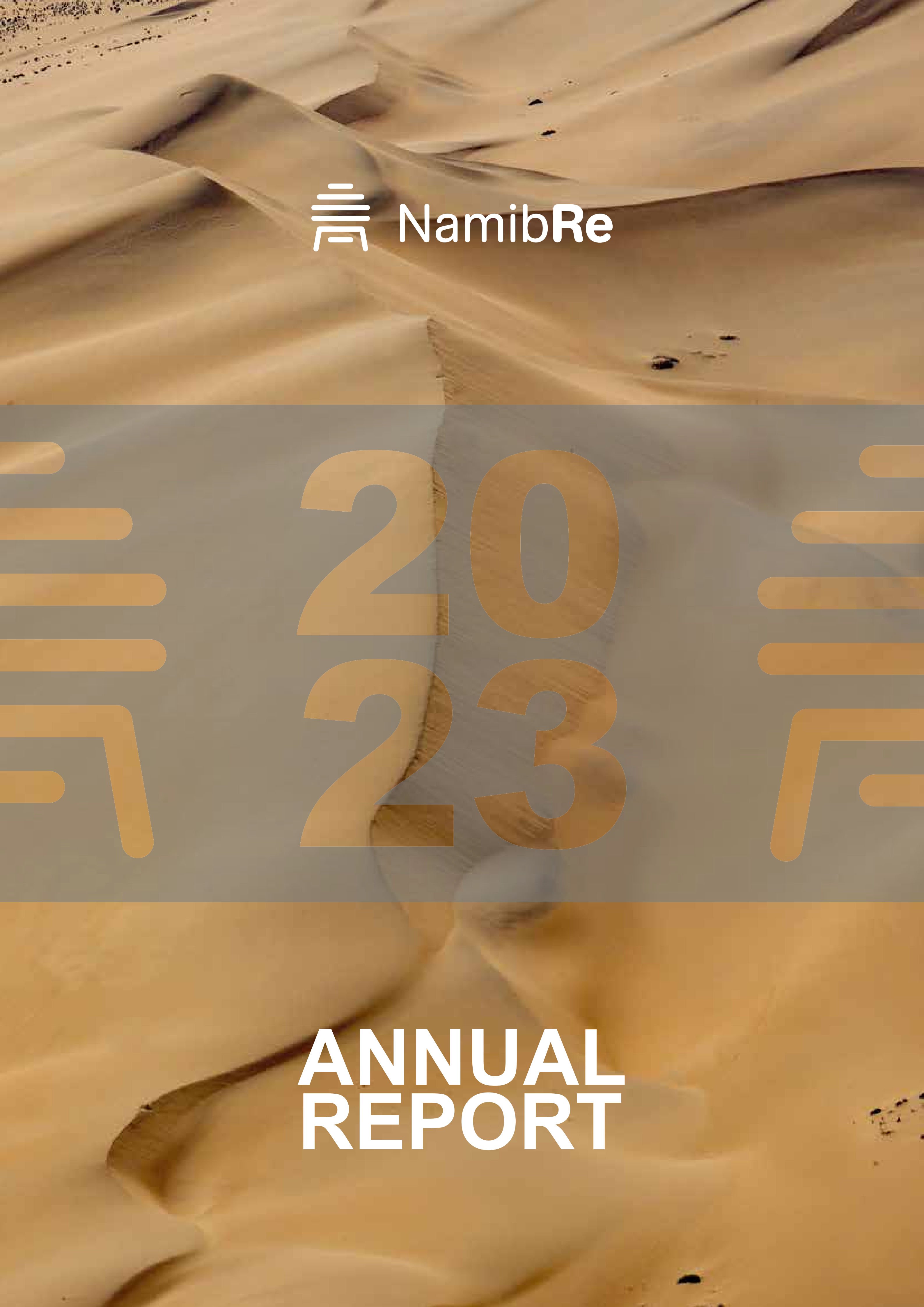
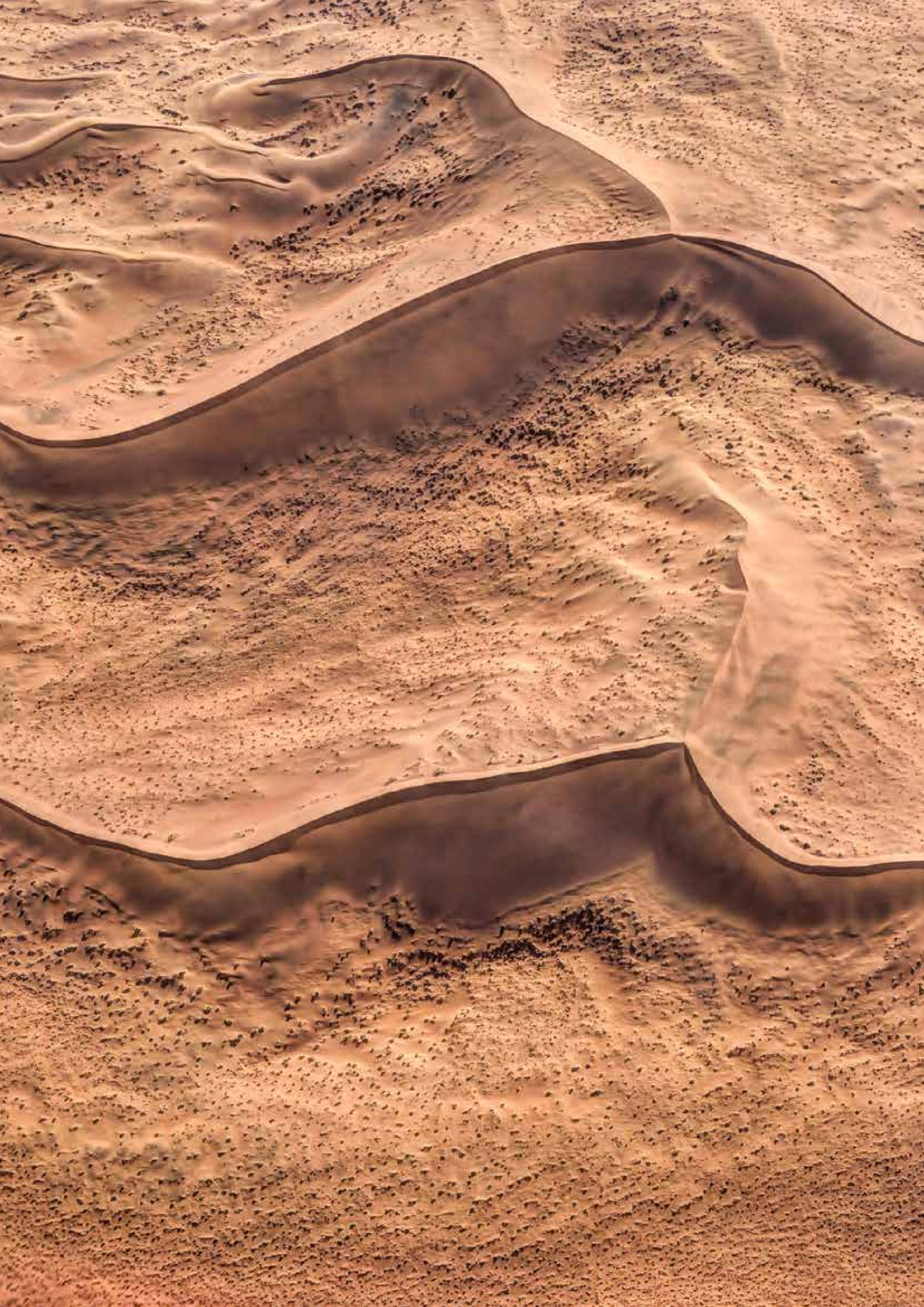
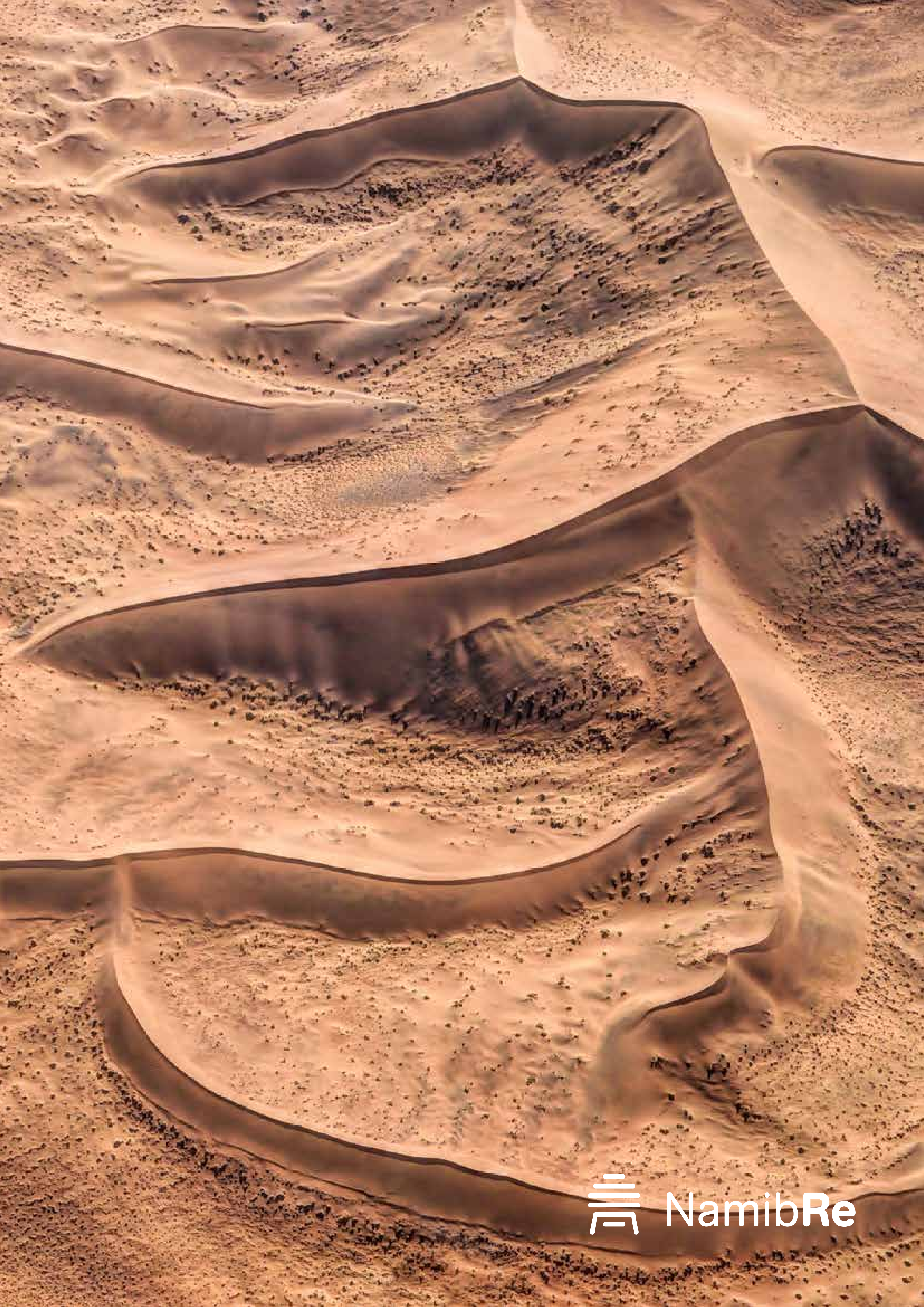


NamibRe

2023

ANNUAL REPORT





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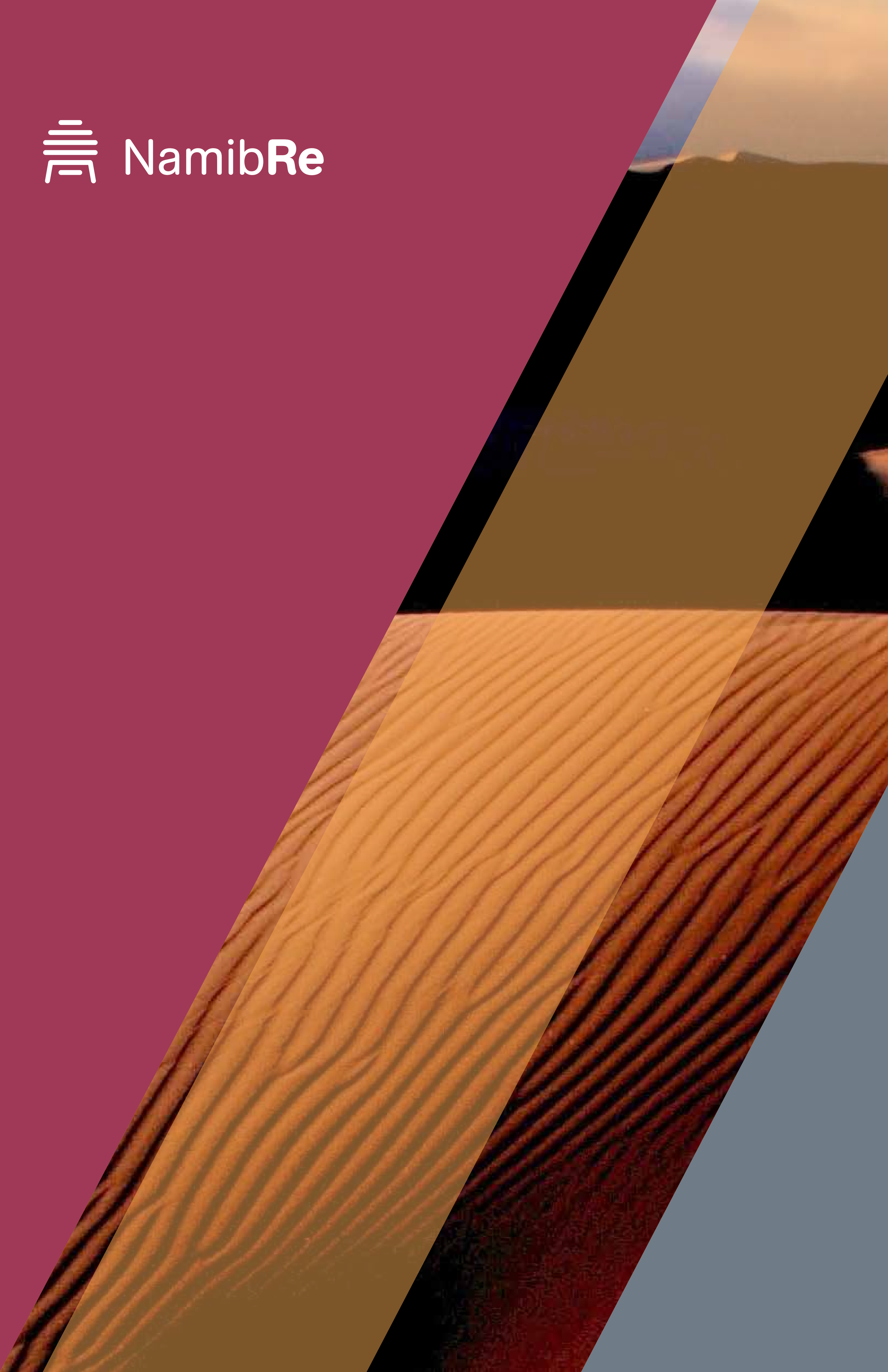
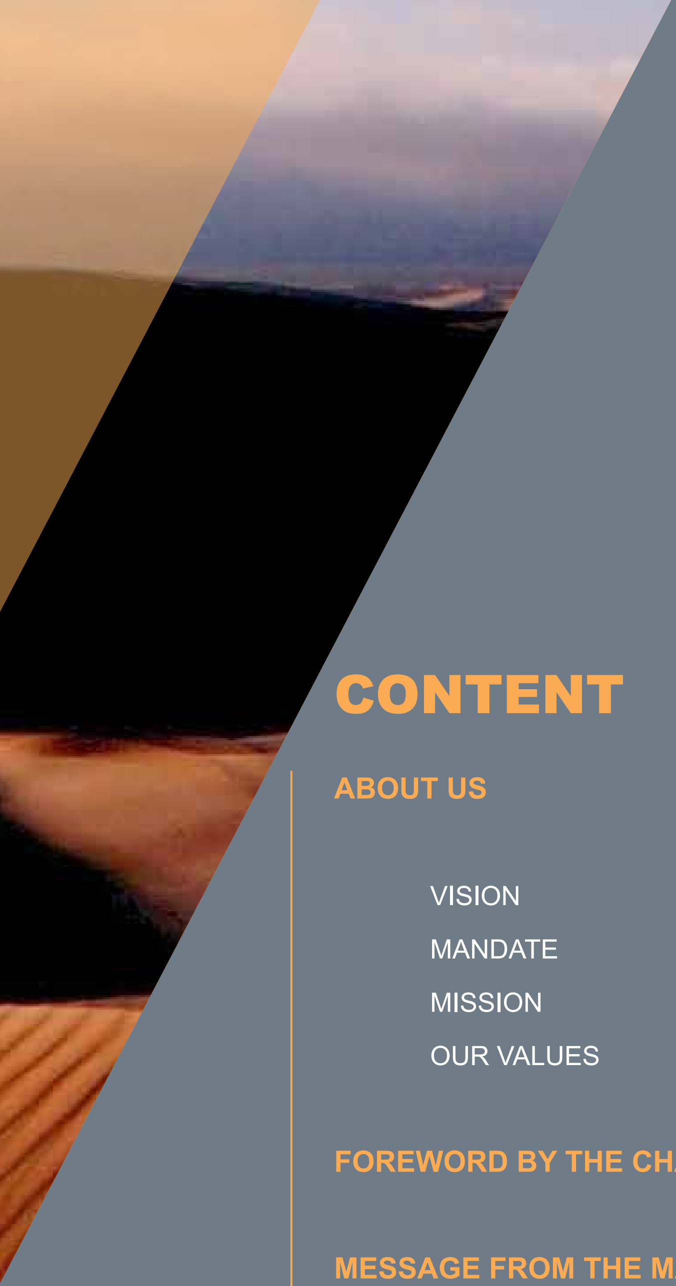




CONTENT

ABOUT US

VISION
To be the preferred reinsurance company

MANDATE
Provide reinsurance services locally in order to curb capital outflow from the insurance industry

MISSION
To provide professional and quality reinsurance services to our clients and maximise shareholder returns

OUR VALUES

Sustainability
Foster long-term investment for our stakeholders

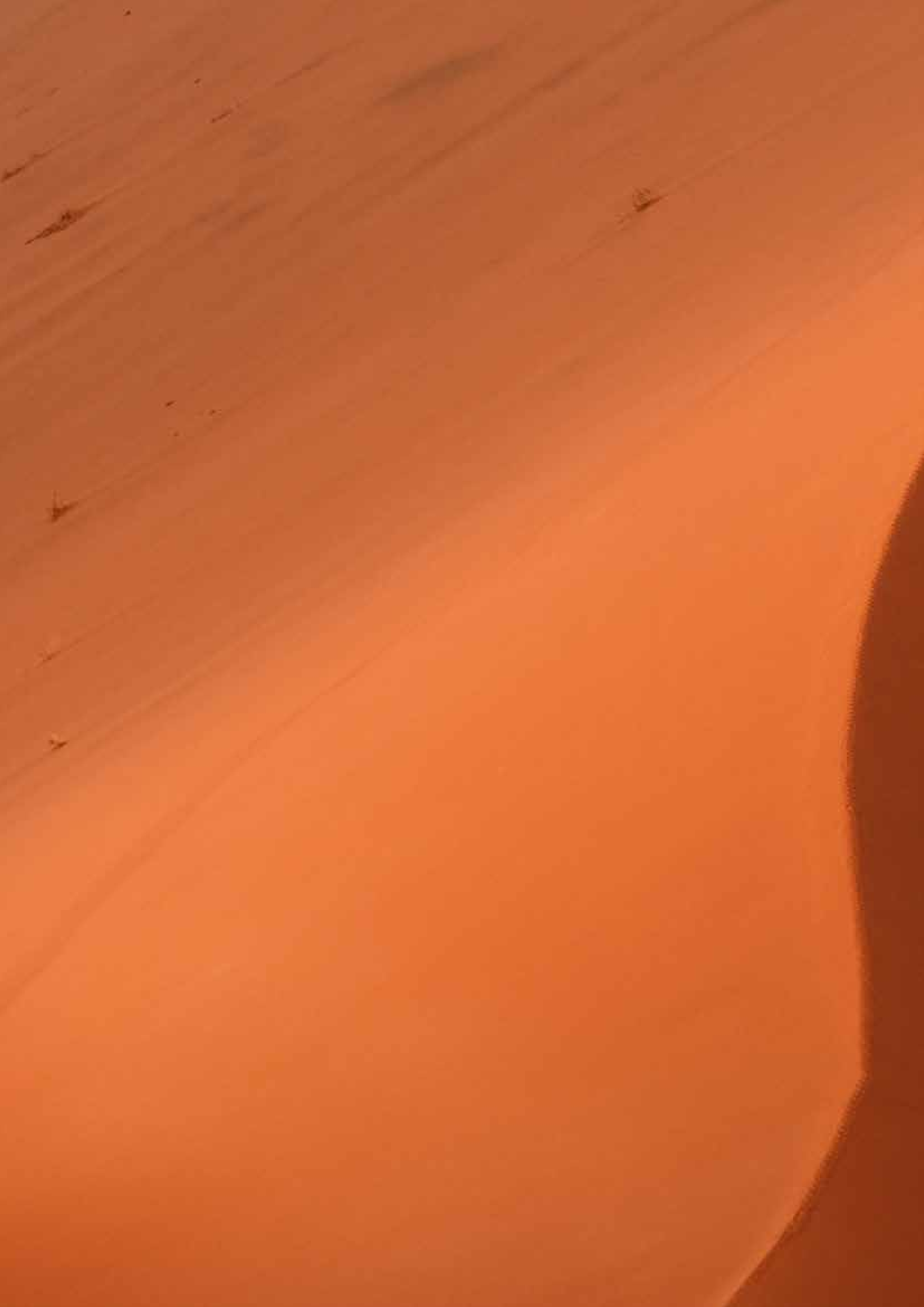
Agility
Adapt, anticipate and respond to change

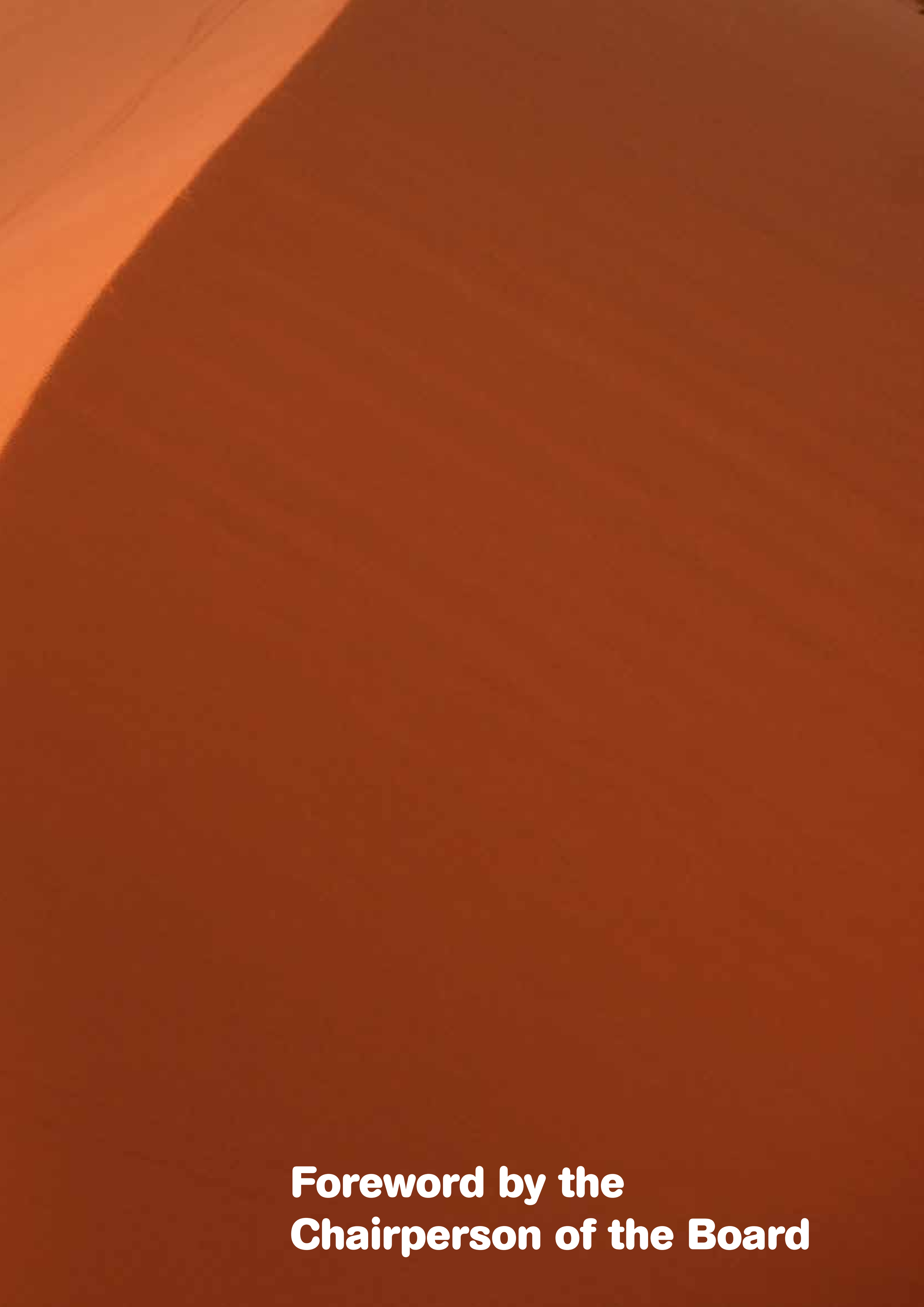
Innovation
Develop creative solutions to provide value for our stakeholders

Fun
Deliver excellence while enjoying what we do

Integrity
Remain accountable and responsible to our stakeholders

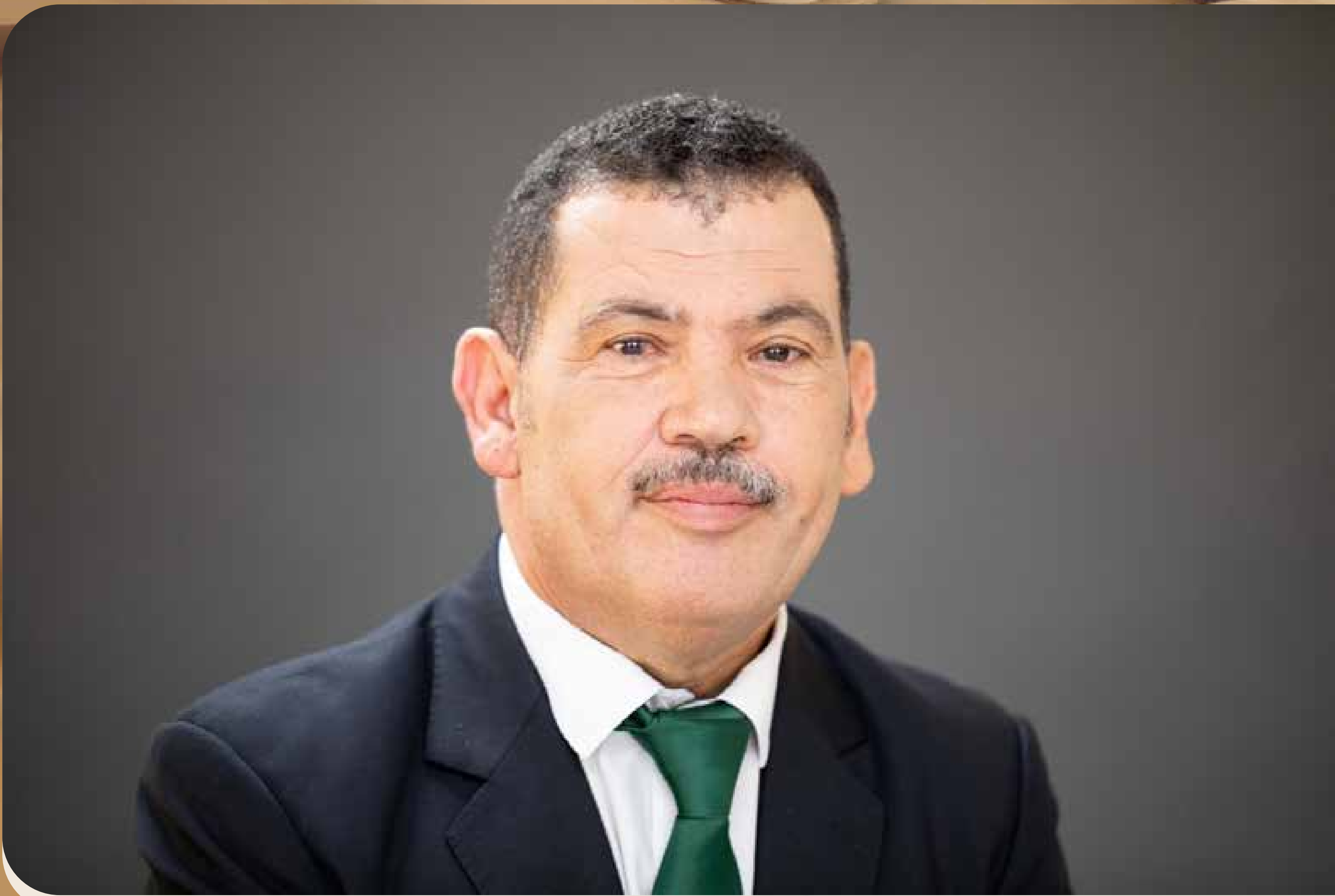
NamibRe





Foreword by the Chairperson of the Board

Foreword by the Chairperson of the Board



On behalf of the Board of Directors, I am pleased to present the annual report of the Namibia National Reinsurance Corporation Limited (NamibRe) for the financial year ended 31 March 2023.

In my capacity as Chairperson of the NamibRe Board of Directors, I am pleased to report that the Corporation successfully achieved a favourable financial standing, rebounding from the losses incurred during the preceding reporting period and showing resilience and strong recovery post COVID-19. The Board actively championed strategic initiatives aimed at optimising operational frameworks, streamlining processes, and strengthening corporate governance. These efforts were pivotal in fostering the continued excellence of NamibRe as a high-performing public enterprise.

NamibRe's Integrated Strategic Business Plan (ISBP) for the upcoming cycle is underway and is tailored to ensure that NamibRe continues to create strategic value for the shareholder in response to the ever-changing business landscape locally and globally. During the current financial year, NamibRe reached an out of court settlement with industry, which may have a significant impact on the future business model of the Corporation.

During the period under review, NamibRe commenced with the implementation of IFRS 17, as mandated. All necessary data, systems, and model configurations are in place to facilitate the seamless implementation of IFRS 17 and adherence to the stipulated policy and methodology decisions.

A high-level exercise was undertaken in 2021 to evaluate the impact of IFRS 17. The transitional impact, taking into account the financial year ended 31 March 2022, will be analysed following the finalisation of the results for the year ended 31 March 2023.

Financial Results and Dividend Declaration

The Corporation recorded an increase in profit before tax from N$6.7 million in the 2021/2022 financial year to N$14.8 million in the 2022/2023 financial year. A profit of N$10.8 million after tax was recorded. Moreover, a significant increase was observed in the Corporation's Gross Earned Premium due to improved compliance with compulsory concessions, in accordance with the NamibRe Act, 1998 (Act No. 22 of 1998). Gross Earned Premium increased by 14%, from N$752 million in the 2021/2022 financial year to N$858 million as at 31 March 2023.

NamibRe has demonstrated noteworthy financial growth in the current fiscal year, marked by an increase in shareholder's funds from N$250 million to N$256 million. Furthermore, the Corporation's total assets have surpassed the billion-dollar milestone, escalating from N$983 million to over N$1 billion. This demonstrates exceptional growth shown by NamibRe, underscoring strong performance and financial strength.

Given the need to grow its capital reserves to support business growth, coupled with the statutory requirements for an increase in capital reserves, the Board has prioritised business development and elected not to declare a dividend for the financial year under review.

Credit Rating

NamibRe's credit rating outlook remains stable. Global Credit Rating (GCR) has affirmed the Corporation's credit rating of B+ and AA-(NA) international and national financial stability scores, respectively. NamibRe's positive credit rating is largely attributed to a positive business profile, supported by income from mandatory legal concessions.

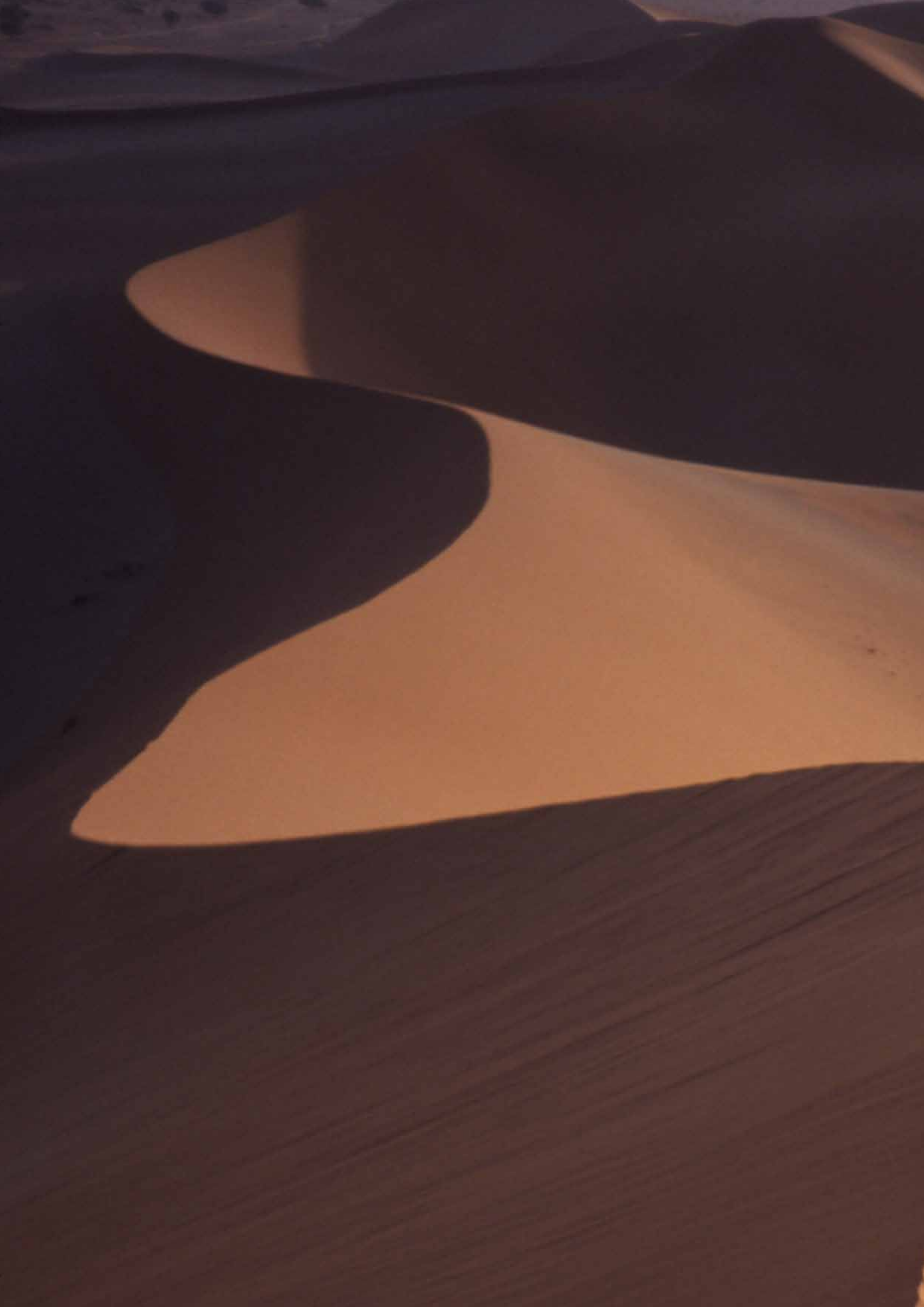
The objectives for the establishment of NamibRe, the only reinsurer in the country, remain relevant for the Namibian economy and the local and regional insurance sectors. We will continue to grow and preserve shareholder equity by managing a sound and profitable business to by continuing to earn the trust and confidence of our key stakeholders.

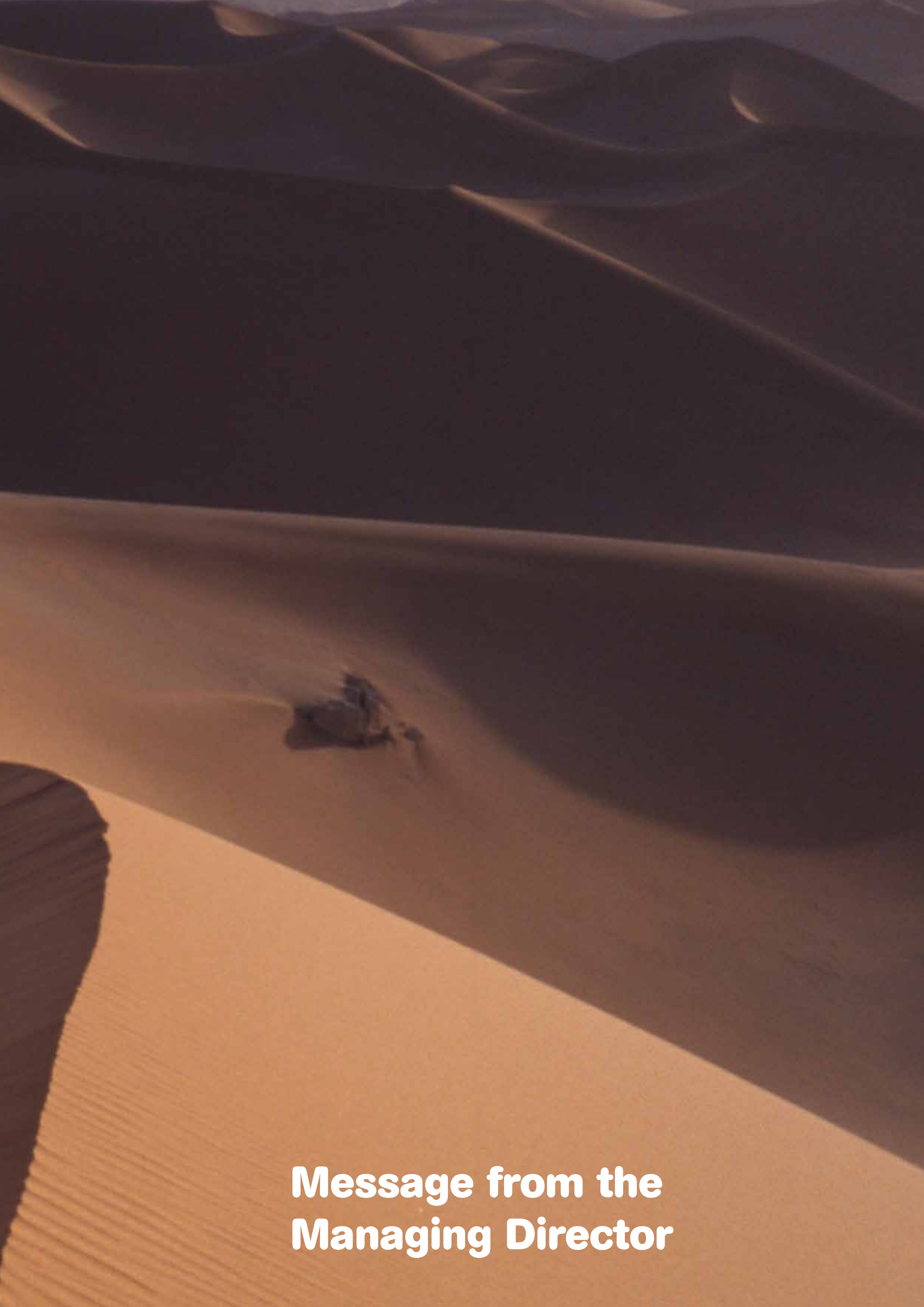
The year 2023 represents a significant milestone, being the first period since the onslaught of the COVID-19 pandemic in 2020 where a return to stability and normalcy was witnessed alongside a complete adaptation to the "new normal" by society, both domestically and internationally. The end of lockdowns and the easing of travel and movement restrictions mark positive developments stemming from the challenges posed by the greatest pandemic of the 21st century. This favourable shift has provided the Corporation with a valuable opportunity to rebuild and enhance the balance sheet for our shareholder. I would like to thank my fellow Directors for their unwavering support and commitment as we shouldered the responsibility that we have been entrusted with as Directors of NamibRe. My sincere gratitude goes to the management and staff for their dedication, hard work, and invaluable contribution to NamibRe's success during the year. It is through this same hard work and commitment that the Corporation achieved such a profitable standing for the current financial year.

Looking Ahead

I extend a word of appreciation to the local insurance industry for their continued cooperation and support and wish to express my gratitude to our technical partners for their invaluable expertise and business acumen throughout the reporting period. The court settlement achieved within the industry represents a significant opportunity for NamibRe, symbolising a new era of business collaboration for the entire sector. With a projected potential loss in revenue ranging between 50% and 60% due to withdrawal of per policy concessions, effective 28 March 2028. NamibRe will need to create viability and operational sustainability by developing and implementing strategic stakeholder engagement initiatives and business solutions for local uptake, and improve and maintain a healthy capital reserve to allow the Corporation to fully underwrite local capacity while tapping into the foreign market.

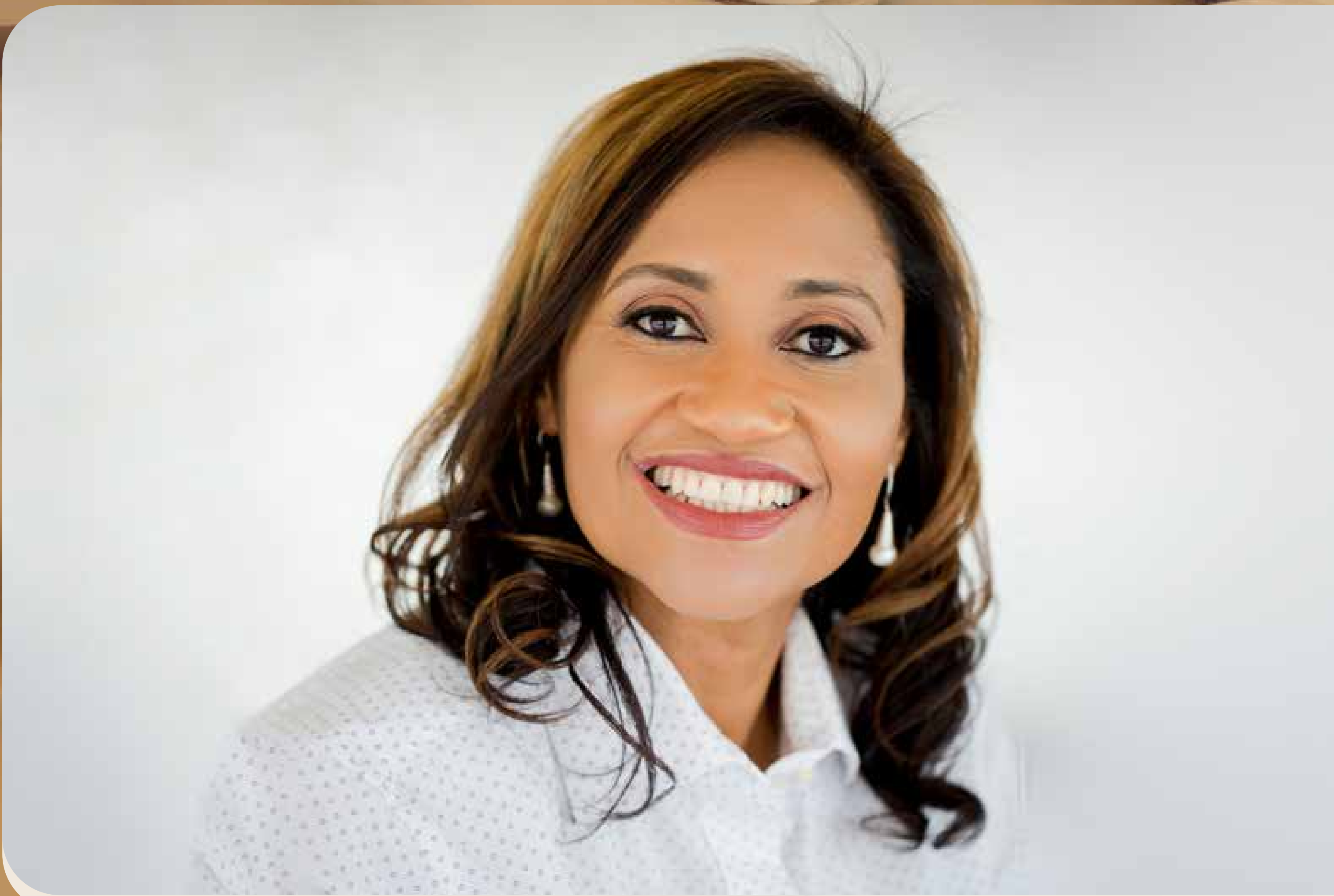
Mr. Faniel Kisting
Chairperson of the NamibRe Board of Directors





Message from the Managing Director

Message from the Managing Director



It is my pleasure 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) (NamibRe Act).

The Annual Report includes the financial statements for the financial year ended 31 March 2023 and briefly outlines the relevant operational, governance and strategic milestones for the period 1 April 2022 to 31 March 2023.

In reflecting on the past year, we have witnessed a notable revival in business operations marked by the gradual return of our workforce to office spaces and the resurgence of both local and international travel.

NamibRe and Namibia's insurance industry demonstrated remarkable resilience, sustaining profitability throughout the tumultuous period following the COVID-19 pandemic.

Global and Local Economic Performance

Within the context of the period reviewed, the outlook for global growth has diminished, influenced by a confluence of adverse factors, including the prolonged impact of the COVID-19 pandemic, geopolitical tensions, and mounting inflationary pressures.

Notably, the domestic economy exhibited resilience, achieving a growth rate of 4.6% in 2022, representing significant improvement from the 3.5% figure as recorded in 2021.

Insurance Industry Overview

The long-term insurance industry's total assets grew amid volatility in the financial market, exacerbated by geographical events and increasing commodity prices during the year. Solvency and liquidity levels have improved to the growth of excess assets. Overall, the industry held sufficient capital reserves to meet the minimum prudential requirements.

The industry's gross written premium (GWP) increased moderately by 0.6 % to N$ 11.0 billion for the period ended 31 December 2022 for the life business. The marginal growth in the GWP resulted mainly from the increase in insurance business underwritten during the period.

In terms of short-term insurance, the industry's gross written premium increased by 10.0% to 4.1 billion for the period ended 31 December 2022. The growth in GWP stemmed primarily from the development of new policies underwritten post the COVID-19 pandemic.

Financial Performance of NamibRe

NamibRe maintained a positive financial position, recording a profit before tax of N$14.8 million for the period ended 31 March 2023 and a profit of N$10.8 million after tax.

The Corporation reported a 14% increase in Gross Earned Premium, from N$752 million in the 2021/2022 financial year to N$858 million in the 2022/2023 financial year. The substantial increase in Gross Earned Premium is due to an increase in insurance companies who complied with the mandatory policy concessions as per the NamibRe Act and Government Gazette Notices 332-338. Compliance with mandatory concessions has further strengthened the Corporation's ability to conduct its mandate.

Human Resources and Capacity Development

The central importance of our workforce is enshrined in our values. We strive to enhance the wellbeing of all staff members by embracing competency development initiatives and ensuring equitable conditions of employment.

In line with the Corporation's commitment to staff training and development, some employees are currently enrolled in undergraduate and postgraduate programmes in various fields, including insurance courses. Enhancing the skills and competencies of our employees not only capacitates NamibRe as a Corporation, but also strengthens the Namibian reinsurance industry, which NamibRe is mandated to achieve.

The number of employees as at 31 March 2023 stood at 43, compared to 47 staff members employed by the Corporation in the previous year.

Staff Development

The Corporation is committed to enhancing the skills of its workforce. This is due to the scarcity of reinsurance skills in the Namibian local market and having a relatively young workforce. To this end, the Corporation continued to provide financial support to staff members to pursue their studies. During the current reporting period, 25.5% of the staff complement graduated from various courses and obtained qualifications in the fields of development finance, management and strategy, human resources, commerce, leadership and sustainability, risk, and fraud management.

The NamibRe Graduate Development Programme (NGDP)

In accordance with the commitment to contribute towards skills development in the insurance industry, the Corporation launched a 36-month period graduate development programme specialising in insurance.

Staff Engagement

The Corporation is committed to having a positively engaged and high-performance workforce. Human Resources frequently implements interventions to improve morale and engagement of staff members as per the annual engagement plan.

Corporate Social Responsibility (CSR)

As a responsible corporate citizen, NamibRe is committed to creating sustainable development opportunities for the benefit and empowerment of Namibia, in accordance with Environmental Social and Governance (ESG) principles. The focus of our CSR initiatives are education, sports, entrepreneurship, arts, innovation, and health.

During the 2022/2023 financial year, the corporation provided support towards various sports codes as one of the pillars of the Corporation's CSR strategy. As part of this drive, the Corporation sponsored the National Senior Women Hockey Team to participate in the 2023 Senior Women Hockey World Cup hosted in South Africa.

Additionally, the Corporation's bursary graduates found gainful employment in Namibia within the insurance sector as well as in other sectors of the Namibian economy.

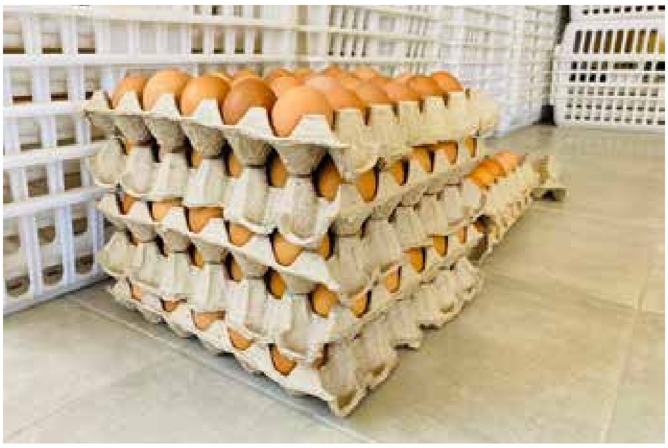
Berseba Integrated Food Systems Projects- BIFSP

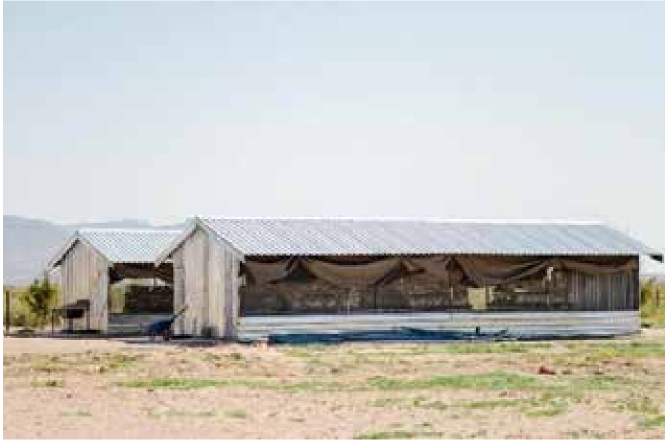
NamibRe partnered with the World Food Programme (WFP) on the Beseba Integrated Food System's project by supporting the project. This project aims to improve food security, diversify diets, and contribute to the socio-economic development of the community of Berseba through skills development, job-creation, infrastructure, and good governance. The project includes poultry (eggs and chickens) and horticulture. In addition to food security, WFP and partners, through training and skills development on horticulture and poultry production, equips community participants with the relevant capacities to successfully manage the project.

The Project has made gainful progress since its inception in 2021

Figure 1 Figure 2 the 3.5-hectare land was donated by the village council, and currently four varieties of crops are planted – beetroot, spinach, tomatoes, and butternut.

The poultry project, with approximately 499 chickens used for laying purposes, can lay up to 400 eggs a day for sale to nearby lodges and the local community.





BIFSP has been progressively advancing, with significant impacts made upon the livelihoods of vulnerable communities. Various infrastructure, including greenhouses, a guard house, and two chicken coops, were constructed, and 500 chickens were procured, generating approximately 400 eggs per day. Irrigation and water filtration systems were also installed, and significant employment opportunities have been created. The project generated approximately N$20,000.00 in profit between August and September 2023, which was used to cover labour costs.

A total of 11 direct beneficiaries (7 males, 4 females) received training on good agricultural practices, while 32 volunteers who worked on the project were provided with food produced from the community project. Furthermore, 120 school children from Berseba Village were provided with produce sourced from the project.

Figure 2 On 03 Oct 2023, Foreign, Commonwealth and Development Office High Commissioner to Namibia Charles Moore, #WFP Deputy Country Director Ms. Ericah, NamibRe Corporate Communication Manager Ms. Elizabeth Nailenge

About Berseba

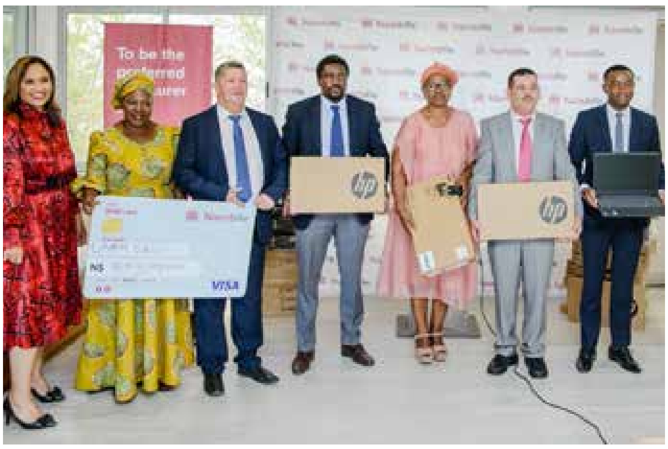
Berseba (Nama: !Autsawises) is a village consisting of approximately 5000 persons located in the Karas Region of southern Namibia and serves as the district capital of the Berseba electoral constituency. It is situated 100 km (62 mi) north-west of Keetmanshoop near the Brukkaros Mountain, a famous tourist destination.

This community is mostly made up of elderly, children, and young people and is highly dependent on social protection safety nets including the state pension and orphan and vulnerable children (OVC) grants as well as general food and subsistence assistance measures in order to meet their basic daily needs.

UNAM and NUST Laptop Donation

The COVID-19 pandemic has a devastating impact on Namibia and the world, the repercussions of which continue to remain relevant to date.

The education sector experienced a seismic shift in the execution of its mandate and needed to adapt to new ways of learning and communicating with students across the country. Students and lecturers had to operate from home and embrace remote learning. This shift came with difficulties and new challenges for students, as they had to adapt to the “new normal” way of e-learning. Due to a lack of resources, such as computers and internet connectivity, many students were left behind on the journey of education.



In 2020, it was reported that only 2% (mainly in private schools) of the total school going children (from grade 1-12) had access to facilities required for e-learning. The University of Namibia (UNAM) and Namibia University of Science and Technology (NUST) had more than 8000 students who did not have access to IT equipment required for e-learning.

NamibRe, as a responsible corporate citizen, identified the need to bridge the gap and provide aid and assistance to students to continue their studies. In collaboration with the Ministry of Higher Education and both institutions (UNAM and NUST) in 2022, NamibRe made a significant investment of ***690 laptops and bags, valued at over N$3.3 million.***

Stakeholder Engagement
The Corporation continues to build goodwill and maintain a viable brand equity by implementing and executing branding and marketing strategies of a global standard. With an understanding of the importance of stakeholder management as a valuable strategic objective, it remains central to the Corporation's business strategy. As such, several stakeholder engagement initiatives were undertaken during the period under review.

A significant milestone was NamibRe's nomination, through its Managing Director, on the United Nations Environment Programme Finance and Initiative (UNEP FI) Leadership Council in December 2022 as the Insurance Industry Representative and Chair of the Global Steering Committee. NamibRe has also been elected as the African Insurance Organisation (AIO) Vice President. NamibRe will be graciously hosting this prestigious event in Namibia in June 2024.

NamibRe continued to add value to the local finance and insurance industry, creating platforms where matters of national importance were discussed. In October 2022, NamibRe, in collaboration with NCCI, hosted a business breakfast under the theme **"Road to COP 27: Business Sector Response to Climate Change"**.

The recent discovery of oil and gas reserves in Namibia and the strategic importance of this natural resource to the economy prompted NamibRe to organise an industry breakfast session where relevant stakeholders could share insightful data and information. The primary purpose of the event was to forge smart collaboration and explore the roles that key partners, such as the banking and insurance sector performance.

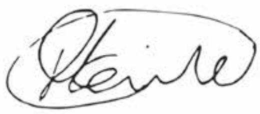
Aligned with our strategic goals of strengthening our brand presence and fostering thought leadership, we actively participated in numerous events as speakers and panellists. The oil and gas industry in Namibia will remain of strategic intent for NamibRe.

Court Case with Industry Settlement
Following extensive engagements with the insurance industry regarding specific provisions of the NamibRe Act 22 of 1998, NamibRe is delighted to report the successful conclusion of negotiations with the insurance industry stakeholders. The resultant settlement agreement is poised to have a profound impact, initiating a series of transformative changes within NamibRe's operational landscape. This significant development further marks a pivotal milestone in NamibRe's corporate history, signifying the beginning of new horizons and unprecedented opportunities for the Corporation's expansive growth and development.

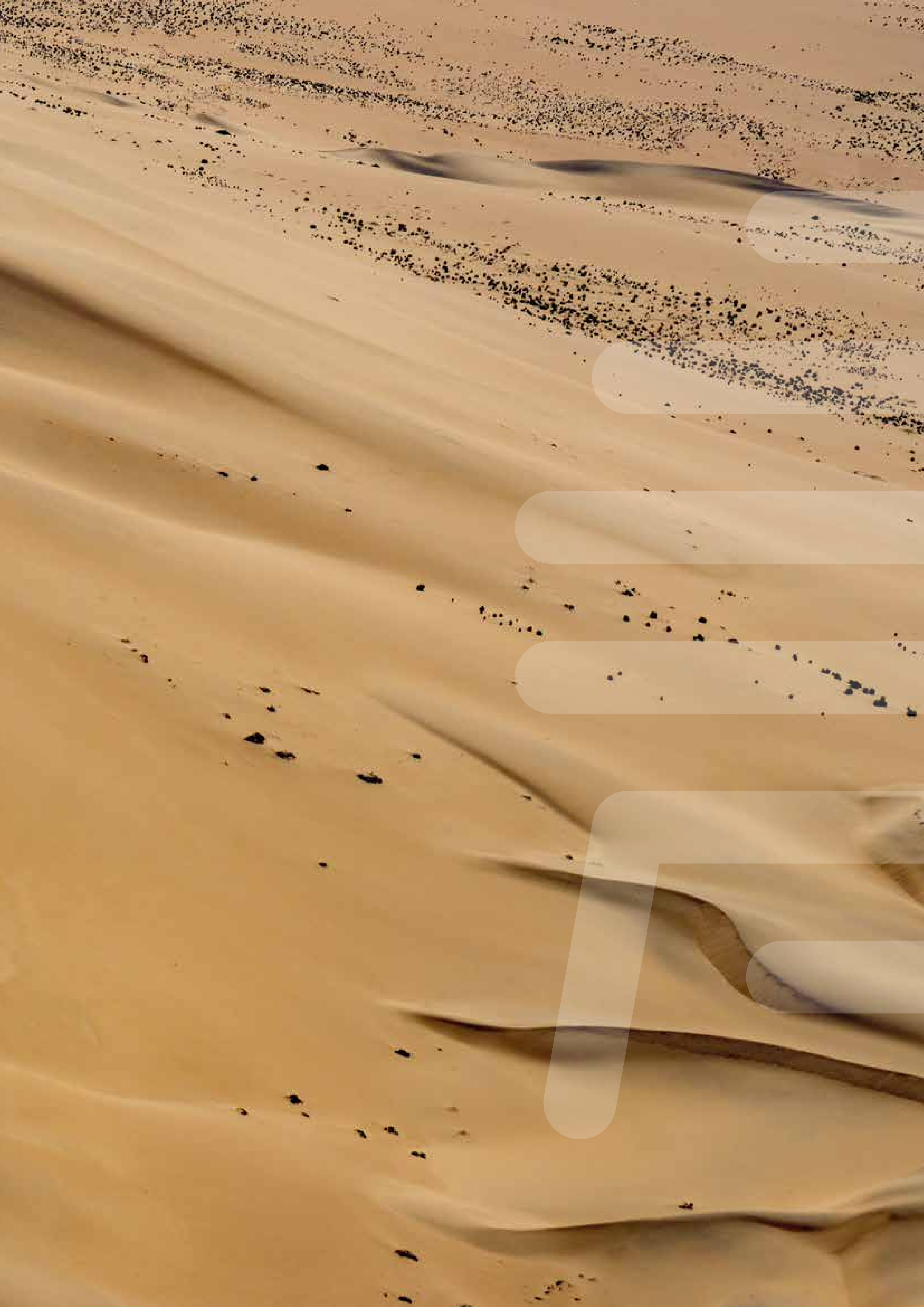
NamibRe remains steadfast in its commitment to excellence and anticipates that these recent developments will position the Corporation for sustained success in the dynamic landscape of the reinsurance industry.

Conclusion
The 2022/2023 financial year was a testament to our resilience as a team as we increased the profitability of the Corporation, adding value for the shareholder. The team rose to the occasion and successfully navigated the challenges and uncertainty imposed by COVID-19 through continued learning.

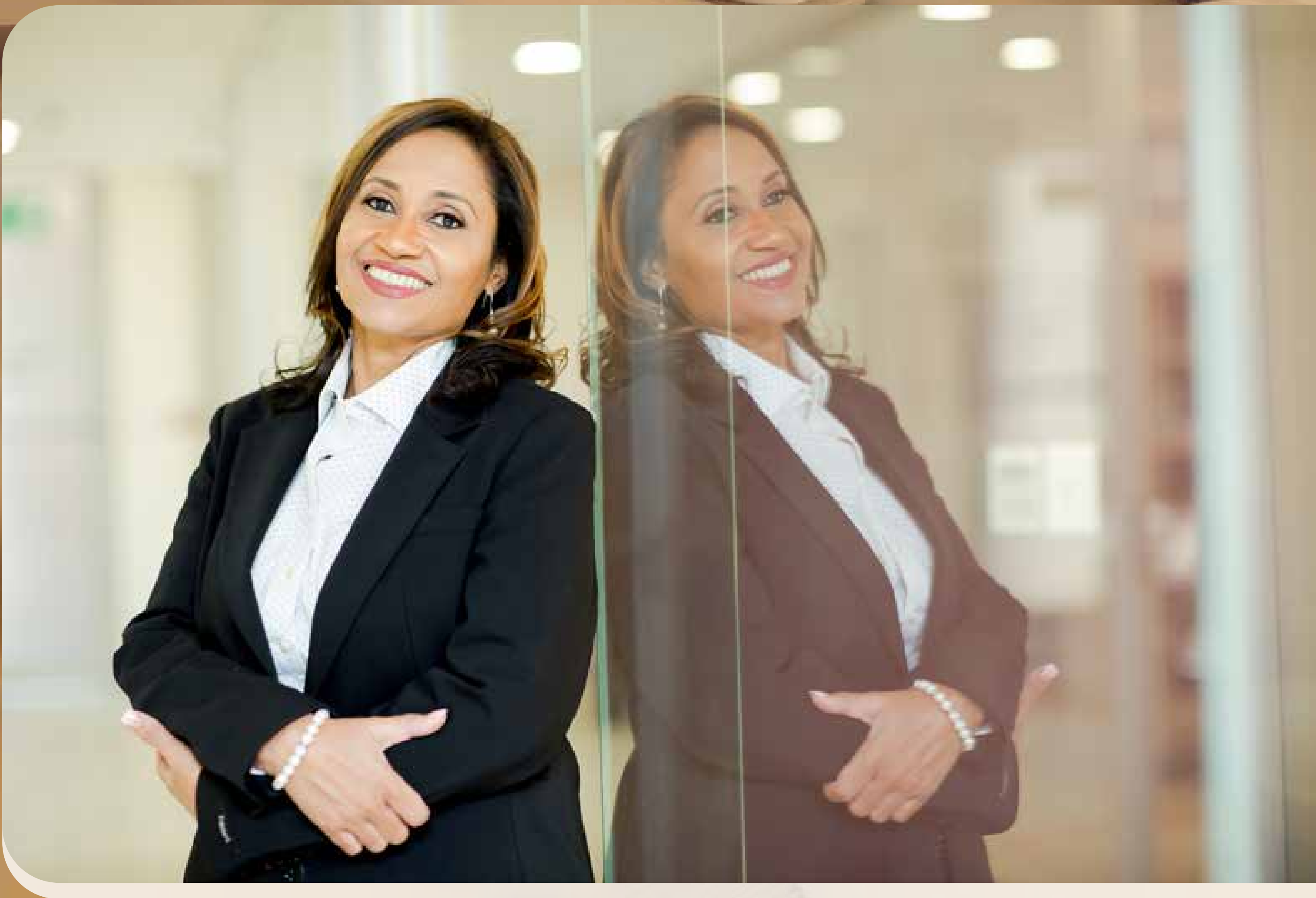
I would like to thank the Board of Directors for their mentorship, support, and strategic direction. The Board's visionary leadership and sound corporate governance and guidance are vital as we forge ahead with the implementation of the new strategic plan, which will undoubtedly strengthen and grow the insurance industry, and in particular the Namibian reinsurance landscape.



Mrs. Patty Karuaihe-Martin
Managing Director



Sustainability Report



In 2022, Namibia surged into the global spotlight following the significant discovery of hydrocarbon resources. These discoveries have disrupted the status quo, though positively so, as they have presented the nation with opportunities towards better pursuing and achieving its SDGs, predominantly through economic stimulation.

While this remains a pertinent subject, innovation stands as one of NamibRe's foundational principles, driving us to consistently enhance our operations, ensuring the delivery of top-tier services and fostering financial inclusion amidst the dynamic shifts of the financial sector. As a result, we have adopted the principles of sustainable insurance in our operations, particularly within the context of the discovery of hydrocarbons and the impact that these have on our business viability, the economy, and the attainment of the United Nations Sustainable Development Goals,

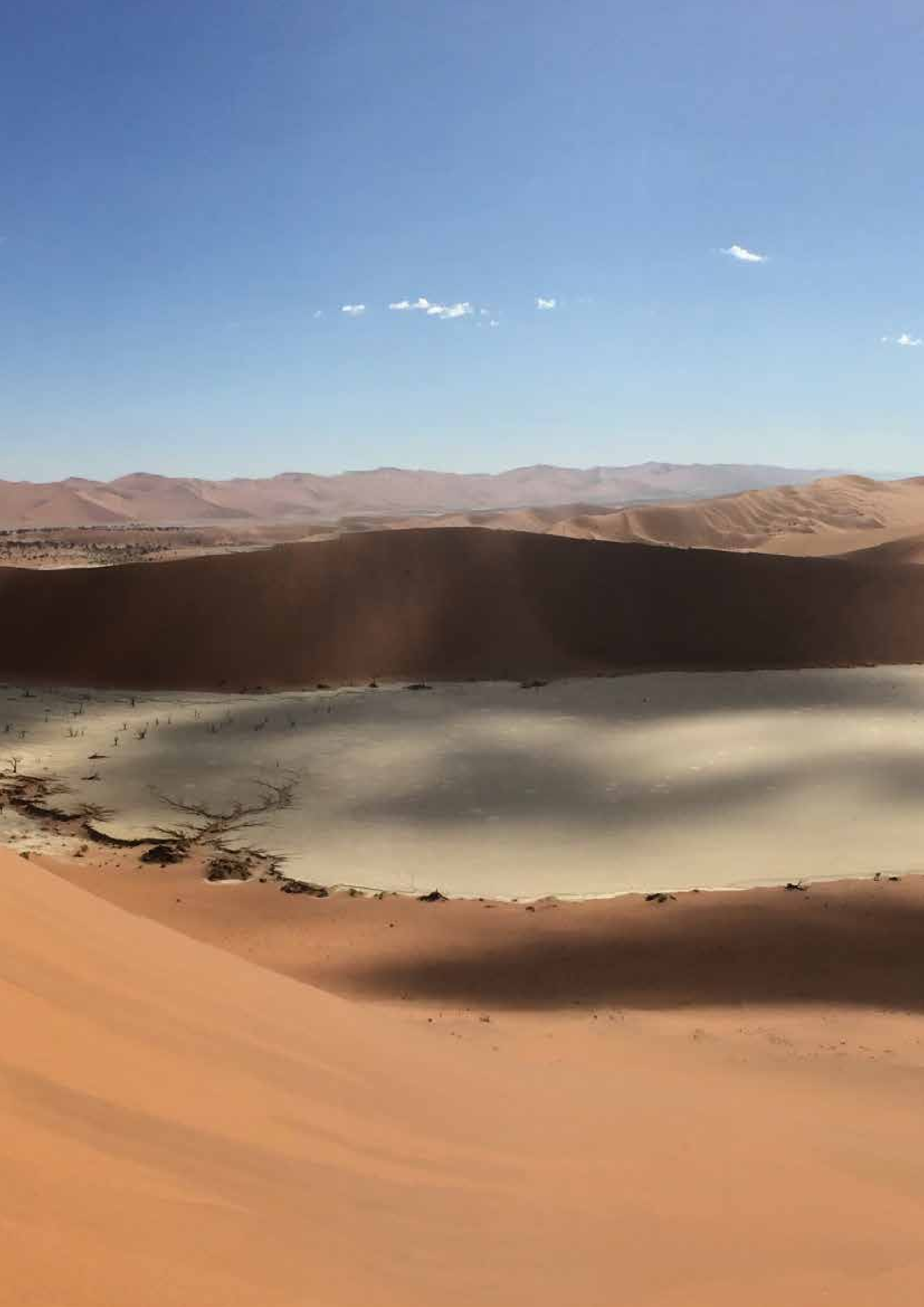
Over the past year, we have focused our ESG objectives on awareness, collaboration, and engagements. We have demonstrated our commitment towards a greener future by participating and hosting workshops, webinars, and an industry breakfast, with the aim of highlighting the relevance of ESG implementation in business environments.

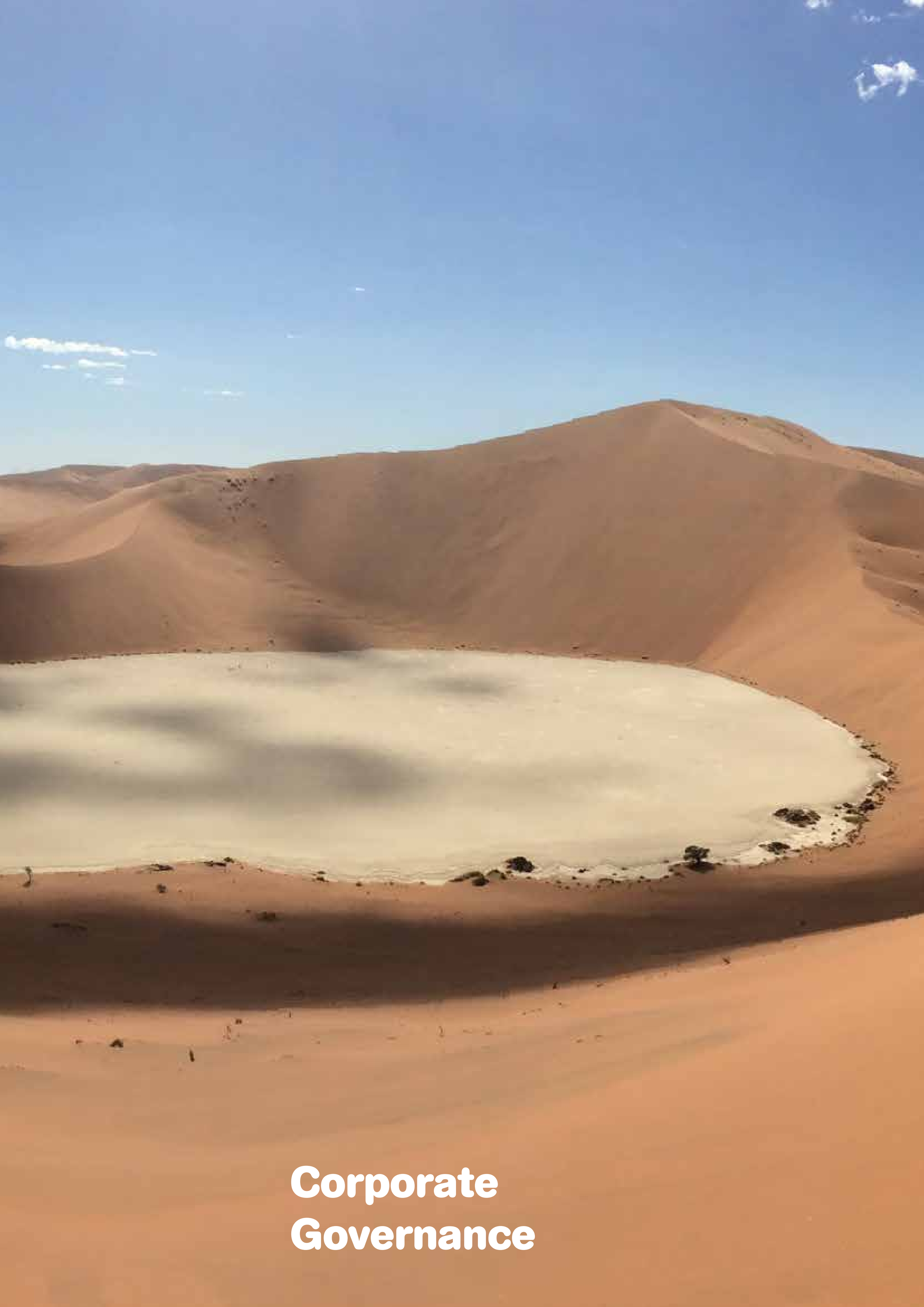
In November 2022, through the Nairobi Declaration on Sustainable Insurance and as a founding signatory, NamibRe attended COP 27 in Egypt. These efforts contributed to the launch of the Africa Climate Risk Insurance Facility for Adaptation (ACRIFA), a facility currently under design to mobilise U$1 billion of concessionary, high-risk capital and grants to stimulate the development and uptake of targeted climate insurance solutions delivered through African primary insurers and regional reinsurers across the continent.
ACRIFA aims to:

- Support the design and scaling up of insurance products covering a range of climate related disasters, including droughts, floods, production, and climate-induced pest infestations.
- Extend credit insurance to investment portfolios at the intersection of climate, the agri-food system, and enterprise development.
- Leverage the network of primary insurers across the continent, ensuring capital, capacity, and commercial opportunity flows through them to continental and international re-insurers.
- Support national governments to more efficiently pre-arrange finance to plan for, respond to, and efficiently manage climate disasters.

NamibRe has participated in the regulatory body, together with the Namibia government, to discuss financial inclusion policy formulations. We have collaborated with the local UNEP office to create awareness of SDG 17 inside the Corporation. This initiative included activities that promoted teamwork and deeper capacity enhancement, with the staff actively serving as SDG ambassadors.

Going forward, new initiatives have been identified, including Green Staff Loans, which aim to motivate staff members towards a green lifestyle. These loans will carry favourable terms as incentive. Another initiative will be recycling efforts in the office by colour coding waste bins. We aim to create a culture that is considerate of not only our financial performance, but also our environment's wellbeing through a behavioural reset.





Corporate Governance

Corporate Governance

By adhering to sound governance practices, NamibRe has fostered trust among its employees, customers, and stakeholders, creating a resilient and sustainable business model. Effective corporate governance has provided the framework required to manage risks, make strategic decisions, and align the Corporation's objectives with the interests of its diverse stakeholders. As NamibRe continues to position itself more strategically, a robust governance structure not only helps the Corporation adapt to challenges, but also capitalises on emerging opportunities, driving long-term success and value creation.

The Board of Directors at NamibRe recognises the central role that good corporate governance plays in ensuring the sustainability and prosperity of our organisation. The Board is committed to nurturing a culture of governance excellence and actively advocates for this cause with diligence and oversight. This commitment ensures that NamibRe operates with the utmost responsibility and in the best interests of our stakeholders, focusing on the long-term success of the organisation.

The NamibRe Board is jointly established by 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). On 05 August 2021, the Minister appointed seven Board Members for a three-year term, effective from 01 September 2021 to 31 August 2024. We are pleased to welcome Mr. Gilroy Kasper, who was appointed as a member of the NamibRe Board of Directors on 01 January 2023. Mr Kasper assumes the responsibilities previously held by Advocate Slysken Makando, following his resignation in April 2022. Mr. Kasper's appointment is seen as a strategic move aimed at bolstering legal expertise within the Board.

As mandated by the NamibRe Act, the Managing Director serves as an Executive Director, bringing the number of Directors to eight (8).

Governance Structure

Minister of Finance and Public Enterprises

Board of Directors

Remuneration Committee

Audit, Risk and Compliance Committee

Technical and Finance Committee

Investment Committee

Governance Framework

NamibRe's Governance framework is a testament to our commitment to these principles, incorporating a comprehensive array of legal, compliance, and regulatory governance instruments. These instruments are meticulously integrated to provide clear and purposeful guidance for the implementation of ethical governance principles and practices.

THE GOVERNANCE FRAMEWORK IS BASED ON THE FOLLOWING GOVERNANCE AND LEGAL INSTRUMENTS.

Governance Framework

NamibRe Act, Act 22 of 1998	To provide for the establishment of the Namibia National Reinsurance Corporation to carry on reinsurance business in Namibia; to provide for the structure of the said Corporation; to define the objects and the powers, duties and functions of the said Corporation; to provide for a legal cession of policies and reinsurance contracts issued by registered insurers and registered reinsurers; and to provide for matters incidental thereto.
Public Enterprise Governance Act, Act 1 of 2019	To make provision for the efficient governance of public enterprises and the monitoring of their performance; to make provision for the restructuring of public enterprises; to provide for the powers and functions of the Minister of Public Enterprises; and to make provision for incidental matters.
Companies Act, Act 28 of 2004	To provide for the incorporation, management and liquidation of companies; and to provide for incidental matters.
NamCode	The NamCode is based on King III and provides guidance to all Namibian corporate entities on various governance related aspects
King IV Principles	King IV sets out the philosophy, principles, practices and outcomes which serve as the benchmark for coporate governance in South Africa and although not compulsory application in Namibia,

Corporate Governance

Governance and Performance Agreements
The Board Chairperson, is required to enter into a Governance Agreement with the Minister of Finance and Public Enterprises, on behalf of all Directors, in terms of Section 11 of the Public Enterprise Governance Act, 2019 (PEGA). Additionally, each NamibRe Director is required, in terms of Section 12 of the PEGA, to enter into a Performance Agreement with the Minister individually. The aforementioned agreements are to be aligned with NamibRe's Integrated Strategic Business Plan (ISBP) before their approval and underscore the Corporation's commitment to transparent and efficient governance, in compliance with the PEGA.

Board Committees
In addition to its mandate and oversight function, the Board has established four Board Committees.

The Terms of Reference for each Committee serve as a guide for the relevant Committee on how to conduct its mandates and execute its respective tasks. The Terms of Reference are subject to annual reviews. All of the Committees have reviewed their respective Terms of Reference and have made the relevant recommendations, with the Board providing the requisite approvals.

Responsibilities of the Board Committees

Technical and Finance Committee

- Assist the board in discharging its duties relating to the safeguarding of real estate assets,
- The operation of adequate and effective systems and control processes,
- The preparation of budgets and management reports in compliance with all applicable legal and regulatory requirements

Remuneration Committee

- Assist the Board in discharging its duties relating to the overall employment environment of the Corporation
- Is responsible for the Corporation's policies for human resource strategies, compensation and succession planning to ensure that NamibRe attains corporate leadership in the development and implementation of proactive human resource strategies.

Investement Committee

- Assist the Board in discharging its duties relating to the investment management function of the Corporation,
- Ensure that the investment policy is in compliance with applicable national legal requirements,
- Have the authority to consider any matter relating to the Investments of the Corporation,
- Have the authority to approve the investment or disinvestment of the funds of the Corporation.

Audit, Risk and Compliance Committee

- Discuss business risk and control issues and make recommendations to the Board,
- Monitoring the integrity of the Corporation's financial reporting system, internal controls, compliance with Public Procurement Act,
- Provide oversight of internal audit and management of risks

Board and Committee Meetings for the 2022/2023 Financial Year

#	Board meetings	Audit, Risk and Compliance Committee	Remuneration Committee	Technical and Finance Committee	Investment Committee
1	x	x	x	x	x
2				1	
3		x	x	x	x
4	x				
5	x	1	1		
6		x		x	
7	x	x	x	x	x
8	1				
9	x				
TOTAL	6	5	4	5	3

Table 3: Board and Board Committee meetings (1 – Special Meetings)

Directors' Attendance at Meetings (01 April 2022 - 31 March 2023)

Board of Directors	Board Meetings	Audit, Risk & Compliance Committee	Remuneration Committee	Technical & Finance Committee	Investment Committee
F. Kisting	6/6			5/5	
B. Muteka	6/6		4/4		3/3
G. Kasper	1/1		1/1		1/1
A.Munyika	6/6		4/4		3/3
R. Hanghuwo	6/6	5/5		5/5	
L. Usiku	6/6	5/5			
C. Loots	6/6	5/5		5/5	
P. Karuaihe-Martin	6/6	5/5	4/4	5/5	3/3

Table 4: Directors' Attendance at Meetings

Compliance

Our approach to compliance is a crucial element in steering the organisation towards sustained success, emphasising our pledge to uphold the highest governance standards. NamibRe proudly ranks among the top compliant state-owned enterprises as depicted in the PEGA Scorecard. This recognition underscores our commitment to upholding the highest standards of governance and regulatory adherence.

The increasingly noticeable negative effects of climate change have led to numerous regulatory initiatives and requirements in the insurance and reinsurance industry. NamibRe, as a signatory of the UN Principles of Sustainable Insurance, is committed to sustainable transformation and has embedded/ingrained strategic initiatives within its operations to ensure local and global achievement of the defined initiaives, such as the UN SDGs.

Corporate Governance

NAMIBRE's GOVERNANCE SCORECARD (WEIGHTED)

The main body of the Scorecard is divided into eleven (12) relevant criteria, which comply with the structure of PEGA 2019.

	COMPLIANCE REQUIREMENTS	SECTION	ANSWER			WEIGHT%	WEIGHT SCORE%	REMARKS
			YES	PARTIAL	NO			
1	Governance Agreement	Sec 11 (1)	✓			10%	5%	Not approved
2	Performance Agreement	Sec 12(1)	✓			10%	5%	Not approved
3	Performance System	Sec 17			✓	10%	5%	Verify with HR
4	Integrated Strategic Business Plan	Sec13(1)		✓		10%	5%	Busy amending as advised by MFPE
5	Annual Business Plan	Sec 14 (1)	✓			10%	5%	To be approved at next Board
6	Financial Plan I Annual Budget	Sec 15-16 (1)	✓			10%	5%	To be approved at next Board meetina
7	Annual Reports	Sec 11 (1)	✓			10%	10%	Received
8	Audited Annual Financial Statements	Sec 11 (1)	✓			10%	10%	Received
9	Investment Policy	Sec 11 (1)		✓		5%	5%	Received (verify)
10	Dividend Polley	Sec 11 (1)		✓		5%	5%	Received (verify)
11	Risk Profiling	Sec 11 (1)		✓		5%	5%	Received (verify)
12	Financial Delegation (Authority)	Sec 11 (1)		✓		5%	5%	Received (verify)
	Total Scored					100%	70%	

Table 1: NamibRe's PEGA Governance Compliance Scorecard

NamibRe's compliance framework continues to foster an environment characterised by transparency, accountability, and unwavering ethical conduct. Far from being a passive requirement, this strategic alignment empowers us to navigate challenges with agility, ensuring that risk management and strategic decision-making are fortified by a resilient foundation.

Internal Audit and Risk Management

Internal Audit

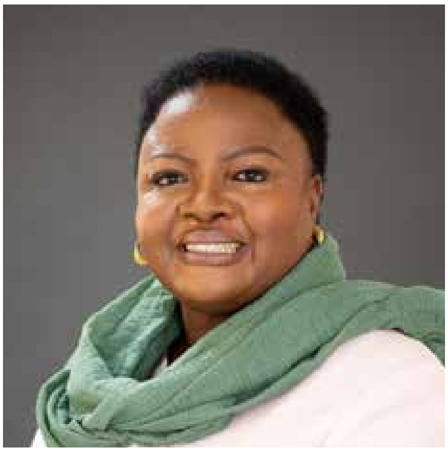
Internal Audit is an independent function, established to ensure that the Board Audit, Risk and Compliance Committee (ARC) is aligned with good governance principles, and oversees the adequacy and effectiveness of governance, risk management, and internal controls. The Internal Audit is governed by an approved Internal Audit Charter, aligned with best practice guidelines and standards. Internal Audit pursues a risk-based approach to execute its approved Internal Audit plan. The Internal Audit function is managed by the Chief Internal Auditor.

Risk Management

The Board assumes responsibility for risk management, as promulgated by good corporate governance principles. In promoting a sound risk culture by the Board and Management, Enterprise Risk Management (ERM) processes are managed by the Internal Audit function, and activities are reported quarterly to the Audit Risk and Compliance Committee. The ERM is a fundamental part of our five-year Integrated Strategy Business Plan (ISBP) and sets out the necessary governance framework to identify, assess, control, and report risks across all business functions of NamibRe. Prudent risk management systems and approaches are integral to its operations, providing NamibRe with a competitive edge amongst other reinsurers on the continent, able to tackle increasingly threatening risks such as climate events and cyber-attacks. An integrated ERM framework has therefore been embedded in our processes with a commitment to continuous improvement of the risk governance framework.

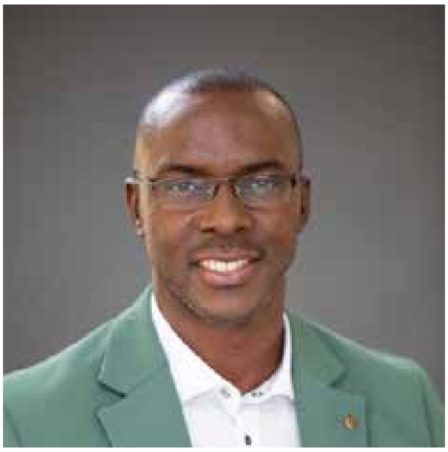
Board of Directors

BOARD CHAIRPERSON
FANIEL KISTING

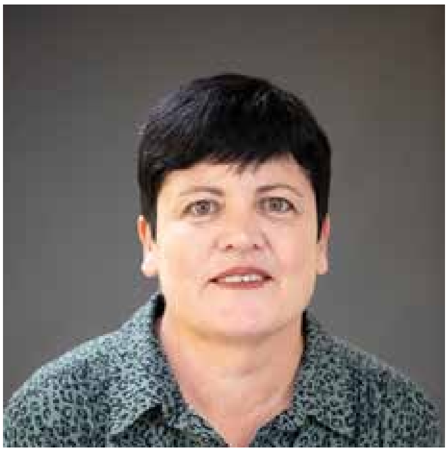


DEPUTY CHAIRPERSON
BEATA MUTEKA

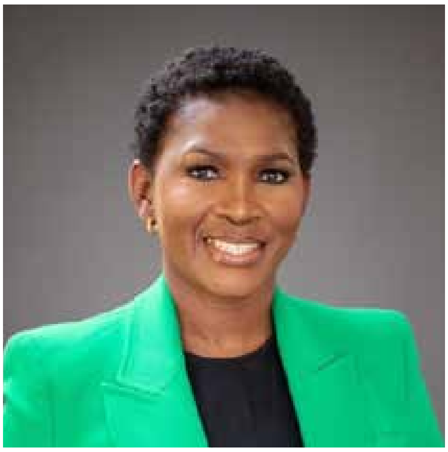
BOARD MEMBER
RAUNA HANGHUWO



BOARD MEMBER
DR. AKUTU MUNYIKA



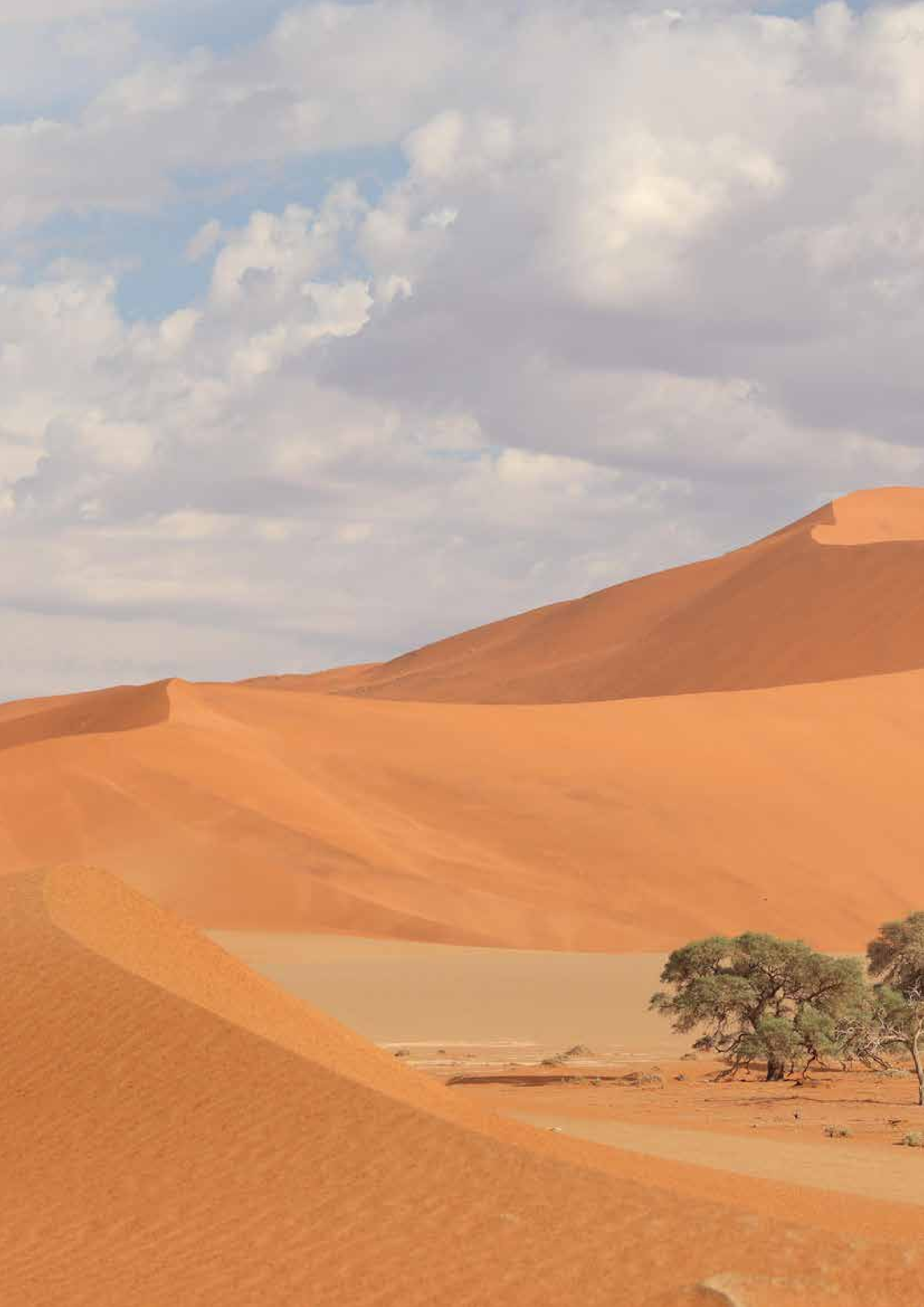
BOARD MEMBER
CHRISTELL LOOTS

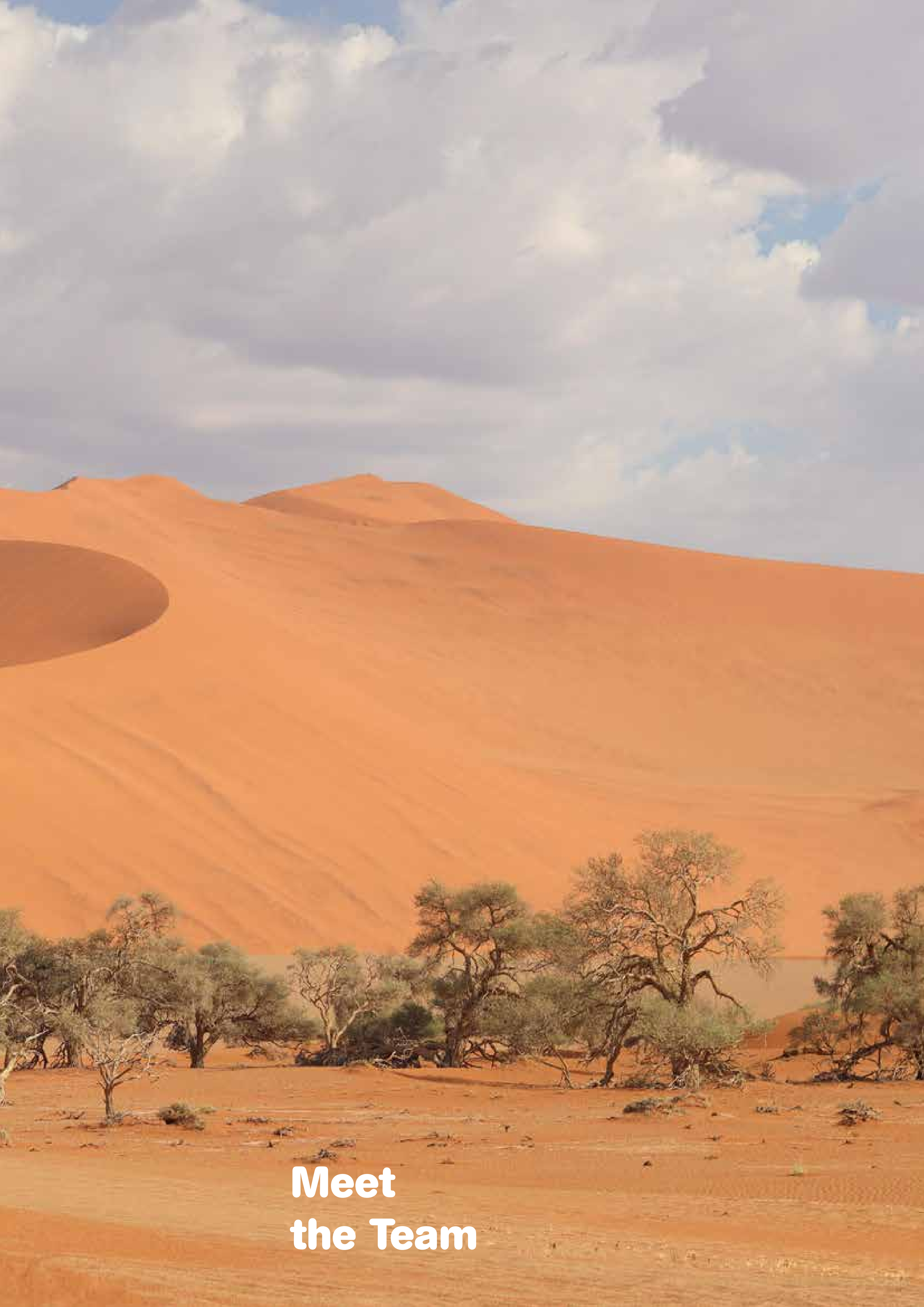


BOARD MEMBER
LELLY USIKU

BOARD MEMBER
GILROY KASPER

MANAGING DIRECTOR
PATTY KARUAIHE- MARTIN

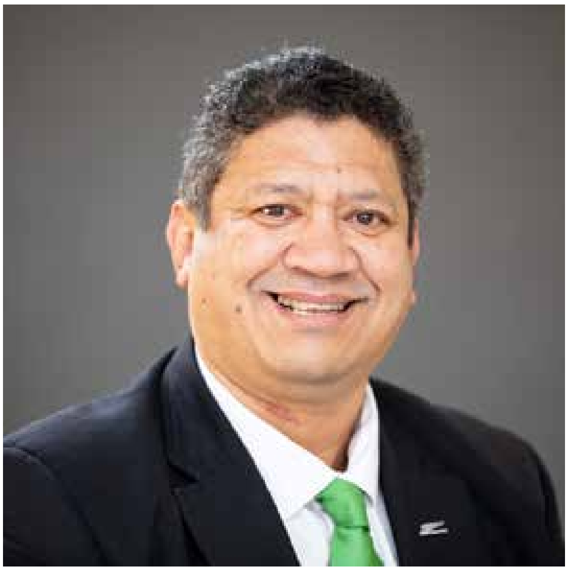




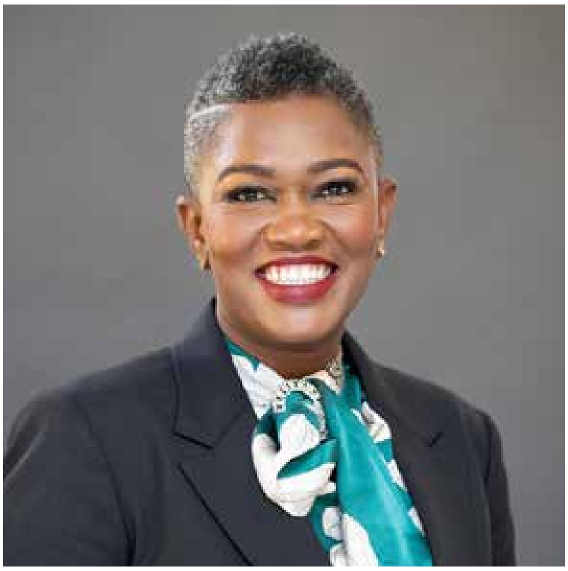
Meet the Team

Executive Management

MANAGING DIRECTOR
PATTY KARUAIHE-MARTIN

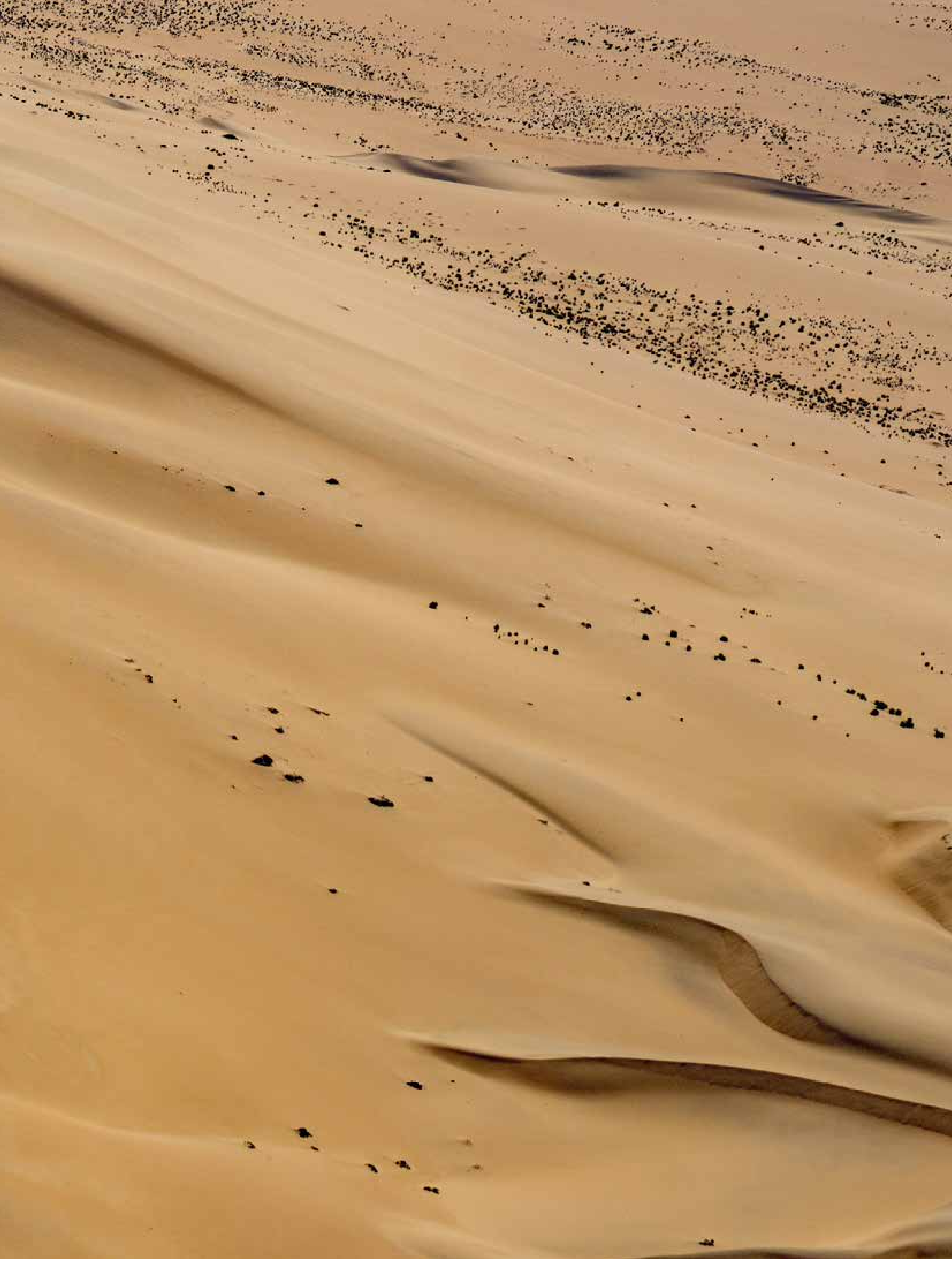


GM: FINANCE AND ADMINISTRATION
FRANCIOS FRANCIS

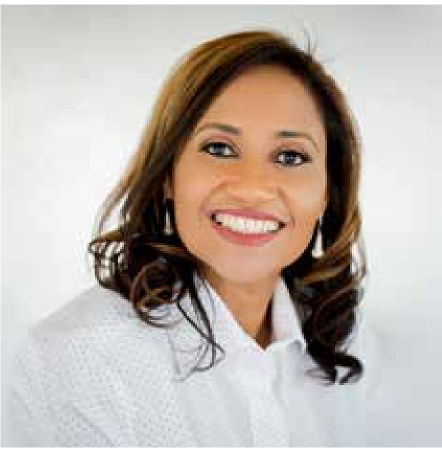


GM: CORPORATE AFFAIRS AND STRATEGY
NTWALA MWILIMA

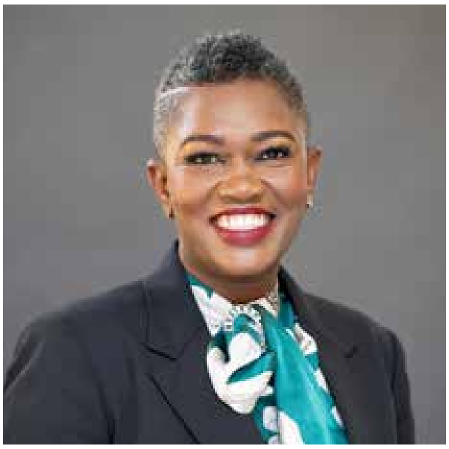
GM: REINSURANCE
RUDOLPH HUMAVINDU



Managing Director's Office



MANAGING DIRECTOR
PATTY KARUAIHE- MARTIN

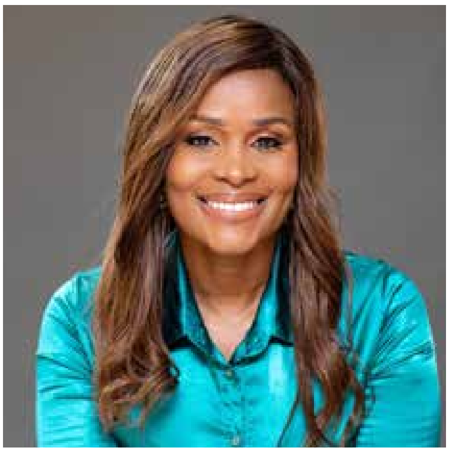


GM: CORPORATE AFFAIRS AND STRATEGY
NTWALA MWILIMA

CHIEF HUMAN RESOURCE OFFICER
COEN WELSH

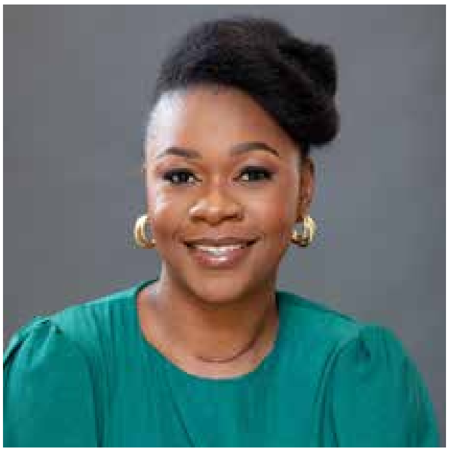
CHIEF INTERNAL AUDITOR
HISKIA NDJAVERA

CHIEF CORPORATE COMMUNICATIONS OFFICER
ELIZABETH NAILENGE

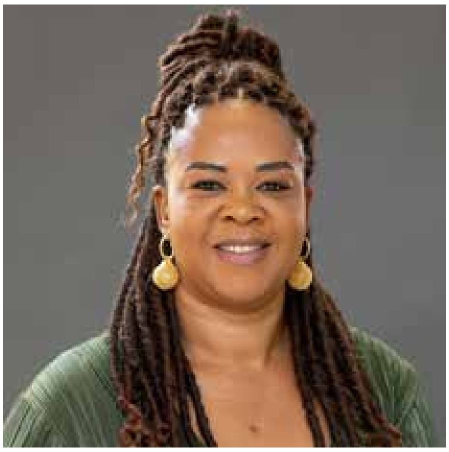


SENIOR LEGAL OFFICER
RITHA SITEKETA

MD EXECUTIVE ASSISTANT
ERIKA SHIKUSINDE



ADMINISTRATIVE ASSISTANT
ALINA PRIMUS

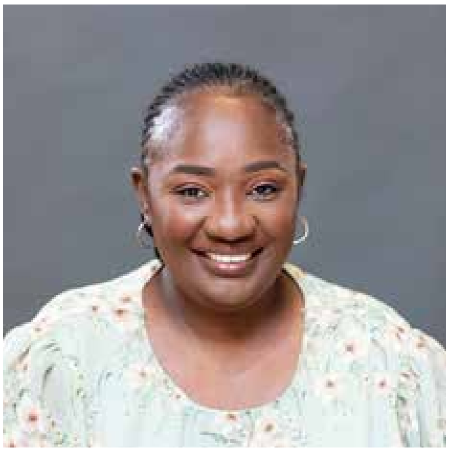


HUMAN RESOURCE OFFICER
GEORGIA KAUAPIRURA

ADMINISTRATIVE ASSISTANT
LORYN TJIMBUNDU

Reinsurance Department

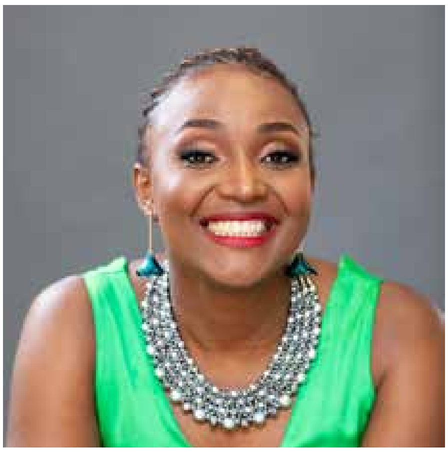
GM: REINSURANCE
RUDOLPH HUMAVINDU



CHIEF REINSURANCE OFFICER: LIFE
TUYENI NAMPILA

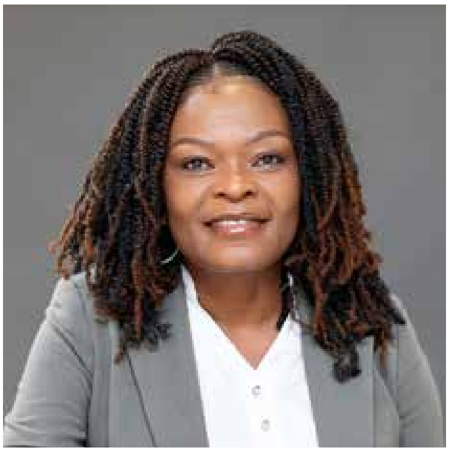
CHIEF REINSURANCE OFFICER: NON-LIFE
HERMAN SHILONGO

CHIEF CLAIMS
NELSON MATHEUS



UNDERWRITER: NON-LIFE
SESILIA NKOSHI

UNDERWRITER: NON-LIFE
VALENTINO JAHS



UNDERWRITER: LIFE
ROCHELLE TJIRONDERO

ASSITANT UNDERWRITER: NON-LIFE
HILYA INTAMBA

CLAIMS OFFICER
JEREVASIU NDWEMWOONGELA

ASSISTANT CLAIMS
DAVID SHAFUDAH

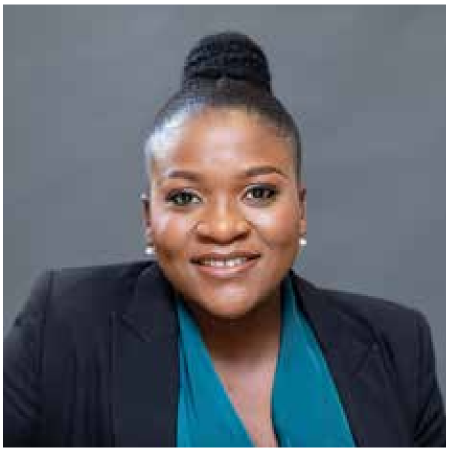
ASSISTANT CLAIMS
LOTHE HENGUVA

Finance and Administration Department

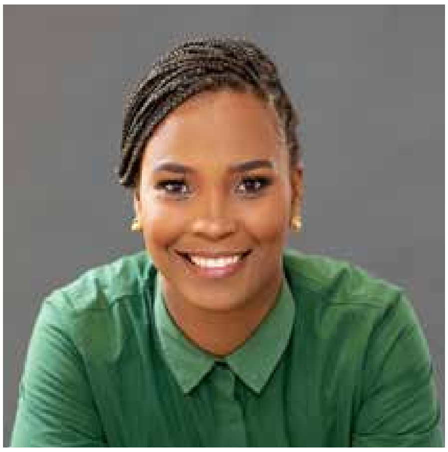
GM: FINANCE AND ADMINISTRATION
FRANCOIS FRANCIS

MANAGEMENT ACCOUNTANT
XENIA FRANK- SCHULTZ

CHIEF FINANCIAL OFFICER
TANAKA SHUMBA



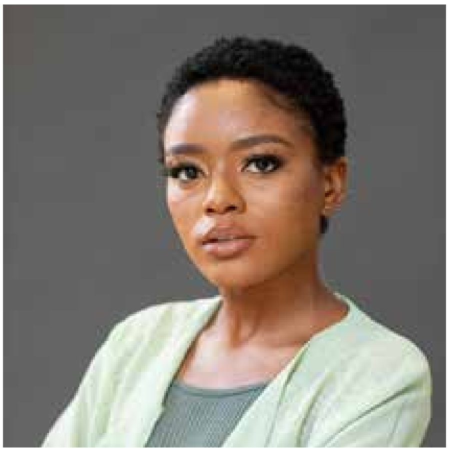
TECHNICAL ACCOUNTANT
ADELINE KASERA



PROCUREMENT OFFICER
KELLY NDYENGE

FINANCE OFFICER
LIZETTE ENGELBRECHT

ADMINISTRATION OFFICER
BRIAN NUSEB



ASSISTANT TECHNICAL ACCOUNTANT
JUSTINA LUKAS

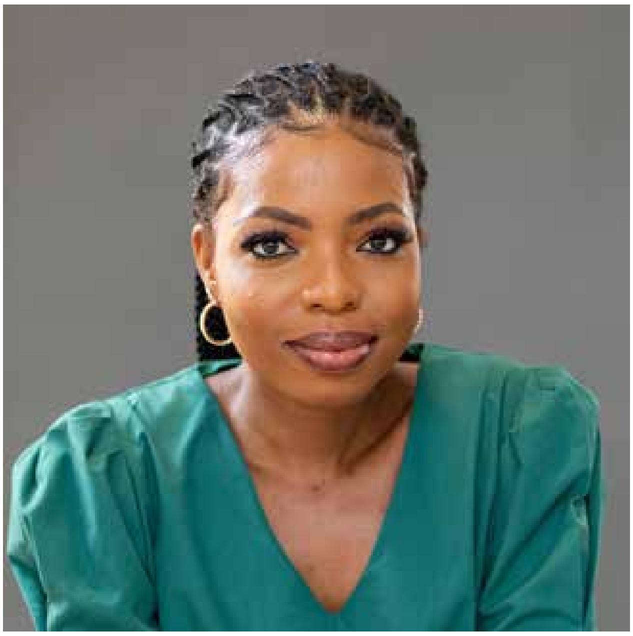
ASSISTANT TECHNICAL ACCOUNTANT
PETRINA HAMUNYELA

RECEPTIONIST
OTTILIE NEGONGA

ASSISTANT FINANCE OFFICER
MICHELLE DE KLERK

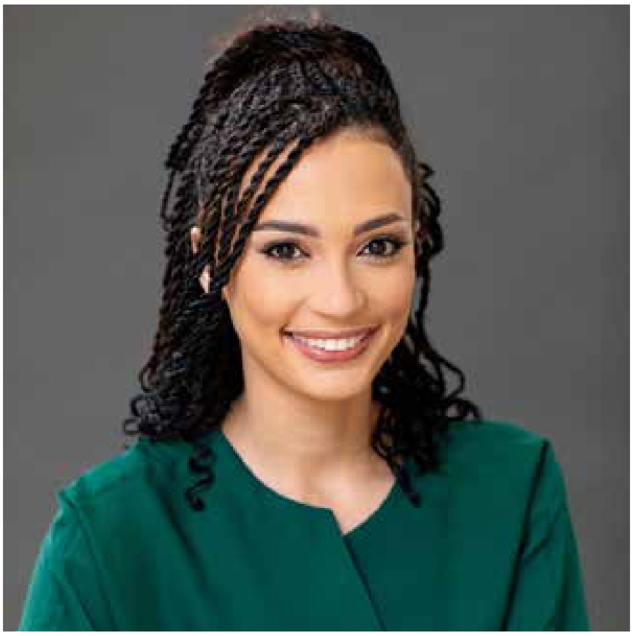
DRIVE
ELLIS HAINDOBO

NamibRe Graduate Accelerated Programme Trainees NGAP (2023 – 2025)

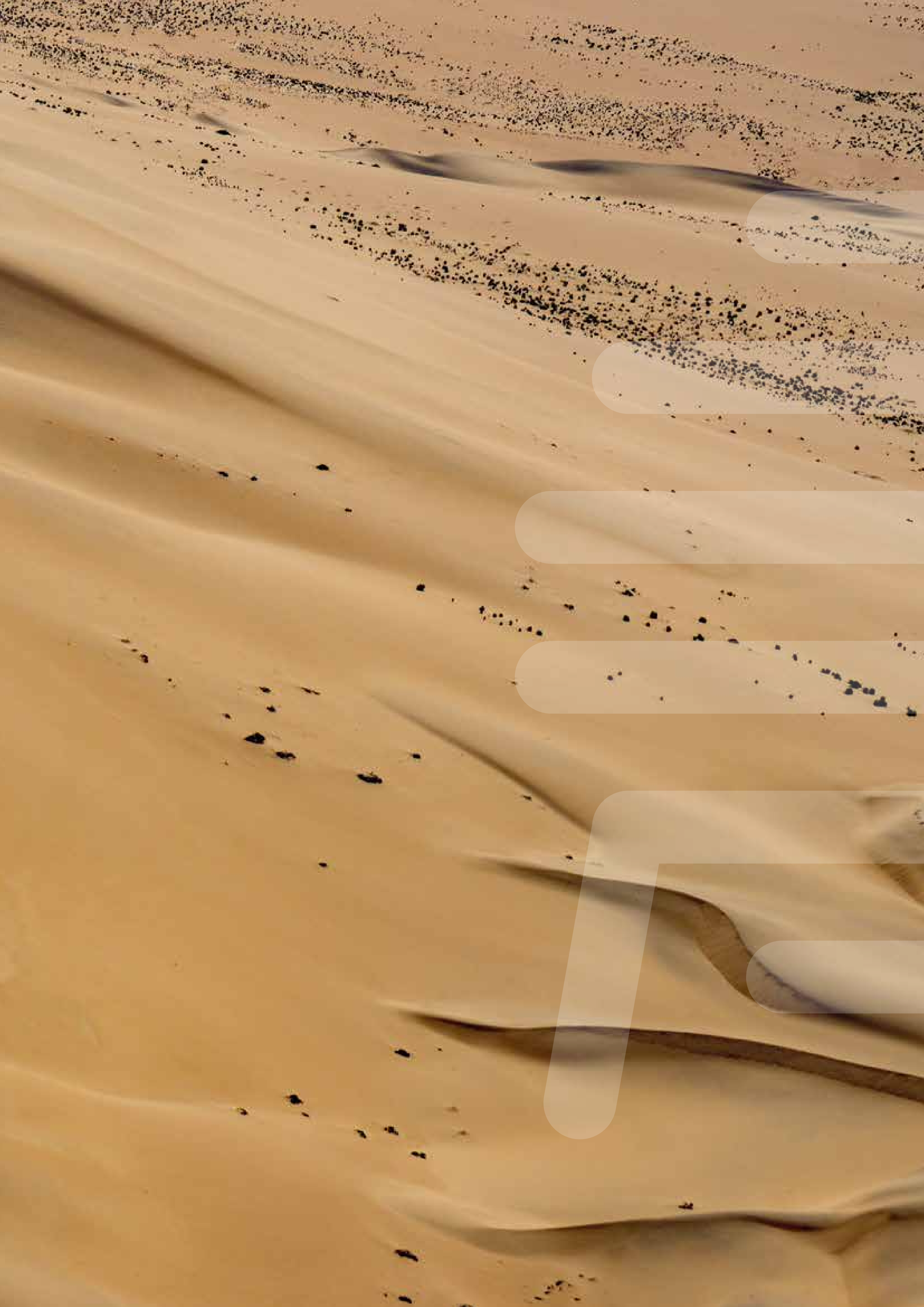


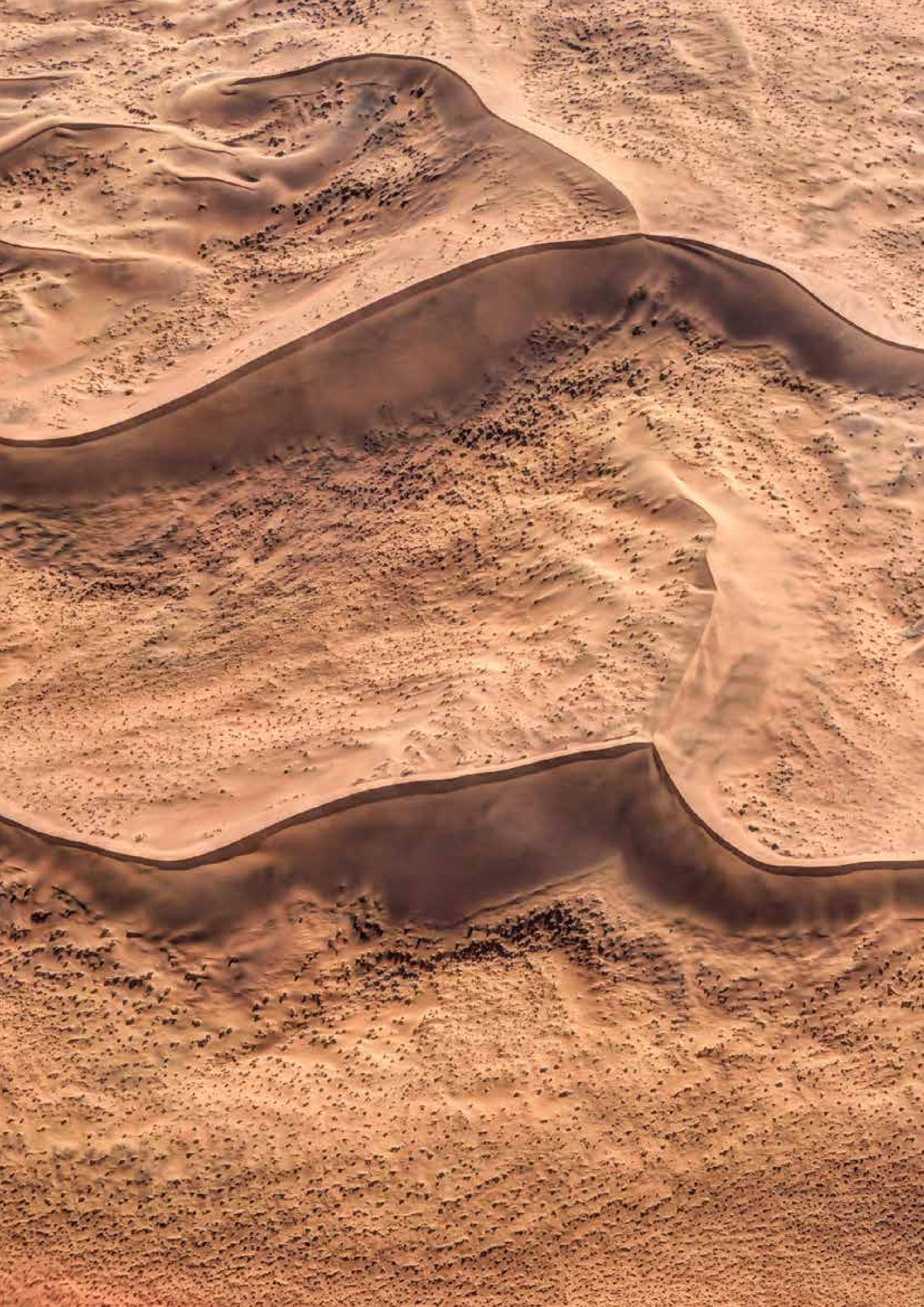
CLASS OF 2023
VICTORIA ANGOMBE

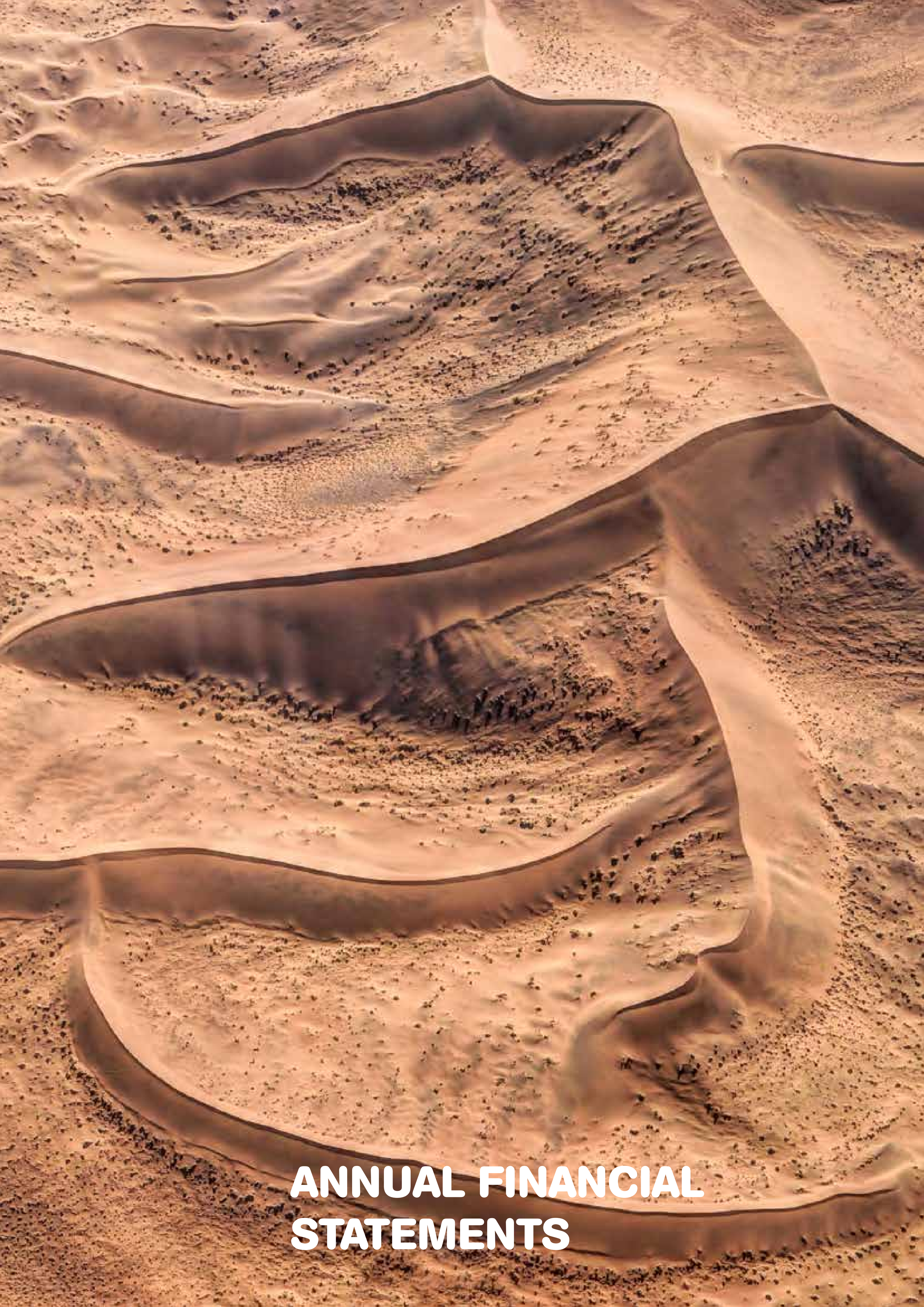
CLASS OF 2023
KEVIN SHANJENGANGE



CLASS OF 2023
GERMARY DUNN







ANNUAL FINANCIAL STATEMENTS

GENERAL INFORMATION

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Reinsurance
Directors	F Kisting (Chairperson) B Muteka (Deputy Chairperson) P A Martin (Managing Director) A Munyika C Loots L Usiku R Hanghuwo G L Kasper
Registered office	Erf 8571, Corner of Julius K. Nyerere Street, Windhoek, Namibia
Business address	Erf 8571, Corner of Julius K. Nyerere Street, Windhoek, Namibia
Postal address	P O Box 716 Windhoek Namibia
Holding entity	The Namibian Ministry of Finance
Ultimate holding entity	Government of the Republic of Namibia
Auditors	PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia)
Acting secretary	R M Siteketa 99/369
Company registration number	99/369

CONTENT

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

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 International Financial Reporting 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 International Financial Reporting 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 director 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 2024 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 43 to 44.

The annual financial statements set out on pages 45 to 95, 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

09 November 2023

Date
Windhoek

INDEPENDENT AUDITOR'S REPORT

To the Members of Namibia National Reinsurance Corporation Limited

OUR OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of Namibia National Reinsurance Corporation Limited (the Company) as at 31 March 2023, 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.

What we have audited

Namibia National Reinsurance Corporation Limited 's financial statements set out on pages 45 to 95 comprise:

- the directors' report for the year ended 31 March 2023;
- the statement of financial position as at 31 March 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

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 Standard) (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

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 (Registration number 99/369) Annual Financial Statements for the year ended 31 March 2023". The other information does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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

INDEPENDENT AUDITOR'S REPORT (CONT)

economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the 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.

PriceWaterhouseCoopers

PricewaterhouseCoopers
Registered Accountants and Auditors Chartered Accountants (Namibia) Per: Hans Hashagen
Partner Windhoek
Date: 09-11-2023 | 21:34 SAST

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 2023.

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.

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 International Financial Reporting Standards and the requirements of the Companies Act of Namibia. The accounting policies have been applied consistently compared to the prior year except where stated.

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 an interim and a final dividend in respect of each financial year. Al 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$ 5 000 000 (2022: 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	
B Muteka (Deputy Chairperson)	Non-executive Independent	Namibian	
P A Martin (Managing Director)	Executive	Namibian	
A Munyika	Non-executive Independent	Namibian	
C Loots	Non-executive Independent	Namibian	
L Usiku	Non-executive Independent	Namibian	
R Hanghuwo	Non-executive Independent	Namibian	
G L Kasper	Non-executive Independent	Namibian	Appointed 1 January 2023

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.

8. Litigation statement
The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business.

Prior year litigation that was ongoing with insurance companies have been concluded and judgement has been provided. The Courts ruled that the per policy cession required by law will continue until 2028 and thereafter will fall away.

9. Secretary
The acting company secretary is Ms R M Siteketa.

10.Terms of appointment of the auditors
PricewaterhouseCoopers continued in office as auditors for the company for 2023. For 2024 Grand Namibia was appointed as the auditors in accordance with Section 278 (2) of the Companies Act of Namibia.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 N$ '000	2022 N$ '000
Assets			
Property, plant and equipment	5	40 526	42 561
Intangible assets	6	8 012	9 170
Held to maturity investments	7	29 234	29 099
Investments at fair value through profit or loss	8	319 780	295 151
Reinsurance assets	9	144 147	157 698
Insurance and other receivables	10	408 581	349 022
Current tax receivable	11	9 576	10 886
Deferred acquisition costs	12	25 236	17 538
Staff loans and other prepayments	13	618	1 445
Cash and cash equivalents	14	73 106	71 177
Total Assets		**1 058 816**	**983 747**
Equity and Liabilities			
Equity			
Share capital	15	20 000	20 000
Reserves	16 - 18	109 846	109 846
Retained income		126 747	120 881
		256 593	**250 727**
Liabilities			
Deferred tax	19	20 705	18 383
Insurance liabilities	20	381 759	360 440
Provisions	21	175 653	175 653
Reinsurance and other payables	22	224 106	178 544
Total Liabilities		**802 223**	**733 020**
Total Equity and Liabilities		**1 058 816**	**983 747**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2023 N$ '000	2022 N$ '000
Gross earned premiums	23	858 830	752 904
Premium revenue ceded to reinsurers	23	(341 688)	(303 664)
Net insurance premium revenue		**517 142**	**449 240**
Commission income	24	84 056	71 705
Investment income	25	18 065	14 330
Sundry income	24	11	363
Fair value adjustments	8	10 063	5 145
Other income		**112 195**	**91 543**
Net income		**629 337**	**540 783**
Gross benefits and claims incurred	26	(478 905)	(500 435)
Claims ceded to reinsurers	26	202 713	271 766
Gross change in insurance liabilities	26	(8 493)	(142 253)
Changes in insurance liabilities ceded to reinsurers	26	(22 426)	107 286
Net benefits and claims		**(307 111)**	**(263 636)**
Commission paid	27	(228 204)	(181 011)
Foreign exchange gains I (losses)	28	2 949	(151)
Other operating expenses	28	(82 109)	(89 261)
Other expenses		**(307 364)**	**(270 423)**
Total benefits, claims and other expenses	28	**(614 475)**	**(534 059)**
Profit before taxation		**14 862**	**6 724**
Taxation	32	(3 996)	(20 159)
Profit (loss) for the year		**10 866**	**(13 435)**
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		**10 866**	**(13 435)**

STATEMENT OF CHANGES IN EQUITY

	Share capital N$ '000	Revaluation reserve N$ '000	Staff welfare reserve N$ '000	General reserve N$ '000	Total reserves N$ '000	Retained income N$ '000	Total equity N$ '000
Balance at 1April 2021	**20 000**	**5 792**	**1 735**	**102 821**	**110 348**	**133 814**	**264 162**
Loss for the year	-	-	-	-	-	(13 435)	(13 435)
Total comprehensive Loss for the year	**-**	**-**	**-**	**-**	**-**	**(13 435)**	**(13 435)**
Transfer between reserves	-	-	(502)	-	(502)	502	
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(502)**	**-**	**(502)**	**502**	
Balance at 1April 2022	**20 000**	**5 792**	**1 233**	**102 821**	**109 846**	**120 881**	**250 727**
Profit for the year	-	-	-	-	-	10 866	10 866
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**10 866**	**10 866**
Dividends	-	-	-	-	-	(5 000)	(5 000)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**-**	**(5 000)**	**(5 000)**
Balance at 31 March 2023	**20 000**	**5 792**	**1 233**	**102 821**	**109 846**	**126 747**	**256 593**
Note(s)	15	16	17	18			

STATEMENT OF CASH FLOWS

	Note	2023 N$ '000	2022 N$ '000
Cash flows from operating activities			
Cash generated from operations	29	4 371	36 247
Tax paid	30	(364)	(6 102)
Net cash from operating activities		**4 007**	**30 145**
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(113)	(1 703)
Proceeds on disposal of property, plant and equipment	5	86	67
Purchases of intangible assets	6		(19)
Proceeds received on maturation of investments held to maturity	8		29 905
Net cash from investing activities		**(27)**	**28 250**
Cash flows from financing activities			
Dividends paid	31	(5 000)	
Total cash movement for the year		**(1 020)**	**58 395**
Cash and cash equivalents at the beginning of the year		71 177	12 933
Gains (losses) on foreign exchange on cash and cash equivalents		2 949	(151)
Cash and cash equivalents at the end of the year	14	**73 106**	**71 177**

ACCOUNTING POLICIES

1. Significant accounting policies
The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation
The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of Namibia.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal 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 except where stated.

1.2 Significant judgements and sources of estimation uncertainty
The preparation of annual financial statements in conformity with IFRS 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

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Impairment of financial assets
The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Deficiency reserve provision
A deficiency reserve is set up for the life business as premiums are currently insufficient to cover claims, expenses and commission. A 12-month projection is assumed, allowing for current claims and expense ratios, as well as decrement assumptions. It is implicitly assumed that rates will be reviewed, premiums will increase and/or claims will reduce after 12 months.

Fair value of financial instruments
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.

Useful lives of property, plant and equipment
Items of property, plant and equipment are depreciated over their useful lives laking 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 such as technological innovation, asset life cydes and maintenance programs. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Impairment of insurance receivables
Al each reporting dale the company assesses insurance receivables to determine whether there is objective evidence that an insurance receivable or group of insurance receivables has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the insurance receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the insurance receivables at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

ACCOUNTING POLICIES

1.2 Significant judgements and sources of estimation uncertainty (continued)

Debtors are deemed to be impaired if the amount becomes past due per the contractual obligation and management assessments indicate a possible impairment. Reversals of impairment losses are recognised in profit or loss.

Where insurance receivables are impaired through the use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

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 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.

Insurance liabilities

Insurance liabilities comprise a provision for an unearned premium; a provision for claims IBNR and a provision for outstanding claims included in "Insurance contract liability'' as one of the Insurance liabilities which are accounted for as disclosed in the following notes.

Information on the sensitivities of certain major assumptions in the underlying calculations can be found within the 'Insurance risk; section of note 3.

Provision for unearned premiums

The provision for unearned premiums represents premiums received during the year which pertain to periods of risk extending beyond the end of the financial year. Management calculates the provision by estimating the proportion of annual premiums that relate to future periods with reference to the respective contracts in place.

Premiums are earned from the dale the risk attaches, over the indemnity period, based on the pattern of the risk underwritten. Unearned premiums, which represent the proportion of premiums written in the current year which relate to risks that have not expired by the end of the financial year, are calculated on a time-proportionate basis for even risk contracts and other bases that best represent the unearned risk profile for uneven risk contracts.

Provision for claims incurred but not yet reported (IBNR)

This refers to claims incurred but not yet reported at year end and is calculated by actuaries using statistical methods.

The provision for life IBNR has been calculated at 57% (2022: 65%) of premiums earned. A claims loss ratio approach, an accepted actuarial methodology, was used to calculate the liability. This is due to life insurance being a recent addition to the product offering of the business and accordingly, there is currently insufficient claims data to analyse using the usual actuarial methodologies. This estimate is based on past experience and industry norms in Namibia and other African countries.

The provision for non-life IBNR has been calculated at 27% (2022: 12.47%) of premiums earned using a mix of loss ratio and actuarial methodologies using information on historical trends, past experience and industry norms in Namibia.

Provisions for outstanding claims

Outstanding claims are those which have been incurred and reported but have not been settled at the reporting dale. The provision is calculated by management and is based on the estimated cost of actual outstanding claims received relating to the current year.

ACCOUNTING POLICIES

1.2 Significant judgements and sources of estimation uncertainty (continued)

The insurers measure outstanding claims at the best estimate of the cost required to settle the obligation at the reporting date. This estimation of the cost takes into account average claims, average claims handling cost, a reduction in the expected value of salvage and other recoveries, and other indicators such as inflation.

Deferred acquisition costs (DAC)

Deferred acquisition costs consist of commissions and other variable costs directly connected with the acquisition or renewal of insurance contracts. The deferred acquisition costs are amortised on a straight-line basis over the average term of the policies, from one to five years. Deferred acquisition costs are tested quarterly for impairment using the liability adequacy test as per IFRS 4. The deferred acquisition cost is not reinstated once written off.

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.

Estimation of Pipeline items

Pipeline premium in respect of a particular quarter represents premium written on proportional treaties during the quarter but not yet reported by ceding companies at the closing date of the quarter, as well as missing statements of previous quarters. It is generally estimated contract by contract, using annual premium estimates, adjusted for actual statements received to date. However, for practical reasons, statistical methods are also used to validate the overall figures.

Provisions for pipeline losses are recognised within the IBNR reserves for the period.

Pipeline acquisition costs represent accrued acquisition costs relating to pipeline premiums. This is estimated contract by contract, by applying the contractual percentages to the pipeline premium.

Contingent assets

Contingent assets are not recognised in the annual financial statements but are disclosed when as a result of past events. iiis 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.

Contingent liabilities

The company discloses a contingent liability when:

It has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity or

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 and equipment, excluding land are carried at cost less accumulated depreciation and any impairment losses.

Land and buildings are shown at fair value, valuations by external independent appraisers, less subsequent depreciation for buildings. Revaluations are performed every three years. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the building and the net amount is restated to the revalued amount of the buildings.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of the asset less their residual value over their estimated useful lives, using the straight-line method. The depreciation charge for each year is recognised in profit or loss unless iiis included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property and

ACCOUNTING POLICIES

equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

1.3 Property, plant and equipment (continued)
The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.4 Intangible assets
Intangible assets are initially recognised at cost.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:
- is technically feasible to complete the asset so that will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell ii.
- will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

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

1.5 Financial instruments
The company classifies financial assets and financial liabilities into the following categories:
- Financial assets at fair value through profit or loss - held for trading
- Held-to-maturity investment
- Loans and receivables
- Financial assets measured at amortised cost
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

Initial recognition and measurement
Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Regular way purchases of financial assets are accounted for at trade date.

Subsequent measurement
Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss include dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the company's right to receive payment is established.

ACCOUNTING POLICIES

1.5 Financial instruments (continued)

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

Al each reporting dale, the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Insurance and other receivables

Insurance receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the insurance receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When an insurance receivable is uncollectable, it is written off against the allowance account for insurance receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Insurance and other receivables are classified as loans and receivables.

Reinsurance and other payables

Reinsurance and other payables are recognised when due and measured on initial recognition at the fair value of the consideration paid less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method. These include amounts due to agents, brokers and insurance contract holders.

Reinsurance payables are derecognised when the obligation under the liability is discharged, cancelled or expired.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand

ACCOUNTING POLICIES

1.5 Financial instruments (continued)

and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at amortised cost.

When bank balances are denominated in a foreign currency, the carrying amount of the bank balances are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss.

Borrowings

Borrowings are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss are those which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin or are securities included in a portfolio in which a pattern of short-term profit-taking exists. Investments classified as fair value through profit or loss are initially recognised at cost and subsequently re-measured to fair value based on quoted prices, without any deduction for transaction costs. All related realised and unrealised gains and losses are included in the profit or loss. Interest earned whilst holding held for trading investments is reported as investment income.

Held to maturity investments

Held to maturity financial investments are those which carry fixed or determinable payments and have fixed maturities and which the company has the intention and ability to hold to maturity. After initial measurement, held to maturity financial investments are subsequently measured at amortised cost using the effective interest rate method, less any allowances for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortisation and losses arising from impairment of such investments are recognised in the profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments and are not quoted in an active market. After initial measurement at cost, receivables are subsequently remeasured to amortised cost using the effective interest rate method, less allowance for impairment. Amortised cost is calculated by laking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when ii transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire. The condition is met when the liability is settled by paying the creditors, or when the company is released from primary responsibility for the financial liability either by process of law or by creditor.

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.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Tax assets and liabilities are offset at the taxpayer level and in same jurisdiction as the law allows net settlement. The different balances are shown accordingly either as assets or liabilities on the statement of financial position.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

ACCOUNTING POLICIES

1.6 Tax (continued)

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. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

Deferred tax assets and liabilities are offset at the taxpayer level and in same jurisdiction as the law allows net settlement. The different balances are shown accordingly either as assets or liabilities on the statement of financial position.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.7 Impairment of non-financial assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting dale whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Ordinary shares are recognised at par value and classified as ‘share capital’ in equity. Any amounts received from the issue of shares in excess of par value is classified as ‘share premium’ in equity. Dividends are recognised as a liability in the company in which they are declared.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as

ACCOUNTING POLICIES

1.9 Employee benefits (continued)

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 or constructive 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 dale, 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 amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingencies are disclosed in note 34.

1.11 Revenue

Net insurance premium revenue

Net insurance premium revenue comprises the following components:

- Gross earned premiums comprise the total premiums receivable for the whole period of the cover provided by contracts entered into during the accounting period. They are recognised on the date on which the policy commences. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods as well as unearned premiums relating to future accounting periods.
- Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting dale. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums and is included in insurance liabilities in the statement of financial liability.
- Premiums ceded to reinsurers comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognised on the dale on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods as well as unearned reinsurance premiums relating to future accounting periods.

Pipeline premium

Pipeline premium in respect of a particular quarter represents premium written on proportional treaties during the year but not yet reported by ceding companies at the closing dale of the quarter, as well as missing statements of previous quarters. It is generally estimated contract by contract, using annual premium estimates, adjusted for actual statements received to date. However, for practical reasons, statistical methods are also used to validate the overall figures.

Pipeline acquisition costs represent accrued acquisition costs relating to pipeline premium. This is estimated by applying the contractual percentages to the pipeline premium.

Commission income

Reinsurance contract policyholders are charged for policy administration services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

ACCOUNTING POLICIES

1.10 Provisions and contingencies (continued)

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

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.

1.12 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.

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

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 dale of the cash flow.

1.13 Benefits, claims and expenses recognition

Gross benefits and claims
Gross benefits and claims include all claims occurring during the year, whether reported or not; related internal and external claims handling costs that are directly related to the processing and settlement of claims; a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

Reinsurance claims
Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

Fees and commission expense
Insurance contract policyholders are charged for policy administration services, surrenders and other contract fees. These fees are recognised as expenses as incurred. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

Deferred acquisition costs (DAC)
In reinsurance, those costs directly associated with the acquisition of new contracts, mainly comprising commissions, are deferred to the extent that these costs are recoverable out of future premiums. All other acquisition costs are recognised as an expense when incurred. The deferred acquisition costs are therefore recorded as assets on the statement of financial position to the extent that contracts are profitable. They are amortised on the basis of the residual term of the contracts in non-life.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period and are treated as a change in an accounting estimate.

An impairment review is performed at each reporting dale or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognised in profit or loss. DAC are also considered in the liability adequacy test for each reporting period.

DAC are derecognised when the related contracts are either settled or disposed off.

ACCOUNTING POLICIES

1.14 Reinsurance contracts

The company cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. This includes the reinsurer's share of unearned premiums, provision for outstanding claims and provision for claims incurred but not reported. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, reinsurance assets are measured at amortised cost, using the effective interest rate method.

Reinsurance assets are reviewed for impairment at each reporting dale or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the company will receive from the reinsurer. The impairment loss is recorded in the statement of comprehensive income.

Gains or losses on buying reinsurance are recognised in the statement of comprehensive income immediately at the date of purchase.

Ceded reinsurance arrangements do not relieve the company of its obligations to policyholders. The company also assumes reinsurance risk in the normal course of business for non-life insurance contracts where applicable.

Premiums and claims on assumed reinsurance are recognised as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, laking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

Investment income on these contracts is accounted for using the effective interest rate method when accrued.

1.15 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.

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:

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9

The amendment concerns fees in the '10 per cent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included.

The effective date of the company is for years beginning on or after 1 January 2022.

The company has adopted the amendment for the first time in the 2023 annual financial statements.

The impact of the amendment is not material.

Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16

The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the costs of testing whether the asset is functioning properly were included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards. Disclosure of such amounts in now specifically required.

The effective date of the company is for years beginning on or after 1 January 2022.

The company has adopted the amendment for the firstlime in the 2023 annual financial statements.

The impact of the amendment is not material.

Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37

The amendment defined the costs that are included in the cost of fulfilling a contract when determining the amount recognised as an onerous contract. It specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. These are both the incremental costs of fulfilling the contract as well as an allocation of other costs that relate directly to fulfilling contracts (for example depreciation allocation).

The effective date of the company is for years beginning on or after 1 January 2022.

The company has adopted the amendment for the first time in the 2023 annual financial statements.

The impact of the amendment is not material.

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 1April 2023 or later periods:

Initial application of IFRS 17 and IFRS 9 - Comparative information

A narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of IFRS 17 and IFRS 9, but where this information has not been restated for IFRS 9. Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The expected impact of the amendment is discussed under 'IFRS 17 Insurance Contracts'. Disclosure of accounting policies: Amendments to IAS 1and IFRS Practice Statement 2.

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the annual financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 1 January 2023.

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)

Definition of accounting estimates: Amendments to IAS 8

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in annual financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 1 January 2023.

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

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 1 January 2023.

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

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The IFRS 17 model combines a current balance sheet measurement of insurance contracts with recognition of profit over the period that services are provided.

NamibRe has progressed well with relevant accounting policy and methodology decisions and the data, systems and model configuration required to implement IFRS 17. Management undertook a financial impact assessment to better understand the impact of IFRS 17 in 2021. This was a high-level exercise to estimate and evaluate of the impact of IFRS 17. The transitional impact, taking into account the financial year ended 31 March 2022, will be undertaken following the finalisation of the results for the year-end 31 March 2023. Accordingly, NamibRe will not be publishing the quantitative impact until a more accurate and reliable estimate can be provided.

(a) Measurement of insurance contracts

The core of IFRS 17 is the general model. This model requires insurance contract liabilities to be measured using discounted probability-weighted current estimates of future cash flows, an adjustment for non-financial risk, and a contractual service margin representing the profit expected from fulfilling the contracts. The general model is supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach).
- A simplified approach (the premium allocation approach) mainly, which can be used for contracts with coverage periods of one year or less, or when doing so approximates the general model.

NamibRe's initial assessments indicate that they are likely to apply the general model for long-term Reinsurance contracts issued and the simplified approach to all of the remaining reinsurance contracts issued and retrocession contracts held.

The premium allocation approach is intended to produce an accounting outcome like that which resulted from the unearned premium approach used by many short-duration insurers under IFRS 4. The results from this approach are therefore likely to be more readily understood within the context of many short-duration contracts. However, there are some important differences:

- The liability for remaining coverage is measured using premiums received (minus any insurance acquisition cash flows at the measurement date if applicable). The word 'received' is interpreted literally, rather than interpreted to mean amounts due. Under IFRS 4, the unearned premium provision would have often been

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New Standards and Interpretations (continued)

set up based on premiums receivable, with a separate asset recorded for the premium receivable.

- No separate asset is recognised for deferred acquisition costs, except for those assets in respect of insurance acquisition cash flows paid before the related group of insurance contracts is recognized. Instead, any acquisition cash flows are subsumed within the liability for remaining coverage, unless the entity elects to expense insurance acquisition cash flows (refer below).
- Most non-life or short-duration insurers would not usually have discounted their insurance liabilities under IFRS 4.
- The fulfillment cash flows model required for incurred claims, which is the same as the general model except for one simplification is likely to be different from the incurred claim model used under IFRS 4.
- The liability for remaining coverage under the premium allocation approach will be the same as under the general model for groups of contracts that are onerous.

(b) Contract boundary

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

- The company has the practical ability to reassess the risks of the particular cedant and, as a result, can set a price or level of benefits that fully reflects those risks Or
- Both of the following criteria are satisfied:
  * The company has the practical ability to reassess the risks of the portfolio of insurance contracts that are contained within the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.
  * The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

(c) Presentation and disclosure

IFRS 17 specifies minimum amounts of information that need to be presented on the face of the statement of financial position and statement of financial performance. These are supplemented by disclosures to explain the amounts recognised on the face of the primary financial statements. IFRS 17 requires a separate presentation of amounts relating to insurance contracts issued and reinsurance contracts held in the primary statements. IFRS 17 also introduces a new insurance metric with the Insurance service result line item in the Statement of profit or loss.

In addition, entities have an option to present the effect of changes in discount rates either in profit or loss, or in other comprehensive income, in order to present this in a way that fits best with the accounting for assets that back the insurance liabilities. NamibRe will present all changes in discount rates in profit or loss.

(d) Transition and initial application

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. For NamibRe, IFRS 17 is therefore mandatory effective from 1 April 2023.

An entity should apply IFRS 17 retrospectively from the transition date unless

- Impracticable or
- The entity chooses to apply the fair value approach for a group of insurance contracts with direct participation features (to which it could apply IFRS 17 retrospectively) when risk mitigation has been applied prospectively to the group from the transition date and the entity has used derivatives, nonderivative financial instruments measured at fair value through profit or loss, or reinsurance contracts held or to mitigate the financial risk arising from that group of contracts before the transition date.

Notwithstanding the requirement for retrospective application, if it is impracticable (as defined in IAS 8), to apply IFRS 17 retrospectively for a group of insurance contracts, an entity should apply one of the two following approaches instead:

- A modified retrospective approach or
- A fair value approach

After initial investigations, NamibRe has determined that they are likely to apply the Fully Retrospective Transition approach to contracts that will be measured under the Premium Allocation Approach. Further assessments of impracticability will be required for contracts that will be measured under the General Measurement Model,

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New Standards and Interpretations (continued)

which will inform which of the three approaches to IFRS 17 transition will apply.

Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendment provides a temporary exemption that permits, but does not require, insurers, under specified criteria, to apply IAS 39 Financial Instruments: Recognition and Measurement, rather than IFRS 9 Financial Instruments until the adoption of IFRS 17 Insurance Contracts which is the IFRS replacing IFRS 4, with a proposed effective dale of annual periods beginning on or after 1 January 2023.

The company, who has not previously applied any version of IFRS 9 (other than the paragraphs required) and whose activities are predominantly connected with insurance given that more than 90% of its total carrying amount of liabilities is connected with insurance for its annual period ending 31 March 2016 and for all subsequent periods, meet the specified criteria for this exemption and have chosen to defer the adoption of IFRS 9. The total carrying amount of liabilities connected with insurance is made up of liabilities under IFRS 4 (N$ 736.4 million as at March 2022) and a deferred tax liability (N$ 18.4 million as at 31 March 2022).

Additional information is required to be disclosed as a result of this exemption which is provided below:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New Standards and Interpretations (continued)

	Measurement catergory under IFRS 9		
31 March, 2023 Figures in N$ '000	**Amortised cost**	**Fair value through profit and loss**	**Total**
Held to maturity inveetments•			
Opening value	29 099	-	29 099
Additions	135	-	135
Closing value	**29 234**	**-**	**29 234**
Staff loans*			
Opening value	1 445	-	1 445
Additions	618	-	618
Disposals and maturities	(1 445)	-	(1 445)
Closing value	**618**	**-**	**618**
Cash and cash equivalents•			
Opening value	71 177	-	71 177
Additions	73 106	-	73 106
Disposals and maturities	(71 177)	-	(71 177)
Closing value	**73 106**	**-**	**73 106**
Investments at fair value through profit or loss			
Opening value	-	295 152	295 152
Additions	-	14 565	14 565
Increase in fair value	-	10 063	10 063
Closing value	**-**	**319 780**	**319 780**

Investments held to collect intereet and principal payments only as at 31 March, 2023	**Credit risk rating**	**Carrying amount / Fair value**
Staff loans	not rated	618
Republic of Namibia bonds	Baa3	29 234
Standard Bank Fixed Deposit Account	BB+	-
First National Bank of Namibia Limited	AAA	53 330
Bank Windhoek Limited	AA	19 773
		102 955

*These assets are held at amortised cost under IAS 39.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New Standards and Interpretations (continued)

	Measurement catergory under IFRS 9		
31 March, 2023 Figures in N$ '000	**Amortised cost**	**Fair value through profit and loss**	**Total**
Held to maturity inveetments•			
Opening value	56 912	-	56 912
Additions	(27 813)	-	(27 813)
Closing value	**29 099**	**-**	**29 099**
Staff loans*			
Opening value	1 535	-	1 535
Additions	1 445	-	1 445
Disposals and maturities	(1 535)	-	(1 535)
Closing value	**1 445**	**-**	**1 445**
Cash and cash equivalents•			
Opening value	12 933	-	12 933
Additions	71 177	-	71 177
Disposals and maturities	(12 933)	-	(12 933)
Closing value	**71 177**	**-**	**71 177**
Investments at fair value through profit or loss			
Opening value	-	279 411	279 411
Additions	-	10 595	10 595
Increase in fair value	-	5 145	5 145
Closing value	**-**	**295 151**	**295 151**

Investments held to collect intereet and principal payments only as at 31 March, 2023	**Credit risk rating**	**Carrying amount / Fair value**
Staff loans	not rated	1 445
Republic of Namibia bonds	Baa3	29 099
Standard Bank Fixed Deposit Account	BB+	-
First National Bank of Namibia Limited	AAA	57 877
Bank Windhoek Limited	AA	13 299
		101 720

*These assets are held at amortised cost under IAS 39.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New Standards and Interpretations (continued)

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013lo include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debi instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income unless the recognition of the effect of the changes of the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.
- IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with a forward-looking ‘expected credit loss’ model. This will require considerable judgement about how changes in economic factors affect ECL, which will be determined on a probability-weighted basis. The new impairment model will apply to NamibRe’s financial assets measured at amortised cost.
- IFRS 9 requires a loss allowance to be recognised at an amount equal to either 12-month ECL or lifetime ECL. Lifetime ECL is the ECL that results from all possible default events over the expected life of the financial instrument; 1 2-month ECL are the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date.
- When determining whether the credit risk on a financial instrument has increased significantly since initial recognition, NamibRe will consider reasonable and supportable information that is relevant and available without undue cost or effort. This will include both qualitative and quantitative information and analysis based on NamibRe’s experience.
- ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to NamibRe in accordance with the contract and the cash flows that NamibRe expects to receive.
- At reporting date, the company is still in the process of determining the impact of the expected credit losses on the assets held at amortised cost. It is unlikely that the amendment will have a material impact on the company’s annual financial statements, this is due to low credit risk of these financial instruments.

The effective date of the standard is for years beginning on or after 1 January 2018. However, the company elected, under the amendments to IFRS 4, to apply the temporary exemption from IFRS 9, thereby deferring the initial application date of IFRS 9 to align with the initial application of IFRS 17.

The company expects to adopt the standard for the first time in the 2024 annual financial statements.

The company has established an IFRS 17/IFRS 9 project team that will provide oversight and governance on the implementation of the standard. Refer to ‘IFRS 17 Insurance Contracts’ for further information.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2023

Figures in N$ '000	Note(s)	Held to maturity investments	Fair value through profit or loss - held for trade	Loans and receivables	Total
Staff loans	13	-	-	618	618
Cash and cash equivalents	14	-	-	73 106	73 106
Investments	7 & 8	29 234	319 780	-	349 014
		29 234	**319 780**	**73 724**	**422 738**

2022

Figures in N$ '000	Note(s)	Held to maturity investments	Fair value through profit or loss - held for trade	Loans and receivables	Total
Staff loans	13	-	-	1445	1445
Cash and cash equivalents	14	-	-	71 177	71 177
Investments	7 & 8	29 099	295 151	-	324 250
		29 099	**295 151**	**72 622**	**396 872**

Categories of financial assets

2023

Figures in N$ '000	Note(s)	Amortised cost	Total
Other payables	22	13 547	13 547

2022

Figures in N$ '000	Note(s)	Amortised cost	Total
Other payables	22	20 215	20 215

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%, 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 a central treasury department (company treasury) 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 investments, reinsurance assets, insurance receivables, 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:

		2023			2022		
Figures in N$ '000		**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Staff loans and other prepayments	13	618	-	618	1 445	-	1 445
Investments at fair value through profit or loss	8	319 780	-	319 780	295 151	-	295 151
Investments held to maturity	7	29 234	-	29 234	29 099	-	29 099
Cash and cash equivalents	14	73 106	-	73 106	71 177	-	71 177
		422 738	**-**	**422 738**	**396 872**	**-**	**396 872**

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented. At reporting date, the company is still in the process of determining the impact of the expected credit losses on the assets held at amortised cost. It is unlikely that the amendment will have a material impact on the company's annual financial statements, this is due to low credit risk of these financial instruments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Financial instruments and risk management (continued)

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 iihas 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.

The table below analyses the company's financial 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.

2023

Figures in N$ '000		Less than 1 year	Total	Carrying amount
Current liabilities				
Other payables	22	13 547	13 547	13 547
Insurance liabilities	20	381 759	381 759	381 759
		395 306	**395 306**	**395 306**

2022

Figures in N$ '000		Less than 1 year	Total	Carrying amount
Current liabilities				
Other payables	22	20 215	20 215	20 215
Insurance liabilities	20	360 440	360 440	360 440
		380 655	**380 655**	**380 655**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Financial instruments and risk management (continued)

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.

Foreign currency exposure as at 31 March 2023

(Figures in N$ '000)	Cash and cash equivalents	Insurance and other receivables	Reinsurance and other payables	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
	13 896	**21 069**	**(11 834)**	**23 131**

Foreign currency exposure as at 31 March 2022

(Figures in N$ '000)	Cash and cash equivalents	Insurance and other receivables	Reinsurance and other payables	Total
US Dollar	7 695	113 822	(195 270)	(73 753)
Botswana Pula	-	6 426	(11 025)	(4 599)
Malawian Kwacha	-	237	(407)	(170)
Kenyan Shillings	-	21 697	(37 223)	(15 526)
Tanzania Shillings	-	5 424	(9 305)	(3 881)
Lesotho Loti	-	65	(111)	(46)
Mozambican Metical	-	60	(103)	(43)
Nigerian Naira	-	2 841	(4 873)	(2 032)
Swazi Lilangeni	-	2 542	(4 362)	(1 820)
Tunisian Dinar	-	2 536	(4 352)	(1 816)
SA Rand	-	2 048	(3 513)	(1 465)
	7 695	**157 698**	**(270 544)**	**(105 151)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Financial instruments and risk management (continued)

Interest rate risk

The company has developed policies and procedures to manage its risk within an Asset Liability Management ('ALM') framework. By utilising the ALM framework to manage assets and liabilities, the company manages the mismatch that can occur due to liquidity or economic factors, such as interest rate changes.

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. Risk related to interest rate changes on finance lease liabilities is not considered to be significant.

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 (2022: 100 basis points), the after-tax effect on profit would have been a decrease (increase) of N$ 1 567 385 (2022: N$ 1567 385).

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 fulfill 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 82% (2022: 74%), non-proportional 2% (2022: 4%) and facultative 16% (2022: 22%).

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 iiis managed within specific risk tolerances and limits.

The company enters into retrocession 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 2023

(Figures in N$ '000)	Gross liability	Reinsurance asset	Net liability
Life	(45 264)	17 091	(28 173)
Fire	(53 633)	20 251	(33 382)
Marine	(5 779)	2 182	(3 597)
Motor miscellaneous	(275 405)	103 989	(171 416)
Political and riot	(1 678)	634	(1 044)
	(381 759)	**144 147**	**(237 612)**

31 March 2022

(Figures in N$ '000)	Gross liability	Reinsurance asset	Net liability
Life	(74 735)	51 286	(23 449)
Fire	(115 044)	39 644	(75 400)
Health	(1 905)	656	(1 249)
Marine	(21 876)	7 539	(14 337)
Motor miscellaneous	(145 268)	58 017	(87 251)
Political and riot	(1 324)	456	(868)
Aviation	(289)	100	(189)
	(360 441)	**157 698**	**(202 743)**

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.

31 March 2023

(Figures in N$ '000)	Gross insurance liability	Reinsurance asset	Net liability
Namibian	(362 078)	136 716	(225 362)
Foreign	(19 681)	7 431	(12 250)
	(381 759)	**144 147**	**(237 612)**

31 March 2022

(Figures in N$ '000)	Gross insurance liability	Reinsurance asset	Net liability
Namibian	(270 543)	143 632	(126 911)
Foreign	(89 898)	14 066	(75 832)
	(360 441)	**157 698**	**(202 743)**

Typically, the claim process is completed within 12 months for non-life contracts.

Sensitivity analysis for short-term insurance liabilities

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 gross IBNR liabilities and on IBNR liabilities net of reinsurance assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Financial instruments and risk management (continued)

Gross IBNR

(Figures in N$ '000)	Base	10% Loss Ratio increase	10% Loss Ratio decrease	5% Loss Ratio increase	5% Loss Ratio decrease
Fire and engineering	48 689	56 824	40 555	52 757	44 622
Guarantee	395	258	211	246	223
Liability	11 419	4 474	3 631	4 263	3 842
Marine	4 783	5 292	4 275	5 037	4 529
Miscellaneous	20 392	22 515	18 270	21 453	19 331
Motor	6 881	8 586	5 931	7 733	6 028
Personal lines	15 206	22 860	7 551	19 033	11 378
Facultative all lines	48 250	53 936	42 564	51 093	45 407
Total	**156 015**	**174 745**	**122 988**	**161 615**	**135 360**

Net IBNR

(Figures in N$ '000)	Base	10% Loss Ratio increase	10% Loss Ratio decrease	5% Loss Ratio increase	5% Loss Ratio decrease
Fire and engineering	37 193	43 407	30 979	40 300	34 086
Guarantee	395	258	211	246	223
Liability	11 419	4 474	3 631	4 263	3 842
Marine	3 573	3 953	3 193	3 763	3 383
Miscellaneous	14 214	15 693	12 734	14 954	13 474
Motor	4 349	5 427	3 749	4 888	3 810
Personal lines	9 161	13 772	4 549	11 467	6 855
Facultative all lines	26 118	29 196	23 041	27 657	24 580
Total	**106 422**	**116 180**	**82 087**	**107 538**	**90 253**

Sensitivity analysis for long-term insurance liabilities

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

	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
Total	**17 013**	**2 1924**	**17 013**	**19 183**	**14 843**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Financial instruments and risk management (continued)

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

	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
Total	**3 571**	**5 007**	**3 571**	**4 006**	**3 225**

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

	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
Total	**31 162**	**41 748**	**31 162**	**35 835**	**26 488**

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

	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	1240	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	1818	1818
Total	**6 231**	**8 349**	**6 231**	**7 167**	**5 297**

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

	Deficiency Gross	Economic +1%	Claims -10%	Withdrawals +10%	Claims -10%
(Figures in N$ '000)					
Funeral	2 082	1 949	3 076	1948	1088
Individual life	3 734	3 714	5 151	3 719	2 317
Credit life	122	121	167	121	76
Total	**5 938**	**5 784**	**8 394**	**5 788**	**3 481**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Financial instruments and risk management (continued)

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

(Figures in N$ '000)	Prospective Net	Economic +1%	Claims +10%	Withdrawals +10%	Claims -10%
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
Total	**3 420**	**3 403**	**4 127**	**3 381**	**2 714**

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

(Figures in N$ '000)	Deficiency Gross	Economic +1%	Claims +10%	Withdrawals +10%	Claims -10%
Funeral	1 730	1 724	2 686	1 723	774
Individual life	2 126	2 126	3 936	2 117	316
Total	**3 856**	**3 850**	**6 622**	**3 840**	**1090**

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

(Figures in N$ '000)	Prospective Net	Economic +1%	Claims +10%	Withdrawals +10%	Claims -10%
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	-	-
Total	**6 379**	**6 413**	**7 886**	**6 354**	**4 878**

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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.

		2023 N$ '000	2022 N$ '000
4. Fair value information (continued)			
Levels of fair value measurements			
Level 2			
Recurring fair value measurements			
Assets	Note(s)		
Financial assets designated at fair value through profit (loss)			
Money market instruments	8	319 781	295 152
Total		**319 781**	**295 152**
Level 3			
Recurring fair value measurements			
Assets	Note(s)		
Investments held at amortised cost			
Republic of Namibia Government bonds	7	29 234	29 099
Financial assets at amortised cost			
Reinsurance assets	9	144 147	157 698
Insurance and other receivables	10	408 581	349 022
Staff loans and other prepayments	13	618	1 445
Cash and cash equivalents	14	73 106	71 177
Total financial assets (loans and receivables)		**626 452**	**579 342**
Liabilities	Note(s)		
Financial liabilities at amortised cost			
Reinsurance and other payables	22	224 106	178 544
Insurance liabilities	20	381 759	360 440
Provisions	21	175 653	175 653
Total financial liabilities at amortised cost		**781 518**	**714 637**
Total		**(125 832)**	**(106 196)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	4 448	-	4 448	4 448	-	4 448
Buildings	36 650	(2 603)	34 047	36 650	(1 939)	34 711
Furniture and fixtures	2 667	(2 431)	236	2 661	(2 210)	451
Motor vehicles	1 204	(741)	463	1 204	(741)	463
Office equipment	766	(415)	351	726	(280)	446
IT equipment	4 058	(3 077)	981	4 201	(2 159)	2 042
Total	**49 793**	**(9 267)**	**40 526**	**49 890**	**(7 329)**	**42 561**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Land	4 448	-	-	-	4 448
Buildings	34 711	-	-	(664)	34 047
Furniture and fixtures	451	6	-	(221)	236
Motor vehicles	463	-	-	-	463
Office equipment	446	40	-	(135)	351
IT equipment	2 042	67	(19)	(1 109)	981
	42 561	**113**	**(19)**	**(2 129)**	**40 526**

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Land	4 448	-	-	-	4 448
Buildings	35 383	-	-	(672)	34 711
Furniture and fixtures	702	6	-	(257)	451
Motor vehicles	445	-	-	18	463
Office equipment	588	3	(1)	(144)	446
IT equipment	1467	1694	(74)	(1 045)	2 042
	43 033	**1703**	**(75)**	**(2 100)**	**42 561**

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. Property, plant and equipment (continued)

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. Al 31 March 2021, Mr FA Frank - Schultz valued land and buildings at N$ 36.7 million. The next independent valuation will be done during the 2024 financial year.

The carrying value of land and buildings under the cost model would have been N$ 34.1 million (2022: 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 dale 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.

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 (2022: 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

	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	11 578	(3 566)	8 012	11 578	(2 408)	9 170

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Computer software	9 170	(1 158)	8 012

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer software	10 308	19	(1 157)	9 170

7. Investments held to maturity

Held to maturity financial instruments		
Republic of Namibia Government bonds (Baa3)	29 234	29 099
	29 234	**29 099**

Fair value information

The fair value of fixed deposits is considered to approximate the carrying amount. No amounts are past due or considered impaired. All amounts are denominated in Namibian dollars.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

7. Investments held to maturity (continued)

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 Amount
Cirrus Capital (Pty) Ltd	GC24	31 March 2016	15 October 2024	10.09%	10.50%	2 000	2 107
Simonis Storm Securities (Pty) Ltd	GC24	31 March 2016	15 October 2024	10.00%	9.00%	10 000	10 516
Cirrus Capital (Pty) Ltd	GC25	31 March 2016	15 April 2025	10.31%	8.50%	9 750	9 811
PSG*	GC25	13 August 2020	15 April 2025	8.00%	8.50%	270	278
PSG*	GC27	13 August 2020	15 January 2027	8.15%	8.00%	220	222
Simonis Storm Securities (Pty) Ltd	GC32	23 October 2020	15 October 2032	10.23%	10.50%	5 350	5 282
PSG*	GC32	20 August 2020	14 April 2032	10.04%	9.00%	1 040	1018
						28 630	**29 234**

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 N$ '000	2022 N$ '000
8. Investments at fair value through profit or loss		
Level 2 fair value investments in funds with no credit ratings		
Bank Windhoek Money Market Investment Fund	4 753	3 445
Bank Windhoek Select Fund	54 241	51 076
FNB Namibia Unit Trust Income Fund	37 648	34 233
IJG Money Market Fund	28 413	26 763
Liberty Life Investment Policy	40 072	38 122
Momentum Diversified Income Fund	5 748	5 358
Old Mutual Namibia Income Fund	15 152	14 051
Old Mutual Namibia Money Fund	22 100	20 729
Old Mutual Nedbank Namibia Corporate Fund	4	4
PSG Collective Investment Scheme	34 008	31 785
PSG Money Market Fund	23 414	21 706
Sanlam Namibia Floating Rate Fund	29 178	27 407
Simonis Storm Arysteq Real Return Fund	19 732	16 945
Simonis Storm Money Market Fund	5 317	3 527
	319 780	**295 151**

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.

	2023 N$ '000	2022 N$ '000
Reconciliation of level 2 financial assets held at fair value through profit or loss		
Opening balance	295 151	279 411
Interest capitalised	5 494	3 722
Dividend capitalised	6 825	4 613
Coupon interest on government bonds	2 705	2 704
Fair value adjustments	10 063	5 145
Expenses	(458)	(444)
	319 780	**295 151**

9. Reinsurance assets

	2023 N$ '000	2022 N$ '000
Reinsurance assets	144 147	157 698

No impairment loss was recognised by the company at year end (2022: N$ nil), as the company is satisfied that receivables are fully recoverable. The carrying amounts disclosed above approximate fair value at the reporting dale. No profits on inception of reinsurance contracts were earned during the year (2022: N$ nil).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 N$ '000	2022 N$ '000
10. Insurance and other receivables		
Premium insurance debtors	408 581	349 022
Total insurance and other receivables	**408 581**	**349 022**

Premium debtors are due from various reputable insurance companies. They do not have external credit ratings, however have been doing business with the company for longer than 6 months and have no defaulting history.

Included in receivables is an amount owing by a related party, refer to note 33 for further details.

Categorisation of insurance and other receivables

Insurance and other receivables are categorised as follows:

At amortised cost	408 581	349 022

Exposure to credit risk

Credit risk disclosures

Credit quality of insurance and other receivables

The credit quality of insurance and other receivables that are neither past nor due nor impaired can be assessed by reference to historical information about counterparty default rates.

Premium debtors of short-term insurance

Counterparties without external credit rating

Group 2	408 581	349 022

Group 1- new customer (less 6 months).
Group 2 - existing customer with more than 6 months' history with the company and no defaults in the past.
Group 3 - existing customer (more than 6 months) with some defaults in the past.

Trade and other receivables past due but not impaired

Insurance and other receivables that are not past their contractual due dates for payment are not considered for impairment.

Insurance and other receivables impaired

The ageing of these amounts past due and impaired is as follows:

Contracts within their contractual due dates	-	-
Contracts past their contractual due dates	-	-

Reconciliation of provision for impairment of trade and other receivables

Opening balance	-	(3 030)
Unused amounts reversed	-	3 030
Closing balance	-	-

Exposure to currency risk

Refer to note for details of currency risk management for trade receivables.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 N$ ‘000	2022 N$ ‘000
11. Current lax receivable		
Normal tax	9 576	10 886
Provision for taxation		
Opening balance	10 886	15 235
Refunds received from the Receiver of Revenue	(11 337)	(3 890)
Provision for the year	(1 674)	(10 451)
Interest and penalties	-	(8)
Third payment relating to prior year	451	-
Provisional tax payment	11 250	10 000
	9 576	**10 886**
Balance of provision for taxation consists of:		
2021	-	11 337
2022	-	(451)
2023	9 576	-
	9 576	**10 886**

Refer to note 33 for related party information.

	2023 N$ ‘000	2022 N$ ‘000
12. Deferred acquisition costs		
Deferred acquisition costs	25 236	17 538
Reconciliation of deferred acquisition costs		
Balance at the beginning of the year	17 538	31 160
Expenses I (income) deferred	7 698	(13 622)
	25 236	**17 538**

The reinsurance deferred acquisition costs have been included in the reinsurance and other payable balance in note 22.

	2023 N$ ‘000	2022 N$ ‘000
Reinsurance defenred acquisition costs		
Balance at the beginning of the year	(6 665)	(6 291)
Income deferred	(3 792)	(374)
	(10 457)	**(6 665)**
13.Staff loans and other prepayments		
Staff loans advanced	548	1 405
Deposits and prepayments	70	40
	618	**1 445**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 N$ '000	2022 N$ '000

13.Staff loans and other prepayments (continued)

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 33 for information on related parties.

14.Cash and cash equivalents

Cash and cash equivalents consist of:

	2023 N$ '000	2022 N$ '000
Cash on hand	2	1
Bank balances	18 999	12 554
Short-term deposits	54 105	58 622
	73 106	**71 177**

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:

Credit rating	2023 N$ '000	2022 N$ '000
AAA - First National Bank of Namibia Limited	53 330	57 877
AA - Bank Windhoek Limited	19 773	13 299
	73 103	**71 176**

Exposure to currency risk

Included in the bank balances is a USO-denominated bank balance. The total loss on exchange differences recognised in profit or loss for the period is N$ 3.0 million (2022: N$ 0.3 million).

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

15.Share capital

Authorised	2023 N$ '000	2022 N$ '000
20 000 ordinary shares of N$1 each	20 000	20 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 N$ '000	2022 N$ '000
15.Share capital (continued)		
Issued		
20 000 ordinary shares of N$1 each	20 000	20 000

16.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	5 792	5 792

17. 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	1 735
Utilised during the year	-	(502)
	1 233	**1233**

18. 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 iishall 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

19. Deferred tax

Deferred tax liability

Deferred tax liability	(20 705)	(18 383)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 N$ '000	2022 N$ '000
19. Deferred tax (continued)		
Reconciliation of deferred tax liability		
At beginning of year	(18 383)	(8 675)
Temporary differences on property, plant and equipment	365	(1 062)
Temporary differences on prepayments	(9)	151
Temporary differences on accruals	69	(1 100)
Temporary differences on deferred acquisition costs	(1 250)	4 478
Temporary differences on income in advance	(1 497)	(11 540)
Temporary differences on assessed loss	-	(635)
	(20 705)	**(18 383)**
Expected release of deferred tax liability		
Within 12 months	(1 629)	(1 155)
After 12 months	(19 076)	(17 228)
	(20 705)	**(18 383)**

20. Insurance liabilities

Reconciliation of insurance liabilities - 2023

	Opening balance	Additions	Utilised during the year	Total
Provision for unearned premiums (refer to 20.1)	111 512	12 825	-	124 337
Provision for outstanding claims (refer to 20.2)	81 664	-	(38 222)	43 442
Provision for claims incurred but not reported, IBNR (refer to 20.3)	167 264	46 716	-	213 980
	360 440	**59 541**	**(38 222)**	**381 759**

Reconciliation of insurance liabilities - 2022

	Opening balance	Additions	Transfer to provisions	Total
Provision for unearned premiums (refer to 20.1)	104 076	7 436	-	111 512
Provision for outstanding claims (refer to 20.2)	37 799	43 865	-	81 664
Provision for claims incurred but not reported, IBNR (refer to 20.3)	118 566	48 698	-	167 264
Insurance contract liability (refer to 20.4)	175 653	-	(175 653)	-
	436 094	**99 999**	**(175 653)**	**360 440**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 N$ '000	2022 N$ '000
20. Insurance liabilities (continued)		
Long-term insurance contracts	59 223	74 735
Short-term insurance contracts	322 536	285 705
	381 759	**360 440**

Insurance contract liability

The liabilities arising from insurance contracts are expected to be settled as disclosed in the following tables. The cash flows are undiscounted:

Estimated timing of outflows: 2023	**Less than 5 years**	**Over 5 years**	**Total**
Long-term insurance contracts	-	59 223	59 223
Short-term insurance contracts	322 536	-	322 536
	322 536	**59 223**	**381 759**

Estimated timing of outflows: 2022	**Less than 5 years**	**Over 5 years**	**Total**
Long-term insurance contracts	-	74 735	74 735
Short-term insurance contracts	285 705	-	285 705
	285 705	**74 735**	**360 440**

	2023	2022
20.1 Gross provision for unearned premiums		
Balance beginning of the year	111 512	104 076
Movement for the year	12 825	7 436
	124 337	**111 512**
20.1(a) Net unearned premium reserve		
Balance beginning of the year	67 709	66 247
Movement for the year	3 949	1 462
	71 658	**67 709**
The balance comprises		
Gross provision for unearned premiums	124 337	111 512
Reinsures share of unearned premiums	(52 679)	(43 803)
	71 658	**67 709**
20.2 Provision for outstanding claims		
Balance beginning of the year	81 664	37 799
Movement for the year	(38 222)	43 865
	43 442	**81 664**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 N$ '000	2022 N$ '000
20. Insurance liabilities (continued)		
Provision for outstanding claims ceded to reinsurers		
Balance beginning of the year	(45 141)	(6 608)
Movement for the year	41 506	(38 533)
	(3 635)	**(45 141)**
Net provision for outstanding claims	**39 807**	**36 523**
20.3 Provision for claims incurrsd but not reported (IBNR)		
Balance beginning of the year	167 264	118 566
Movement for the year	46 716	48 698
	213 980	**167 264**
Reinsurance provision for claims incurred but not reported		
Balance beginning of the year	(68 754)	(49 689)
Movement for the year	(19 080)	(19 065)
	(87 834)	**(68 754)**
Net provision for outstanding claims	**126 146**	**98 510**
20.4 Insurance contract liability		
Balance beginning of the year	-	175 653
Movement for the year	-	-
Transfer to provisions	-	(175 653)
	-	-
Reinsurance for insurance contract liability		
Balance beginning of the year	-	-
Utilised/(incurred) during the year	-	-
	-	**-**
Net insurance contract liability	**-**	**-**

21. Provisions

Reconciliation of provisions • 2023	Opening balance	Total
Insurance contract liability	175 653	175 653

Reconciliation of provisions • 2023	Opening balance	Additions	Total
Insurance contract liability	-	175 653	351 306

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 N$ '000	2022 N$ '000

21. Provisions (continued)

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 2023 and 2022 financial years as management has assessed the provision to still be adequate. Please refer to note 34.2 (Contingent asset) for related contingent asset raised.

22. Reinsurance and other payables

	2023 N$ '000	2022 N$ '000
Reinsurance payables	200 102	151 664
Reinsurance deferred acquisition costs	10 457	6 665
Other payables	13 547	20 215
	224 106	**178 544**

Exposure to currency risk

Refer to note 3 Financial instruments and financial risk management for details of currency risk management for reinsurance and other payables

23. Net insurance premium revenue

	2023 N$ '000	2022 N$ '000
Long term insurance contracts		
Premium receivables	101 172	123 018
Change in unearned premium	121	(1 378)
Short term insurance contracts		
Premium receivables	757 304	645 179
Change in pipeline premium	13 179	29 973
Change in unearned premium	(12 946)	(43 887)
Gross earned premiums	**858 830**	**752 905**
Short term reinsurance contract		
- Premium payables	(270 163)	(249 753)
- Change in unearned premium provision	8 971	42 782
Long-term reinsurance contracts	(80 401)	(97 715)
Premium revenue ceded to reinsurers on insurance contracts issued	(95)	1 021
Insurance premium ceded to reinsurers	**(341 688)**	**(303 665)**
Net insurance premium revenue	**517 142**	**449 240**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 N$ '000	2022 N$ '000
24. Other income		
Commissions income	84 056	71 705
Sundry income	11	363
	84 067	**72 068**
Summary of commission income		
Movement in deferred acquisition costs	(3 792)	703
Commission income	87 848	76 998
	84 056	**77 701**
25. Investment income		
Dividend income		
Dividend income	6 825	4 613
Interest income Loans to:		
Directors, managers and employees	19	18
Investments in financial assets:		
Bank and other cash	2 888	1 180
other financial assets	8 333	8 519
Total interest income	**11 240**	**9 717**
Total investment income	**18 065**	**14 330**
26. Net benefit and claims		
a) Gross benefits and claims incurred		
Long-term insurance	(67 865)	(191 764)
Short-term insurance	(411 040)	(308 671)
	(478 905)	**(500 435)**
b) Claims ceded to reinsurers		
Long-term reinsurance recoveries relating to claims incurred	54 292	150 929
Short-term reinsurance recoveries relating to claims incurred	148 421	120 837
	202 713	**271 766**
c) Gross change in insurance liabilities		
Change in provision for outstanding claims	38 222	(43 865)
Short-term change in provision for claims IBNR	(62 106)	(31 793)
Long-term change in provision for claims IBNR	15 391	(51 915)
Change in provision for long-term deficiency reserve	-	(14 680)
	(8 493)	**(142 253)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 N$ '000	2022 N$ '000
26. Net benefit and claims (continued)		
d) Change in insurance liabilities ceded to reinsurers		
Change in provision for outstanding claims	(41 506)	38 532
Short-term change in provision for claims IBNR	30 981	18 489
Long-term change in provision for claims IBNR	(11 901)	45 906
Change in provision for long-term deficiency reserve	-	4 359
	(22 426)	**107 286**

27. Commission paid

	2023 N$ '000	2022 N$ '000
Commission paid	228 204	181 011
Summary of commission paid		
Movement in deferred acquisition costs	(3 129)	(13 621)
Commission paid	231 333	196 373
	228 204	**182 752**

28. Operating loss

Total benefits, claims and other expenses for the year is stated after charging (crediting) the following, amongst others:

Employee costs

	2023 N$ '000	2022 N$ '000
Salaries, wages, bonuses and other benefits	24 240	23 702
Housing benefit	6 107	5 870
Travel allowance	252	264
Motor vehicle allowance	6 257	5 987
Termination benefits	2 138	2 133
Total employee costs	**38 994**	**37 956**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 N$ '000	2022 N$ '000

28. Operating loss (continued

Expenses by nature

The total cost of sales, 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

	2023	2022
Actuary fees	1 306	604
Advertising and marketing	1 424	1 955
Amortisation	1 158	1 157
Annual duty	13	112
Auditor's remuneration - external audit	1 179	1 049
Bad debts*		10 569
Bank charges	169	168
Bursaries	231	1 276
Business development	5 063	5 503
Cleaning	361	346
Computer expenses	21	59
Depreciation	2 129	2 100
Donations and sponsorships	526	5 770
Employee costs - salaried staff	37 121	37 104
Employee costs - directors	1 873	852
Entertainment	168	374
Insurance	322	437
Investment expenses	458	444
Legal fees	13 896	3 494
Loss on disposal of property, plant and equipment	(67)	(17)
Low value assets	13	22
Membership and subscriptions	634	783
Motor vehicle expenses	144	134
Municipal expenses	338	306
NAMFISA levies	284	253
NTA Levies	367	383
Other consulting and professional fees	7 603	12 285
Other final taxes	395	190
Other operating expenses not individually material	308	1 092
Postage	2	6
Printing and stationery	106	140
Provision for doubtful debtors	4	3 030
Repairs and maintenance	219	532
Security	162	157
Staff training and development	1 672	342
Staff welfare	713	502
Telephone and internet expenses	1 509	1 808
VAT apportionment adjustment	285	-
	82 109	**89 261**

*Bad debts are a result of the impairment of a receivable owed by the Ministry of Finance in the previous year. The receivable related to the Government portion of legal fees in relation to the ongoing industrial action against the company.

	2023	2022
Foreign exchange gains (losses)		
Net foreign exchange gains (losses)	2 949	(151)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 N$ '000	2022 N$ '000
29. Cash generated from operations		
Profit before taxation	14 862	6 724
Adjustments for non-cash items:	**11 985**	**98 714**
Depreciation and amortisation	3 287	3 257
(Gains) losses on sale of assets and liabilities	(67)	8
(Gains) losses on exchange differences	(2 949)	151
Fair value gains	(10 063)	(5 145)
Movements in insurance liability	21 319	99 999
Expenses on investments	458	444
Adjust for items which are presented separately:		
Interest income	(8 333)	(4 613)
Dividends received	(6 825)	(8 519)
Changes in working capital:	**(173 181)**	**(56 059)**
Increase in insurance and other receivables	(59 559)	(124 393)
Increase in reinsurance and other payables	45 561	118 192
Increase (decrease) in deferred acquisition costs	(7 698)	13 622
Decrease in staff loans and other prepayments	827	90
Decrease (increase) in reinsurance assets	13 551	(63 570)
	4 371	**36 247**

	2023 N$ '000	2022 N$ '000
30. Tax paid		
Balance at beginning of the year	10 886	15 235
Current tax recognised in profit or loss	(1 674)	(10 451)
Balance at end of the year	(9 576)	(10 886)
	(364)	**(6 102)**
Reconciliation of net receipts / (payments)		
Refunds received		
- 2020	-	3 898
- 2021	11 337	-
Tax payments made		
2022	(451)	-
2023		
- First provisional payment	(6 250)	(5 000)
- Second provisional payment	(5 000)	(5 000)
	(364)	**(6 102)**

	2023 N$ '000	2022 N$ '000
31. Dividends paid		
Dividends	(5 000)	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 N$ '000	2022 N$ '000
32. Taxation		
Major components of the tax expense		
Current		
Long-term insurance business	1 374	214
Short-term insurance business	300	10 237
	1 674	**10 451**
Deferred		
Originating and reversing temporary differences	2 322	9 708
	3 996	**20 159**
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	14 862	6 724
Tax at the applicable tax rate of 32% (2022: 32%)	4 756	2 152
Tax effect of adjustments on taxable income		
Deferred tax effect income from insurance business	(259)	13 547
Permanent differences		
- Dividend income	(2 122)	(1 453)
- Investment expenses	146	142
- Donations	168	1 846
- Interest and penalties	1	2
- Legal fees of capital nature	1 232	3 435
- Bursaries	74	408
Prior period adjustment	-	80
	3 996	**20 159**

33. 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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 N$ '000	2022 N$ '000
33. Related parties (continued)		
Related party balances		
Amount owing by (to) the Government of the Republic of Namibia		
Value-added tax	(10 412)	(12 117)
Current tax receivable (payable)	9 576	21 337
PAYE (employees' tax)	(694)	(511)
VAT on imported services	-	(2)
Withholding taxes	(81)	(1)
	(1 611)	**8 706**

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

	2023	2022
Amounts included in staff welfare loans regarding related parties		
Humavindu R.R.K	9	18
Francis F.C	9	18
Shilongo H.A	22	17
Ndjavera H	26	24
Nampila T.V.O	13	19
Karuaihe-Martin P.A	23	-
	102	**96**
Amounts included in staff study loans regarding related parties		
Francis F.C	-	32
	-	**32**
Related party transactions		
Receipts from the Government of the Republic of Namibia		
Income tax refunded	(11 337)	(3 890)
Payments to the Government of the Republic of Namibia		
Legal fees paid	3 848	1 197
Income tax paid	11 250	10 000
Dividends declared and paid	5 000	-
Agency payments: Value-added tax	12 245	19 517
Agency payments: PAYE	7 511	8 159
VAT on imported services paid	139	177
Withholding tax paid	253	9
	40 246	**39 059**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 N$ '000	2022 N$ '000
33. Related parties (continued)		
Payments to (from) other related parties (Fellow State Owned Entities)		
Namibia Special Risks Insurance Association Lid	(20 932)	68
Namibia Financial Institutions Supervisory Authority	284	1 879
	(20 648)	**1 947**
Interest earned on staff welfare loans		
Humavindu R.R.K	(1)	-
Francis F.C	(1)	-
Shilongo H.A	(1)	-
Ndjavera H	(1)	-
Nampila T.V.O	(1)	-
	(5)	**-**
Compensation to directors and other key management		
For services as directors	1 873	852

34. Contingencies

34.1 Contingent liabilities

34.1 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.

34.2 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 2018lo 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 22 for information related to the liability.

35. Commitments

Authorised capital expenditure

Already contracted for but not provided for

	2023	2022
• Property, plant and equipment	-	9 900

This committed expenditure relates to property and will be financed by available bank facilities, retained profits, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 N$ '000	2022 N$ '000

36. Going concern

We draw attention to the fact that at 31 March 2023, the company has made a profit of N$ 10 866 (2022: a loss of N$ 13 435).

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 company has prepared projections, covering its future performance, capital and liquidity for a period of 12 months from the date of this report. The company's projections and assessment show that the company has sufficient capital, liquidity and positive future performance outlook to continue to meet its short term obligations and as a result, it is appropriate to prepare these financial statements on a going concern basis.

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 director 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.

37. 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.

Notes

Notes