 31 January 2009 - CR van Wyk & Co.
	Since 1 February 2009 - Vacant

Business address:
2nd Floor, Capital Centre
Levinson Arcade
Independence Avenue
Windhoek
Namibia

Postal address:
P O Box 716
Windhoek
Namibia

HOLDING CORPORATION

The corporation is a wholly-owned subsidiary of the Government of the Republic of Namibia.

SUBSEQUENT EVENTS

The directors are not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in this report, which significantly affects the financial position of the corporation or the results of its operations.

INCOME STATEMENT
for the year ended 31 March 2009

	Notes	2009 N$	2008 N$
NET PREMIUMS EARNED		63 974 994	57 740 982
Premiums written		81 189 280	69 587 263
Reinsurance premiums written		(17 738 826)	(10 887 404)
Net premiums written		63 450 454	58 699 859
Change in provision for unearned premiums	7	524 540	(958 877)
CLAIMS, COMMISSION AND EXPENSES		(58 694 901)	(53 278 430)
Claims incurred		47 569 391	39 320 058
Claims paid		43 855 407	39 963 741
Less: Claims outstanding at beginning of year		(5 342 500)	(5 986 183)
		38 512 907	33 977 55
Add: Claims outstanding at end of year		9 056 484	5 342 500
Reinsurance recoveries attributable to claims incurred		(7 516 137)	(5 460 977)
Claims incurred net of recoveries		40 053 254	33 859 081
Net commission paid		13 652 479	14 612 771
Commission paid		18 856 397	17 463 027
Less: commissions received		(5 203 918)	(2 850 256)
Management expenses	3	4 989 168	4 806 578
UNDERWRITING SURPLUS		5 280 093	4 462 552
Net finance income	4	8 608 521	6 811 010
PROFIT BEFORE TAXATION		13 888 614	11 273 562
Taxation	1.21	-	-
PROFIT for the year		13 888 614	11 273 562

BALANCE SHEET
at 31 March 2009

	Notes	2009 N$	2008 N$
ASSETS			
NON-CURRENT ASSETS		14 233 054	5 413 822
Property, plant and equipment	5	3 770 602	72 561
Intangible assets	6	1 782	6 657
Investments	8	10 460 670	5 334 604
TECHNICAL ASSETS		11 447 902	7 822 124
Reinsurers' share of unearned premiums	7	834 271	851 439
Reinsurers' share of outstanding claims		1 493 378	814 965
Premium debtors		9 120 253	6 155 720
CURRENT ASSETS		71 961 490	69 527 265
Investments	8	57 090 131	59 401 201
Prepayments and staff loans		80 573	79 208
Cash and cash equivalents		14 790 786	10 046 856
TOTAL ASSETS		97 642 446	82 763 211
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES		73 991 681	60 828 067
Share capital	9	20 000 000	20 000 000
General reserve	10	26 351 965	22 879 812
Staff welfare reserve	11	541 108	335 565
Retained income		27 098 608	17 612 690
TECHNICAL PROVISIONS		22 628 158	20 384 360
Premium reserve		155 684	514 708
Reinsurance premium creditors		1 912 794	2 388 407
Gross provision for unearned premiums	7	5 483 411	6 025 119
Gross outstanding claims		9 056 484	5 342 500
Provision for unexpired risks		6 019 785	6 113 626
CURRENT LIABILITIES			
Accounts payable		1 022 607	1 550 784
TOTAL EQUITY AND LIABILITIES		97 642 446	82 763 211

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2009

	Share capital N$	General reserve N$	Staff welfare fund N$	Retained income N$	Total N$
BALANCE at 1 April 2007	20 000 000	17 243 031	343 233	13 968 241	51 554 505
Profit for the year	-	-	-	11 273 562	11 273 562
Dividends declared	-	-	-	(2 000 000)	(2 000 000)
Transfer to general reserve	-	5 636 781	-	(5 636 781)	-
Transfer from staff welfare fund	-	-	(7 668)	7 668	-
BALANCE at 31 March 2008	20 000 000	22 879 812	335 565	17 612 690	60 828 067
Profit for the year	-	-	-	13 888 614	13 888 614
Dividends declared	-	-	-	(725 000)	(725 000)
Transfer to general reserve	-	3 472 153	-	(3 472 153)	-
Transfer to staff welfare fund	-	-	205 543	(205 543)	-
BALANCE at 31 March 2009	20 000 000	26 351 965	541 108	27 098 608	73 991 681

CASH FLOW STATEMENT
for the year ended 31 March 2009

	Notes	2009 N$	2008 N$
CASH FLOWS FROM OPERATING ACTIVITIES		11 296 165	14 408 730
Cash premium receipts from policy holders		77 908 430	73 395 736
Cash reinsurance recovery and commission receipts		12 041 642	8 774 598
Cash claims, commission, reinsurance and expenses paid to policy holders, suppliers and employees		(86 537 428)	(72 572 614)
Cash generated by operations	A	3 412 644	9 597 720
Net finance income		8 608 521	6 811 010
Dividends paid	B	(725 000)	(2 000 000)
CASH FLOWS FROM INVESTING ACTIVITIES		(6 552 235)	(17 206 535)
Purchases of property, plant and equipment		(3 737 238)	33 092
Increase in investments		(2 814 997)	(17 173 743)
Proceeds on the disposal of property, plant and equipment		-	300
CASH FLOWS FROM FINANCING ACTIVITIES			
NET INCREASE IN CASH AND CASH EQUIVALENTS		4 743 930	2 797 805
Cash and cash equivalents at beginning of year		10 046 856	12 844 661
CASH AND CASH EQUIVALENTS AT END OF YEAR	C	14 790 786	10 046 856

CASH FLOW STATEMENT (continued)
for the year ended 31 March 2009

	Notes	2009 N$	2008 N$
Notes to the cash flow statement:			
A. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED BY OPERATIONS:			
Profit before taxation		13 888 614	11 273 562
Adjusted for:			
Depreciation		39 197	47 864
Amortisation of intangible asset		4 875	7 872
Net finance income		(8 608 521)	(6 811 010)
Profit on the disposal of property, plant and equipment		-	(300)
		5 324 165	4 517 988
Changes in working capital:		(1 911 521)	5 079 732
Increase in account prepayments and staff loans		(1 365)	(47 902)
(Increase)/Decrease in technical assets		(3 625 778)	4 499 761
(Decrease)/Increase in technical provisions		2 243 799	130 436
(Decrease)/Increase in accounts payable		(528 177)	497 437
Cash generated by operations		3 412 644	9 597 720
B. DIVIDENDS PAID			
Balance at beginning of year		-	-
Dividends declared		(725 000)	(2 000 000)
Balance at end of year		-	-
Dividends paid		(725 000)	(2 000 000)
C. CASH AND CASH EQUIVALENTS			
Bank balances and cash		11 451	11 781
Call and 32 day notice accounts		14 779 335	10 035 075
		14 790 786	10 046 856

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

1. ACCOUNTING POLICIES

The Corporation's audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The corporation prepares its audited financial statements on a going concern basis using the historical cost basis, except for certain financial assets and liabilities where it adopts the fair value basis of accounting.

The corporation's principal accounting policies are as follows:

The corporation recognises assets when it obtains control of a resource as a result of past events, and from which future economic benefits are expected to flow to the enterprise.

The corporation discloses a contingent asset where, as a result of past events, it is highly likely that economic benefits will flow to it, 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 corporation's control.

The insurance funds represent the unearned portion of premiums received during the year but relating to periods of risk extending beyond the end of the financial year, and are calculated by estimating the proportion of annual premiums that relate to future periods.

The general reserve as required by the Namibia National Reinsurance Corporation Act, 1998, is provided for in full out of the reserves available for distribution. The annual transfer to reserves is to be 50% of annual net profits until such time as the general reserve equals or exceeds authorised share capital, when 25% of annual net profits are to be transferred.

Provision is made for the estimated cost of claims (net of anticipated recoveries under reinsurance arrangements) notified but not settled at the balance sheet date and the estimated cost of claims incurred but not reported at that date. The provision for claims incurred but not reported is calculated on the best available information of historical trends and management's estimates of future claims costs. No additional „unexpired risk" provision is made as management considers the „outstanding claims" and „unearned premiums" provisions to be adequate provision for anticipated future operational losses.

The corporation carries property, plant and equipment at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the corporation and the cost of the item can be measured reliably.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives to their net residual values. The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Current annual rates of depreciation applied are:

- Computer equipment 33.3%
- Furniture and equipment 20.0%

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1. ACCOUNTING POLICIES (continued)

1.6 Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation. Intangible assets were previously reported under property, plant and equipment. Amortisation is charged on a straight-line basis over their estimated useful lives.

1.7 Impairment of assets

At each balance sheet date, the corporation reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately and are treated as exceptional items.

1.8 Financial instruments

Financial assets

The corporation's principal financial assets are bank cash and cash equivalents, trade receivables and investments.

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. Such provision for impairment of trade receivables is established if there is objective evidence that the corporation will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of the expected cash flows, discounted at the market rate of interest for similar borrowers.

Held-to-maturity investments

Bills of exchange with fixed or determinable payments and fixed maturity dates that the corporation has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest rate method less impairment, with revenue recognised on an effective yield basis.

Dividend income is brought to account when the last day of registration falls within the accounting period.

Financial liabilities and equity instruments

Financial liabilities are classified according to the substance of the contractual arrangement entered into.

Significant financial liabilities and equity instruments include finance lease obligations, overdrafts and trade and other payables.

Interest-bearing bank overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

1.9 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and investments in money market or call instruments.

1.10 Provisions

Provisions are recognised when the corporation has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be reliably estimated.

1. ACCOUNTING POLICIES (continued)

Provisions are measured at the best estimate of the cost required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

1.11 Premium income

Premiums written are accounted for in the period in which the risk incepts. Unearned premiums are carried forward on the basis set out in note 1.2 above.

1.12 Insurance contracts

Contracts entered into by Insurance operation with reinsurers under which it is compensated for losses on one or more contracts issued by Insurance operation and that meet the classification requirements for insurance contracts, are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets.

The benefits to which the Insurance operation is entitled under its reinsurance contracts held are recognised as reinsurance assets. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

1.13 Reinsurance contracts

The Insurance operation assesses its reinsurance assets for impairment on an annual basis. If there is objective evidence that the reinsurance asset is impaired, the Insurance operation reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement.

The Insurance operation gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is also calculated following the same method used for these financial assets.

1.14 Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders. If there is objective evidence that the insurance receivable is impaired, the corporation reduces the carrying amount of the insurance receivable accordingly and recognises the impairment loss in the income statement. The corporation gathers the objective evidence that an insurance receivable is impaired using the same process adopted for loans and receivables. The impairment loss is also calculated following the same method used for these financial assets.

1.15 Derecognition of assets and liabilities

The corporation derecognises an asset when the contractual rights to the asset expires, where there is a transfer of the contractual rights that comprise the asset, or the corporation retains the contractual rights of the assets but assume a corresponding liability to transfer these contractual rights to another party and consequently transfers the substantially all the risks and benefits associated with the asset.

Where the corporation retains substantially all the risks and rewards of ownership of the financial asset, the corporation continues to recognise the financial asset.

If a transfer does not result in derecognition because the corporation has retained substantially all the risks and rewards of ownership of the transferred asset, the corporation shall continued to recognise the transferred asset in its entirety and shall recognise a financial liability for the consideration received. In subsequent periods, the corporation shall recognise any income on the transferred asset and any expense incurred on the financial liability.

Where the corporation neither transfers nor retains substantially all the risks and

1. ACCOUNTING POLICIES (continued)

rewards of ownership of the financial asset, the corporation shall determine whether it has retained control of the financial asset. In this case:

- if the corporation has not retained control, it shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer; or
- if the corporation has retained control, it shall continued to recognise the financial asset to the extent of its continuing involvement in the financial asset.

1.16 Expenses and commission

Expenses are written off in full as incurred. The commission attributable to the unearned premiums at the end of the financial year is deferred and carried forward to the following year.

1.17 Solvency margin

Solvency margin represents the free reserve ratio which is calculated as shareholders funds expressed as a percentage of net premium written.

1.18 Dividends

Dividends on ordinary shares are recognised against equity in the period in which they are approved by the corporation's shareholder. Dividends declared after the balance sheet date are not recognised but disclosed as a post balance sheet event.

1.19 Pension fund

The corporation operates a defined contribution scheme, the assets of which are held in separate trustee administered funds. The pension plan is generally funded by payments from employees and the corporation, taking into account the recommendations of independent qualified actuaries.

These funds are registered in terms of the Namibian Pension Funds Act, 1956, and membership is compulsory for all employees. Qualified actuaries perform regular valuations.

Pension fund contributions are expensed as incurred.

1.20 Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.21 Taxation

In terms of Section 45 of the Namibia National Reinsurance Corporation Act, 1998, the corporation is not liable to pay Namibia normal income taxation until such time that the general reserve fund is equal to or exceeds twice the amount of the authorised share capital.

2. CRITICAL ACCOUNTING JUDGEMENTS

- **Critical judgement in applying the corporation's accounting policies**

In the process of applying the corporation's accounting policies, management has made the following judgements, apart from those requiring estimations, which have the most significant effect on the amounts recognised in the financial statements:

Investments

The corporation is judged to have the ability to meet future cash flows relating to insurance claims without terminating its held-to-maturity investments prior to their maturity dates.

- **Key sources of estimation uncertainty**

Preparing financial statements in conformity with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from the estimates.

Certain accounting policies have been identified as involving particularly complex or subjective judgements or assessments, as follows:

Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, asset life cycles and maintenance programmes are taken into account. Residual life assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Leave pay

The leave pay provision reflects the liability relating to outstanding leave days at year end. The expected timing of economic outflows of the leave pay provision is uncertain as it is uncertain when leave days are taken by the employees of the corporation.

Provision for unexpired risks

This refers to claims incurred but not yet reported at year end. The provision is calculated as 7.5% of premiums earned.

Unearned premiums and reinsurance premiums

Of the reported net premiums (premiums less commissions) by the insurers, it is currently estimated that 1/8th of the first quarter, 3/8th of the second quarter, 5/8th of the third quarter and 7/8th of the fourth quarter are unearned, in that the income, or reinsurance expense, does not meet the recognition criteria.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2009

3. MANAGEMENT EXPENSES

Included in management expenses are the following expenses that have not been separately disclosed.

		2009 N$	2008 N$
Amortisation of intangible assets		4 875	7 872
Auditor's remuneration:			
- audit fees	– current year	154 409	137 865
	– prior services	-	120 852
Directors' fees	– for services as directors	157 700	145 740
	– for management services	801 106	726 000
Depreciation:			
- furniture and fittings		7 613	5 101
- computer equipment		31 584	42 763
Namfisa levies	– current year	15 000	15 000
Operating lease charges	– premises	242 101	278 974
Other professional fees		250 353	328 561

4. NET FINANCE INCOME

		2009 N$	2008 N$
Interest received	– investments	8 629 172	7 016 010
Interest received	– bank	886	805
Interest paid	– premium reserve	(21 537)	(205 805)
Interest paid	– bank	-	-
		8 608 521	6 811 010

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2009

5. PROPERTY, PLANT AND EQUIPMENT

	Land N$	Furniture and fittings N$	Computer equipment N$	Total N$
Cost				
At 31 March 2008	-	217 616	64 333	381 949
Additions	3 730 940	-	6 298	3 737 238
Disposals	-	-	-	-
	3 730 940	217 616	170 631	4 119 187
Accumulated depreciation				
At 31 March 2008	-	(192 723)	(116 665)	(309 388)
Charge for the year	-	(7 613)	(31 584)	(39 197)
Disposals	-	-	-	-
At 31 March 2009	-	(200 336)	(148 249)	(348 585)
Net book value at 31 March 2008	-	24 893	47 668	72 561
Net book value at 31 March 2009	3 730 940	17 280	22 382	3 770 602

6. INTANGIBLE ASSETS

	2009 N$	2008 N$
COST – Software		
Balance at beginning of year	38 468	38 468
Additions	-	-
Balance at end of the year	38 468	38 468
AMORTISATION		
Balance at beginning of year	(31 811)	(23 939)
Depreciation	(4 875)	(7 872)
Balance at end of the year	(36 686)	(31 811)
NET BOOK VALUE at beginning of the year	6 657	14 529
NET BOOK VALUE at end of the year	1 782	6 657

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2009

7. UNEARNED PREMIUM RESERVE

	2009 N$	2008 N$
Balance at beginning of the year	5 173 680	4 214 803
Transfer (from)/to income statement	(524 540)	958 877
Balance at end of the year	4 649 140	5 173 680
The balance comprises:		
Gross provision for unearned premiums	5 483 411	6 025 119
Reinsurers' share of unearned premiums	(834 271)	(851 439)
	4 649 140	5 173 680

8. INVESTMENTS

	2009 N$	2008 N$
Long-term held-to-maturity		
Government bonds	5 235 724	5 334 604
Telecom bonds	5 224 946	-
	10 460 670	5 334 604
Short-term held-to-maturity		
Post office fixed deposits	22 408 619	17 433 299
Government bonds	24 243 049	9 111 875
Bank and other fixed deposits	10 438 463	32 856 027
	57 090 131	59 401 201
Directors valuation of investments (market value)	82 330 136	75 122 947

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2009

	2009 N$	2008 N$
9. SHARE CAPITAL		
Authorised and Issued:		
20 000 000 (2007: 20 000 000) Ordinary shares of N$1 each	20 000 000	20 000 000

10. GENERAL RESERVE

	2009 N$	2008 N$
Balance at beginning of the year	22 879 812	17 243 031
Transfer from retained income	3 472 153	5 636 781
Balance at end of the year	26 351 965	22 879 812

In terms of Section 28 of the Namibia National Reinsurance Corporation Act, 1998, the corporation is required to maintain a general, or contingency, reserve.

The corporation is required to deposit into the fund 50% of annual net profits if the general reserve fund is less than the authorised share capital. If the general reserve fund exceeds authorised share capital, 25% of annual net profits is to be transferred.

11. STAFF WELFARE RESERVE

	2009 N$	2008 N$
Balance at beginning of the year	335 565	343 233
Staff loans granted	(13 051)	(85 000)
Staff loans repaid	36 861	28 310
Utilised for recreational facilities	(18 267)	(7 346)
Transfer from retained income	200 000	56 368
Balance at end of the year	541 108	335 565

The staff welfare fund is required in terms of Section 29 of the Namibia National Reinsurance Corporation Act, 1998. Amounts transferred to the fund may not exceed 5% of annual net profits of the corporation.

The fund may be utilised for recreational facilities and low-interest loans to the employees of the corporation and for any other purpose aimed at enhancing the welfare of the employees of the corporation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2009

	2009 N$	2008 N$
12. DIVIDENDS DECLARED AND PAID		
Ordinary dividend declared and paid	725 000	2 000 000
A dividend of 3,63 cents (2008: 10 cents) per ordinary share was declared on 19 August 2008.		
13. COMMITMENTS UNDER OPERATING LEASES		
Premises (2007) and equipment (2008)		
Within 1 year	189 000	9 486
2 to 5 years	-	17 391
After 5 years	-	-
	189 000	26 877
14. CAPITAL COMMITMENTS		
Commitments for the acquisition and construction of property (approved)	11 000 000	3 364 585
15. NUMBER OF EMPLOYEES		
Number of employees as at year end	6	7

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2009

	2009 N$	2008 N$
16. RELATED PARTY TRANSACTIONS		

Parties related to the corporation, with the ability to exercise significant influence include:

During the year, the corporation in the ordinary course of business, entered into various transactions with the Government of the Republic of Namibia (GRN) and entities whereon the members of the corporation's board also serve. These transactions occurred under terms no less favourable than those arranged with third parties.

	2009 N$	2008 N$
Director emoluments paid by the corporation	958 806	871 740
Entities related by virtue of directorship:		
- Mobile Telecommunications Limited – call costs	32 847	23 971
- Social Security Commission – contributions paid	8 216	5 322
Shareholder (GRN):		
Dividends paid	725 000	2 000 000
PAYE	597 819	515 738
Value added taxation – net payments	2 131 305	2 046 243

17. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1.8 to the financial statements.

The corporation's objective in using financial instruments is to reduce the uncertainty over future cash flows arising from movements in currency and interest rates.

	2009 N$	2008 N$
17. FINANCIAL INSTRUMENTS (continued)		
17.1 CATEGORIES OF FINANCIAL INSTRUMENTS		
Financial assets		
Held to maturity investments	67 550 801	64 735 805
Loans and receivables	80 573	79 208
Cash and cash equivalents	14 790 786	10 046 856
Financial liabilities		
Loans and payables	(1 022 607)	(1 550 784)

17.2 CAPITAL RISK MANAGEMENT

The corporation manages its capital to ensure that it will continue as a going concern and comply with regulatory requirements, such as the solvency margin, while maximising its return to the shareholder.

The corporation's capital structure consists of equity attributable to the shareholder, as disclosed in notes 9 and 10 to the financial statements.

	2009 N$	2008 N$
Solvency margin		
Solvency margin as at the financial year end	116.6%	103.6%
Minimum solvency percentage	15.0%	15.0%

17.3 MARKET RISK

At the renewal of reinsurance contracts, an evaluation of the performance of that particular business and its risks in relation to market performance is done. If there are significant deviations from the expected performance, and bearing in mind the impact on the overall portfolio of business, specific steps are undertaken to address the deviation.

The corporation is exposed to financial risk of changes in interest rates on investments. Interest on investments accounts for a significant proportion of earnings of the corporation and is necessary for liquidity management. The risk is managed by maintaining an appropriate mix between fixed and floating interest investments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2009

17. FINANCIAL INSTRUMENTS (continued)

17.3 MARKET RISK (continued)

17.3.1 Interest rate sensitivity analysis

The interest rate analyses below has been determined based on the exposure to interest rate of non-derivative financial instruments at the balance sheet date and stipulated changes taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have a floating rate.

A 100 basis point increase or decrease represents management's assessment of possible change in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the effect would have been:

- Profit for the year ended 31 March 2009 would increase/decrease by N$675 508 (2008: N$647 358).

  This is mainly attributable to the company's exposure to interest rates on variable rate investments in current year.

- Other equity reserves for the year ended 31 March 2009 would increase/decrease by N$168 877 (2008: N$161 840).

  This is mainly attributable to the company's exposure to interest rates on variable rate investments in prior year.

17.4 FOREIGN CURRENCY MANAGEMENT

The corporation has undertaken transactions in foreign denominated currencies during the year. No hedging has been utilised due to the insignificance of the foreign business. This will be reconsidered in the future should the foreign business expand.

17.5 INTEREST RATE MANAGEMENT

The Corporation may only, with prior written approval of Minister, obtain finance from any banking institution/building society/institution approved by the Minister. The Corporation has an investment committee that proposes investments to the Minister for approval. The Corporation currently only invests in short and long term fixed interest rate investments. Upon maturity of the investments the Corporation determines the term of reinvestment based on operating cash flow requirements. Quotations are obtained from various financial institutions to ensure a maximum interest rate return to on the investments.

17.6 CREDIT RISK MANAGEMENT

Financial assets, which potentially subject the corporation to concentration of credit risk consist principally of cash, funds on call and premium debtors. The corporation's cash equivalents and funds on call are placed with high credit quality financial institutions. Premium debtors are presented net of the allowance for doubtful receivables. The performance of cedents are evaluated annually for exposure.

17. FINANCIAL INSTRUMENTS (continued)

7.7 LIQUIDITY RISK MANAGEMENT

The corporation manages liquidity risk by monitoring forecast cash flows to ensure that adequate unutilised borrowing facilities are maintained.
The expected maturity of the financial instruments held is detailed in the following table.

2009 Maturity analysis	Within 1 year N$	Two to five years N$	Total N$
Financial assets			
Held to maturity investments	57 090 131	10 460 670	67 550 801
Loans and receivables	80 573	-	80 573
Cash and cash equivalents	14 790 131	-	14 790 131
Financial liabilities			
Amortised cost	(1 022 607)	-	(1 022 607)
2008 **Maturity analysis**			
Financial assets			
Held to maturity investments	59 401 201	5 334 604	64 735 805
Loans and receivables	79 208	-	79 208
Cash and cash equivalents	10 046 856	-	10 046 856
Financial liabilities			
Amortised cost	(1 550 784)	-	(1 550 784)

17.8 FAIR VALUE

The directors are of the opinion that the book value of financial instruments approximates fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2009

18. NEW AND REVISED STANDARDS

Effective dates of IFRS's and recently revised IAS's that might affect future financial periods are listed below:

New and Revised International Financial Reporting Standards		Issued/ Revised	Effective Date
IFRS 1	First-time Adoption of International Financial Reporting Standards Amendment relating to cost of an investment on first-time adoption	May 2008	Annual periods beginning on or after 1 January 2009
IFRS 2	Share-based payments Amendments relating to vesting conditions and cancellations	Revised 2008	Annual periods beginning on or after 1 January 2009
IFRS 2	Share-based payments Amendments resulting from the April 2009 Annual improvements to IFRS	April 2009	Annual periods beginning on or after 1 July 2009
IFRS 2	Share-based Payment Amendments relating to group cash settled share based payments transactions.	April 2009	Annual periods beginning on or after 1 July 2010
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations Amendments resulting from May 2008 Annual Improvements to IFRSs	Revised May 2008	Annual periods beginning on or after 1 January 2009
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations Amendments resulting from April 2009 Annual Improvements to IFRSs	April 2009	Annual periods beginning on or after 1 July 2010
IFRS 8	Financial Instruments: Disclosures Amendments enhancing disclosures about fair value and liquidity risk.	Revised March 2009	Annual periods beginning on or after 1 January 2009
IFRS 8	Operating segments Amendments resulting from April 2009 Annual Improvements to IFRSs	April 2009	Annual periods beginning on or after 1 July 2010
IAS 1	Presentation of Financial Statements Comprehensive revision including requiring a statement of comprehensive income	2007	Annual periods beginning on or after 1 January 2009
IAS 1	Presentation of Financial Statements Amendments relating to disclosures of puttable instruments and obligations arising on liquidation.	2008	Annual periods beginning on or after 1 January 2010
IAS 1	Presentation of Financial Statements Amendments resulting from May 2008 Annual Improvements to IFRSs	May 2008	Annual periods beginning on or after 1 January 2009

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2009

18. NEW AND REVISED STANDARDS (continued)

Effective dates of IFRS's and recently revised IAS's that might affect future financial periods are listed below:

New and Revised International Financial Reporting Standards		Issued/ Revised	Effective Date
IAS 1	Presentation of Financial Statements Amendments resulting from April 2009 Annual Improvements to IFRSs	April 2009	Annual periods beginning on or after 1 January 2010
IAS 7	Statement of Cash Flows Amendments resulting from April 2009 Annual Improvements to IFRSs	April 2009	Annual periods beginning on or after 1 January 2010
IAS 16	Property, Plant and Equipment Amendments resulting from May 2008 Annual Improvements to IFRSs	May 2008	Annual periods beginning on or after 1 January 2009
IAS 17	Leases Amendments resulting from April 2009 Annual Improvements to IFRSs	April 2009	Annual periods beginning on or after 1 January 2010
IAS 23	Borrowing costs Comprehensive revision to prohibit immediate expensing	2007	Borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009
IAS 23	Borrowing costs Amendments resulting from May 2008 Annual Improvements to IFRSs	May 2008	Annual periods beginning on or after 1 January 2009
IAS 27	Consolidated and Separate Financial Statements Consequential amendments arising from amendments to IFRS 3	2008	Annual periods on or after 1 July 2009
IAS 27	Consolidated and Separate Financial Statements Amendments relating to cost of an investment on first time adoption	Revised 2008	Annual periods beginning on or after 1 January 2010
IAS 27	Consolidated and Separate Financial Statements Consequential amendments arising from amendments to IFRS 3	April 2009	Annual periods beginning on or after 1 January 2010
IAS 28	Investment in Associate Consequential amendments arising from amendments to IFRS 3	2008	Annual periods on or after 1 July 2009
IAS 31	Interest in Joint Ventures Consequential amendments arising from amendments to IFRS 3	2008	Annual periods on or after 1 July 2009

18. NEW AND REVISED STANDARDS (continued)

Effective dates of IFRS's and recently revised IAS's that might affect future financial periods are listed below:

New and Revised International Financial Reporting Standards		Issued/ Revised	Effective Date
IAS 32	Financial Instrument Presentation Amendments relating to puttable instruments and obligation arising on liquidation	2008	Annual periods on or after 1 July 2009
IAS 36	Impairment of Assets Amendments resulting from May 2008 annual improvements	May 2008	Annual periods ending on or after 1 January 2009
IAS 36	Impairment of Assets Amendments resulting from April 2009 Annual Improvements to IFRSs	April 2009	Annual periods on or after 1 July 2009
IAS 38	Intangible Assets Amendments resulting from May 2009 Annual Improvements	May 2008	Annual periods ending on or after 1 January 2009
IAS 38	Intangible Assets Amendments resulting from April 2009 Annual Improvements to IFRSs	April 2009	Annual periods on or after 1 July 2009
IAS 39	Financial Instruments: Recognition and Measurement Amendments resulting from May 2008 annual improvements	May 2008	Annual periods ending on or after 1 January 2009
IAS 39	Financial Instruments: Recognition and Measurement Amendments for eligible hedged items	July 2008	Annual periods on or after 1 July 2009
IAS 39	Financial Instruments: Recognition and Measurement Amendments for embedded derivatives when reclassifying financial instruments	March 2009	Annual periods ending on or after 30 June 2009
IAS 39	Financial Instruments: Recognition and Measurement Amendments for embedded derivatives when reclassifying financial instruments	April 2009	Annual periods beginning on or after 1 January 2009

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2009

18. NEW AND REVISED STANDARDS (continued)

The following interpretations are not yet effective and may not be adopted in future years since they will not have any effect on the institution.

IFRIC	Interpretation	Effective Date
IFRIC 15	Hedges of a Net Investment in a Foreign Operation	Annual periods beginning on or after 10 October 2008
IFRIC 17	Distributions of Non-cash Assets to Owners	Annual periods beginning on or after 1 July 2009
IFRIC 18	Transfers of Assets from Customers	Transfers received on or after 1 July 2009

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Namibia National Reinsurance Corporation Limited

Namibia Reinsurance Analysis

September 2009

Security class	Rating scale	Currency	Rating	Rating watch	Expiry date
Claims paying ability	National	N$	AA-	No	09/2010
Claims paying ability	Regional	Rand	A-		
Claims paying ability	International	US$	BB		

(US$'m Comparative)

	31/03/08 3	1/03/09
N$/US$ (avg)	7.25	8.98
N$/US$ (close)	8.16	9.85
Total assets	10.0	9.8
Total capital	7.5	7.5
Cash & equiv.	8.5	7.3
GPI	9.6	9.0
U/w result	0.6	0.6
NPAT	1.6	1.5
Op. cash flow	2.3	1.3
Market cap.		n.a.
Market share		n.a.

Fundamentals

Namibia National Reinsurance Corporation Limited (Namib Re) commenced operations in 2001, following the enactment of the Namibia National Reinsurance Corporation Act (of 1998). The main purpose of the Act was to stem the outflow of funds through offshore reinsurance placements. As at FYE09, most of the company's business was generated locally, with some success achieved in garnering business in other African countries.

GCR contacts:

Marc Joffe
+27 11 784 -1771
joffe@globalratings.net

Website: www.globalratings.net

The rating is based on the following key factors:

- Namib Re is 100% owned by the Namibian Government and is the only registered reinsurance company in Namibia. This position is further supported by its legal mandatory cessions in the domestic market.
- The reinsurer has recorded an increase in the level of shareholders funds in each year since inception, and continues to exhibit an international solvency ratio of over 100%.
- Namib Re maintains a conservative investment policy with a strong focus on liquidity and the preservation of capital.
- The reinsurer's established track record of consistently achieving underwriting profitability, which is expected to be sustained in the medium term.
- Concentration risk is evident in terms of Namib Re's client base
- The reinsurer's diversification into the African insurance arena implies a level of operational and financial risk, given the highly competitive nature of

- these markets and the company's related inexperience. Namib Re has, however, employed a very conservative stance to the risks that it underwrites, while also utilising the expertise of their brokers.
- The international scale rating is constrained by Namibia's sovereign rating.

Solvency & liquidity

Driven by retained earnings, shareholders interest increased by 22% to N$74m in F09. The rate of capital accumulation outpaced net premium income growth for the year, and accordingly, the international solvency margin increased to 117% in F09 from 104% previously. The reinsurance programme provides further protection to the capital base, whereby an XOL treaty limits the company's maximum potential exposure to any single risk to NS$0.5m (less than 1% of FYE09 capital). Cash holdings increased by 4% to NS$72m in F09, and accounted for 87% of total investments (F08: 93%). Claims cash coverage remained strong, and was recorded at 22 months in F09 from 25 months previously.

Operating environment

Following several years of solid economic growth, Namibia's real GDP growth moderated to 2.9% in 2008 (2007: 4.1%), reflecting a downturn in the mineral sector as a result of weak export demand, and the lagged impact of monetary tightening in 2007. It is further forecast that real GDP will contract in 2009 (by 0.7%), as the slowdown in world economic activity takes full effect. The marked tightening in international financial markets could also jeopardise several investment projects that are expected to be the main drivers of medium term growth, including investments in electricity generation and water desalination. However, economic activity is forecasted to gradually pick up in 2010, with growth forecast at 1.8%. Substantial increases in international food and fuel prices pushed inflation into double digits in 2008, compared with an average of 6.7% in 2007. Although world fuel prices fell significantly in late 2008, this was partly offset by the sharp depreciation of the Namibian Dollar.

Table 1:

Namibian economic indicators	2005	2006	2007	2008	2009f	2010f
GDP growth (%)	2.5	7.2	4.1	2.9	(0.7)	1.8
GDP per capita (US$)	3,709	4,007	4,296	4,127	3,892	4,034
Inflation (%)	2.3	5.1	6.7	10.3	9.1	6.3
Population (millions)	1.96	1.99	2.03	2.05	2.06	2.08

Sources: Namibian authorities and IMF.

The Namibian economy remains highly integrated with that of South Africa, as the bulk of Namibia's imports originate there. Namibia is also part of the Common Monetary Area (CMA) comprising Lesotho, Swaziland and South Africa. The Namibian Dollar is pegged to the South African Rand, and accordingly, movements are dependent on the underlying factors affecting the Rand's performance against other currencies. As a result of the CMA agreement, the scope for independent monetary policy in Namibia is largely limited, although cognisance is taken of the fact that the BON did not follow all interest rate movements imposed by the SARB for the year under review.

The Namibian insurance industry comprises 14 insurance companies, including 3 foreign (South African) owned insurers, which account for in excess of 80% of the industry's premiums. The insurance industry is focused on the commercial segment and higher end of the market, with little penetration in the lower income bracket. Growth has remained somewhat stagnant in recent years, with the market valued at around N$1bn. Growth opportunities in the corporate sector are, however, expected to materialise going forward, in line with a number of large construction developments and a recent multi million US Dollar investment by an American company in a uranium plant. The broker market plays an important role in placing business and is largely dominated by a few key players. Intermediary competitiveness could intensify in the medium term, following the entrance of Alexander Forbes in July 2009.

Competitive positioning

The following table compares key statistics of Namib Re with some regional reinsurers. The reinsurer has a smaller book of business and lower capital base than most of its competitors. In addition, Namib Re's loss ratio compares unfavourably with its counterparts. However, the reinsurer is the most cost effective, thereby supporting adequate profitability. Furthermore, the reinsurer is well capitalised relative to the size of its book, and displays strong liquidity measures

Table 2:

Peer analysis 2008 (US$'m)	Malawi Re	Namib Re*	East Africa Re	TAN-Re	ZEP-Re	Kenya Re
GPI**	4.0	9.0	14.8	24.2	46.0	48.4
NPAT	0.9	1.5	1.5	2.4	7.9	7.5
Capital	2.6	7.5	11.4	7.4	31.3	89.5
Solvency (%)	91.9	116.6	122.0	42.2	84.9	278.3
Retention (%)	70.2	78.2	80.4	80.0	80.2	93.5
Loss ratio (%)	28.9	62.6	52.9	44.2	53.0	50.1
Commission ratio (%)	22.4	21.3	32.3	29.5	25.1	31.7
Expense ratio (%)	28.2	7.8	14.6	12.7	9.4	21.6
U/W margin (%)	20.5	8.3	0.2	13.6	12.5	(3.4)
Cash coverage (mnth)	13.0	21.6	31.9	12.1	22.3	6.2

*As at 31 March 2009.
**Life and non-life where applicable.

Risk diversification

The reinsurer sources the bulk of its business from the Namibian market, through two distinct groups, namely mandatory cessions from insurer's with stand alone Namibian reinsurance treaties (OUTsurance, Nasria and Prosperity), and insurer's with group reinsurance treaties, these being M&F, Santam and Hollard:

- Local reinsurance treaties - Namib Re receives 20% of the treaties. It retains the pre-emptive right towards all facultative business.
- Group reinsurance treaties - 7.5% (previously 5%) of their net account (strictly Namibian business written) and pre-emptive rights toward all facultative business.

In addition to the aforementioned locally derived business, Namib Re continues to pursue opportunities outside Namibia, in particular the generally well developed and competitive Kenyan, Tanzanian, Zambian and Malawian markets. The company has adopted a very conservative approach to the risks that it underwrites, with profitability rather than growth being the key consideration. Underwriting skills have been provided by some of the larger African reinsurers, and with the assistance of international reinsurance brokerages that have extensive experience with respect to the pricing of risks in these countries.

All risks are underwritten in Namibia, thereby limiting any additional cost burden. Namib Re has been reasonably successful in the aforementioned markets, writing N$4.9m in GPI for F09 from virtually a zero base previously. The company tends to write small amounts of facultative risks on its foreign business, through follow lines ranging between 2% and 10%, and sources the bulk of this through 3 key intermediaries. The reinsurer recently opened up a foreign denominated bank account to simplify transactional requirements.

Namib Re derives the bulk of its premiums through proportional treaties, which accounted for over 90% of GPI in F09 and 92% of NPI. The 3 largest cedents (M&F, Santam and Hollard) accounted for a significant 76% of gross premiums in F09, indicative of a high level of client concentration, although risk is mitigated in the medium term by the mandatory limits in place. In addition, intermediary participation remains high, with the top 2 brokers responsible for 62% of the book as at FYE09 (F08: 55%). Direct sales comprise the majority of the remainder, at 28% in F09 (F08: 35%).

Table 3:

Class (% of total)	GPI		NPI		Retention	
	F08	F09	F08	F09	F08	F09
Fire	18.6	18.8	17.6	16.8	79.8	70.0
Motor	42.4	44.0	45.0	48.0	89.5	85.2
Marine	2.2	2.3	1.6	1.3	60.4	44.1
Personal lines*	13.3	9.2	12.1	8.7	76.8	74.1
Guarantee	5.0	5.0	4.3	3.5	72.4	55.6
Miscellaneous**	18.5	20.8	19.5	21.7	88.7	81.5
Total	100.0	100.0	100.0	100.0	84.4	78.2

* Includes medical and life.
** Includes liability, 3rd party liability.

All classes of business except personal lines (which witnessed a decrease in GPI from N$9.3m to N$7.5m, a direct result of the difficult prevailing economic environment) experienced growth during F09. The growth was particularly pronounced in the motor class, with GPI increasing by 21% to NS$38m, to account for 44% of total gross premiums from 42% previously. Above average growth was also evidenced in the miscellaneous class, driven by 3rd party liability policies. Overall, Namib Re retroceded a higher component of business written in F09, and accordingly, overall retention levels decreased to 78% from 84%.

The fairly The fairly high net retention on fire results from the low participation on facultative risks (mostly associated with large industrial risks). With respect to business written in Namibia, the reinsurer is comfortable with current levels of risk being absorbed directly, while premiums written outside the country are heavily reinsured as the company develops experience in these markets.

Table 4:

Performance by class (N$m)	Claims incurred		Technical result^	
	F08	F09	F08	F09
Fire	1.4	5.3	0.6	2.6
Motor	18.5	18.5	3.8	6.1
Marine	0.1	0.5	0.5	0.2
Personal lines*	6.6	6.3	0.7	(2.0)
Guarantee	0.4	0.5	1.3	1.2
Miscellaneous	6.8	8.9	2.3	2.3
Total	33.9	40.1	9.2	10.3

* Includes medical and life.
** Includes liability, 3rd party liability.
^ Namib Re does not allocate management expenses per class.

In terms of claims experience, the motor book reflected a lower loss ratio of 61% in F09 (F08: 70%), following the implementation of a number of claims control measures across the industry. This supported an increase in the technical profit for this class to N$6.1m from N$3.8m in F08. The fire book recorded a jump in claims experience to N$5.3m, from N$1.4m in F08. This was largely due to the inclusion of a special provision for claims of N$3.7m in February 2009 (towards the end of the financial year). Miscellaneous business also reflected an increase in claims experience, to 65% from 60% in F08, which was attributed to increased group personal accident claims.

Overall, claims equated to a higher 63% of earned premiums in F09 (F08: 59%). Namib Re reported a higher technical profit of N$10.3m in F09 (F08: N$9.2m), supported by a 4 percentage point decrease in the commission ratio (a direct result of higher relative retrocessions and concomitant increased commissions received). In addition, the underwriting margin increased to 8.3% from 7.7% previously.

Shareholders funds increased by a further 22% to N$74m in F08, driven by retained earnings and a smaller dividend of N$0.7m (F08: N$2m). This, coupled with a comparatively lower increase in NPI (of 8%), contributed to the international solvency margin increasing to 117% in F09 from 104% previously. Solvency remains well above the minimum regulatory requirement of 15% and is considered to be high. The F10 budget suggests solvency will remain high, at around 110% for the year.

Insurance funds decreased by N$0.6m to N$4.6m in F09. Given the growth in NPI for the year, the ratio of insurance funds to NPI decreased for a fourth consecutive year to 7.3% F08: 8.8%). Conversely, outstanding claims expressed as a percentage of net premiums increased to 14.3% from 9.1% in F08.

The following table details Namib Re's retrocession programme, which caters for the reinsurer's Namibian business, and also includes a US$ schedule to cater for risks in other African countries. The company's lead is Munich Re on the surplus, excess of loss and FAC quota share treaties, and also includes Everest Re, Africa Re and GIC of India, amongst others. Africa Re is the lead on both the healthcare quota share (which increased to 60% retention from 50% previously) and aggregate stop loss treaties, followed by PTA Re. Africa Re is also the lead on FAC obligatory. The reinsurer's net retention has been bought down to N$500,000 (0.7% of FYE09 shareholders interest) through an excess of loss bouquet of treaties, structured into five layers providing capacity up to N$20m.

Table 5:

Reinsurance	Namibian business (N$)	Other territories (US$)
	Limits	Limits
Healthcare		
Quota share	5.7m	n.a.
Surplus (lines)		
Fire	20m	1.5m
Misc. accident and TPL	5.25m	350,000
Motor (OD)	2.63m	175,000
Marine, hull & cargo	3m	200,000

Table 5: (continued)

Reinsurance	Namibian business (N$)	Other territories (US$)
	Limits	Limits
FAC quota share		
Fire	15m	1.5m
Misc. accident & motor	3m	200,000
Motor (OD)	1.5m	200,000
Marine, hull & cargo	3m	200,000
FAC obligatory	5m	200,000

Premiums ceded increased by 62% to N$18m in F09, above the rate of growth in combined claims and commission recoveries (of 51%). Accordingly, Namib Re transferred a higher N$5m to its reinsurers in F09 (F08: N$2.5m).

Table 6:

Reinsurance result (N$m)	F07	F08	F09
Premium ceded	11.7	10.9	17.7
Claims recovered	(10.2)	(5.5)	(7.5)
Commission received	(3.3)	(2.9)	(5.2)
Net transfer	(1.8)	2.5	5.0

Counterparty risk

The four largest counterparties participating on Namib Re's retrocession programme are internationally rated Munich Re (A-), Everest Re (AA-), Africa Re (BBB+) and GIC (A-). The overall diversity of all the counterparties participating provides a degree of comfort.

Asset conversion & currency risk

Namib Re's investment assets are entirely domiciled in Namibia, and mainly held in Namibian Dollars (less than 1% is US Dollar denominated) with a spread of domestic banks. This implies exposure to the sovereign risk of Namibia, which is rated BBB-internationally.

Asset management

Namib Re purchased two government properties during F09. The properties will be developed into Namib Re Head office at a total estimated cost of NS$18m. The properties will be funded through internal reserves. The associated longer term benefits include rental savings on the previously leased property, rental income potential on surplus availability at the new head office, and capital appreciation.

Table 7:

Investment portfolio	F08		F09	
	N$m	%	N$m	%
Cash & cash equivalents	69.5	92.9	72.0	87.3
Government bonds	5.3	7.1	10.5	12.7
Total investments	74.8	100.0	82.5	100.0

The reinsurer exhibits an investment portfolio geared towards preserving capital through low risk liquid instruments. In this regard, cash and cash equivalents of N$72m (F08: N$70m) comprised a significant 87% of the total investment portfolio in F09 (F08: 93%), with the balance encompassing government bonds of N$11m. Claims cash coverage remained strong, and amounted to 22 months in F09 from 25 months previousl (notwithstanding the aforementioned property purchase). The investment yield increased to 11% in F09, from 10% in F08.

Financial performance

A 5-year financial synopsis of the reinsurer's performance is reflected at the end of this report, and brief comment follows. Growth in gross premium income is largely reliant on the size of the net book of foreign controlled insurers, and rate increases. In F09, gross premiums grew by 17% to N$81m, driven by the aforementioned motor business growth. Net premiums increased by a comparatively lower 8%, following a decrease in retention levels to 78%, from 84%. Net premiums earned amounted to N$64m in F09 (F08: N$58m).

Table 8:

Income statement F09 (N$m)	Budget	Actual	% of budget
Gross premium income	77.3	81.2	105.0
Reinsurance	(17.0)	(17.7)	104.1
Net premium income	60.3	63.5	105.3

Table 8: (continued)

Income statement F09 (N$m)	Budget	Actual	% of budget
Transfer (to)/from UPR	(0.9)	0.5	n.a.
Earned premium	59.4	64.0	107.7
Net claims	(37.4)	(40.1)	107.2
Net commission	(15.1)	(13.7)	90.7
Management expenses	(5.6)	(5.0)	89.3
Underwriting result	1.3	13.9	1,069.2

The gross loss ratio, before reinsurance recoveries, was maintained at 65% in F09, but increased on a net basis, to 63% from 58%, driven by an increase in the outstanding claims provision (resulting from the aforementioned floods). The earned loss ratio increased to 63% for F09 (F08: 59%), following a rise in claims incurred to N$40m, although this ratio was in line with budget.

Table 9:

Claims incurred (N$m)	F08	F09
Claims paid	34.0	38.5
Gross	40.0	43.9
Reinsurance	(6.0)	(5.3)
Change in provision for o/c	(0.2)	1.6
Gross	5.3	9.1
Reinsurance	(5.5)	(7.5)
Claims incurred	33.9	40.1
Gross ratio (%)	65.1	65.3
Net ratio (%)	57.7	63.1
Earned ratio (%)	58.6	62.6

The higher earned loss ratio was offset by a lower commission expense ratio, supported by higher commission receipts. Management expenses were well contained, increasing by N$0.2m to Z$5m in F09, supporting a lower management expense ratio of 7.8% (F08: 8.3%).

Namib Re recorded its sixth consecutive underwriting profit, of N$5.3m from N$4.5m in F08. N$2m of this amount was generated outside Namibia. This translated into a higher underwriting margin of 8.3% (F08: 7.7%). Investment income increased by N$1.8m to N$8.6m, driving a N$14m net profit for the year. Namib Re is not required to pay tax until the general reserve fund exceeds twice the amount of the authorised share capital of the company (currently 1.3x). ROaE remained fairly stable at 21% in F09 (F08: 20%). The board, in consultation with the Minister of Finance, determines the payment of dividends. The lower dividend of N$0.7m paid in F09 (F08: N$2m), together with the higher profit achieved saw dividend cover increase to 19.2x from 5.6x in F08.

Future prospects

GPI is budgeted to increase by 9.5% to N$89m in F10, supported by growth into other African countries. In particular, externally sourced business is budgeted to account for 8% of GPI in F10 (N$6.9m), from 6% in F09. A very conservative approach will continue to be adopted in these countries.

Table 10:

Income statement (N$m)	Budget F10	Budget F11
Gross premium income	88.9	102.3
Reinsurance premiums	(19.6)	(22.5)
Net premium income	69.4	79.8
UPR	(1.4)	(1.6)
Net premium earned	68.0	78.2
Claims paid	(43.0)	(49.5)
Net commission	(17.3)	(19.9)
Management expenses	(6.2)	(7.2)
Underwriting result	1.5	1.6
Ratio analysis (%)		
GPI growth	9.5	15.1
Premiums reinsured / GPI	22.0	22.0

Table 10: (continued)

Earned loss	63.2	63.2
Commission	25.5	25.5
Mgnt expense	9.2	9.2
Underwriting margin	2.1	2.1
International solvency	109.5	104.4

The projected underwriting performance reflects a significantly lower underwriting margin of 2.1% in both F10 and F11 (F09: 8.3%). It is noted that the reinsurer budgeted to achieve a N$0.4m and N$1.3m underwriting profit in F07 and F08 respectively, compared to the actual result achieved of N$8.5m and N$4.5m. In addition, the overall net result will be bolstered by investment income, supported by the reinsurer's tax free status. Solvency is budgeted to be sustained at above 100%, a level management deem comfortable over the medium term.

Namibia National Reinsurance Corporation Limited

(Namibian $ in millions except as noted)

Year ended : 31 March	**2005**	**2006**	**2007**	**2008**	**2009**
Income Statement					
Gross premium income (GPI)	40.2	41.3	51.3	69.6	81.2
Retrocession premiums	(12.3)	(11.8)	(11.7)	(10.9)	(17.7)
Net Premium income (NPI)	27.9	29.4	39.5	58.7	63.5
(Increase) / Decrease in insurance funds	(1.6)	0.9	(0.5)	(1.0)	0.5
Net premiums earned	**26.3**	**30.3**	**39.1**	**57.7**	**64.0**
Claims incurred	(13.6)	(19.5)	(17.2)	(33.9)	(40.1)
Commission	(6.7)	(7.2)	(9.2)	(14.6)	(13.7)
Management expenses	(2.7)	(2.8)	(4.2)	(4.8)	(5.0)
Underwriting profit / (loss)	**3.4**	**0.8**	**8.5**	**4.5**	**5.3**
Investment income	4.3	4.9	6.7	6.8	8.6
Other income / (expenses)	0.0	0.0	0.0	0.0	0.0
Taxation	0.0	0.0	0.0	0.0	0.0
Net income after tax	**7.7**	**5.7**	**15.2**	**11.3**	**13.9**
Unrealised gains / (losses)	n.a	n.a	n.a	n.a	n.a
Cash Flow Statement					
Cash generated by operations	3.4	0.8	8.6	4.5	5.3
Cash flow from investment income	4.3	4.9	6.7	6.8	8.6
Working capital decrease / (increase)	(2.0)	5.5	(7.5)	5.1	(1.9)
Tax paid	0.0	0.0	0.0	0.0	0.0
Cash available from operating activities	5.7	11.3	7.8	16.4	12.0
Dividends paid	(0.6)	(1.2)	(1.2)	(2.0)	(0.7)
Cash flow from operating activities	**5.1**	**10.1**	**6.7**	**14.4**	**11.3**
Purchases of investments	(7.5)	(2.7)	(6.4)	(17.1)	(6.6)
Proceeds on disposal of investments	0.0	0.0	0.0	0.0	0.0
Other investing activities	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	**(7.5)**	**(2.7)**	**(6.4)**	**(17.1)**	**(6.6)**

Namibia National Reinsurance Corporation Limited

(Namibian $ in millions except as noted) (continued)

Year ended : 31 March		2005	2006	2007	2008	2009
Cash flow from financing activities		**(0.0)**	**(0.0)**	**(0.0)**	**(0.0)**	**(0.0)**
Net cash inflow / (outflow)		**(2.4)**	**7.4**	**0.3**	**(2.7)**	**4.7**
Balance Sheet						
Shareholders interest		**33.0**	**37.5**	**51.6**	**60.8**	**74.0**
Insurance funds		4.7	3.8	4.2	5.2	4.6
Other liabilities		13.0	17.3	16.2	16.0	18.3
Total capital & liabilities		**50.7**	**58.6**	**71.9**	**82.0**	**96.9**
Fixed assets		0.1	0.1	0.1	0.1	3.8
Investments		38.5	33.9	9.3	5.3	10.5
Cash and short term deposits		5.1	20.0	51.2	69.5	72.0
Other current assets		7.0	4.6	11.3	7.0	10.6
Total assets		**50.7**	**58.6**	**71.9**	**82.0**	**96.9**
Key Ratios						
Solvency / Liquidity						
Shareholders funds / NPI	%	118.5	127.4	130.4	103.6	116.6
Cash claims cover	months	4.5	12.3	35.6	24.6	21.6
Average debtors	days	49.2	42.9	45.4	42.4	34.3
Outstanding claims / NPI	%	23.3	27.2	15.1	9.1	14.3
Insurance funds / NPI	%	16.8	12.7	10.7	8.8	7.3
Profitability						
ROaE (after unrealised gains / losses)	%	26.0	16.2	34.2	20.1	20.6
Investment yield (including unrealised gains / losses)	%	10.5	10.1	11.7	10.1	10.9
Efficiency / Growth						
GPI Growth	%	15.4	2.7	24.3	35.8	16.7
Premiums reinsured / GPI	%	30.6	28.7	22.9	15.6	21.8
Earned loss ratio	%	51.7	64.4	44.1	58.6	62.6
Commissions / Earned premiums	%	25.3	23.7	23.5	25.3	21.3
Management expenses / Earned premiums	%	10.2	9.2	10.7	8.3	7.8
Underwriting result / Earned premium	%	12.8	2.7	21.8	7.7	8.3
Trade ratio	%	87.2	97.3	78.2	92.3	91.7
Operating						
Effective tax rate	%	0.0	0.0	0.0	0.0	0.0
Dividend cover	X	12.8	5.0	13.2	5.6	19.2

PROTECTION OF RISK

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NAMIBRE

2nd Floor, Capital Centre,
Levinson Arcade,
Independence Avenue
P.O. Box 716,
Windhoek, Namibia
Tel: +264-61-256 905
Fax: +264-61-256 904