



Catalysing National Developments through Special Risk Insurance

INTEGRATED ANNUAL REPORT **2024/2025**





ABOUT THE THEME: CATALYSING NATIONAL DEVELOPMENTS THROUGH SPECIAL RISK INSURANCE

NASRIA exists as a unique catalyst within the Namibian economy, transforming uncertainties into opportunities. As the sole provider of special risks insurance, NASRIA plays a strategic role in supporting both government priorities and private sector growth. Our interventions are aligned with Namibia's Harambee Prosperity Plan and Vision 2030, ensuring that national ambition are underpinned by resilience.

This report outlines and highlights our pivotal role as the bedrock upon which national ambition is built, providing the specialised insurance cover that enables large-scale projects, foreign direct investment, and critical economic activities to proceed with confidence. By absorbing special risks, we empower businesses, from SMEs to large corporates, to innovate, expand, and create employment, thereby stimulating economic activities and safeguarding national revenue.

We are the silent guardian of progress, ensuring that unforeseen events do not derail the nation's developmental trajectory. By absorbing catastrophic risks, we empower businesses to innovate, expand, and create employment, thereby stimulating economic activities and safeguarding national revenue. This function is not ancillary; it is a strategic imperative for sustainable development and economic sovereignty. By pioneering innovative risk solutions tailored to Namibia's evolving needs, NASRIA strengthens resilience, enhances the nation's attractiveness as an investment destination, and reduces reliance on external markets. The pages that follow demonstrate how our interventions have directly contributed to tangible outcomes and enhanced Namibia's attractiveness as a destination for capital deployment. This report positions NASRIA not just as a risk carrier but also as a fundamental enabler and active trusted partner in realising the vision of a thriving, resilient, inclusive, and self-sufficient Namibia.

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ABOUT THIS REPORT

SCOPE AND BOUNDARY

This Integrated Annual Report (IAR) covers NASRIA’s performance for the Financial Year ended 31 March 2025 (FY2025). Any material events which occurred between the year-end and the report’s approval are included to provide a forward-looking narrative which is as complete as possible.

The IAR aims to provide our stakeholders with a holistic view of NASRIA’s value-creation drivers, our strategy, governance and performance. It also outlines the organisation’s outlook for the Financial Year ending 31 March 2026 (FY2026) and beyond.

REPORTING GUIDELINES

The reporting process has been guided by the principles and requirements contained in International Financial Reporting Standards (IFRS), the International Integrated Reporting Council’s (IIRC), International Integrated Reporting Framework <IR>, and the Corporate Governance Code for Namibia (NamCode).

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that relate to NASRIA’s future operations and performance. Such statements though are not intended to be interpreted as guarantees of future

performance, achievements, financial or other results. They rely on future circumstances, some of which are beyond management’s control, and the outcomes implied by these statements could potentially be materially different from future results. No assurance can be given that forward-looking statements will be accurate thus, undue reliance should not be placed on such statements. NASRIA does not undertake any obligations to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of this report or to reflect the occurrence of unanticipated events.

APPROVAL AND ASSURANCE

The Board acknowledges its responsibility to ensure the integrity of the integrated annual report and believes it provides stakeholders with an accurate and balanced view of the NASRIA’s strategy, past performance, and future prospects, and addresses the material issues faced by the organisation.

The annual financial statements were audited by PwC Namibia and approved by the Board on 20 August 2025.



Adrianus Vugs
Board Chairperson
Namibia Special Risks Insurance Association LTD (NASRIA)



John Uusiku
Managing Director & Principal Officer
Namibia Special Risks Insurance Association LTD (NASRIA)

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ABOUT NASRIA

WHO WE ARE

NASRIA Ltd was established in 1987 to provide special risks insurance solutions to Namibians against political, violence and terrorism risks. NASRIA Ltd is a 100% state-owned insurance company and resorts under the Ministry of Finance.

NASRIA is a short-term insurer registered with NAMFISA and is the only special risks insurer in Namibia. This differentiates us from conventional insurance by offering products that are of a special-risk nature. All NASRIA products are gazetted before being launched into the market. NASRIA fills the gap that exists in the market by complementing the conventional insurers.

The conversion of NASRIA in 2019, from an Association Not for Gain, into a Public Entity through an Act of Parliament, NASRIA, Act No. 5 of 2017, gave us a leeway to remain relevant and innovate

more product offerings of insurance solutions to the Namibian public.

OUR MANDATE

In terms of the NASRIA Act, the Company is mandated to fulfill the following objectives:

- To carry on short-term insurance business relating to special risks, and to conduct all affairs relating thereto in accordance with sound insurance practices and methods.
- To promote the development of, and the participation of the people of Namibia in the short-term insurance industry in Namibia; and
- To adhere to best practices in the provision of insurance cover for special risks.



VISION

Our vision is “To be renowned for unique insurance solutions in Namibia and beyond”.



MISSION

To provide peace of mind by insuring special risks



VALUES

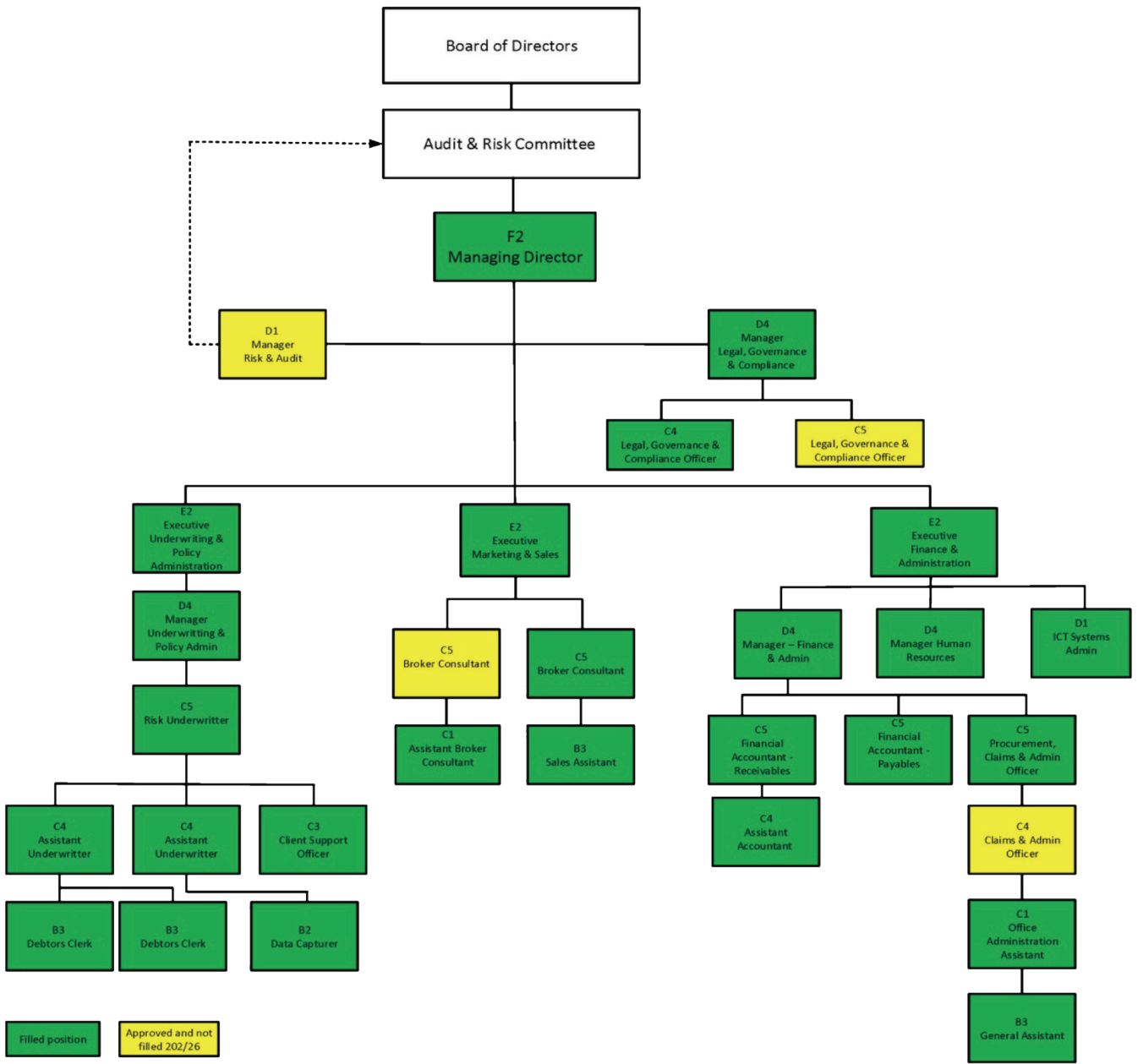
Values are important building blocks to create a high performance and innovative culture for our people. This creates a common and shared purpose and encourages the active participation of each staff member to live our values through their behaviour and decision making.

OUR VALUES ARE:

KEY VALUE	DESCRIPTOR
Service	We are unwavering in our quest to deliver exceptional service to our clients and Namibia at large
Professionalism	We are in pursuit of excellence in our professions and therefore is on a quest of life-long learning and growth to deliver unrivalled value
Ethical Business	We are always honest and ethical in everything we do
Caring	We care about the wellbeing of all our stakeholders and shall therefore be sensitive to their needs
Innovation	We are curious about ways to improve the way we work and, therefore, are on a journey of continuous improvement in everything we do
Accountability	We accept the consequences of our decisions and actions
Leadership	We inspire trust by coaching, mentoring and living up wo our values

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CORPORATE STRUCTURE



OUR PRODUCT OFFERINGS

1. Political Violence and Terrorism (PVT)

The PVT covers riots, strikes, civil commotions and labour disturbances, and it is issued as a rider/add-on under a policy by local conventional insurance companies. PVT Cover is compulsory for all Sectional Titles (Act no. 2 of 2009 section 27(b)) of the GRN Gazette.

Importance of PVT Insurance Cover

Some may argue that Namibia is not seriously exposed to date and hence is a relatively peaceful country, yet there are many social ills that can explode overnight and become a disturbance, like the rate of unemployment, urban overcrowding, poor housing, hunger and malnutrition, tribal remarks and a series of labour disputes, amongst others, which could easily cause the situation to change overnight! It is therefore important for every Namibian to insure/cover their assets against special risks with NASRIA. Many corporates, local authorities, and town councils are exposed, as they do not have NASRIA cover, and social issues such as hunger, unemployment, socio-economic inequities, election disputes, urbanisation, ancestral land disputes, town councils vs villagers/communities (farmers grazing land, town boundaries, animals impounding, new infrastructures, perceived unfair compensations), grazing land disputes (tribal invasions of traditional lands), municipal/local or regional authorities' poor service delivery protests, forceful removal of urban street vendors, and labour disputes (e.g., salary and benefits contestations etc.) are ticking time bombs that can explode anytime.

Under the PVT product, the covers ensure classes like commercial risks, domestic risks, business interruption, contact works, construction, and motor, to mention some. Business interruption is very crucial for the businesses to understand, as it covers the businesses against loss of profit due to material damage and denial of access. This means that when the workers go on strike and block the business from performing its activities, like trucks carrying goods from entering the premises, the owner cannot make money, and thus business is interrupted.

The PVT cover is distributed through our intermediaries, the insurer, broker and agents, and clients should contact them to access the NASRIA cover as an add-on.

2. Credit Guarantee Scheme

Credit Guarantee Scheme (CGS) is a Collateral Loan Scheme between NASRIA, Lending Institutions and Borrowers through a shared risk arrangement based on NASRIA (60%) and Lending institutions/borrowers (40%). The (CGS) ensures that bankable SMEs who are ready to take up business loans but lack collateral are enabled to get business loans from lending financial institutions.

Objectives of CGS

- To enhance Access to Finance for bankable SMEs.
- Promote Entrepreneurship and support Job Creation in Namibia.

Criteria

The SMEs will visit the lending institution for the application, and the lending institution's credit criteria are applicable to all SME applications. The lending institution will require a bankable business plan, and business registration is a key requirement. The scheme is for both new and existing SMEs.

Target SMEs for CGS

This scheme is meant to help women, youth, and SMEs get access to credit loans for business purposes by reducing the collateral burden. The below are the target SMEs for CGS.

- Youth – Up to 40 years.
- Women – up to age 60.
- SME – <10 million annual turnover.

Other Products:

3. Weather Index Based Livestock Insurance

Through its flagship product, the Namibia Agriculture Insurance Scheme (NAIS), the Weather Indexed Based Livestock insurance aimed to protect livestock farmers against drought and excessive rainfall.

4. Human-Wildlife Conflict

A product that was co-designed with the Ministry of Environment, Forestry and Tourism to compensate villagers for crop destruction, animal losses, and human injury or life loss due to human-wildlife conflict.

5. Energy Insurance Solution

New products are being researched to cater to the burgeoning oil and gas industry in Namibia. Given the status of a public enterprise in 2019, NASRIA'S mission is to innovate more products that will contribute to the bottom-line. NASRIA is pioneering the process with other short-term insurance companies to bring about an insurance solution in the market that specifically caters for the needs of the energy sector in Namibia.





OUR 6 CAPITALS

CAPITALS	OUTCOMES
Financial capital	<ul style="list-style-type: none"> NASRIA received an unqualified audit opinion for 2024/2025, maintaining its proud record of clean audits since inception. Revenue Growth: Insurance revenue increased by 6%, from N\$84 million to N\$89 million, driven by new business and renewals. Insurance Service Results: Decreased by 23% to N\$45 million, mainly due to increased insurance costs. Total Assets: As of 31 March 2025, total assets stood at N\$960 million, surpassing N\$1 billion for the first time in June 2025. Reserves: Increased from N\$801 million to N\$870 million, reflecting higher profitability. Liabilities: Grew by 37% to N\$92 million, consistent with overall asset growth. Dividend: NASRIA has declared a dividend of N\$16 million to its sole shareholder, the Government of the Republic of Namibia.
Intellectual capital	<ul style="list-style-type: none"> Leadership in forming a consortium for domestic energy (oil & gas) insurance. Expansion into Botswana with the establishment of subsidiary company - BOSRIA. Development of new procedural manuals for marketing and underwriting. Plans to leverage data analytics for future marketing and risk insights.
Human capital	<ul style="list-style-type: none"> Strong gender equity: 59% female workforce, 75% female Executive Committee. Investment in staff capacity building (people management, legal, risk, IFRS 17 training). Successful change management during the complex IFRS 17 implementation. Maintained constructive union relations with 45.5% staff membership.
Manufactured capital	<ul style="list-style-type: none"> Appointment of a dedicated ICT Systems Administrator to strengthen ICT operations and governance. Implementation of enhanced cybersecurity measures and threat detection systems. Upgrade of core IT infrastructure and deployment of a new video conferencing solution. Exploration of AI and automation to streamline future internal processes.
Social and relationship capital	<ul style="list-style-type: none"> Corporate Social Investment of N\$511,400 focused on agriculture, education and healthcare. Support for 10+ institutions, including schools, clinics, and sports development. Successful stakeholder roadshows in key regions (Lüderitz, Swakopmund, Walvis Bay). Strengthened partnerships via MOUs with entities like SASRIA and Namibia Broadcasting Corporation (NBC).
Natural capital	<ul style="list-style-type: none"> Initiatives to reduce paper consumption through digital solutions and e-signatures. Promotion of water conservation by discouraging single use branded water bottles. Transition from desktop computers to more energy-efficient laptops. Encouragement of sustainable practices among staff and visitors.

2025 KEY HIGHLIGHTS



Exceptional Financial Performance: NASRIA achieved a remarkable profit after tax of N\$85 million, significantly strengthening its balance sheet with reserves growing to N\$870 million and total assets reaching N\$960 million.



Total Investment Income: For the first time in its history, NASRIA generated a substantial N\$85 million in investment income, showcasing sophisticated capital management and a new revenue stream that supports long-term sustainability.



Dividend Declaration to Government: Demonstrating strong financial health and contribution to the national fiscus, NASRIA declared a dividend of N\$16 million for its shareholder, the Government of the Republic of Namibia.



Strong Growth in Core Business: The flagship Political Violence and Terrorism (PVT) insurance portfolio showed robust growth, with Gross Written Premium (GWP) increasing by 8.71% to N\$91.6 million, driven by a high 75% renewal rate.



Regional Expansion with BOSRIA: A major strategic milestone was the establishment of Special Risks Insurance of Botswana (BOSRIA), marking NASRIA's first step into regional expansion and diversifying its revenue streams.



Enhanced Governance and Risk Management: The company commissioned its first independent internal audit function, a critical step in maturing its governance. The Board also received an exceptional performance score of 84% in an external evaluation.



Strategic Foray into Energy Insurance: NASRIA took a leadership role in forming a consortium to develop domestic insurance capacity for Namibia's nascent oil and gas sector, positioning itself for future growth in a key industry.



Commitment to Gender Equity and Capacity Building: NASRIA maintained a strong commitment to its people, with female representation at 59% of the total workforce, 66% at management level, and 75% at the Executive Committee level. Significant investment was made in staff training and development.



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BOARD CHAIRPERSON'S REPORT IAR 2025



Adrianus Vugs

Board Chairperson

Namibia Special Risk Insurance Association Limited (NASRIA)

Stewardship and Strategic Governance: Building a Resilient Foundation for the Future

Dear Stakeholders,

On behalf of the Board of Directors of the Namibia Special Risks Insurance Association Limited (NASRIA), it is my privilege to present this governance-focused review for the financial year ended 31 March 2025. While the Managing Director's report eloquently details the organisation's operational and financial triumphs, this report serves a distinct purpose: to provide you, our stakeholders, with transparent insight into the Board's stewardship. Our primary role is one of strategic guidance, oversight, and ensuring that the organisation is not only effective today but is also governed in a manner that guarantees its sustainability and integrity for tomorrow. This report will elucidate how we have discharged these duties, upholding the highest standards of corporate governance as dictated by the NASRIA Act, the Public Enterprises Governance Act, and corporate governance best practices.

The Board's mandate is multifaceted, encompassing the provision of strategic direction, ensuring regulatory compliance, safeguarding assets, and mitigating risks. Our work is executed through a deliberate and structured approach, leveraging the expertise of a diverse Board and its specialised committees. This year, our governance activities were particularly focused on enhancing board effectiveness, fortifying our risk and control environments, and futureproofing the organisation through strategic appointments and development. We are confident that the governance structures we have nurtured and the decisions we have taken have been instrumental in enabling the outstanding performance detailed elsewhere in this report.

Composition, Dynamics, and Leadership of the Board

A robust and effective governance system begins with a competent and diverse Board. The period under review was one of deliberate renewal and strengthening of the NASRIA Board. In accordance with the Public Enterprises Act, the Minister of Finance appointed three new members: Mrs. Birgit Hoffmann, Mr. Theophilus Gurirab, and Mrs. Sybil Somaes. Their diverse backgrounds in leadership coaching, strategic insurance leadership, and financial services law have already enriched our deliberations and strategic oversight capabilities.

Concurrently, the tenure of Mr. Adrianus Vugs, Ms. Chrishilde Loubser, and Mr. Paavo Amunjela was extended for a further three years, ensuring valuable continuity and stability. Following these appointments, the Honourable Minister appointed myself as Chairperson and Mrs. Hoffmann as Vice-Chairperson. We undertook a comprehensive induction programme for new members on 08 October 2024 to ensure a rapid and thorough understanding of NASRIA's strategic mandate, risk profile, and governance protocols. The Board's composition reflects a commitment to diversity of thought, skill, and gender, with female representation standing strong, ensuring our decisions are well-rounded and consider multiple perspectives.

Committee Efficacy and Oversight

The Board's work is profoundly supported by its committees, which provide dedicated focus on critical areas of governance. The Audit & Risk, Investments, Human Resources & Administration, and Insurance, Reinsurance and Claims Committees met regularly throughout the year, with attendance records demonstrating the commitment of individual directors.

The Audit & Risk Committee played a pivotal role this year, providing oversight of the inaugural independent internal audit function. The Board received and endorsed management's comprehensive action plan in response to the audit findings, and the Committee continues to meticulously monitor its implementation. This process is a cornerstone of our commitment to continuous improvement in internal controls and risk governance.

The Investments Committee provided critical guidance on the strategic appointment of a panel of six asset managers, a key decision aimed at optimising the returns on our substantial investment portfolio and ensuring professional oversight of our capital. Furthermore, the Insurance, Reinsurance and Claims Committee upheld its duty to oversee the company's underwriting and reinsurance policies, ensuring the core engine of our business operates with prudence and in accordance with sound insurance practices.

Evaluating and Enhancing Board Performance

The Board believes that introspection and continuous development are vital to effective governance. This year, we facilitated a rigorous external evaluation of our own

performance and that of our committees. This evaluation was a multifaceted process, involving online surveys, confidential interviews, and a review of our governance documents.

The results were exceptionally positive, with the full Board achieving a performance score of 84%. The Investment Committee scored 90%, and the Human Resources & Administration Committee scored 86%. These scores affirm that our governance structures are effective and that we are providing robust strategic oversight. Importantly, the evaluation also identified areas for enhancement, particularly in strengthening stakeholder relationships and further developing the effectiveness of the Audit & Risk Committee. An action plan has been developed to address these areas, demonstrating our commitment to not rest on our laurels but to strive for ever-higher standards of governance.

As part of our leadership development mandate, Board members attended a dedicated corporate governance conference focusing on risk management strategies and the Board's role in Environmental, Social, and Governance (ESG) oversight. Additionally, the Chair of the Investments Committee attended a Global Investment Forum, bringing valuable insights on responsible investing back to the Board. This commitment to continuous learning ensures our governance remains aligned with global best practices.

Governance, Policy, and Legal Oversight

The Board exercises its duty of care through the ongoing review and approval of key corporate policies, which form the framework for prudent management. This year, through the work of the Legal, Governance & Compliance Unit, we oversaw the review and update of several critical policies, including the Financial Assistance Policy, the Performance Management Policy, and the Compliance Policy. Furthermore, the Board approved new policies such as the Credit Card Policy and the Financial Delegation of Authority Policy, ensuring that management has clear and controlled mandates to operate effectively.

A significant strategic governance milestone was the Board's oversight of the establishment of Special Risks Insurance of Botswana Limited (BOSRIA). This venture into a new market was undertaken with meticulous attention to legal and regulatory compliance, reflecting the Board's strategic role in guiding sustainable growth and diversification.

Conclusion and Forward-Looking Governance Perspective

In conclusion, the Board has provided active and diligent oversight throughout the 2024/25 financial year. We have focused on enhancing our composition, rigorously evaluating our performance, strengthening our risk governance, and providing strategic guidance on key initiatives such as the Botswana expansion and the implementation of IFRS 17.

Looking ahead, the Board's priorities will remain firmly within the governance realm. We will focus on the continuous monitoring of the internal audit action plan, further embedding a robust risk culture throughout the organisation, and providing strategic direction on the evolving ESG landscape. We will ensure that the launch of BOSRIA is executed under the highest standards of corporate governance and will continue to nurture the leadership pipeline within the organisation.

On behalf of the Board, I wish to extend our sincere gratitude to the Minister of Finance and Public Enterprises for his guidance and support. I also thank my fellow Board members for their wisdom, robust debate, and unwavering commitment. Finally, we acknowledge the management team, led by the Managing Director, and all NASRIA staff for their dedication and execution in delivering on the strategy we set.

We are confident that NASRIA is under strong stewardship, is strategically well-positioned, and is governed by a Board committed to integrity, accountability, and the sustainable creation of value for all Namibians.



Adrianus Vugs

Board Chairperson
Namibia Special Risks Insurance Association LTD (NASRIA)

NASRIA is a Tier 2-ranked State-owned Commercial Enterprise. The Government of the Republic of Namibia through the Namibia Special Risks Insurance Association Act, Act 5 of 2017 (NASRIA Act) established NASRIA with the mandate of inter alia carrying on short-term insurance business relating to special risks and to promote the development and participation of Namibian people in the short-term insurance industry (section 6 of the NASRIA Act).

Regulatory context

NASRIA is a registered short-term insurance company and is therefore regulated by the Namibia Financial Institutions Supervisory Authority (NAMFISA).

NASRIA is subject to the following principal pieces of legislation:

- Namibia Special Risks Insurance Association Act, Act 5 of 2017 (NASRIA Act)
- The Short-Term Insurance Act, Act 4 of 1998

- The Namibia Financial Institutions Authority Act, Act 3 of 2001 (in due course)
- The Public Enterprises Governance Act, Act 1 of 2019
- The Public Procurement Act, Act 15 of 2015
- The Companies Act, Act 28 of 2004.
- Others.

Governance framework

By virtue of being a commercial public enterprise, NASRIA reports to the Minister of Finance. The NASRIA Board is responsible for the strategic direction of the company.

Composition of the Board:

FULL NAME AND SURNAME	POSITION	GENDER	NATIONALITY	CURRENT STATUS
Adrianus Vugs	Chairperson and Independent Non-Executive Director	Male	Namibian	Reappointed on 01 October 2024
Birgit Hoffmann– Board	Vice Chairperson and Independent Non-Executive Director	Female	Namibian	Appointed on 01 October 2024
Mrs. Chrishilde Loubser –	Independent Non-Executive Director	Female	Namibian	Reappointed on 01 October 2024
Mr. Paavo Amunjela	Independent Non-Executive Director	Male	Namibian	Reappointed on 01 October 2024
Mrs. Sybil Somaes	Independent Non-Executive Director	Female	Namibian	Appointed on 01 October 2024
Mr. Theophelus Gurirab	Independent Non-Executive Director	Male	Nambian	Appointed on 01 October 2024 and resigned on 27 May 2025
Mrs. Helena.H. Kapenda	Independent Non-Executive Director	Female	Nambian	Tenure ended on 30 September 2024
Mr. Ferdinand Otto	Independent Non-executive Director	Male	Namibian	Tenure ended 30 September 2024
Mr. John Uusiku	Executive Director/ Managing Director and Principal Officer	Male	Namibian	Appointed on 1 March 2024

BOARD MEMBER BIOGRAPHIES



MR. ADRIANUS VUGS

Mr Vugs is an international consultant who has public and private sector experience spanning Europe, Africa and Asia. Currently, he works as a consultant for the World Bank, Central Banks and Government Agencies and typically advises on financial sector regulation, supervision and setting up various pension and insurance schemes. Prior to consulting, Mr Vugs served as an executive at NAMFISA, the non-bank financial sector regulator in Namibia. He has also worked as a pricing actuary for Swiss Re Life and Health in the Netherlands and as an actuarial consultant for Alexander Forbes Financial Services in Namibia. Amongst various qualifications, Mr Vugs holds a Bachelor of Social Science in Actuarial Science degree from the London School of Economics, an MBA from the University of Cape Town and is a fellow of the Institute of Actuaries in the UK.

MRS BIRGIT HOFFMANN

Mrs Hoffmann is an executive and leadership coach with over four thousand and five hundred (4500) coaching hours logged and over twenty (20) years of corporate work experience at general management and executive level. Ms Hoffmann is furthermore a seasoned stakeholder communications professional, public relations expert and industrial psychologist. Ms Hoffmann's experience spans private and public sectors, and extends across various industries including banking and finance, fast-moving consumer goods, retail/wholesale, agriculture, education management, the medical sector as well as consulting. Amongst other qualifications, Ms Hoffmann holds a Master of Arts in Industrial and Organisational Psychology degree and is a certified Integral Coach, Professional certified Coach and is a Chartered Public Relations Practitioner.

MR PAAVO AMUNJELA

Mr Amunjela is a seasoned public servant with training experience spanning over eighteen (18) years in the tax space. He is conversant with the general public service rules and policies through diverse responsibilities held and some he continues to hold. Furthermore, Mr Amunjela has extensive experience and exposure in the fields of auditing, strategy, policy development, project management and organizational development, labour and employee relations. Among other qualifications, he holds a Master of Business Administration (MBA) degree from the Management College of Southern Africa.

MS CHRISHILDE LOUBSER

Ms Loubser is a seasoned and professional Accountant with experience spanning more than 25 years. In her experience, she has served in all aspects of operational finance in the diamond mining industry having held key roles at Namibia's diamond flagship company, Namdeb. She also has extensive experience and expertise in VAT and import VAT legislation pertaining to Namibia and South Africa. She holds a B.Com Financial Accounting degree from the University of Stellenbosch, B.Com Honours from the University of South Africa as well as a CIMA Professional Qualification.

MRS. SYBIL SOMAES

Ms Somaes is an experience professional in the Namibian financial services industry with over 15 years' experience working in the insurance, savings and investment industries in Namibia. Ms Somaes' areas of expertise include investment management and administration, risk and regulatory compliance, strategy development and implementation, operations management and legal management. Amongst Ms Somaes' qualifications are a Bachelor of Laws (LLB) and a Bachelor of Commerce degree.

BOARD MEMBER BIOGRAPHIES



MS HELENA H. KAPENDA

Ms. Kapenda is a versatile Human Resource expert who has more than 20 years of experience in the field of Human Resources Management. She currently serves as a Human Resource Manager in the public sector and has been a NASRIA board member since 2017. She also boasts of procurement experience having served as secretary to Tender Board of Namibia as well as the Central Procurement Board of Namibia (CPBN). Ms. Kapenda holds a Bachelor of Administration Degree from the University of the North-West (RSA) and a master's degree in business administration from MANCOSA.

MR. THEOPHELUS GURIRAB

Mr Gurirab is a skilled strategic business leader with nearly 30 years of experience in the insurance industry and has notably grown the net profit of an insurer from N\$2 million Namibian Dollars to N\$55 million Dollars. Mr Gurirab holds a Bachelor of Arts (Honours) degree and has completed a Senior Management Development Programme.

MR. FERDINAND OTTO

Mr. Otto is a highly experienced insurance sector practitioner with over 43 years of experience. Since 1978, Mr Otto has served in various capacities in the insurance sector including being the Chief Executive Officer of Insurance Company of Namibia limited (Inscon). He has also served on the Steering Committee for the formation of Namibia Re-insurance Corporation (Namib-Re) and is also the chairperson of the steering committee of Namibia Financial Sector Strategy Credit Guarantee Scheme. Mr Otto has undertaken the new manager's programme and the programme for management development both at the Graduate School of Business at the University of Cape Town as well as the advanced project management programme at the Cranfield School of Management in England.

BOARD COMMITTEES

In terms of section 16(1) of the NASRIA Act, the Board can establish committees, consisting of Board members for the purpose of advising the Board of its powers and the performance of its functions and performing any function that the Board may delegate to the Committee.

The NASRIA Board Committees include, the:

- Audit & Risk Committee;
- Human Resources & Administration Committee;
- Insurance, Reinsurance and Claims Committee;
- Investments Committee

BOARD COMMITTEE RESPONSIBILITIES

Audit and Risk Committee

The Committee is tasked with providing guidance to the appropriateness of accounting policies, annual financial statements, annual report, the risk management framework and the risk management culture of the institution. In-addition, the Committee is also tasked with reviewing the adequacy of the internal control systems, including information technology, security and control.

Human Resources & Administration Committee

The Committee deals with all human resources and administrative compliance and best practices matters.

Investments

The Committee assists the Board in overseeing investment strategies and procedures.

Insurance, Re-insurance and Claims Committee

The purpose of the Committee is to oversee the company's underwriting and re-insurance policies and guidelines and help ensure effective claims management.

The membership of the Committees consists of:

The Audit & Risk Committee

Name	Position
Ms. Chrishilde Loubser	Chairperson
Mr. Ferdinand Otto (Tenure ended 30 September 2024)	Director
Mr. Paavo Amunjela	Director
Mrs. Sybil Somaes (Term started 01 October 2024)	Director
Mr. John Uusiku	Managing Director

The Investments Committee

Comprised of:

Name	Position
Mr. Paavo Amunjela (Chairperson)	Chairperson
Ms. Chrishilde Loubser	Director
Mr. Adrianus Vugs	Director
Mrs Sybil Someas (Term started 01 October 2024)	Director
Mr. John Uusiku	Managing Director

The Human Resources & Administration Committee

Comprised of:

Name	Position
Mrs. Helena Kapenda	Chairperson (Term ended 30 September 2024)
Mrs. Birgit Hoffmann	Chairperson (Term started 01 October 2024)
Mr. Paavo Amunjela	Director
Mr Theophelus Gurirab (Term started 01 October 2024 and resigned on 27 May 2025)	Director
Mr. John Uusiku	Managing Director

The Insurance, Reinsurance and Claims Committee

Comprised of:

Name	Position
Mr. Ferdinand Otto	Chairperson (Term ended 30 September 2024)
Mr. Theophelus Gurirab	Chairperson (Term started 01 October 2024 and resigned on 27 May 2025)
Mrs. Helena Kapenda	(Term ended 30 September 2024)
Mr. Adrianus Vugs	Director
Mr. Paavo Amunjela	Director
Mr. John Uusiku	Managing Director

Directors Remuneration for the 2024/2025 Financial Period

The remuneration in the table below is inclusive of both retainer and sitting fees.

Names	Full Board (N\$)	Investment Committee (N\$)	Insurance, Re-insurance and Claims Committee (N\$)	Audit and Risk Committee (N\$)	Human Resources and Administration Committee (N\$)	New Product Development Committee (N\$)	Back Pay March (N\$)	Total (N\$)
Adrianus Vugs	116,913	48,940	41,174	-	17,384	23,161	4,468.56	252,040.56
Birgit Hoffmann	43,975	-	-	-	18,672	4,282		66,929
Mrs. Chrisilde Loubser –	91,967	60,691	-	29,864	18,196	23,161	3,158.96	227,037.96
Mr. Paavo Amunjela	91,967	70,697	23,461	23,161	42,258	23,161	2,781.20	277,486.20
Mrs. Sybil Somaes	51,380	13,798	-	10,705	3,093	2,141	-	81,117
Mr. Theophelus Gurirab	43,975	14,050	4,622	-	13,798	4,282	-	80,727
Mrs. Helena.H. Kapenda	30,766	31,582	5,125	-	20,405	10,638	3,195.76	101,711.76
Mr. Ferdinand Otto	30,766	25,218	20,405	10,638	7,786	13,506	3,894.64	112,213.64
TOTAL	501,709	264,976	94,787	74,368	141,592	104,332	17,499	1,199,263

BOARD AND COMMITTEE MEETING ATTENDANCE

Name of Directors	Full Board	Investment Committee	Insurance, Re-insurance and Claims Committee	Audit and Risk Committee	Human Resources and Administration Committee
Meetings Held	5	3	3	4	3
Attendance:					
Vugs	5	3	3	-	2
H.H Kapenda (term ended 30 September 2024)	2	-	2	-	2
B.Hoffmann(Term commenced 01 September 2024)	2	-	-	-	1
C.Loubser	5	3	-	4	-
P.Amunjela	5	3	3	4	3
F.Otto (Term ended 30 September 2024)	2	-	2	3	-
T.Gurirab (Term commenced 01 September 2024)	2	-	1	-	1
S.Somaes (Term commenced 01 September 2024)	2	1	-	1	-



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THE LEGAL, GOVERNANCE & COMPLIANCE DEPARTMENT

The Legal, Governance & Compliance Department provides the Managing Director, Board of Directors as well as the entire company with legal, corporate governance and compliance management-related advice and support.

DEPARTMENTAL ACTIVITIES

The following are the activities that were undertaken by the Legal, Governance & Compliance Department:

	Strategic Theme	Strategic Objective	Strategic Projects/ Initiatives	Activities
1	Business Excellence	Improve Corporate Governance	Periodic reporting to Board on compliance with policies and procedures.	Developed a policy tracker document for the reviewing of existing policies by the Board and the development of new policies.
			Periodic review of existing policies and when necessary, introduce operational policies and procedures.	
			Report quarterly on compliance to Board (NAMFISA, PEGA, Procurement, BIPA, HR Statutory Compliance etc.).	Onboarded the newly appointed Directors onto the NAMFISA Portal. Updated the company records at BIPA with the details of the new Directors. Achieved a 90% compliance rating from the Ministry of Finance and Public Enterprises in respect of compliance with the Public Enterprises Governance Act 1 of 2019
			Ensure production of Internal Audit Report. Periodic reporting to Board on compliance with policies and procedures.	Regularly reporting to the board on the progress made in implementing the different action plans that have been developed in respect of the audit findings.
			Reporting on annual statutory requirements (AGM, Annual Report, Tax compliance etc)	Administration/facilitation of board and board committee meetings including the compilation of Board agendas in consultation with the Board and Management, preparation of meeting minutes and communication of Board resolutions to Management and Staff.
		Annual evaluation of the Board.	Successfully conducted the evaluation of the Board and the Board's committees. The evaluation report was presented to the Board, and an action plan was developed in respect of the evaluation report.	
		Improve Business Processes	Conduct Business Process Mapping and Develop Procedural Manuals according to Priority Schedule.	The Compliance Policy has been approved by the Board. The AML policy is currently under review for further submission to the Board.
	Improve Business Processes	effective Contract Management.	Drafting, reviewing of contracts and the maintenance of a contract's register.	
2		Expand Product Offering	Investigate and propose feasibility of new products & business opportunities (Energy Insurance; Road Damage Insurance; GRN Assets; Special Risks Insurance etc.)	Facilitated a meeting with the Minister of Mines and Energy to seek the Minister's support for the creation of the energy Insurance pool. Drafted and submitted a request for an advisory opinion to the Namibian Competition Commission. The Commission provided its advisory opinion in respect of the establishment of the energy insurance pool.
3		Enhance Risk Management Processes	Implement Enterprise Risk Management (e.g Reinsurance treaty, Internal & External audit findings)	Developed a risk management action plan to address the audit findings. Provided risk management training to all staff to inculcate a culture of risk management across the entire institution.
4	Stakeholder Value Creation	Sustain long-term stakeholder relations	Compile and implement Strategic Stakeholder Engagement Plan.	Negotiated and concluded a Memoranda of Cooperation/Understanding with various stakeholders including the Namibia Broadcasting Cooperation, South African Special Risks Association (SASRIA) and Nampost.
5	People and Culture	Capacitate NASRIA with Competent Staff	Review Organizational Structure to ensure "fit-for-purpose".	Facilitated the approval of the revised organogram by the Board.
			Board Induction / Training.	Facilitated the induction of the Board.
			Board Leadership Development	The Unit facilitated the development of the areas of insurance and reinsurance, investments and corporate governance.
6	Business Excellence	Annual review of strategy and performance	Annual review of strategy and performance.	Assisted with the review of the NASRIA strategic objectives by the Board and Management and helped facilitate the development of the annual business and financial plan including the development of performance targets for Management and staff.

In addition, key initiatives undertaken include:

Board Evaluation

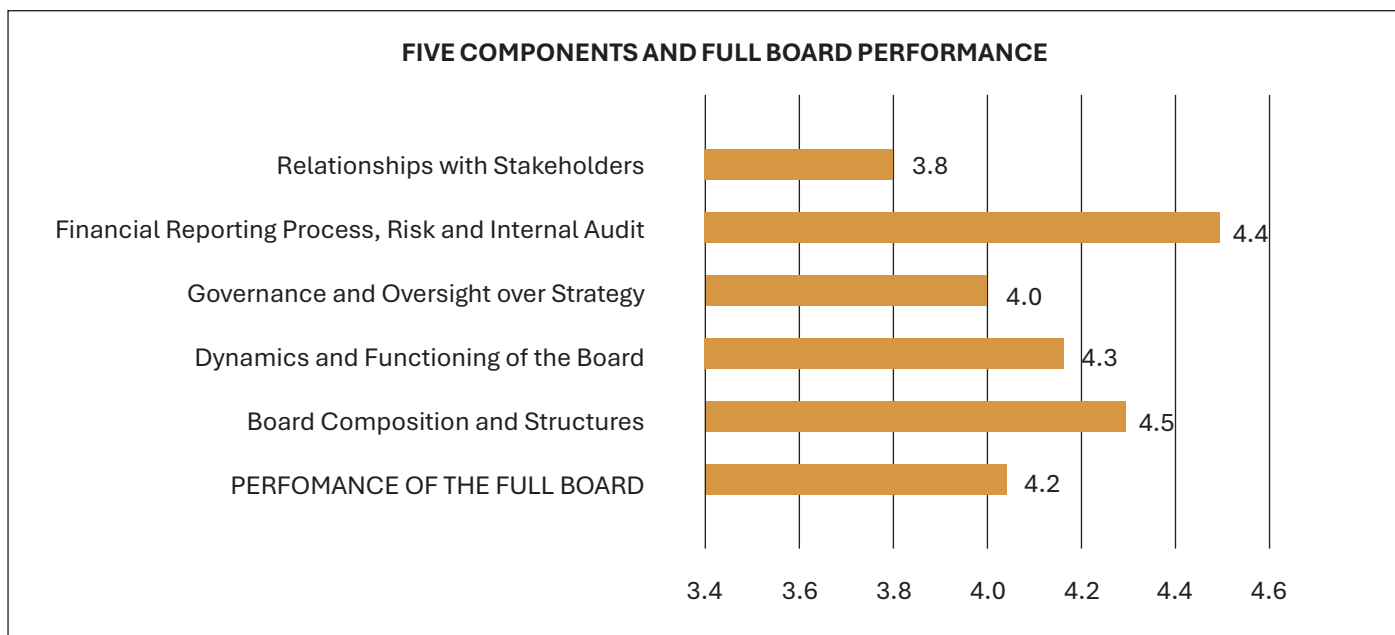
The Unit facilitated the evaluation of the Board and the Board Committee's. Amongst other factors the evaluation focused on the dynamics and functioning of the Board, the integrity and robustness of financial reporting, effectiveness of internal controls and effective risk governance strategies.

The Board evaluation was based on a series of online surveys involving members of the Board, telephonic interviews with some of the Board members; as well as the Legal, Governance and Compliance team and the reviewing of existing governance documents, such as, Board Charter, Terms of Reference for Committees, ISBP and Governance agreements.

Below are the results of the evaluation:

Name of Committee	Performance Score
Full Board	84%
Investment Committee	90%
Insurance, Re-insurance and claims committee	84%
Audit and Risk Committee	74%
Human Resources and Administration Committee	86%

Figure 1 below depicts the performance of each component evaluated and overall total performance.



Evaluation Performance on each component

The above results show that the Board performed exceptionally well during the 2024/2025 financial period by providing effective oversight over the operations of NASRIA and ensuring that NASRIA achieves both its strategic and statutory objectives. The performance of the full Board scored a rating of 4.2 (84%), which is an exceptional performance with improvement sought only on the area of relationships with stakeholders, which scored 3.8 (76%). Three committees scored more than a 4.0, except the Audit and Risk committee, which scored a 3.7 (74%). The Chairperson of the Board scored a rating of 4.7 (94%), which demonstrates that the chairperson is doing an excellent job at leading the Board and driving NASRIA's vision and strategy.

Board leadership development

Skills and knowledge development for the Board forms part of enabling Directors to contribute meaningfully towards an organisation's strategy and the advancement of organisational sustainability. Namibia's National Code of Corporate Governance (NamCode) emphasizes the importance of Board leadership development, focusing on skills and knowledge enhancement. In addition, the Ministry of Finance has encouraged the Directors of public enterprises to ensure that Board Leadership Development forms part of their responsibilities in terms of the governance and performance agreements that are concluded with the Minister of Finance.

In pursuance of the above objective, the Board Members attended a three-day conference hosted by Advantage training on corporate governance which amongst others focused on risk management strategies and the Board's role in the governance of ESG (Environmental, Social Governance). In addition to the above training the Chairperson of the Board's Investment Committee attended a Global Investment Forum which focused on responsible investment and investing in the ever-changing world of global markets.

Appointment of Board Members

The Minister of Finance and Public Enterprises in terms of section 9 of the Public Enterprises Act read together with section 10 of the NASRIA Act appointed three New Board Members Mainly Mrs Birgit Hoffmann, Mr Theophilus Gurirab and Mrs Sybil Somaes.

The tenure of Mr Adrianus Vugs, Ms Chrishilde Loubser and Mr Paavo Amunjela was extended for another three years. Mr Adrianus Vugs was appointed as the Chairperson while Mrs Birgit Hoffmann was appointed as Vice Chairperson. An induction training was conducted on the 08 October 2024 to introduce the newly appointed Director's to NASRIA's operations and business.

Special Risks Insurance of Botswana Limited (BOSRIA)

The Unit facilitated the incorporation of BOSRIA as a company with the companies and Intellectual Property Authority of Botswana as well as trademarking the "BOSRIA" name in order to protect the corporate identity of BOSRIA. Furthermore, the Unit facilitated the submission of the Insurance licensing application to Botswana's Non-Banking Financial Institutions' Regulatory Authority (NBFIRA). NBFIRA is currently reviewing the application, and the granting of the license is imminent.

Operational Policies

In pursuance of the strategic objective of ensuring the periodic reviewing of existing policies and when necessary, introducing new operational policies and procedures, the Unit developed a policy tracker document for the reviewing of existing policies by the Board and the development of new policies by the relevant user Departments. In accordance with the aforementioned tracker the Unit facilitated the reviewing of the Financial Assistance Policy, the Performance Management policy, the Transfer and Secondment Policy, the Compliance policy, the Subsistence allowance policy, the Marketing and Sales procedural manual as well as the Underwriting and Policy Administration procedural Manual.

In addition to the aforementioned policies that were reviewed the Unit facilitated the approval of the Credit Card policy and the Financial Delegation of Authority policy by the Board.

Legal Training

The unit conducted a series of legal training for all staff in order to capacitate staff with basic legal knowledge and to embed a culture of compliance and risk management across the institution.

The series of legal training covered the following areas:

- Essentials of Contracts.
- Essentials of the NASRIA Act.
- The Competition Act (Market Abuse, Business Collaborations & Sharing of Commercial Information)
- Compliance and Risk Management and;
- Corporate Governance

Company records

The Unit updated the company's records with BIPA to reflect the details of the newly appointed Directors. In addition, the unit onboarded the new Directors on the NAMFISA portal.

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MANAGING DIRECTOR'S REPORT IAR 2025



John Uusiku

Managing Director and Principal Officer
Namibia Special Risk Insurance Association Limited (NASRIA)

A Year of Resilient Growth and Strategic Foundation Building

Dear Stakeholders,

It is with immense pride and a profound sense of responsibility that I present this review of the Namibia Special Risks Insurance Association's (NASRIA) performance for the financial year ended 31 March 2025. This period has been one of significant achievement, strategic consolidation, and purposeful progress, firmly establishing NASRIA not only as a financial success but as a pivotal enabler of national development. Our results reflect the dedication of our team, the strategic guidance of our Board, and the trust placed in us by the Namibian people. We have remained steadfast in our mandate to transform uncertainty into opportunity, catalysing growth by providing the specialised insurance cover that empowers businesses and safeguards our nation's economic trajectory.

This review is structured around the key pillars of our value creation story: our robust financial performance, our pursuit of operational excellence across all facets of the business, and our clear-eyed vision for the future. In line with integrated reporting principles, it seeks to provide a holistic view of how our strategy, governance, and performance have combined to create sustainable value for all our stakeholders.

Financial performance: A testament to strength and stability

The 2024/25 financial year stands as a testament to NASRIA's financial resilience and strategic acumen. In a complex economic environment, we delivered exceptional results that solidify our foundation and enhance our capacity to serve Namibia for the long term.

Our core insurance operations demonstrated vigorous health, with gross written premium for our flagship Political Violence and Terrorism (PVT) portfolio growing by 8.71% to N\$91.6 million. This growth, driven predominantly by a 75% renewal rate, underscores deep market confidence in our products and the critical role we play in the national insurance landscape. Furthermore, our strategic initiative to expand our product offering, the Credit Guarantee Scheme (CGS), continued to gain traction, facilitating over N\$117 million in cover to empower Small and Medium-sized Enterprises (SMEs), thereby directly stimulating economic activities and job creation.

This operational strength translated into outstanding financial outcomes. NASRIA's total revenue saw healthy growth, a key indicator of our expanding market presence. Perhaps most significantly, our audited profit after tax reached a remarkable N\$85 million. This strong profitability has directly fortified our balance sheet, enabling our reserves to grow to N\$870 million and our total assets to N\$960 million. This formidable capital base is the bedrock of our promise to policyholders, ensuring we can meet our obligations even in the face of major claims, thereby guaranteeing national financial stability.

A particularly historic achievement was the generation of N\$85 million in investment income, a first in NASRIA's history. This milestone highlights our sophisticated approach to capital management and our success in optimising returns on our investment portfolio to support our long-term sustainability. In a

powerful demonstration of our contribution to the national fiscus, this performance allowed us to declare a dividend of N\$16 million for our shareholder, the Government of the Republic of Namibia. This tangible return underscores our role not just as a risk carrier, but as a contributor to the nation's fiscal resources.

Operational excellence: Building a future-ready institution

Financial results are only one measure of our success. Equally important is the continuous enhancement of our operational frameworks, governance, and human capital to ensure we are a resilient, efficient, and trustworthy institution.

A cornerstone of this year's progress was the significant advancement in our governance and risk management maturity. We commissioned our first independent internal audit function, a critical step that provided objective assurance and a valuable roadmap for improvement. Management, in full collaboration with the Board's Audit & Risk Committee, has embraced these findings, implementing a comprehensive action plan to refine our governance structures, enhance our integrated risk management framework, and reinforce a culture of ethics and compliance throughout the organisation.

Operationally, every division excelled. The Underwriting & Policy Administration department was restructured to incorporate debtor reconciliation, achieving a new level of financial integrity by ensuring precise matching of premiums to policies. The implementation of the Freshdesk application has revolutionised our stakeholder communication, ensuring timely and efficient responses to our intermediaries and clients.

Our commitment to innovation was evident in the Sales and Marketing division's foray into new markets. We took a leadership role in forming a consortium to develop domestic capacity for insuring Namibia's nascent oil and gas sector, a strategic move that will ensure risk and capital are retained within the country. Furthermore, the successful implementation of the complex IFRS 17 accounting standard by our Finance team marks a significant leap forward in the transparency and global comparability of our financial reporting.

None of these achievements would be possible without our greatest asset: our people. With a total headcount of 22, we maintain a lean, agile, and highly skilled workforce. We are especially proud of our commitment to gender equity, with female representation at 59% of our total workforce, 66% at management level, and 75% at the Executive Committee level. We invested significantly in capacity building, from professional sponsorships and leadership development to comprehensive legal and risk management training for all staff, ensuring our team is equipped to navigate the evolving regulatory and business landscape.

Future outlook: Strategically poised for sustainable growth

As we look to the future, NASRIA is strategically poised to build on the strong foundations laid in the 2024/25 period. Our outlook is one of confident optimism, focused on sustainable growth and continued value creation.

Our strategic priorities are clear. We will continue to diversify our product offering, moving beyond our traditional PVT strength. The imminent launch of our Botswana subsidiary, BOSRIA, represents a key step in our regional expansion strategy, diversifying our revenue streams and extending our unique expertise to a neighbouring market. Domestically, we will finalise the operationalisation of the energy insurance consortium and continue the development of the Namibia Agriculture Insurance Scheme (NAIS), ensuring we meet the evolving needs of the Namibian economy.

Digitisation remains a central pillar of our future. We will accelerate the automation of underwriting processes, leverage data analytics for deeper risk insights and enhanced decision-making and continue to invest in our ICT infrastructure to boost efficiency and cybersecurity. We are committed to exploring emerging technologies, including Artificial Intelligence, to streamline operations and improve service delivery.

Gratitude

In closing, the year's achievements are a collective success. I extend my deepest gratitude to the Board of Directors, under the adept leadership of Mr. Adrianus Vugs, for their unwavering strategic guidance and wise counsel. My sincere appreciation goes to the entire NASRIA team, whose dedication, expertise, and innovative spirit are the true drivers of our performance. Thank you for your hard work and commitment to our mission.

We also thank our intermediaries, clients, and partners for their continued trust and collaboration. Finally, we acknowledge the steadfast support of our shareholder, the Government of the Republic of Namibia, and our regulator, the Namibia Financial Institutions Supervisory Authority (NAMFISA).

As we move forward, we do so with a clear sense of purpose: to be the silent guardian of Namibia's progress, providing the certainty needed for investment, innovation, and inclusive growth. We are committed to being a fundamental enabler and a trusted partner in realising the vision of a thriving, resilient, and self-sufficient Namibia.



John Uusiku
Managing Director & Principal Officer
Namibia Special Risks Insurance Association LTD (NASRIA)



A cornerstone of this year's progress was the significant advancement in our governance and risk management maturity. We commissioned our first independent internal audit function, a critical step that provided objective assurance and a valuable roadmap for improvement.

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INTERNAL AUDIT AND RISK MANAGEMENT

As a pivotal public entity, NASRIA operates within a complex and evolving landscape of social, economic, and regulatory dynamics. Effective governance, robust risk management, and a strong internal control environment are fundamental to fulfilling our mandate of delivering sustainable social value and safeguarding public trust. This section outlines NASRIA's ongoing commitment to strengthening these pillars through a proactive and disciplined approach to internal audit and risk management during the 2024/25 financial year.

A Framework of assurance and improvement

During the year under review, NASRIA continued to enhance its governance and internal control systems, aligning them with regulatory expectations and international best practices. A significant milestone was the commissioning of our first independent internal audit function, which commenced its work for the 31 March 2024 assessment period. This marked a critical step forward in our maturity journey, providing the Board and Management with objective assurance over the effectiveness of our key processes.

The inaugural audit focused on the core areas of corporate governance, risk management, and regulatory compliance. It served a dual purpose: providing validation of the control structures already in place and identifying valuable opportunities for enhancement.

Key findings and strategic enhancements

The internal audit confirmed that NASRIA has established appropriate governance structures and control frameworks. Importantly, it also provided a roadmap for continuous improvement. Management, in full agreement with the findings, developed and approved a comprehensive action plan to address the audit recommendations. This plan assigns clear ownership, timelines, and key performance indicators to ensure effective implementation. Progress is being meticulously monitored by the Audit and Risk Committee to guarantee that improvements are embedded across the organisation.

The key areas of focus for enhancement include:

- **Governance Structures:** Refining board and committee processes, terms of reference, and reporting lines to ensure they remain aligned with evolving regulatory requirements and the heightened expectations of our stakeholders.
- **Risk Management:** Enhancing our integrated risk management framework to improve the systematic identification, assessment, monitoring, and reporting of

strategic, operational, and financial risks. This empowers the organisation to make informed decisions and bolster its overall resilience.

- **Operational Effectiveness:** Streamlining core operational processes and undertaking a comprehensive review of policies and procedures to ensure they remain current, practical, and fully fit for NASRIA's purpose.
- **Compliance Culture:** Reinforcing a culture of ethics and compliance through targeted training and awareness initiatives. This ensures that compliance is not seen as a box-ticking exercise but is deeply embedded in the actions of every employee at all levels of the organisation.

Board and management commitment

The Board and Executive Management remain unwavering in their commitment to the highest standards of corporate governance. We believe that transparency, accountability, and sustainability are not merely regulatory obligations but are essential to protecting stakeholder value and positioning NASRIA for responsible, long-term growth. Our proactive approach to internal audit and risk management is a testament to this commitment.

Future outlook

Looking ahead to the 2025/26 financial year, NASRIA will build upon the strong foundation established this year. The internal audit function will transition from its initial baseline assessment to a more cyclical, risk-based audit plan, providing ongoing assurance over a wider range of the organisation's activities.

Future priorities will include:

- **Continuous Monitoring:** Vigorously tracking the implementation of the current action plan to completion.
- **Technology Integration:** Leveraging technology and data analytics to enhance the efficiency and depth of our audit and risk monitoring processes.
- **Maturity Development:** Further maturing our Enterprise Risk Management (ERM) framework to ensure it is dynamic and fully integrated into strategic planning and decision-making.
- **Culture Measurement:** Developing metrics to measure and strengthen our ethical and compliance culture proactively.

Through these efforts, NASRIA will continue to fortify its governance ecosystem, ensuring it remains agile, resilient, and fully capable of delivering on its critical social mandate in the face of future challenges and opportunities.

FINANCE AND ADMINISTRATION: STEERING SUSTAINABLE GROWTH AND OPERATIONAL EXCELLENCE

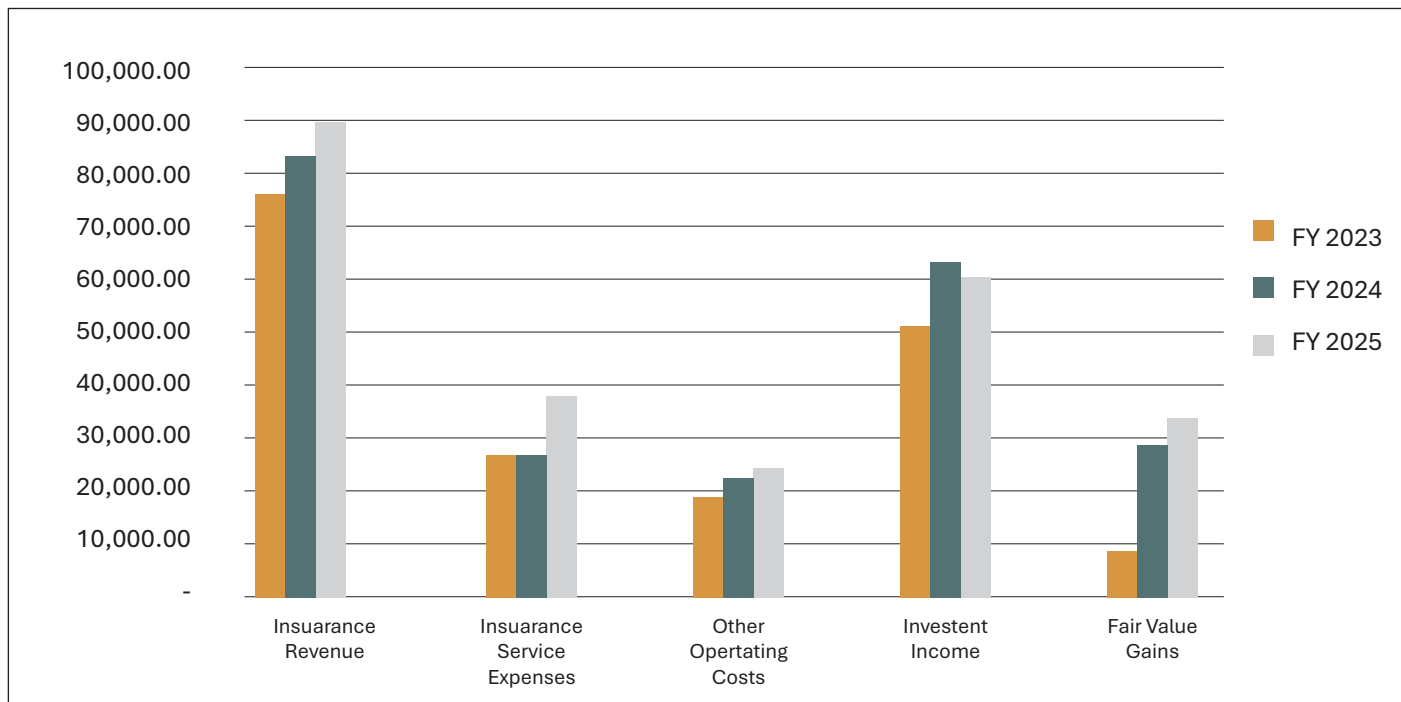
The Finance and Administration Division serves as the central nervous system of Namibia Special Risks Insurance Association (NASRIA), providing the strategic financial stewardship, robust administrative support, and rigorous governance required to fulfil our public mandate. During the 2024/25 financial year, the division was instrumental in navigating a complex economic landscape, delivering exceptional financial results, ensuring stringent regulatory compliance, and laying a solid foundation for future growth. This section details the key achievements and strategic initiatives undertaken to maintain NASRIA's financial health, operational integrity, and commitment to excellence.

Financial Performance and Stewardship

NASRIA demonstrated resilient financial performance in the 2024/25 period, underpinned by a balanced strategy of profitable underwriting and astute investment management. This dual-engine approach has solidified our financial position and enhanced our capacity to meet future obligations.

- **Strong Revenue Growth:** Insurance revenue saw a healthy 6% increase, rising from N\$84 million in 2024 to N\$89 million in 2025. This growth was primarily driven by a strong performance in renewals business and policy endorsements.
- **Profitability and Reserves:** The company's strong performance led to a significant increase in reserves, which grew from N\$801 million to N\$870 million. This growth in equity is a direct result of retained profits, reinforcing NASRIA's long-term
- **Investment Income:** Investment income remained a critical pillar of our revenue stream, totalling N\$85 million. This was primarily driven by interest income and fair value adjustments on our portfolio of financial assets.
- **Shareholder Returns:** In a testament to our strong financial health, NASRIA declared a dividend of N\$16 million to our sole shareholder, the Government of the Republic of Namibia. This contribution underscores our role in supporting national fiscal resources.
- **Total Investment Asset Growth:** NASRIA's total assets increased from N\$844 million to N\$960 million, reflecting the successful execution of our investment strategy and the overall growth of the organisation.

2023-2025: Insurance Revenue, Insurance service expenses, Other operating expenses, Investment Income, Fair Value gains



Strategic Initiatives and Governance

Beyond day-to-day financial management, the division executed several key strategic projects that enhance governance, ensure compliance, and future-proof the organisation.

- **Unqualified Audit Opinion:** For yet another consecutive year, NASRIA received an unqualified (clean) audit opinion for the 2024/25 financial statements. This independent affirmation confirms that our financial records are accurate, transparent,

and in full compliance with International Financial Reporting Standards (IFRS).

- **Successful Implementation of IFRS 17:** A major milestone was the successful transition from IFRS 4 to IFRS 17 for insurance contracts. This adoption marks a significant enhancement in the transparency, comparability, and consistency of our financial reporting, bringing us in line with global best practices in the insurance industry.
- **Appointment of Asset Managers:** Following a rigorous

procurement process concluded in the current year, NASRIA appointed a panel of six asset managers. This strategic move is designed to optimise investment returns and oversee the professional management of our invested capital, ensuring long-term portfolio growth.

- **Regulatory Compliance:** The department maintained a 100% record of regulatory compliance, with all mandatory quarterly returns submitted to the Namibia Financial Institutions Supervisory Authority (NAMFISA) on time.
- **Regional Expansion - BOSRIA:** In line with strategic objectives to diversify revenue and expand our regional footprint, NASRIA established a special risk insurance entity in Botswana, trading as BOSRIA. This wholly-owned subsidiary is poised to enhance the Group's growth prospects and contribute to long-term financial sustainability.

Procurement: Ensuring Value and Compliance

The Procurement function operates with utmost transparency and strict adherence to the Public Procurement Act, ensuring that all acquisitions deliver optimal value while supporting local enterprise. The following significant contracts were awarded during the period:

- 1. Supply and Delivery of Office Furniture:** Awarded to Office Economics after a competitive process with 14 bidders.
- 2. Appointment of Professional Panels:** To ensure access to top-tier expertise, panels were appointed for:
 - Legal Services: Katjaerua Inc, Kanguuehi & Kavendjii Inc, Uanivi Gaes Inc, amongst others.
 - Insurance/Reinsurance Advisory: University of Pretoria, Marsh Namibia (Pty) Ltd, and others, following an exemption under the Public Procurement Act.
 - Company Secretarial Services: SGA Chartered Accountants, Pinotech Consulting, and Windhoek Accounting.
 - Organisational Strategy & HR Services: Visions Consulting CC, Deloitte and Touche, Innovatexcel Consulting, and others.
- 3. Service Contracts:** Multi-year contracts were awarded for:
 - Cleaning Services (2024-2026): Dubai Cleaning Services CC.
 - Leasing & Maintenance of Photocopiers/Printers (3 Years): Green Enterprise Solutions.
- 4. Asset Disposal:** The disposal of assets at Namlex Chambers was successfully concluded.

Future Outlook

Building on the strong foundation of the past year, the Finance and Administration Division will focus on:

- **Enhancing Investment Returns:** Closely monitoring the performance of the newly appointed panel of asset managers to ensure the investment portfolio continues to deliver optimal risk-adjusted returns.
- **Operationalising BOSRIA:** Providing robust financial and administrative support to ensure the successful launch and growth of our Botswana subsidiary.
- **Continuous System Optimisation:** Leveraging the IFRS 17 implementation to further refine financial processes and data analytics capabilities.
- **Talent Development:** Continuing to invest in our people through targeted training and development programmes, ensuring we have the skills needed for future challenges.
- **Sustainability Integration:** Exploring ways to further embed environmental, social, and governance (ESG) considerations into our financial and procurement decisions.

The division remains committed to upholding the highest standards of corporate governance, financial prudence, and operational efficiency to safeguard NASRIA's assets and ensure its continued success for the benefit of all stakeholders.

UNDERWRITING & POLICY ADMINISTRATION: PRUDENT RISK MANAGEMENT FOR A RESILIENT NAMIBIA

The Underwriting & Policy Administration division is the cornerstone of Namibia Special Risks Insurance Association (NASRIA)'s mandate, serving as the critical gateway for risk assessment and policy lifecycle management. In a nation exposed to unique socio-economic and political volatilities, our department's role extends beyond traditional insurance functions. We are dedicated to providing stability and security by expertly assessing, underwriting, and administering specialised covers for Political, Violence, and Terrorism (PVT) risks, as well as facilitating economic growth through the Credit Guarantee Scheme (CGS).

This year, a significant structural enhancement was implemented: the department was restructured and renamed to formally incorporate debtor reconciliation activities. This strategic evolution has empowered us to achieve a new level of financial integrity, enabling precise reconciliation of premium payments against underwriting transactions on a per-intermediary, per-policy basis. This ensures utmost accuracy in our financial operations and strengthens our partnerships with intermediaries.

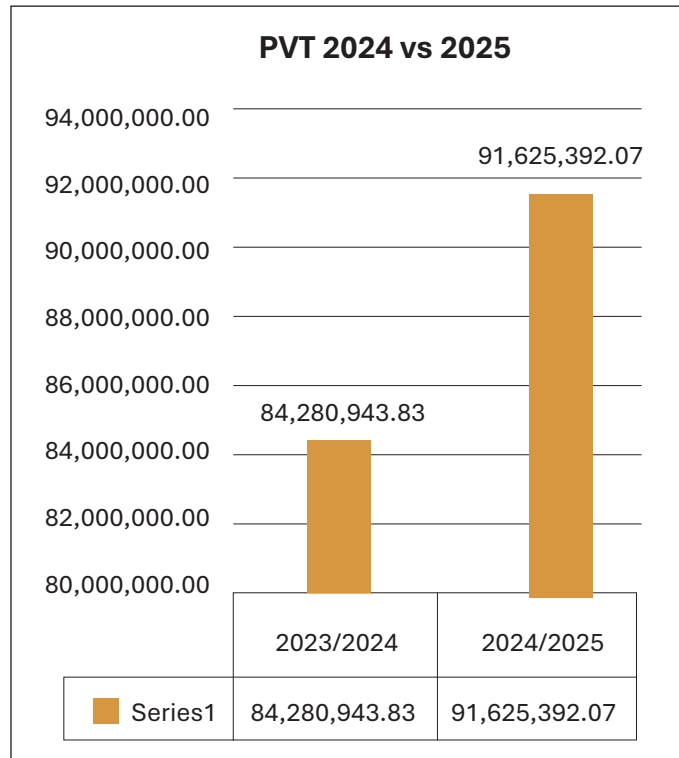
Gross Written Premium (GWP) performance: A testament to stability and growth

The 2024/25 financial year was marked by robust performance and sustained growth, underscoring market confidence in NASRIA's products and the effective management of our portfolio.

Political, Violence and Terrorism (PVT) portfolio

The PVT portfolio demonstrated exceptional health and growth, recording a Gross Written Premium (GWP) of N\$91,625,392. This represents a significant 8.71% increase over the previous year's performance (N\$84,280,944), affirming the vital role NASRIA plays in the Namibian insurance landscape.

- **Renewal dominance:** A key indicator of client satisfaction and product stability is our renewal rate. An impressive 75% of the total GWP (N\$69,110,912) was derived from existing client renewals, demonstrating strong client retention and the enduring value of our offerings.
- **Minimal cancellations:** Portfolio resilience was further evidenced by extremely low cancellation rates, which amounted to just 1% (N\$935,077) of the total GWP.
- **New business acquisition:** New business contributed 3% (N\$2,747,069) to the GWP, reflecting our ongoing efforts to expand our market reach and educate new clients on managing specialised risks.
- **Key contributing classes:** The portfolio's strength was driven primarily by three core classes: Commercial Risks (47.82%), Domestic Risks (21.56%), and Business Interruption (12.82%).



Credit Guarantee Scheme (CGS): Empowering SMEs and economic development

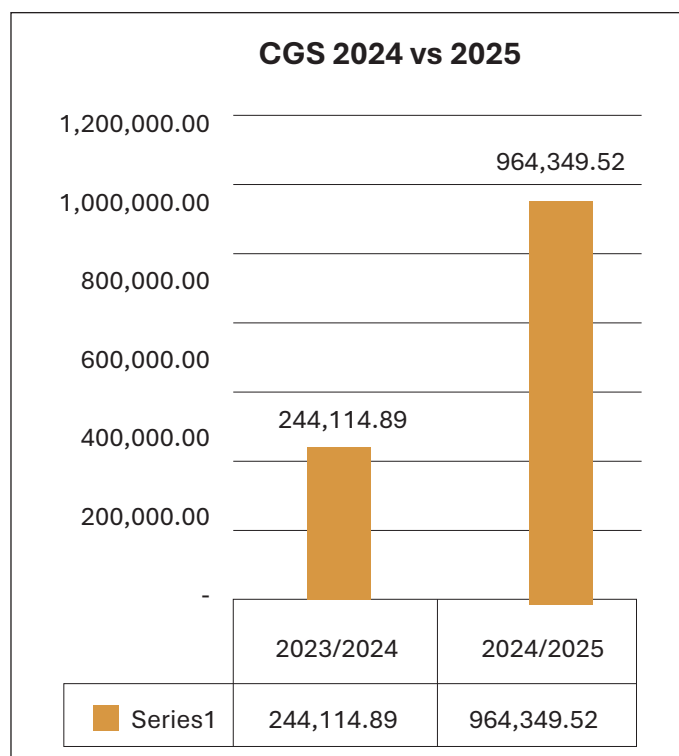
The CGS continues to be a flagship initiative, directly supporting Namibia's economic development by enabling lending to small and medium-sized enterprises (SMEs). We are pleased to report a GWP of N\$964,349 for the period, generated through our partnerships with seven leading lending institutions.

The scheme's impact is profound, with a total of N\$117,503,072 in cover disbursed to Namibian businesses. The aggregate bordereaux data reveals the Scheme's

significant national footprint:

- **Geographic Reach:** Over 127 SMEs across more than 13 regions have benefited, with the Khomas region accounting for the highest uptake at 46%.
- **Sectoral Impact:** The Business Services sector was the largest beneficiary, representing 28% of the total cover disbursed across 13 different sectors.
- **Demographic Insights:** The data shows a continued need to foster youth and gender inclusivity in business ownership, with male-owned enterprises constituting 59% of uptake and non-youth-owned SMEs representing 66%.

CGS 2024 vs 2025



Strategic Initiatives and Stakeholder Engagement

Our success is built on fostering robust, collaborative relationships with both internal and external stakeholders. This year, we took a significant step forward by implementing the Freshdesk application, a dedicated platform that enhances our communication efficiency, tracks underwriting queries, and ensures timely responses, thereby elevating our service quality.

Our top five intermediaries for the PVT portfolio, who have been instrumental in our growth, are:

1. Marsh Namibia (Pty) Ltd
2. Minet Namibia Insurance Brokers (Pty) Ltd
3. Hollard Insurance Company of Namibia Ltd
4. National Insurance Brokers
5. Santam Namibia

Key strategic initiatives undertaken to strengthen our operational framework included the development and implementation of a comprehensive Stakeholder Engagement Plan, the crafting of a detailed Underwriting & Policy Administration Procedures Manual to standardise best practices, and the ongoing sourcing of innovative systems to bolster our capabilities.

Future Outlook: Embracing Innovation for Enhanced Efficiency

Looking ahead, the Underwriting & Policy Administration division is poised to embrace a future defined by digital transformation and enhanced operational excellence. Our strategic focus will be on:

- **Advanced Digital Integration:** We will continue to invest in and implement advanced digital technologies to revolutionise our underwriting and policy administration processes. This includes exploring automation, artificial intelligence, and data analytics to improve risk assessment accuracy and speed.
- **Process Automation:** A key priority is the automation of routine underwriting tasks. This initiative is designed to streamline operations, significantly reduce manual processing times, and improve overall turnaround times, allowing our skilled underwriters to focus on complex risk analysis and client engagement.
- **Continuous Improvement:** We remain committed to the continuous refinement of our procedures and systems, ensuring that NASRIA not only meets but exceeds the evolving needs of our stakeholders and continues to be a pillar of stability and innovation in Namibia's special risks insurance market.

By leveraging technology and nurturing our stakeholder partnerships, we are confidently building a more efficient, resilient, and forward-looking division ready to support Namibia's growth for years to come.



STRATEGIC POSITIONING AND GROWTH

The 2024/2025 financial year was a period of strategic advancement and deliberate market engagement for NASRIA's Sales and Marketing Division. Our efforts were focused on fortifying our position as a pivotal national institution, driving revenue growth, and fostering sustainable development. Through targeted initiatives in emerging markets, robust stakeholder engagement, and enhanced operational frameworks, the division has laid a strong foundation for both immediate impact and long-term value creation for our shareholders and the nation.

Strategic market expansion

A cornerstone of our strategy was to explore and establish a presence in high-growth sectors vital to Namibia's economy. Recognizing the immense potential and national importance of the energy industry, NASRIA took a leadership role in collaborating with members of the Insurance Industry to form a voluntary consortium. This initiative is designed to ensure that risk within the nascent oil and gas sector is retained domestically, safeguarding national assets and capital. The consortium will pool funds from member insurers to provide comprehensive coverage for international oil companies and other key players.

Our commitment was further demonstrated by our participation in the first oil and gas conference in Lüderitz in April 2024. By hosting an informational booth manned by our Broker Consultant, we successfully introduced NASRIA's capabilities to industry stakeholders. This engagement was an invaluable eye-opener, confirming the significant opportunity to develop tailored energy insurance solutions and positioning NASRIA at the forefront of this strategic market.

Strengthening operational frameworks

To enhance efficiency and service delivery, the division dedicated resources to reviewing and improving key internal processes.

- **Credit Guarantee Scheme (CGS):** A dedicated team was constituted to review the CGS Business Plan and Credit Protection Policy. Key outputs included the development of a streamlined process document and a new certificate for loan approvals. This certificate is designed to create a credible, cross-checkable database to prevent applicant default across multiple



lending institutions. A focal employee was assigned to manage the CGS portfolio and foster stronger relationships with lending institutions. Furthermore, a pipeline of potential new lending partners has been identified to expand the scheme's reach to the target market.

- **Marketing & Sales manual:** To ensure consistency and preserve institutional knowledge, the department crafted a comprehensive Marketing and Sales Process and Procedure Manual. This living document will serve as a critical resource for executing marketing deliverables effectively and efficiently.

Stakeholder engagement and brand building

Building and maintaining strong relationships remains a critical pillar of our strategy.

- **Roadshows and events:** The division executed a successful stakeholder engagement roadshow, visiting Lüderitz (September 2024), Swakopmund, and Walvis Bay (October 2024). These events were crucial for deepening ties with intermediaries and clients across different regions.
- **Brand anniversary:** We celebrated NASRIA's first-year brand anniversary with an internal event focused on reinforcing our core values among staff, fostering a strong and unified corporate culture.



- **Dividend handover:** In a landmark event held at the Ministry's offices on October 9, 2024, NASRIA proudly handed over a dividend of N\$16,000,000 to our shareholder, the Government of the Republic of Namibia, underscoring our financial performance and contribution to the national fiscus.
- **Market perception:** A "monkey survey" was conducted to gauge stakeholder perceptions. While participation was insufficient for conclusive results, the initial insights gathered will inform and refine our marketing strategies for the coming year.

Knowledge management and capacity building

The division believes in investing in its people and preserving institutional memory.

- **Annual report and staff journal:** The 2023/2024 Annual Report was successfully produced, and work

is underway to finalize the 2024/2025 report by the end of September. A Staff Journal highlighting key achievements from 2023/2024 is also in production, scheduled for completion by end-July 2025.

- **Staff Training:** We invested in the continuous development of our team, with Jeremia Tjiroze completing basic computer skills training at Vtech and a specialized bootcamp with IIN.

Future outlook

Building on the momentum of the past year, the Sales and Marketing Division is poised for accelerated growth. Our focus for the upcoming financial year will be on:

- **Energy Consortium Launch:** Finalizing the formation and operationalization of the energy insurance consortium to capture this new market opportunity effectively.
- **Data-Driven Marketing:** Leveraging insights from refined data collection through the CGS and conducting more comprehensive market research to inform our strategies and product development.
- **Expanded Partnerships:** Actively onboarding the identified new lending institutions for the CGS to increase the scheme's penetration and impact on SMEs.
- **Enhanced Stakeholder Dialogue:** Implementing a more structured stakeholder engagement plan based on lessons learned, to ensure our initiatives are closely aligned with market needs and expectations.
- **Digital Transformation:** Exploring digital tools and platforms to streamline marketing operations and enhance customer engagement experiences.

The division is confident that these strategic priorities will continue to drive NASRIA's growth, enhance its brand equity, and solidify its role as a key contributor to Namibia's economic resilience.



HUMAN CAPITAL: OUR GREATEST ASSET

At the heart of NASRIA's mission to provide exceptional national special insurance solutions lies our most valuable asset: our people. The organisation's success is directly attributable to the expertise, dedication, and innovative spirit of our employees. During the 2024/25 financial year, our human capital strategy was focused on attracting, developing, and retaining a high-calibre workforce capable of navigating a complex regulatory landscape and driving sustainable growth. This section outlines our commitment to fostering a diverse, inclusive, and high-performing culture where every employee is empowered to contribute to our strategic objectives.

Staff profile and organisational demographics

NASRIA maintains a lean, agile, and diverse workforce comprised of skilled professionals across key disciplines including finance, insurance underwriting, legal, risk management, operations, and support services. Our flat structure ensures efficient decision-making and clear lines of communication.

As at 31 March 2025, our human capital structure is as follows:

- Total headcount: 22 employees
- Permanent staff: 18
- Contract staff: 4 (including 2 members of executive management)
- Average employee Age: 39 years

This balanced composition provides both stability and the strategic flexibility required to meet evolving organisational needs.

Commitment to gender equity and diversity

NASRIA is proud of its progressive stance on gender equity, recognising that diverse leadership and inclusive practices are critical to robust governance and innovative problem-solving. We have made significant strides in ensuring gender balance at all levels, far exceeding industry benchmarks in many areas.

- Total workforce: 59.1% female (13/22) and 40.9% male (9/22).
- Management level: 66% female representation (6/9), ensuring a strong pipeline of female leadership.

- Executive committee (EXCO) level: 75% female representation (3/4), demonstrating our unwavering commitment to placing women at the highest levels of strategic decision-making.

Constructive union relations

NASRIA enjoys an open, transparent, and constructive relationship with the Namibia Financial Institution Union (NAFINU), the recognised representative of our employees. Our engagements are guided by principles of mutual respect, fairness, and strict compliance with all labour legislation. This collaborative approach has been instrumental in maintaining a harmonious and productive work environment. Currently, 45.5% (10/22) of our staff are unionised members.

Employee capacitation and development

Capacity building is a cornerstone of our human capital strategy. We invest significantly in our employees to ensure they are equipped with the skills necessary for both current roles and future leadership positions. Our initiatives are designed to foster continuous learning and holistic growth.





Key programmes implemented in the past year include:

- **Professional Sponsorship:** Financial support for employees obtaining critical professional certifications in International Financial Reporting Standards (IFRS), risk management, and insurance.
- **Knowledge Sharing Initiatives:** Comprehensive internal training sessions and structured job-shadowing programs that promote mentorship and cross-departmental collaboration.
- **Leadership Development:** Targeted courses for both the Board of Directors and management to enhance strategic governance and operational leadership.
- **Employee Wellness:** Programs focused on mental and physical resilience, underpinning our belief that employee well-being is fundamental to sustained performance.

Managing change effectively

The past year involved significant organisational change, notably the final adoption of the IFRS 17 accounting standard. NASRIA embedded structured change management processes to navigate these transitions smoothly. By prioritising early communication and involving employees in the change process, we successfully built internal ownership, mitigated resistance, and ensured implementation with minimal operational disruption. This approach has established a strong foundation for managing future technological and regulatory shifts.

Future Outlook

Looking ahead, NASRIA will continue to view human capital investment as a primary strategic driver. Our focus will remain on building a resilient and future-fit organisation. Key priorities for the coming year include:

- **Leadership pipeline:** Strengthening our talent acquisition and succession planning to ensure seamless leadership continuity and prepare the next generation of NASRIA leaders.
- **Diversity and inclusion (D&I):** Enhancing our D&I initiatives to embrace broader dimensions of diversity and further entrench an inclusive culture at every level of the organisation.
- **Digital upskilling:** Expanding training programmes to accelerate digital literacy and technical skills development, aligning our workforce’s capabilities with the industry’s rapid digital transformation.
- **High performance culture:** Deepening a performance-driven culture that explicitly recognises and rewards accountability, innovation, and collaborative achievement.

Human capital development remains central to NASRIA’s ability to achieve its mandate and sustain long-term value creation for all our stakeholders. We are committed to nurturing an environment where our people can thrive, grow, and drive the organisation forward.

TOWARDS A DIGITAL FUTURE

In an era defined by rapid digital transformation, a robust, secure, and innovative Information and Communication Technology (ICT) infrastructure is fundamental to achieving organisational excellence. For NASRIA, technology is not merely a support function but a strategic enabler that drives operational efficiency, enhances service delivery, and secures critical national data. This section outlines the significant progress made in the 2024/25 financial year to strengthen our technological foundation and prepare for future challenges and opportunities.

Strengthening ICT Governance and Infrastructure

A key strategic milestone this year was the formal appointment of an internal ICT Systems Administrator. This crucial role has provided dedicated focus and leadership, centralising the oversight of all ICT initiatives. The Administrator is responsible for the end-to-end management of our technology landscape, including planning, provisioning, implementation, maintenance, and the continuous improvement of ICT infrastructure, systems, and services across the entire organisation.

This enhanced governance structure has been instrumental in executing a focused agenda aimed at establishing a more secure, stable, and efficient technology environment.

Key Initiatives and Achievements (2024/25)

Building on this strengthened foundation, NASRIA delivered on several key initiatives:

- **Enhanced Cybersecurity Posture:** Recognising the increasing sophistication of cyber threats, we prioritised the enhancement of our cybersecurity measures. This involved implementing advanced threat detection systems, reinforcing network perimeters, and conducting regular security audits to protect sensitive organisational and stakeholder data.
- **Infrastructure Modernisation:** We undertook critical upgrades and maintenance of our core IT infrastructure. This included refreshing hardware, optimising network performance, and ensuring system reliability. These efforts have minimised downtime and provided a more resilient platform for our daily operations.

- **Process Streamlining and Productivity Gains:** A review of system and operational processes was conducted to identify and eliminate inefficiencies. Furthermore, we promoted the adoption of modern collaborative tools, fostering a culture of seamless communication and knowledge sharing among teams, which has significantly boosted organisational productivity.
- **Implementation of Video Conferencing Solution:** To support hybrid work models and enhance collaboration, a new enterprise-grade video conferencing solution was successfully implemented. This has facilitated seamless online meetings, improved the quality of digital presentations, and strengthened inter-departmental cooperation, regardless of geographical location.

Future Outlook

The work undertaken this year has laid a solid foundation for NASRIA's digital future. Looking ahead, our ICT strategy will focus on:

- **Strategic Digital Transformation:** Moving beyond infrastructure maintenance to leveraging technology for strategic advantage, including exploring data analytics for informed decision-making.
- **Continued Cybersecurity Vigilance:** Maintaining a proactive security stance through continuous monitoring, regular staff training on cyber hygiene, and adapting to the evolving threat landscape.
- **Cloud Integration and Innovation:** Assessing the potential adoption of cloud technologies to enhance scalability, flexibility, and disaster recovery capabilities.
- **Exploring Emerging Technologies:** Investigating the potential of Artificial Intelligence (AI) and automation to streamline internal processes and improve service delivery.

NASRIA is committed to fostering a technology-enabled environment that empowers our staff, safeguards our assets, and ensures we remain a resilient and forward-looking organisation ready to meet the demands of the future.

SHARING OUR GROWTH WITH THE COMMUNITIES WE SERVE

NASRIA's commitment to sustainable development extends beyond our core business operations. Our Corporate Social Responsibility and Investment initiatives are strategically aligned with national development goals, focusing on creating tangible social impact and empowering communities. In the 2024/2025 financial year, we allocated N\$511,400 to support critical sectors, primarily education and healthcare, across various regions of Namibia.

Our investments were targeted to address specific needs, providing resources that enhance the learning environment for students, support healthcare delivery, foster skills development, and promote sports excellence. The following institutions were beneficiaries of our CSR&I programme:

- Education & Youth Development: Kangongo SSS

(sport kits), Omagongati CS (school fencing), Ongenga Technical College (business incubator for unemployed youth), Mbambazi Primary School (stationery), Otjimuhaka and Otjimbingwe Primary Schools (photocopiers), Dr Fisher Primary School (hostel appliances), St Andrew Primary School (ICT equipment), Mburu-uru Primary School (mattresses for hostel learners).

- Healthcare & Rehabilitation: Kalkfeld Clinic (medical supplies) and Correctional Services (beauty clinic training for female inmates).
- National Excellence: Namibia Sport Commission (sponsoring best performers) and Khomas teacher's awards (laptops for best teachers).

These initiatives reflect our deep-rooted belief that empowering people and strengthening community infrastructure is integral to Namibia's prosperous future.



ENVIRONMENTAL PRESERVATION FOR FUTURE USE

We are dedicated to the development of a sustainable future by implementing proactive environmental measures. Throughout the year in question, we have instituted numerous initiatives that are designed to encourage responsible resource management and minimise our ecological footprint.

Minimising Paper Consumption: We motivate our counterparts to adopt digital solutions by reducing paper consumption and utilising electronic signatures. This initiative contributes to a more sustainable workplace by not only streamlining our operations but also substantially reducing waste.

Water Conservation: In order to encourage water conservation, we recommend that our associates abandon the use of NASRIA-branded water bottles in favour of personal containers. This method not only minimises single-use plastic waste but also

promotes the reuse of containers. Our central water stations are intended to encourage sustainable practices among both staff and visitors, while also providing simple access to drinking water.

Energy Efficiency: In an ongoing endeavour to improve energy efficiency, NASRIA is transitioning from desktop computers to laptops. Laptops are inherently more energy-efficient due to their reduced power consumption and lack of continuous operation. This change not only mitigates our energy consumption but also reinforces our dedication to sustainable technological solutions.

NASRIA endeavours to set a positive example in environmental stewardship by implementing these initiatives, which will showcase our commitment to sustainable practices that are beneficial to both our community and the planet. We are dedicated to the ongoing enhancement of our sustainability initiatives in the years ahead, as we acknowledge that each tiny action has a larger impact.





Namibia Special Risks Insurance Association Ltd
(Registration number 1987/0201)

Consolidated and Separate Annual Financial Statements for the year
ended 31 March 2025

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Special risks insurance
Directors	J Uusiku Managing Director A Vugs Chairperson C Loubser P Amunjela T Gurirab S Somaes B Hoffmann
Registered office	Fifth Floor Namlex Chambers Independence Avenue Windhoek Namibia
Business address	Fifth Floor Namlex Chambers Independence Avenue Windhoek Namibia
Postal address	P O Box 417 Windhoek Namibia
Holding entity	Government of the Republic of Namibia (Ministry of Finance)
Bankers	Nedbank Namibia Limited First National Bank of Namibia Limited Bank Windhoek Limited
Auditors	PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia)
Secretary	Starc Secretarial Services

Contents

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Directors' Responsibilities and Approval

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

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

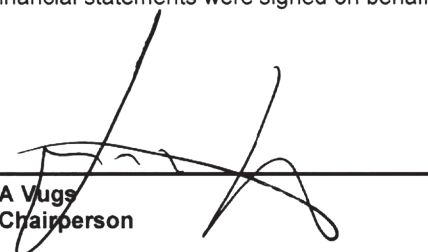
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal 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 group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group 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 consolidated and separate 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 have reviewed the group's cash flow forecast for the year to 31 March 2026 and, in light of this review and the current financial position, they are satisfied that the group 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 group's consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the group's external auditors and their report is presented on pages 4 to 6.

The consolidated and separate annual financial statements set out on pages 10 to 72, 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:


A Vugs
Chairperson


C Loubser
Audit Committee Chairperson

Date: 20 August 2025
Windhoek

Independent auditor's report

To the Members of Namibia Special Risks Insurance Association Limited

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Namibia Special Risks Insurance Association Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2025, and its consolidated and separate financial performance and its consolidated and separate 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 Special Risks Insurance Association Limited's consolidated and separate financial statements set out on pages 7 to 73 comprise:

- the directors' report for the year ended 31 March 2025;
- the consolidated and separate statements of financial position as at 31 March 2025;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

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 Group 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.

PricewaterhouseCoopers, Registered Auditors

Unit No. 156, Maerua Mall, Centaurus Street, Windhoek, Khomas Region, Republic of Namibia P O Box 1571, Windhoek, Khomas Region, Republic of Namibia

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Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled Namibia Special Risks Insurance Association Limited (Registration Number 1987/0201) Consolidated and Separate Annual Financial Statements for the year ended 31 March 2025". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and 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 Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 economic decisions of users taken on the basis of these consolidated and separate 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 consolidated and separate 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 Group's and 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 Group's and 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 consolidated and separate 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 Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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, Namibia
Date: 21 August 2025

Director’s Report

The directors have pleasure in submitting their report on the consolidated and separate annual financial statements of Namibia Special Risks Insurance Association Ltd and the group for the year ended 31 March 2025.

1. Incorporation

The entity was converted from an association not for gain to a public enterprise with share capital on 31 July 2019.

2. Nature of business

Namibia Special Risks Insurance Association Ltd was incorporated in Namibia with interests in the insurance industry. The activities of the group are undertaken through the company and its principal subsidiaries. The group operates in Namibia.

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

3. Review of financial results and activities

The consolidated and separate annual financial statements have been prepared in accordance with IFRS® Accounting

Standards and the requirements of the Companies Act of Namibia. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in note 1.

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

4. Share capital

Refer to note 19 of the consolidated and separate annual financial statements for detail of the movement in authorised and issued share capital.

5. Dividends

A dividend of N\$ 10 000 000 (2024: N\$ 16 000 000) was declared during the year.

6. Directorate

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

Directors	Office	Designation	Nationality	Changes
J Uusiku	Managing Director	Executive	Namibian	Appointed 15 March 2024
A Vugs	Chairperson		Namibian	Appointed 18 December 2020
HH Kapenda			Namibian	Resigned 1 October 2024
C Loubser			Namibian	Appointed 18 December 2020
F Otto			Namibian	Resigned 1 October 2024
P Amunjela			Namibian	Appointed 18 December 2020
T Gurirab			Namibian	Appointed 1 October 2024
S Somaes			Namibian	Appointed 1 October 2024
B Hoffmann	Deputy Chairperson		Namibian	Appointed 1 October 2024

7. Interests in subsidiaries

Details of material interests in subsidiary companies are presented in the consolidated and separate annual financial statements in note 7.

8. 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.

9. Going concern

The consolidated and separate annual financial statements have

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

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group 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 group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

10. Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

11. Secretary

The company secretary is Starc Secretarial Services.

Postal address: P O Box 417
Windhoek
Namibia

Business address: Fifth Floor
Namlex Chambers
Independence Avenue
Windhoek Namibia

12. Auditors

PricewaterhouseCoopers Namibia will continue in office for the next financial period.

13. Date of authorisation for issue of financial statements

The consolidated and separate annual financial statements have been authorised for issue by the directors on 20 August 2025. No authority was given to anyone to amend the consolidated and separate annual financial statements after the date of issue.

14. Reinsurance arrangements

The company enters into significant reinsurance arrangements to mitigate insurance risk. Reinsurance arrangements are done through reinsurance brokers. The company's reinsurance arrangements expired on 31 March 2023 and efforts are ongoing to

renew the reinsurance arrangements.

Currently the company's reinsurance is placed with Namibia National Reinsurance Corporation Limited.

15. Credit Guarantee Scheme

Under section 1(2) of the Namibia Special Risks Insurance Association Act, 2017 (Act No. 5 of 2017), the Minister of Finance, after consultation with the Board of the Namibia Special Risks Insurance Association (NASRIA) Limited, declared the Credit Guarantee Scheme under the Namibia Financial Sector Strategy (CGS) to be a special risk in the Government Gazette number 7241 on 15 June 2020.

The CGS is a scheme by the Government of the Republic of Namibia through the Ministry of Finance which aims at encouraging funding of SMEs by providing collateral cover in favour of the participating institutions.

The CGS is a special risk underwritten by NASRIA Limited in favour of a participating institution that will grant a loan to an SME that lacks viable collateral to guarantee the repayment of the loan to the participating institution.

Participating institution refers to banking institutions as per the Banking Institutions Act, Financial Institutions as per the NAMFISA Act and any institution established by law and approved by the Ministry of Finance as a participating institution.

The CGS is administered by NASRIA Limited.

No funding was received in the current year from the Government of Namibia.

16. Acknowledgements

Thanks and appreciation are extended to all of our shareholders, staff, suppliers and consumers for their continued support of the group.

Consolidated and Separate Statements of Financial Position as at 31 March 2025

Figures in Namibia Dollar thousand	Note(s)	2025	Group 2024	2025	Company 2024
Assets					
Cash and cash equivalents	3	47 306	596 761	39 956	596 759
Trade and other receivables	4	2 726	3 120	2 429	2 823
Other financial assets	5	890 563	247 308	890 563	247 308
Investments in subsidiaries	7	-	-	8 283	-
Investment property	8	16 430	18 544	16 430	18 544
Property, plant and equipment	9	3 688	3 281	3 688	3 281
Deferred tax	17	133	-	133	-
Total Assets		960 846	869 014	961 482	868 715
Liabilities					
Trade and other payables	11	3 981	2 274	3 981	
Provisions	12	497	409	497	409
Credit Guarantee Scheme financial liability	13	50 000	50 000	50 000	50 000
Insurance contract liabilities	13	14 283	10 300	14 283	10 300
Reinsurance contract liabilities	15	2 466	2 241	2 466	2 241
Current tax payable	16	20 120	1 740	20 120	1 740
Deferred tax	17	-	292	-	292
Retirement benefit obligation	18	190	233	190	233
Total Liabilities		91 537	67 489	91 537	67 489
Equity and Liabilities					
Equity					
Share capital	19	8 000	8 000	8 000	8 000
Reserves	20 - 22	209 180	183 548	209 099	183 548
Retained income		652 129	609 977	652 846	609 678
		869 309	801 525	869 945	801 226
Total Equity and Liabilities		960 846	869 014	961 482	868 715

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

Figures in Namibia Dollar thousand	Note(s)	Group		Company	
		2025	2024	2025	2024
Insurance revenue	24	89 363	83 912	89 363	83 912
Insurance service expenses	25	(37 921)	(27 496)	(37 921)	(27 496)
Net expenses from reinsurance contracts	26	(6 833)	2 377	(6 833)	2 377
Insurance service result		44 609	58 793	44 609	58 793
Investment income	27	50 726	54 196	50 726	54 196
Fair value gains	28	34 227	28 720	34 227	28 720
Net insurance and investment result		129 562	141 709	129 562	141 709
Other income	29	4	93	4	93
Other operating expenses	30	(24 331)	(21 750)	(23 315)	(21 751)
Profit before taxation		105 235	120 052	106 251	120 051
Taxation	31	(21 533)	(16 982)	(21 533)	(16 982)
Profit for the year		83 702	103 070	84 718	103 069
Other comprehensive income:					
Other comprehensive income		-	-	-	-
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		81	-	-	-
Other comprehensive income for the year net of taxation	32	81	-	-	-
Total comprehensive income for the year		83 783	103 070	84 718	103 069

Consolidated and Separate Statements of Change in Equity

Figures in Namibia Dollar thousand	Share capital	Foreign currency translation reserve	General reserve fund	Capital contributions reserve	Total reserves	Retained income	Total equity
Group							
Balance at 1 April 2023	8 000	-	47 056	107 978	155 034	545 948	708 982
Profit for the year	-	-	-	-	-	103 070	103 070
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	103 070	103 070
Transfer between reserves	-	-	28 514	-	28 514	(28 514)	-
IFRS 17 change movement	-	-	-	-	-	(527)	(527)
Dividends	-	-	-	-	-	(10 000)	(10 000)
Total contributions by and distributions to owners of company	-	-	28 514	-	28 514	(39 041)	(10 527)
Balance at 1 April 2024	8 000	-	75 570	107 978	183 548	609 978	801 526
Profit for the year	-	-	-	-	-	83 702	83 702
Other comprehensive income	-	81	-	-	81	-	81
Total comprehensive income for the year	-	81	-	-	81	83 702	83 783
Transfer between reserves	-	-	25 551	-	25 551	(25 551)	-
Dividends	-	-	-	-	-	(16 000)	(16 000)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	25 551	-	25 551	(41 551)	(16 000)
Balance at 31 March 2025	8 000	81	101 121	107 978	209 180	652 129	869 309
Note(s)	19	22 & 32	20	21		32	
Dividends per share							
Total contributions by and distributions to owners of company recognised directly in equity							
						2025	2024
						200.00	125.00

Consolidated and Separate Statements of Changes in Equity

	Share capital	Foreign currency translation reserve	General reserve fund	Capital contributions reserve	Total reserves	Retained income	Total equity
Company							
Balance at 1 April 2023	8 000	-	47 056	107 978	155 034	545 650	708 684
Profit for the year	-	-	-	-	-	103 069	103 069
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year							
	-	-	-	-	-	103 069	103 069
Transfer between reserves	-	-	28 514	-	28 514	(28 514)	-
IFRS 17 change movement	-	-	-	-	-	(527)	(527)
Dividends	-	-	-	-	-	(10 000)	(10 000)
Total contributions by and distributions to owners of company recognised directly in equity							
	-	-	28 514	-	28 514	(39 041)	(10 527)
Balance at 1 April 2024	8 000	-	75 570	107 978	183 548	609 679	801 227
Profit for the year	-	-	-	-	-	84 718	84 718
Total comprehensive income for the year	-	-	-	-	-	84 718	84 718
Transfer between reserves	-	-	25 551	-	25 551	(25 551)	-
Dividends	-	-	-	-	-	(16 000)	(16 000)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	25 551	-	25 551	(41 551)	(16 000)
Balance at 31 March 2025	8 000	-	101 121	107 978	209 099	652 846	869 945
Note(s)	19	22&32	20&32	21		32	

Consolidated and Separate Statements of Cash Flows

Figures in Namibia Dollar thousand	Note(s)	Group		Company	
		2025	2024	2025	2024
Cash flows from operating activities					
Cash generated from/(used in) operations	33	30 594	(13 978)	31 529	(13 978)
Tax paid	34	(3 578)	(4 505)	(3 578)	(4 505)
Net cash from/(used in) operating activities		27 016	(18 483)	27 951	(18 483)
Cash flows from investing activities					
Purchase of property, plant and equipment	9	(628)	(2 043)	(628)	(2 043)
Investment in subsidiary		-	-	(8 283)	-
Purchases of investments at fair value	5	(563 730)	-	(563 730)	-
Proceeds from sales of investments at fair value	5	-	534 350	-	534 350
Proceeds from sales of credit guarantee scheme financial assets		-	72 555	-	72 555
Interest received	27	3 887	3 592	3 887	3 592
Net cash (used in)/from investing activities		(560 471)	608 454	(568 754)	608 454
Cash flows used in financing activities					
Dividends paid	23	(16 000)	(27 700)	(16 000)	(27 700)
Total cash movement for the year		(549 455)	562 271	(556 803)	562 271
Cash and cash equivalents at the beginning of the year		596 761	34 490	596 759	34 488
Cash and cash equivalents at the end of the year	3	47 306	596 761	39 956	596 759

Accounting Policies

1. Material accounting policies

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

1.1 Basis of preparation

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

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

The group presents its statement of financial position in order of liquidity following the key consideration related to liquidity base on the parent of the group being a financial services entity.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

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

Critical judgements in applying accounting policies

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 group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group'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.

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 year 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.

Fair value estimation

Several assets and liabilities of the group are either measured at fair value or disclosure is made of their fair values.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. Quoted market price used for financial assets held by the group is the current bid price.

1.2 Significant judgements and sources of estimation uncertainty (continued) Impairment testing

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

Post retirement medical aid benefits

Qualifying employees of the group are entitled to certain post-retirement medical benefits. The group's obligation for post

Accounting Policies

retirement medical aid benefits to past and current employees is determined annually and provided for in full. The cost of providing the benefits is determined based on assumptions which include mortality rates, healthcare inflation, the expected long term rate of return on investments, the discount rate and current market conditions.

Business combinations

The application of the group's accounting policy for business combinations requires judgement to determine whether the acquired entities can be determined as business or as a group of assets. Any such estimates and assumptions may change as new information becomes available.

1.3 Investment property

Investment property consists of undeveloped land. These properties are held to earn rentals and for capital appreciation rather than being occupied by the group.

Investment property is initially recognised at cost, including transaction costs.

1.4 Property, plant and equipment (continued)

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses except for land which is not depreciated.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	5 years
Computer equipment	Straight line	2 years

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

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

1.5 Intangible assets

Item	Depreciation method	Average useful life
Computer software	Straight line	2 years

Cost for additions to or replacement of parts of investment property, are included in the costs of the investment property when they will result in future economic benefits. The carrying amount of replaced parts are derecognised.

Transfer to or from the investment property will be made where there is a change in the use of the property. The end of owner-occupation of the property would result in a transfer from the property, plant and equipment to investment property.

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

1.4 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

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

Intangible assets are initially recognised at cost.

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

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

Accounting Policies

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

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

1.6 Financial instruments

Financial instruments are recognised when the group becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any, except for financial instruments at fair value through profit or loss which exclude transaction costs.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The material accounting policies for each type of financial instrument held by the group are presented below:

Loans receivable at amortised cost.

Management have assessed and classified loans to group companies, loans to shareholders, loans to directors, managers and employees, and loans receivable as financial assets at amortised cost.

The amortised cost, calculated using the effective interest method, is the amount recognised initially, minus principal repayments, plus cumulative amortisation of interest, adjusted for any loss allowance.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the loan in the application of the effective interest method. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

Refer to the loss allowances and write offs accounting policy for impairment of loans receivable.

1.6 Financial instruments (continued)

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents are initially and subsequently measured at amortised cost.

The group writes off cash and cash equivalents when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered bankruptcy proceedings. Cash and cash equivalents written off may still be subject to enforcement activities under the group recovery procedures, considering legal advice where appropriate. Any recoveries made are recognised in profit or loss. There were no cash and cash equivalents written off during the period.

Derecognition

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

a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The group derecognises financial liabilities when its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities are not reclassified.

1.7 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.

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.

1.7 Tax (continued)

Deferred tax assets and liabilities

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

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

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

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

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

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

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

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

1.8 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

No contracts were identified that required specific judgement as to whether they contained leases.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

Right-of-use assets

Right-of-use assets are presented within property, plant and equipment on the Consolidated and Separate Statements of Financial Position.

They are measured initially at the initial amount of the lease liability plus upfront payments and initial direct costs. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated, from commencement date, over the shorter period of lease term and useful life of the underlying asset.

The useful lives of right-of-use assets are presented in the following table:

Item	Depreciation method	Average useful life
Buildings	Straight line	2 years

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

1.9 Impairment of non-financial assets

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

Impairment losses are recognised immediately in profit or loss.

1.10 Share capital and equity

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

1.11 Employee benefits

Short-term employee benefits

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

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

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

Defined contribution plans

Payments are charged as an expense as they fall due.

Defined benefit plans

The group operates the post-retirement medical aid benefits to all its employees appointed before the year 2007 subject to the years of uninterrupted service with the group which is a defined benefit medical plan.

The cost of providing the benefits is determined using the projected unit credit method. Actuarial valuations are conducted on an annual basis by independent actuaries.

Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling and return on plan assets (excluding interest) are recognised immediately to the consolidated and separate statements of financial position and to other comprehensive income in the period they occur. The amount recognised in other comprehensive income is not subsequently reclassified to profit or loss.

Current service costs are recognised as an expense in the period in which the related services are performed. Net interest income or expense are recognised in investment income and finance costs respectively.

1.12 Provisions and contingencies

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

There is always a degree of estimation uncertainty involved with provisions as they are measured at management's best estimate of

the amount which will be required to settle the obligation. When the effect of discounting is material, the provision is measured at the present value of such amounts.

1.13 Accounting principles and methods specific to insurance operations

1.13.1 Scope and Separation

Scope

As a default, contracts are assessed individually. Although not identified, where a set or series of insurance contracts be entered into with the same or a related counterparty achieve, or be designed to achieve, an overall commercial effect, these contracts will be considered as a whole and not individually in accordance with IFRS 17.9. This applies to NASRIA's agreements with several financiers where individual risks, be it default risks under Credit Guarantee or risks arising from acts of Political Violence and Terrorism (PVT), are insured at a portfolio level.

Contractual Assessment – Direct Business:

NASRIA underwrites the following products within the following business classes:

- Nasria's specific business classes under PVT include the following:
 - ▶ Commercial Risks;
 - ▶ Construction Plant;
 - ▶ Contract Works;
 - ▶ Domestic Risks;
 - ▶ Marine Cargo / Goods in Transit;
 - ▶ Marine Hull;
 - ▶ Money;
 - ▶ Motor; and
 - ▶ Registered Welfare Institutions.
- Credit Guarantee.

NASRIA's Credit Guarantee product provides credit guarantees to lenders (commercial banks and other financial institutions) by guaranteeing credit for borrowers whose access to finance is impeded by the fact that they do not have the collateral required by the lenders. This program is particularly geared towards individuals or entities seeking funds to start, expand, or acquire businesses. Under the Credit Protection Policy, NASRIA covers losses incurred due to a debtor's failure to repay their debt as stipulated in the Credit Agreement.

The PVT product encompasses a range of specialized coverages, including:

1. Material Damage Special Risks Insurance;
2. Consequential Loss Special Risks Insurance;
3. Motor Policy of Insurance for Special Risks; and
4. Contract Works and/or Construction Plant Special Risks Insurance.

All products have been assessed and meet the definition of insurance contracts.

NASRIA's financial guarantee contracts, specifically the credit guarantees, solely transfer financial risk and not non-financial risks. However, they have historically been treated as insurance contracts under IFRS 4. NASRIA continues with this treatment and thus considers that its financial guarantee contracts fall within the scope of IFRS 17.

Contractual Assessment – Reinsurance Agreements:

NASRIA mitigates its insurance risk by entering into significant reinsurance arrangements. As at financial year 31 March 2023, the following reinsurance arrangements were in place:

1. Arrangements through reinsurance brokers.
2. Reinsurance placements with Lloyds.
3. Reinsurance placements with NamibRe.

1.13 Accounting principles and methods specific to insurance operations (continued)

NASRIA's reinsurance arrangements expired on 31 March 2023, and efforts are ongoing to renew these arrangements. In the interim, NASRIA is self-insured.

The contractual terms for reinsurance agreements were assessed using the same list of requirements used for the assessment of the direct business products. Of particular importance was the establishment of whether the insurance risk transferred to the reinsurer was first transferred to NASRIA from the policyholder. If this test was to fail, the agreement would not fall within the scope of insurance contracts and be treated as an expense for accounting purposes.

All reinsurance agreements qualify as reinsurance contracts held.

Separation of insurance components

An insurance contract may contain one or more components that would be within the scope of another Standard if they were separate contracts. In particular, this relates to:

- Distinct investment components,
- Embedded derivatives not closely related to the host insurance contract, and
- Distinct goods and services.

Distinct investment component

NASRIA does not have exposure to investment components within any of its insurance contracts or reinsurance contracts held and has no plans to offer this product feature in the foreseeable future.

None of NASRIA's products or reinsurance agreements include goods or services other than insurance contract services. There are also no plans to include these product features in the foreseeable future.

Embedded derivative not closely related to the host insurance contract

NASRIA does not have exposure to embedded derivatives within any of its insurance contracts or reinsurance contracts held and has no plans to incorporate any in the foreseeable future.

Risk Adjustment

A confidence level technique, calibrated to a 75th percentile confidence level of the risk, is used to determine the level of the risk adjustment required. This technique requires the calculation of the liability at a higher level than the best estimate of the liability (which has a 50% chance of being insufficient). The 75th confidence level is selected based on Nasria's need (in accordance with its risk appetite) for the liability to be sufficient to meet the outstanding obligations without the need for further capital. The Risk Adjustment is then the difference between this liability and the best estimate liability.

The rates and corresponding risk adjustment is as follows:

2025	Gross LIC	LIC RA (%)	Risk Adjustment
PVT	1 235 821	0.30 %	3 695
CGS	-	- %	-
Total IFRS 17 Portfolio	1 235 821	0.30 %	3 695
2024			
PVT	1 235 821	0.30 %	3 695
CGS	-	- %	-
Total IFRS 17 Portfolio	1 235 821	0.30 %	3 695

1.13 Accounting principles and methods specific to insurance operations (continued)

The Standard, under paragraph IFRS 17.25, requires that contracts be recognised from the earlier of one of three dates:

- 1.the contract start date,
- 2.the premium due date, or
- 3.the date of acceptance of risk if the contract is onerous

For all product types, the contract terms and conditions were assessed to determine the recommended contract recognition dates. The outcome is summarised in the table below with the considerations behind the recommendations following after the table.

Product Type	IFRS 17 contract recognition date
Political Violence Terrorism	Commencement Date
Credit Guarantee Scheme	Premium Due Date

[a] First premium payment received prior to due date and commence date]

In certain cases, particularly with NASRIA’s special risk insurance products, policyholders may choose to pay the premium before the due date or the contract commencement date. In such instances, since the contract has not yet been recognized, these premiums do not fall within the scope of IFRS 17 and are held as a non-IFRS 17 current liability. This practice aligns with NASRIA’s current approach.

[(b) Annual contracts with a monthly contract boundary]

For annual policies, where the premium is due in advance, but the IFRS 17 contract boundary is short (e.g. one month), twelve individual contracts are theoretically recognised on the premium due date. Due to the ability to terminate the contract by giving 30 days notice, NASRIA has assumed that it will issue this notice immediately after each contract boundary period. The balance of the annual premium payment will be held within the current IFRS 17 group as a premium refund amount at the end of each month and will “receive” the full balance of the annual premium at the start of the following month into the IFRS 17 group that is applicable in that month.

Contract recognition – reinsurance contracts held

IFRS 17.62, requires that reinsurance contracts held be recognised from the earlier of one of two dates:

1. the beginning of the coverage period, or
2. the date an onerous group of underlying insurance contracts is recognised where the reinsurance agreement terms establish coverage for these contracts on or prior to this date.

In most cases the reinsurance agreements will be recognised from the agreement’s commencement date, but, where reinsurance agreements are annually renewable, if the onerous underlying contracts are recognised prior to the renewal date but will cede into the renewed agreement, the contract recognition date may be brought forward.

To the extent that reinsurance agreements are put in place prior to the commencement date of the first underlying contract that will cede to this agreement, the contract recognition date in respect of this group of reinsurance contracts held will be deferred until the first underlying contract is recognised in accordance with paragraph IFRS 17.62A.

Contract derecognition

A contract to be derecognised when NASRIA is no longer at risk and is therefore no longer required to transfer any economic resources to satisfy the insurance contract. The practical application of contract derecognition within NASRIA is specific to the liability component in question. This level of granularity is dealt with fully under the Measurement Approach Application policy. The general principles proposed are as follows:

- For contracts measured under the liability for remaining coverage,
 - a. when the contract’s coverage period has come to an end,
 - b. the policy has been cancelled, or
 - c. the policy has contractually terminated due to a claim and/or policyholder death if the latter isn’t an insured benefit, and all premium debtors or commission creditors directly related to that contract have been settled (or written off), the contract will be derecognised from the liability for remaining coverage and not be included in the calculations for any IFRS 17 group.

1.13.2 Contract Recognition and Derecognition

Contract recognition – insurance and reinsurance contracts issued

1.13 Accounting principles and methods specific to insurance operations (continued)

- Under the liability for incurred claims, any liability in respect of the contract will be derecognised when all of the following are true:
 - a. Where a claim has been reported and this claim is fully settled or repudiated,
 - b. Where the full coverage period up until the renewal or expiry date has passed and the claim notification period for reporting claims has passed, and
 - c. In respect of other benefit payments (such as a maturity benefit), these have been fully settled.

The requirement to derecognise a contract from a group due to a contract modification is not necessary for NASRIA as there were no contract modifications identified that would result in a change in the allocation of the IFRS 17 group.

1.13.3 Measurement Approach Application

A. Determining the present value of future cash flows

1. Determining the probability-weighted mean

The present value of future cash flows is required under the liability for remaining coverage and the liability for incurred claims. Where the premium allocation approach is applied to a group of insurance contracts, the requirement to determine the present value of future cash flows under the liability for remaining coverage is only needed if the contract is onerous or in some cases to demonstrate the eligibility of approach to the group.

Paragraph IFRS17.33 requires an entity to estimate the probability-weighted mean of the full range of possible outcomes when determining the present value of future cash flows. Application Guidance paragraph B39, does not require insurers to perform detailed simulations where simplified models, requiring a small

number of parameters will produce a result with an acceptable range of precision.

NASRIA has adopted a simplified approach to produce the probability-weighted mean.

For the liability for incurred claims, which aren't assumed to be settled within the month the claim is incurred, historic experience is used to derive the balance of claims still to be settled and the settlement pattern. Where data is insufficient, a point estimate of the ultimate claim ratio is used often in combination with the historic claim data. A similar point estimate approach is used to set the ultimate claim ratio and expense assumptions required to model all general insurance products measured under the general measurement model.

Where significant past events have resulted in experience in that year differing from the "norm", this experience is separated out for analysis purposes and assessed separately for inclusion in the projection assumptions at an appropriate level given the likelihood of this experience repeating itself in the future.

The number of years of historical data used is chosen to:

- enable the level of data to be credible,
- include a range of good, bad and average years of experience, and
- be relevant to future periods to which the assumptions will apply.

This approach to setting assumptions is deemed to be appropriate to produce a reasonable estimate of the probability-weighted mean.

1.13 Accounting principles and methods specific to insurance operations (continued)

2. Cashflows included

The list of cashflows that are included where they are relevant to the product being measured and the liability component are as follows:

Paragraph reference	Cashflow category	Cashflow
B65.a)	premiums and any additional cash flows that result from those premiums	<ul style="list-style-type: none"> • Premiums due and received/paid • Commission due and paid • (Reinsurance groups) Reinsurance commission due and received/paid (not contingent on claims)
B65.b)	payments to a policyholder	<ul style="list-style-type: none"> • Claims paid • Claims reporting but not yet assessed / settled <p>Reinsurance groups:</p> <ul style="list-style-type: none"> • Reinsurance recoverables due and received • Claim contingent portion of reinsurance commission • Reinsurance deposits made

3. Estimation of reinsurance cash flows

Groups of reinsurance contracts held must be measured using consistent assumptions where the measurement approach for the underlying groups of insurance contracts (i.e. the insurance

contracts ceded to the reinsurance group) is the same (Paragraph IFRS 17.63).

In addition, NASRIA continue to use the IFRS 4 approach to determine the reinsurance liability for incurred claims, which is to multiply the liability for the underlying groups of insurance cash

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flows by the proportion ceded to the reinsurers. The adjustment in respect of the expected reinsurer recoveries for the risk of non-performance (which is covered in a separate accounting policy) is made at a later stage in the IFRS 17 liability determination processes and not within the actuarial model.

4. Estimation of expected claim and claim-related expense cashflows

Under IFRS 4, general insurance entities typically recognised liabilities for incurred claims (LIC) as a combination of the outstanding claim reserve (OCR) and the incurred but not reported claim reserve (IBNR). However, in the case of NASRIA, the entity does not maintain such reserves due to its historically low claim frequency and volume.

Given NASRIA's unique claim profile, the standard approaches for reserve estimation such as the Cape Cod, Chain Ladder, or Bornhuetter-Ferguson methods, which utilize claims paid or claims incurred triangles, are not applicable. These methods generally involve analysing claims paid or incurred split by accident year or underwriting year and collating this data over various timeframes (quarterly, monthly, annual) to estimate the delay period for claim settlements. Both the OCR and the IBNR were undiscounted.

Under IFRS 17, NASRIA has adapted the approach used in IFRS 4 for determining total remaining claims under the liability for incurred claims (LIC). In NASRIA's context, claims that have been approved for payment but are yet to be settled are included as part of the LIC. However, given NASRIA's low claims history, these are not significant enough to be held as a current liability on the balance sheet, a deviation from the norm established under IFRS 4.

New to IFRS 17 is the requirement to separately disclose experience variances relating to claims incurred prior to the start of the reporting period ("past" claims) from the current year claims incurred. There is no need to determine the current year experience variances from the date the claim is incurred until the end of the current reporting period. NASRIA, however, has chosen to do so to enable the monitoring of claim experience fully over the year.

All claims paid in the period are separated out between past claims and current year claims.

The claims expected to be paid during the reporting period in respect of the prior year's closing LIC are estimated using an analysis of historic settlement patterns.

1.13 Accounting principles and methods specific to insurance operations (continued)

The past experience variance is determined using the following formula:

(claims paid in the period less expected claims paid in the period)

Plus

(claim liability at the end of the reporting period in respect of past claims less expected claim liability at the end of the period)

The expected claim liability is determined by subtracting the claims expected to be paid in the reporting period from the prior year's

closing LIC.

For the current year claims incurred, this amount is equal to the claims paid in the year in respect of the current year claims incurred and the LIC held at the end of the reporting period in respect of the current year claims incurred. This amount is split into two parts:

i. Initial claims incurred estimate

This is the sum of the estimated ultimate claim payments to be made in respect of claims expected to incur over the reporting period. NASRIA determines these amounts by multiplying the earned premium for each month over the reporting period by the expected ultimate, discounted claim ratio.

ii. New claim experience variance

Current year claim variance is determined using the same formula that is used for the past claims experience variance except that the expected claim liability at the end of the reporting period is determined by subtracting the claims expected to be paid from the date incurred until the end of the reporting period from the initial claims incurred estimate.

The claim-related expenses liability is expressed as a percentage of the claim liability. Claim-related expense liabilities raised and the variance over the reporting period are determined in the same manner as described above.

5. VAT treatment

VAT is raised on an accruals basis, i.e. when the originating cash flow is due. The physical settlement of each month's accrual takes place in the month following the cash flow.

6. Incorporation of premium and commission debtors and creditors

Premium and commission debtors and creditors are no longer separately held on the balance sheet. Any provision for bad debts in respect of premiums is also no longer held separately.

Under the PAA, if premium due is earned prior to it being received, the liability for remaining coverage ("LRC") will be in a negative, asset position. Thus, a premium debtor is only held on the balance sheet to the extent that it has been earned.

NASRIA does not recognise revenue it does not expect to receive. Thus, any debtor within the LRC is net of bad debts and expected premium reversals/cancellations.

The treatment of commission creditors under the PAA, depends on the option chosen by NASRIA with respect to expensing insurance acquisition cash flows as they are incurred versus amortising them over the coverage period. NASRIA amortise commission but expense all other insurance acquisition cash flows.

In light of this, commission creditors would thus be treated in the same way as the premium debtors are treated under IFRS 17. Only commission creditors related to amounts already amortised are held in the LRC and hence on the balance sheet. When determining

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the amount of commission to amortise in the reporting period, both the amounts already paid as well as the amounts still outstanding (and expected to be paid) would be taken into account.

7. Discounting under the premium allocation approach

Discounting within the liability for remaining coverage is only required where there is deemed to be a significant financing component (paragraph IFRS 17.56). This is where the period from when the premium is due until the end of the risk coverage period ends to which the premium relates is longer than one year.

1.13 Accounting principles and methods specific to insurance operations (continued)

NASRIA interprets this to include the amounts deemed to not be contingent on claim experience in respect of any profit sharing or sliding scale reinsurance commission included within a reinsurance contract held.

Since the amount of earned premium or premium refund due after the one-year period is immaterial, NASRIA does not apply discounting to the liability for remaining coverage.

Under IFRS 17's simplified approach, where it is expected that all claims incurred will be paid or received in one year or less from the date the claims are incurred, NASRIA has the option to not incorporate discounting within the liability for incurred claims.

NASRIA's claim settlement pattern is one year for all of its groups of insurance contracts measured under the PAA and thus does not incorporate discounting within the liability for incurred claims.

B. Treatment of directly attributable expenses not related to insurance acquisition cash flows or claims

All policy administration and maintenance expenses allocated in accordance with NASRIA's expense allocation policy are assumed to be due to the current service provision. No liability is raised in advance of these types of expenses incurring. As each month's expenses are incurred, these amounts are raised within the liability for incurred claims and released from the LIC once paid.

From a budget monitoring perspective, NASRIA chose, going

forward, to raise the budgeted amount at the start of each month and then adjust to the actual amount incurred at the end of the month. This approach does not impact the IFRS 17 financial results but enables more enhanced management reporting.

C. Definition of "Paid"

Notwithstanding the VAT treatment considered earlier (refer above to point 5 "Measurement Approach Application") and the decision to non-commission insurance acquisition cash flows under the PAA, all other payments related to IFRS 17 cash flows are accounted for within an IFRS 17 liability component.

Thus, any asset or liability in respect of premiums, commission, claim payments or directly attributable expenses is held in either the liability for remaining coverage or the liability for incurred claims and is only released once the amount is paid/received.

D. Disaggregation of IBNR

Given NASRIA's low claims history, the entity does not maintain Incurred But Not Reported (IBNR) reserves. This is a unique aspect of NASRIA's financial management, as it deviates from the typical practice under IFRS 4 where general insurance entities recognize liabilities for incurred claims, including IBNR.

Paragraph IFRS 17.24 allows an entity to estimate the fulfilment cash flows at a higher level of aggregation than the group or portfolio, provided the entity is able to include the appropriate fulfilment cash flows in the measurement of each group by allocating such estimates to groups of contracts.

Nasria determines its IBNR in total at an IFRS 17 portfolio level per accident year. The approach to disaggregate the IBNR estimate down to an IFRS 17 group is to use the total earned premium per group over the relevant cohort year in question. This applies to both the gross and the reinsurance IBNR. The implicit assumptions using this disaggregation metric are:

- the earned premium is spread similarly across each of the IFRS 17 groups for each cohort year;
- the loss ratio is similar for all IFRS 17 groups in respect of that cohort year; and
- the settlement pattern is similar for all IFRS 17 groups in respect of that cohort year.

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1.13 Accounting principles and methods specific to insurance operations (continued)

The actual EP ratios that were used to disaggregate the IBNR are as follows:

IFRS 17 Group ID	EP ratio- opening IBNR FY Mar 2023	Actual IBNR	EP ratio- closing IBNR FY Mar 2023	Actual IBNR	EP ratio- closing IBNR FY Mar 2024	Actual IBNR	EP ratio- closing IBNR FY Mar 2025	Actual IBNR
Commercial Risks Prior	0.25	328 377	-	-	-	-	-	-
Commercial Risks 2022	0.61	816 102	0.25	323 878	-	-	-	-
Commercial Risks 2023	-	-	0.61	840 920	-	-	-	-
Motor Prior	0.03	38 839	-	-	-	-	-	-
Motor 2022	0.11	149 881	0.30	38 307	-	-	-	-
Motor 2023	-	-	0.11	147 827	0.21	263 622	-	-
Motor 2024	-	-	-	-	0.79	967 907	-	-
Motor 2025	-	-	-	-	-	-	-	-

The IBNR reserve was only held for the IFRS Groups that have incurred claims from the historical claims of NASRIA Limited.

Settlement patterns

Month	PVT Claims Pattern
0	0.00145
3	0.00144
6	0.00986
9	0.01407
12	0.97318

The size of the liability for incurred claims is only needed to be known at a portfolio level such that this liability, together with the portfolio's liability for remaining coverage and any asset for insurance acquisition cash flows can be assessed to establish whether the portfolio is in an overall asset or liability position.

Whilst it is acknowledged that the earned premium metric does have shortfalls, trying to determine a more advanced metric would require additional assumptions and increase the risk of errors and difficulty in validating the outcome. Overall, a more advanced metric would not lead to more accurate financial statements.

E. Allowance for future new contracts to be ceded to groups of reinsurance contracts held and groups of reinsurance contracts issued

There are two contract boundaries contained within proportional reinsurance contracts:

- The period over which existing contracts ceded under the reinsurance agreement will continue to receive cover, and
- The period over which new contracts, yet to be written (or

renewed) are obligated to be ceded under the reinsurance contract.

Given that both the insurer and the reinsurer are under an obligation to cede / accept new underlying contracts written between the valuation date and the period when either party can terminate the contract with respect to these contracts, the cash flows expected in relation to these new underlying contracts falls within the scope of the measurement of the group of reinsurance contracts.

The premium provision is a retrospective calculation. Prior reinsurance premiums paid (net of fixed reinsurance commission and reinsurance profit share amounts not contingent on claim experience where applicable) are accumulated.

The net reinsurance premiums are recognised as the current service is rendered. As such, any future obligation to pay premiums and recognise reinsurance premium as an expense is not included in the measurement approach and can be ignored.

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1.13 Accounting principles and methods specific to insurance operations (continued)

F. Application of the premium allocation approach since the contract boundary is under 1 year

Annual premiums are payable for the PAA products PVT and CGS. These contracts have a contract boundary of 30 days due to the presence of a termination clause. Every 30 days, these contracts are notionally cancelled and then renewed for the next 30-day period. Theoretically, in accordance with the policy conditions, the balance of the annual premium is assumed to be refunded at the end of the 30-day period and then repaid on the same day. Where the current year's IFRS 17 group is still open, the contracts "renew" into the same cohort. Otherwise, the contract "renews" into the following year's IFRS 17 group.

1.13.4 PAA Insurance Revenue Recognition

The premium allocation approach ("PAA") whether applied to groups of insurance or reinsurance contracts issued or groups of reinsurance contracts held requires the expected premium receipts to be recognised over time in accordance with the expected insurance service expenses provided over the period. Two main questions (and hence assumptions) are therefore needed:

1. What constitutes expected premium receipts?
2. What is the pattern of expected insurance service expenses?

These are explored individually below.

Definition of expected premium receipts

Each policy has a premium due attached to it. This premium due may take many forms, for example:

- Single or annual premium fixed at outset
- Initial deposit premium with a final premium following the coverage period on the exact coverage provided can be established
- Monthly premium fixed at outset
- Monthly premium set each month based on the cover provided (or exposure) in that month

For all contracts where the premium is fixed at outset, this is the amount of the expected premium receipts (prior to considerations around premium debtors which is considered below). Nasria currently underwrites policies in the form of an annual premium fixed at outset.

For contracts where the premium due is not fully known at outset, the expected premium due may change over time as more is known about the true exposure insured in a particular month. For monthly payable policies, the actual premium due is known during the course of the month. Up until this time the expected premium due will be based on the expected coverage/exposure to be provided in that month.

From a practical perspective, for annual policies where a deposit premium is payable it is assumed that the deposit premium is reflective of the expected coverage to be and that actual coverage is only known at the end of coverage period, even though there may be some evidence during the period that the actual coverage provided does differ to originally assumed.

Any recognition prior to knowing the actual coverage will be based on the original expected premium due. A correction to revenue recognition, for the current and all prior months, will be made in the month that the actual coverage is known.

Prior to the adoption of IFRS 17, insurance contract premium debtors are classified as a financial asset and accounted for under IFRS 9. From an IFRS 4 perspective, the full premium due is raised as written premium within the income statement regardless of whether the premium is expected to actually be received due to the policyholder not paying the premium or the collector of the premium, who is a third party receiving premium into an account not under the control of NASRIA, failing to pay over the funds. Financial assets under IFRS 9 are adjusted for expected credit losses (as per IFRS 9.5.5.1 and IFRS 9.5.5.17).

Under IFRS 17, premium debtors are now accounted for within the liability for remaining coverage and the impact of debtor non-payment must now be accounted for under insurance revenue. Given the intention of the IASB to have consistency between the various IFRS, it is reasonable to assume therefore that the term "expected premium receipts" must be adjusted to only reflect premium that is actually expected to be received net of debtor write-offs.

Usually, Nasria's board meet to decide the percentage [x%] of premium debtors to be written off. In order to adjust insurance revenue for this, the earned premium (i.e. the portion of the premium due that is to be recognised in the period based on the earning's pattern discussed below) is adjusted downwards by an uncertainty percent which is defined as follows:

Accounting Policies

1.13 Accounting principles and methods specific to insurance operations (continued)

$$ukcertairty_percekt = \frac{(premium_{paid} + premium_{debtors} * (1 - x\%))}{premium_{paid} + premium_{debtors}}$$

The amount held back will be recognised in the following reporting period if the premium is received in that period. Any experience variance due to the actual premium written off being different to what was expected is recognised as insurance revenue at the time of either receiving the premium or writing off the premium debtor.

Pattern of expected insurance service expenses – Earning’s Pattern

Insurance service expenses are incurred in line with both the incidence of claims and the severity of the claim. For all NASRIA’s products measured under the PAA, there is no material difference between either over the full coverage period. A 365ths pattern of earning is thus recommended, which is consistent with current practice, where the premium is expressed as a daily rate and recognised each month in accordance with the number of days of cover provided in that month.

1.13.5 Level of Aggregation

1. INTRODUCTION

A 3-step process is followed to assign an insurance contract issued to a group:

Step 1: Allocate the contract to a portfolio

Step 2: Assign the contract to a group such that the issues dates are not more than a year apart

Step 3: Assign the contract to a profitability bucket, which at a minimum, subject to certain conditions, must be “Onerous”, “No significant possibility of becoming onerous” (“NSPBO”) or “Remaining”.

A similar 3-step process is required to assign reinsurance contracts issued. For reinsurance contracts held, step 3 above is replaced by:

Step 3: Assign the reinsurance agreement to a profitability bucket, which at a minimum, subject to certain conditions, must be “Net Gain”, “No significant possibility of becoming a net gain” (“NSPNG”) or “Remaining”.

The sub-sections below cover each of the above steps in turn before reaching a final conclusion regarding NASRIA’s approach to aggregating (or grouping) insurance contracts issued and reinsurance contracts issued or held.

STEP 1a: Definition of a Portfolio – Direct Business

Insurance Contracts that have similar risks and are managed together need to be grouped together in what is defined as a portfolio under IFRS 17.

Similar risks

Paragraph 14 states that the various product lines would be expected to be in a separate portfolio (assuming they are managed together which is discussed next).

For NASRIA, a product line would equate to its business classes that is uses to report through to the Namibia Financial Institutions Supervisory Authority (NAMFISA) given that the business written within each business class tend to respond similarly to the same key drivers of risk.

NASRIA offers Special Risks Insurance, primarily focusing on Political Violence and Terrorism (PVT) and Credit Guarantee Scheme. The risk characteristics of these products are distinct due to the nature of the risks they cover. As such, they are grouped separately in NASRIA’s portfolio.

1.13 Accounting principles and methods specific to insurance operations (continued) Managed together

No definition is provided for what constitutes being managed together and it is left to each insurer to determine this for itself. The criteria that NASRIA has chosen to use to satisfy itself that the contracts are managed together is as follows:

- The contracts are housed on the same policy administration system,
- Management reports do not separate these contracts to a more granular level (including by currency), and
- The business partners involved in sharing the profits arising from the contracts do not differ.

All business is housed on system Footprint. Management reports currently do not split the contract to a more granular level than NAMFISA business lines.

Portfolio recommendation

Based on the above arguments, the chosen portfolios to put forward for approval are:

Level of Aggregation Accounting Policy Paper" under IFRS 17 is as follows:

Portfolio	IFRS Group	Namfisa Line of Business
PVT	Business Interruption Commercial Risks Construction Plant Contract Works Domestic Risks Marine Cargo Marine Hull Money Motor	Special Risks Insurance Special Risks Insurance Special Risks Insurance Special Risks Insurance Special Risks Insurance Special Risks Insurance Special Risks Insurance Special Risks Insurance Special Risks Insurance Special Risks Insurance
CGS	Welfare Institutions Credit Guarantee	Special Risks Insurance Special Risks Insurance

STEP 1b: Definition of a Portfolio – Reinsurance

The considerations of a portfolio for reinsurance agreements are split into two parts. The first relates to reinsurance treaties and the second to facultative placements (especially those not connected to a master treaty).

For each year, the reinsurance treaties held (where NASRIA is the protected party) are unique from each other in respect of their structure, the risks covered and the cashflows expected as a result of these risks. Each treaty is also managed separately.

All reinsurance treaties are annual policies and are renewed each year on updated reinsurance terms (and reinsurance participants where there is more than one reinsurer sharing the risk under the agreement). NASRIA groups each treaty and the renewals thereof where these are of a similar structure together in a portfolio. If a treaty provides reinsurance cover for multiple insurance contract portfolios where the treaty is combined into one for convenience purposes, the treaty is split into multiple portfolios per product type to allow for internal management reporting to view the business on a net of reinsurance basis.

Reinsurance contracts held that are placed facultatively and inwards reinsurance treaties (reinsurance contracts issued) such as those covering risks related to 'Violent Theft and Sabotage' and 'Terrorism, Riot, Strikes, and Civil Commotions' (as per NASRIA's Articles of Association), are structured similarly and cover comparable risks. They are also managed together from an administration and internal reporting perspective. It is proposed that within a product type these facultative agreements are grouped together into the same portfolio. The facultative placements in the product types such as PVT are only made if the business written exceeds the scope of the reinsurance treaty 'Annual Aggregate Cover for Violent Theft and Sabotage'. The size of risk is higher than the limits of the reinsurance treaty, which is N\$2,000,000,000 per policy or contract declaration, but the risks insured are the same.

The measurement approach to be applied to both the treaty and the facultative agreements is the premium allocation approach as they are allocated them to the same portfolio.

STEP 2: Cohort Period

Issue dates

- The practical implications of each cohort option.

1.13 Accounting principles and methods specific to insurance operations (continued)

From a practical perspective, it is best to set one cohort period definition that is applied across all contracts. NASRIA's business is comprised of contracts measured under the premium allocation approach. Under this approach, the profit arising over each financial year is not affected by the choice of cohort. Currently, the business is managed on an underwriting year basis which means that the contracts are grouped together based on the year the contract is issued or renewed. The underwriting year is aligned to the financial year (i.e. 1 April – 31 March).

All quota share and surplus reinsurance agreements are also structured on an underwriting year basis. For the reinsurance agreements, however, the underwriting year is defined by the year of cover and does sometimes straddle two financial years. This is exemplified by agreements like the Annual Aggregate Cover, which has a coverage period from 1 April 2021 to 31 March 2022. Non-proportional treaties are written on a loss occurring and risk attaching basis and will cover claims occurring during the coverage period (which is again aligned to the financial year).

Taking all of the above considerations into account, a one-year cohort period is applied for all product types given that this is aligned to the financial period.

For the reporting Financial periods, the reinsurance portfolios proposed, further broken down by cohort year, are as follows:

Reinsurance Agreement	Reporting Group Name	IFRS 17 portfolio
Aggregate Cover	AGC_PVT	Non-Proportional
Quota Share Reinsurance Agreement	QS_PVT	Proportional
Facultative	Facultative	Facultative

Insurance and reinsurance contracts issued – Level of granularity.

There are no legal or insurance regulations that prevent NASRIA from having the practical ability to set a different price or level of benefits for policyholders with different characteristics. As such the minimum level of aggregation required, after allocating contracts to portfolios and ensuring that issues dates are not more than one year apart, is to assign each contract based on the profitability expectations at initial recognition to a profitability bucket:

- i. No significant possibility of becoming onerous (“NSPBO”)
- ii. Onerous
- iii. Remaining

This is the minimum level of aggregation required by IFRS 17. NASRIA's internal reporting structure, which may be more granular than this minimum requirement, is supported by the functionalities of its IFRS 17 software (RiskIntegrity™ IFRS 17 or equivalent), allowing for further segmentation within these buckets. This could include splits by product type, distribution channel, or other relevant criteria, chosen to monitor business segments more effectively for targeted management actions.

Whilst this level of detail is still considered necessary, there are no material differences in profit expectations at initial recognition that would warrant a separate IFRS 17 group to be assigned to each sub-set. Nasria's IFRS 17 software (called RiskIntegrity™ IFRS 17) allows for the use of sub-groups within an IFRS 17 group. The data is entered at the sub-group level but the loss component (where applicable) is determined at the higher IFRS 17 group level. NASRIA makes use of this functionality to meet its internal reporting needs.

Insurance and reinsurance contracts issued – Premium allocation approach

Under the premium allocation approach, no contracts are assumed to be onerous at initial recognition unless facts and circumstances indicate otherwise. For NASRIA, these facts and circumstances will be informed by the process to set policy premium rates or from business-as-usual profitability monitoring and internal reporting processes. NASRIA's underwriting policy does not allow insurance contracts to be written where they are expected to make a loss. Some freedom is given to insurance brokers to negotiate their commission rate (with this lower commission rate recorded in the policy record) and underwriters to provide a discount on expense

loadings but this is usually only done for a large potential client and is not general practice. This latter discount is never allowed to fall below a minimum threshold, although note that this discount granted is not recorded anywhere on the policy administration system.

1.13 Accounting principles and methods specific to insurance operations (continued)

Expected profitability can only be determined at a cohort year level and not on a per policy basis.

The Standard does allow insurers to assign contracts per cohort year to a profitability group as a whole where it has reasonable and supportable information to conclude that the profit expectations are similar across the contracts such that they would end up in the same group if assessed on a case-by-case basis.

On a best-estimate basis, no contract or groups of contracts per cohort year will be considered onerous at initial recognition. This is also true from a risk-adjusted IFRS 17 basis, where, (i.e. allowing for an allocation of directly attributable expenses and an adjustment for the compensation required for exposure to non-financial risks), there are no products that are expected to fall within the onerous category.

Threshold for NSPBO

In order to divide the current profitable contracts into those with no significant possibility of becoming onerous and those with, the volatility of prior claim experience was analysed on a per-product basis. If, in any of these years, a contract was loss- making, the product is automatically assumed to not have a NSPBO profitability bucket. Only two profitability buckets are therefore established (i.e. Remaining and Onerous).

In circumstances where there is no history or where there is no prior loss recorded, the likelihood of their being an increase in the loss ratio and expense ratio to the extent needed to produce a loss is established. Where this increase is higher than the 95th percentile above the mean, there is a NSPBO. Otherwise there is not.

All Nasria's products are classified into the NSPBO bucket as follows:

Portfolio	IFRS Group	Profitability Bucket	
PVT	Business_Interruption	NSPBO	
	Commercial_Risks	NSPBO	
	Construction_Plant	NSPBO	
	Contract_Works	NSPBO	
	Domestic_Risks	NSPBO	
	Marine_Cargo	NSPBO	
	Marine_Hull	NSPBO	
	Money	NSPBO	
	Motor	NSPBO	
	Welfare_Institutions	NSPBO	
	Credit_Guarantee	NSPBO	
	CGS		

Contract Modification

If a contract is modified in a way that would have altered the IFRS standard, the IFRS 17 measurement approach or the IFRS 17 group that applied when initially recognising the contract, paragraph 72 requires that the contract be derecognised from the group it was originally assigned to and placed in the group that it would have been assigned to had the contract been in its amended form at outset.

It is noted from the standard that if a contract gives the policyholder to option to amend their contract in a defined way, any exercise of this option is not considered a contract medication.

Nasria has not identified any contract modifications that can arise that would result in a different IFRS 17 group being required. Contract modification has thus not been implemented by Entity within its IFRS 17 processes.

Review of Aggregation Assumptions

Any detailed profitability and profitability criteria assumptions will be reviewed annually prior to the end of annual financial reporting period. If new products are launched during the year, the premium rate setting assumptions will be used to incorporate the new product within the aggregation processes.

Implementation of Aggregation Procedures

The naming convention used for the Entity's groups is as follows:

1.13 Accounting principles and methods specific to insurance operations (continued)

Insurance contracts issued: IFRS 17 group code_ cohort year (4 digits)_ profitability code (R for Remaining, O for Onerous and N for No Significant Possibility of Becoming Onerous)

Reinsurance contracts held: IFRS 17 portfolio code (6 letters)_ reinsurance type (6 letters)_ cohort year (4 digits)_ profitability code (R for Remaining, G for Net Gain and N for No Significant Possibility of Becoming a Net Gain)

Premium allocation approach

Contracts are assigned to a group based on a set of pre-defined rules. These rules used the product and contract's specific features such as:

Product features:

- Measurement approach
- IFRS 17 Contract boundary
- Profitability bucket (split by effective date to allow for changes over time)
- IFRS 17 Portfolio

Contract features:

- Inception date
- Renewal date

The group assigned is not recorded but derived when needed based

on the rule set. All contract transactions extracted from the policy administration system are aggregated together based on the code.

1.13.6 Expense allocation

NASRIA's expense allocation practices are aligned with the principles of IFRS 17, reflecting a comprehensive and transparent approach to recognising and distributing expenses related to insurance contracts. NASRIA recognises that a portion of its expenses can be directly attributed to its insurance contracts. These expenses are defined as costs related to writing, renewing, or servicing insurance contracts whilst insurance acquisition costs are defined as those costs related to selling, underwriting, and starting a group of insurance contracts. These directly attributable expenses exclude costs that are common to any business entity.

To allocate directly attributable expenses, NASRIA adopts a method that accurately reflects the relative benefit received by each group of insurance contracts from the incurred expenses. This allocation is carried out down to the level of individual insurance contract groups.

NASRIA amortises its commission insurance acquisition cash flows using the same earning pattern as the premiums. Where 365ths pattern of earning is used, the premium is expressed as a daily rate and recognised each month in accordance with the number of days of cover provided in that month. Commission insurance acquisition cash flows are amortised in line with this pattern. NASRIA elected to expense all other insurance acquisition cash flows when incurred.

1.14 Other income

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

1.15 Translation of foreign currencies

Functional and presentation currency

Items included in the consolidated and separate annual financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated consolidated and separate annual financial statements are presented in Namibia Dollar which is the group functional and presentation currency.

Accounting Policies

1.15 Translation of foreign currencies (continued)

Investment in subsidiary

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each consolidated and separate statements of financial position presented are translated at the closing rate at the date of that consolidated and separate statements of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated in the foreign currency translation reserve.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Supplier finance arrangements - amendments to IAS 7 and IFRS 7

The amendment applies to circumstances where supplier finance arrangements exist. These are arrangements whereby finance providers pay the suppliers of the entity, thus providing the entity with extended payment terms or the suppliers with early payment terms. The entity then pays the finance providers based on their specific terms and conditions. The amendment requires the

disclosure of information about supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows as well as on the entity's exposure to liquidity risk.

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

The group has adopted the amendment for the first time in the 2025 consolidated and separate annual financial statements. The impact of the amendment is not material.

Non-current liabilities with covenants - amendments to IAS 1

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

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

The group has adopted the amendment for the first time in the 2025 consolidated and separate annual financial statements. The impact of the amendment is not material.

Lease liability in a sale and leaseback

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

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

The group has adopted the amendment for the first time in the 2025 consolidated and separate annual financial statements.

The impact of the amendment is not material.

Notes to the Consolidated and Separate Annual Financial Statements

2. New Standards and Interpretations (continued)

2.2 Standards and interpretations not yet effective

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

IFRS 19 Subsidiaries without Public Accountability: Disclosures

This is a new standard which may be applied by subsidiaries which do not have public accountability. It is a disclosure only standard and provides for reduced disclosures for qualifying subsidiaries to apply, while still remaining compliant with the recognition, measurement and presentation requirements of IFRS accounting standards. The reduced disclosures provided in IFRS 19 may be applied by the subsidiary in their consolidated, separate or individual financial statements, provided that the ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS accounting standards. A subsidiary has public accountability, and may not apply IFRS 19, if its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market, or if it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

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

The group expects to adopt the amendment for the first time in the 2028 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate annual financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

The group expects to adopt the amendment for the first time in the 2028 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate annual financial statements.

Amendments to IFRS 7 Financial Instruments: Disclosures

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

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

The group expects to adopt the amendment for the first time in the 2027 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate annual financial statements.

2. New Standards and Interpretations (continued)

Amendments to IFRS 9 Financial Instruments

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

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

The group expects to adopt the amendment for the first time in the 2027 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate annual financial statements.

Amendments to IFRS 9 Financial Instruments

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

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

The group expects to adopt the amendment for the first time in the 2027 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate annual financial statements.

Amendments to IFRS 10 Consolidated Financial Statements

Notes to the Consolidated and Separate Annual Financial Statements

Annual Improvements to IFRS Accounting Standards - Volume 11 - Determination of a 'de facto agent'. The amendment is to clarify whether a party acts as a de facto agent in assessing control of an investee.

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

The group expects to adopt the amendment for the first time in the 2027 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate annual financial statements.

Amendments to IAS 10 Statement of Cash flows

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

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

The group expects to adopt the amendment for the first time in the 2027 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate annual financial statements.

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

The amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features, as such features could affect whether the assets are

measured at amortised cost or fair value. The amendment also clarifies the date on which a financial asset or financial liability is derecognised in cases where liabilities are settled through electronic payment systems.

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

The group expects to adopt the amendment for the first time in the 2027 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate annual financial statements.

Lack of exchangeability - amendments to IAS 21

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

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

The group expects to adopt the amendment for the first time in the 2026 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate annual financial statements.

Figures in Namibia Dollar thousand

	Group		Company	
	2025	2024	2025	2024

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	47 156	596 650	39 806	596 648
Short-term deposits	150	111	150	111
	47 306	596 761	39 956	596 759

The expected credit losses for cash and cash equivalents was considered immaterial after considering historical default data, current and future market data that can affect the probability of default.

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

AAA (First National Bank of Namibia Ltd)	150	111	150	111
AA (Bank Windhoek Limited)	2	9	-	7
A (Nedbank Namibia Limited)	39 806	596 641	39 806	596 641
	39 958	596 761	39 956	596 759

Notes to the Consolidated and Separate Annual Financial Statements

4. Trade and other receivables

Non-financial instruments:

VAT	2 726	3 120	2 429	2 823
Total trade and other receivables	2 726	3 120	2 429	2 823

Financial instrument and non-financial instrument components of trade and other receivables

Non-financial instruments	2 726	3 120	2 429	2 823
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Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due. The group has no significant credit risk.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

5. Other financial assets

Investments held by the group which are measured at fair value, are as follows:

Equity investments designated as at fair value through profit or loss	890 555	144 428	890 555	144 428
Money market investments designated as at fair value through profit or loss	-	24 122	-	24 122
Debt investments designated as at fair value through profit or loss	-	78 750	-	78 750
Amortised cost	8	8	8	8
	890 563	247 308	890 563	247 308

5. Other financial assets (continued)

At fair value through profit or loss - designated

Listed shares	-	15 898	-	15 898
-Share portfolio listed on the Johannesburg Exchange;				
-Share portfolio listed on the Namibian Exchange; and				
-Share portfolio listed on International Stock Exchanges.				
Unit trusts	890 555	128 530	890 555	128 530
Unit trusts - Credit guarantee scheme financial assets Refer to note 15 of the directors report for further information about the Scheme.	-	24 122	-	24 122
Bonds Corporate bonds held at Bank Windhoek Ltd	-	14 000	-	14 000
Bonds - Credit guarantee scheme financial assets Refer to note 15 of the directors report for further information about the Scheme.	-	64 750	-	64 750
Amortised cost				
Fixed - term deposits				
Fixed-term deposits are held with financial institutions. The interest rates range between 3.95% to 8.2% (2024: 3.95% to 8.2%)	8	8	8	8
Total financial assets	890 563	247 308	890 563	247 308

6. Loans to group companies

Subsidiaries

Cathral Investments Eighty Two (Pty) Ltd	-	-	-	-
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Notes to the Consolidated and Separate Annual Financial Statements

The loan is unsecured, bears no interest and is repayable on demand or through rental income at the discretion of the NASRIA Ltd directors.

The fair value of the loan to Cathral Investments Eighty Two (Pty) Ltd is nil (2024: nil).

Exposure to credit risk

Loans receivable inherently expose the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

Figures in Namibia Dollar thousand	2025	Group		Company
		2024	2025	2024

6. Loans to group companies (continued)

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for group loans receivable by credit rating grade:

Company - 2025

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans to subsidiaries				
Cathral Investments Eighty Two (Pty) Ltd	12m ECL	17 880	(17 880)	-

Company - 2024

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans to subsidiaries				
Cathral Investments Eighty Two (Pty) Ltd	12m ECL	17 880	(17 880)	-

7. Interests in subsidiaries

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Company

Name of company	% holding % 2025	holding 2024	Carrying amount 2025	Carrying amount 2024
Cathral Investments Eighty Two (Pty) Ltd	100	100	-	-
Special Risks Insurance of Botswana Limited	100	-	8 283	-
			8 283	-

The carrying amount of the company's investment in Cathral Investments Eighty Two (Pty) Ltd is N\$100. Special Risks

Insurance of Botswana Limited is incorporated in Botswana.

2025

2024

8. Investment property

Group	Cost / revaluation	Accumulated depreciation and impairment	Carrying value	Cost / revaluation	Accumulated depreciation and impairment	Carrying value
Investment property	18 544	(2 114)	16 430	18 544	-	18 544

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group		Company			
	2025	2024	2025	2024		
8. Investment property (continued)						
Company	2025		2024			
	Cost / revaluation	Accumulated depreciation and impairment	Carrying value	Cost / revaluation	Accumulated depreciation and impairment	Carrying value
Investment property	18 544	(2 114)	16 430	18 544	-	18 544
Reconciliation of investment property - Group - 2025				Opening balance	Impairments	Total
					(2 114)	16 430
Investment property				18 544	(2 114)	16 430
Reconciliation of investment property - Group - 2024					Opening balance	Total
Investment property					18 544	18 544
Reconciliation of investment property - Company - 2025				Opening balance	Fair value adjustments	Total
Investment property				18 544	(2 114)	16 430
Reconciliation of investment property - Company - 2024					Opening balance	Total
Investment property					18 544	18 544

The group's investment property is stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. The valuation was performed by Eaton Property Valuations. The appraiser who performed the valuation is Mr Eugene Lofty-Eaton (National Diploma Property Valuations) and has the appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation was carried out in accordance with the applicable professional guidance notes issued by the International Valuation Standards Council. Mr Lofty-Eaton is not connected to the group. The valuation report was completed on 24 February 2025 and effective for period end.

The valuation on investment property was done using the comparable sales approach method. This method involve comparing recent sales of similar properties and applying the same factors to the consideration of the value of the property

under inspection. The key variable which affects the value of the investment property is the estimated sellable land rate per square metre of N\$ 4 000.

Sensitivity analysis

The effect of a 5% change in the estimated sellable land rate per square metre will result in the recoverable amount of the group to increase/decrease by N\$ 822 thousand.

Other disclosures

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group			Company		
	2025	2024	2025	2025	2024	2024
9. Property, plant and equipment						
	2025			2024		
Group						
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	1 855	(698)	1 157	1 855	(661)	1 194
Furniture and fixtures	924	(590)	334	631	(548)	83
Motor vehicles	512	(512)	-	512	(512)	-
Office equipment	1 911	(45)	1 866	1 887	(45)	1 842
Computer equipment	1 754	(1 423)	331	1 399	(1 237)	162
Total	6 956	(3 268)	3 688	6 284	(3 003)	3 281
Company						
	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	1 855	(698)	1 157	1 855	(661)	1 194
Furniture and fixtures	924	(590)	334	631	(548)	83
Motor vehicles	512	(512)	-	512	(512)	-
Office equipment	1 911	(45)	1 866	1 887	(45)	1 842
Computer equipment	1 754	(1 423)	331	1 399	(1 237)	162
Total	6 956	(3 268)	3 688	6 284	(3 003)	3 281

Reconciliation of property, plant and equipment - Group - 2025

	Opening balance	Additions	Depreciation	Total
Buildings	1 194	-	(37)	1 157
Furniture and fixtures	83	293	(42)	334
Office equipment	1 842	24	-	1 866
Computer equipment	162	355	(186)	331
	3 281	672	(265)	3 688

Reconciliation of property, plant and equipment - Group - 2024

	Opening balance	Additions	Disposals	Depreciation allocated to insurance service expenses	Depreciation	Total
Buildings	1 231	-	-	(23)	(14)	1 194
Furniture and fixtures	18	87	-	(22)	-	83
Motor vehicles	194	-	(120)	(74)	-	-
Office equipment	1	1 842	-	(1)	-	1 842
Computer equipment	212	112	-	(162)	-	162
	1 656	2 041	(120)	(282)	(14)	3 281

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group		Company	
	2025	2024	2025	2024
9. Property, plant and equipment (continued)				
Reconciliation of property, plant and equipment - Company - 2025	Opening balance	Additions	Depreciation	Total
Buildings	1 194	-	(37)	1 157
Furniture and fixtures	83	293	(42)	334
Office equipment	1 842	24	-	1 866
Computer equipment	162	355	(186)	331
	3 281	672	(265)	3 688

Reconciliation of property, plant and equipment - Company - 2024						
	Opening balance	Additions	Disposals	Depreciation allocated to insurance service expenses	Depreciation	Total
Buildings	1 231	-	-	(23)	(14)	1 194
Furniture and fixtures	18	87	-	(22)	-	83
Motor vehicles	194	-	(120)	(74)	-	-
Office equipment	1	1 842	-	(1)	-	1 842
Computer equipment	212	112	-	(162)	-	162
	1 656	2 041	(120)	(282)	(14)	3 281

Revaluations

The carrying value of the revalued assets under the cost model would have been:

Buildings	1 304	1 304	1 304	1 304
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Details of properties

Buildings

Buildings comprise of section 9 of the Namlex Chambers building erected on Erf 7727, situated in the Municipality of Windhoek, Registration Division "K" and registered as a sectional title. The property was acquired in 1998.

The current directors' valuation of the sectional title is estimated at N\$ 3.2 million which is based on market conditions and considered to be equal to its insured value.

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2025	2024	2025	2024
9. Property, plant and equipment (continued)				
Capitalised expenditure				
Purchase price: 1998	1 331	1 331	1 331	1 331
Additions: 2000	40	40	40	40
Additions: 2001	50	50	50	50
Additions: 2009	12	12	12	12
Additions: 2016	120	120	120	120
Additions: 2018	302	302	302	302
Purchase price: 2020	28 823	28 823	-	-
Additions: 2021	3 452	3 452	-	-
Additions: 2022	1 242	1 242	-	-
Transfer to investment property: 2023	(33 517)	(33 517)	-	-
	1 855	1 855	1 855	1 855

10. Intangible assets

		2025			2024	
Group	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
	272	(272)	-	272	(272)	-
Computer software						
Company	Cost	2025 Accumulated amortisation	Carrying value	2024 Cost	Accumulated amortisation	Carrying value
Computer software	272	(272)	-	272	(272)	-

Reconciliation of intangible assets - Group - 2024

	Opening balance	Other changes	Amortisation	Total
Computer software	47	(8)	(39)	-

Reconciliation of intangible assets - Company - 2024

	Opening balance	Other changes	Amortisation	Total
Computer software	47	(8)	(39)	-

11. Trade and other payables

Financial instruments:

Sundry creditors	1 316	1 520	1 316	1 520
Accrued expenses	2 665	754	2 665	754
	3 981	2 274	3 981	2 274

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

At amortised cost	3 981	2 273	3 981	2 273
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Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2025	2024	2025	2024

11. Trade and other payables (continued)

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

12. Provisions

	Opening balance	Additions	Total
Provision for leave pay	409	88	497

Reconciliation of provisions - Group - 2024

	Opening balance	Utilised during the year	Total
Provision for leave pay	1 466	(1 057)	409
Provision for severance pay	751	(751)	-
Performance bonus provision	1 817	(1 817)	-
	4 034	(3 625)	409

Reconciliation of provisions - Company - 2025

	Opening balance	Additions	Total
Provision for leave pay	409	88	497

Reconciliation of provisions - Company - 2024

	Opening balance	Utilised during the year	Total
Provision for leave pay	1 466	(1 057)	409
Provision for severance pay	751	(751)	-
Performance bonus provision	1 817	(1 817)	-
	4 034	(3 625)	409

13. Credit Guarantee Scheme financial liability

Credit Guarantee Scheme financial liability	50 000	50 000	50 000	50 000
Opening balance	50 000	50 000	50 000	50 000

Refer to note 15 of the directors report for further information about the Scheme. The amount is repayable on demand and is interest free.

14. Insurance contract liabilities

Insurance contracts issued that are liabilities:

Liability for remaining coverage:

Liability for remaining coverage of contracts measured under the PAA	11 724	9 060	11 724	9 060
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Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2025	2024	2025	2024
14. Insurance contract liabilities (continued)				
Liability for incurred claims:				
Estimates of present value of future cash flows	2 544	1 236	2 544	1 236
Risk adjustment for non-financial risk	15	4	15	4
	14 283	10 300	14 283	10 300
	Liabilities for Remaining Coverage	Liabilities for Incurred claims	Liabilities for Incurred claims	Total
31 March 2025	Present value of expected future cash flows	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	9 060	1 236	4	10 300
	9 060	1 236	4	10 300
Insurance revenue				
Full retrospective approach	(89 363)	-	-	(89 363)
	(89 363)	-	-	(89 363)
Insurance service expenses				
Incurred insurance service expenses:				
:- Claims	-	2 661	26	2 687
:- Expenses	-	10 516	-	10 516
:- Other movements related to current service	-	-	(11)	(11)
Amortisation of insurance acquisition cash flows	17 161	-	-	17 161
Changes that relate to past service (changes fulfilment cash flows re LIC)	-	(681)	(4)	(685)
Total insurance service expenses	17 161	12 496	11	29 668
Total insurance service result	(72 202)	12 496	11	(59 695)
Total changes in the statement of financial performance	(72 202)	12 496	11	(59 695)
Cash flows (actual cashflows in the period)				
Premiums and premium tax received	92 494	-	-	92 494
Claims and other insurance service expenses paid, including investment components	-	(11 188)	-	(11 188)
Insurance acquisition cash flows	(17 628)	-	-	(17 628)
Total cash flows	74 866	(11 188)	-	63 678
Net closing balance	11 724	2 544	15	14 283
Insurance contract liabilities summarised as:				
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	11 724	2 544	15	14 283
	11 724	2 544	15	14 283

Notes to the Consolidated and Separate Annual Financial Statements

		Group	Company	
Figures in Namibia Dollar thousand	2025	2024	2025	2024
14. Insurance contract liabilities (continued)				
		Liabilities for Remaining Coverage Present value of expected future cash flows	Liabilities for Incurred claims Estimates of Present Value of Future Cash Flows	Liabilities for Incurred claims Risk Adjustment for Non-financial risk Total
31 March 2024				
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	7 776	1 324	4	9 104
	7 776	1 324	4	9 104
Insurance revenue				
Full retrospective approach	(83 912)			
	(83 912)	-	-	(83 912)
Insurance service expenses		-	-	(83 912)
Incurred insurance service expenses:				
:- Claims	-			
:- Expenses	-	1 120	3	1 123
:- Other movements related to current service	-	11 428	-	11 428
Amortisation of insurance acquisition cash flows	16 151	-	-	-
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	(1 204)	(3)	(1 207)
Total insurance service expenses	16 151	11 344	-	27 495
Total insurance service result	(67 761)	11 344	-	(56 417)
Total changes in the statement of financial performance	(67 761)	11 344	-	(56 417)
Cash flows (actual cashflows in the period)				
Premiums and premium tax received	85 313			
Claims and other insurance service expenses paid, including investment components Insurance acquisition cash flows	(16 268)	(11 432)	-	(11 432)
Total cash flows	69 045	-	-	(16 268)
		(11 432)	-	57 613
Net closing balance	9 060	1 236	4	10 300
Insurance contract liabilities summarised as:				
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	9 060	1 236	4	10 300
	9 060	1 236	4	10 300

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group		Company	
	2025	2024	2025	2024
15. Reinsurance contract liabilities				
Liability for remaining coverage:				
Liability for remaining coverage of contracts measured under the PAA	2 466	2 241	2 466	2 241
	2 466	2 241	2 466	2 241
			Liabilities for Remaining Coverage	Liabilities for Incurred claims
			Liabilities for Incurred claims	Liabilities for Incurred claims
31 March 2025	Excluding loss component	Estimates of Present Value of Future Flows	Risk Adjustment for Non-financial risk	Total
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	2 241	-	-	2 241
	2 241	-	-	2 241
Allocation of the premiums paid				
Full retrospective approach	8 677	-	-	8 677
Net income (expenses) from reinsurance contracts held	8 677	-	-	8 677
Amounts recovered from reinsurance				
Recoveries of incurred claims and other insurance service expense	-	-	-	-
Changes related to past service (changes related to incurred claims component)	-	(1 844)	-	(1 844)
Total amounts recovered from reinsurance	-	(1 844)	-	(1 844)
Total net expenses from reinsurance	8 677	(1 844)	-	6 833
Total changes in the statement of financial performance	8 677	(1 844)	-	6 833
Cash flows (actual cashflows in the period)				
Premiums and premium tax received	(8 452)	-	-	(8 452)
Amounts recovered	-	1 844	-	1 844
Total cash flows	(8 452)	1 844	-	(6 608)
Net closing balance	2 466	-	-	2 466
Reinsurance contract liabilities summarised as:				
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	2 466	-	-	2 466
	2 466	-	-	2 466

Notes to the Consolidated and Separate Annual Financial Statements

		Group	Company	
Figures in Namibia Dollar thousand	2025	2024	2025	2024
15. Reinsurance contract liabilities (continued)				
		Liabilities for Remaining Coverage	Liabilities for Incurred claims	Liabilities for Incurred claims
		Excluding loss component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk
				Total
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	46 317	-	-	46 317
Allocation of the premiums paid	46 317	-	-	46 317
Full retrospective approach	(2 377)			
Net income (expenses) from reinsurance contracts held	(2 377)	-	-	(2 377)
Amounts recovered from reinsurance	-	-	-	(2 377)
Recoveries of incurred claims and other insurance service expense	-			
Changes related to past service (changes related to incurred claims component)	-	-	-	-
Total amounts recovered from reinsurance	-	-	-	-
Total net expenses from reinsurance	(2 377)			
Total changes in the statement of financial performance	(2 377)	-	-	(2 377)
Cash flows (actual cashflows in the period)		-	-	(2 377)
Premiums and premium tax received	(41 699)			
Amounts recovered	-	-	-	(41 699)
Total cash flows	(41 699)	-	-	-
Net closing balance	2 241			(41 699)
		-	-	2 241
Reinsurance contract liabilities summarised as:				
Closing insurance contract assets	-			
Closing insurance contract liabilities	2 241	-	-	-
	2 241	-	-	2 241
		-	-	2 241
16. Current tax (payable) receivable				
Normal tax	(20 120)	(1 740)	(20 120)	(1 740)
Opening balance	(1 740)	1 340	(1 740)	1 340
Current tax charge	(21 958)	(7 585)	(21 958)	(7 585)
Payments	3 578	4 505	3 578	4 505
	(20 120)	(1 740)	(20 120)	(1 740)

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	2025	Group		Company	
		2024	2025	2024	2025
17. Deferred tax					
Deferred tax liability					
Property plant and equipment	(45)	(14)	(45)	(14)	
Provision for deferred acquisition costs	(1 089)	(1 441)	(1 089)	(1 441)	
Total deferred tax liability	(1 134)	(1 455)	(1 134)	(1 455)	
Deferred tax asset					
Provision for doubtful debts	470	371	470	371	
Provision for other staff benefits	57	75	57	75	
Reinsurance liability	740	717	740	717	
Deferred tax balance from temporary differences other than unused tax losses	1 267	1 163	1 267	1 163	

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(1 134)	(1 455)	(1 134)	(1 455)
Deferred tax asset	1 267	1 163	1 267	1 163
Total net deferred tax asset (liability)	133	(292)	133	(292)

Reconciliation of deferred tax asset / (liability)				
At beginning of year	(292)	9 105	(292)	9 105
Reduction due to rate change - 32% to 31%	9	-	9	-
Reduction due to rate change - 31% to 30%	(4)	-	(4)	-
Taxable temporary difference on NAMIBRE reinsurance provision	-	(9 572)	-	(9 572)
Increases (decreases) in valuation allowance of provision for deferred acquisition costs	324	(35)	324	(35)
Taxable / (deductible) temporary difference movement on tangible fixed assets	(31)	73	(31)	73
Taxable / (deductible) temporary difference on provision for doubtful debts	106	-	106	-
Taxable / (deductible) temporary difference on provision for other staff costs	(16)	(917)	(16)	(917)
Taxable / (deductible) temporary difference movement on impairment of - investments		337	-	337
Taxable / (deductible) temporary difference movement reinsurance liability	37	717	37	717
	133	(292)	133	(292)

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group		Company	
	2025	2024	2025	2024
18. Retirement benefit obligation				
Present value of the defined benefit obligation-partially or wholly funded	190	233	190	233
Opening balance	233	2 350	233	2 350
Movement during the period	(43)	(2 117)	(43)	(2 117)
	190	233	190	233

Key assumptions used

Assumptions used on last valuation on 31 March 2014.

Discount rates used	11.00 %	11.00 %	11.00 %	11.00 %
Expected rate of return on assets	5.95 %	5.95 %	5.95 %	5.95 %

Defined contribution retirement plan

The group participates in the Namlex Pension Fund administered by Alexander Forbes Financial Services Limited which is a defined contribution pension fund in Namibia for all of its employees. The defined contribution pension fund is subject to the Pension Fund Act, Act 24 of 1956 of Namibia. The fund is funded both by the member and group contributions, which are charged to profit or loss as they are incurred.

NASRIA currently contributes 15% of the pensionable emoluments to the fund whilst the members contribute at 6% for nonmanagerial and executive staff respectively.

Post retirement medical aid benefit

The group provides post retirement benefits by way of medical aid scheme contributions. The benefits are provided to all groups of employees appointed before the year 2007 subject to the years of uninterrupted service with the group. The liability in respect of future contributions is valued annually.

19. Share capital

Authorised

8 000 000 Ordinary shares of N\$ 1.00 each	8 000	8 000	8 000	8 000
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Issued

8 000 000 Ordinary shares of N\$ 1.00 each	8 000	8 000	8 000	8 000
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20. General reserve fund

The reserve is established and maintained in accordance with section 27 of the Namibia Special Risks Insurance Association Act. The Company must establish and maintain a general reserve fund into which must be deposited at the end of each financial year 25 percent, or such other percentage, as the Board may determine with the written approval of the Minister, of the annual net profit before tax of the Company, if the general reserve fund is equal to or exceeds the margin of solvency (refer to note 35) of the Company contemplated by section 23 of the Namibia Special Risks Insurance Association Act.

Opening balance	75 570	47 056	75 570	47 056
Transfer from retained income	25 551	28 514	25 551	28 514
	101 121	75 570	101 121	75 570

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group		Company	
	2025	2024	2025	2024

21. Capital contribution reserve

The reserve was created from the funds received from Government of the Republic of Namibia for the Credit Guarantee Scheme under the Namibia Financial Sector Strategy. Refer to note 15 (Credit Guarantee Scheme) of the directors' report for further information on the scheme.

Opening balance	107 978	107 978	107 978	107 978
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22. Foreign currency translation reserve

Translation reserve comprises exchange differences on consolidation of foreign subsidiaries.

Exchange differences on consolidation of BOSRIA	81	-	-	-
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23. Dividends paid

Balance at beginning of the year	-	(17 700)	-	(17 700)
Dividends	(16 000)	(10 000)	(16 000)	(10 000)
	(16 000)	(27 700)	(16 000)	(27 700)

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2025	2024	2025	2024
24. Premium income				
Expected premium receipts allocation under the PAA	89 363	83 912	89 363	83 912
25. Insurance service expenses				
Incurred insurance service expenses:				
- Claims	2 686	1 123	2 686	1 123
- Expenses	10 516	7 567	10 516	7 567
- Other movements related to current service	(11)	-	(11)	-
Insurance acquisition cash flows expensed when incurred	8 254	3 862	8 254	3 862
Amortisation of insurance acquisition cash flows	17 161	16 151	17 161	16 151
Changes in estimates in LIC fulfilment cash flows	(4)	112	(4)	112
Experience adjustments in claims and other insurance service expenses in LIC	(681)	(1 319)	(681)	(1 319)
	37 921	27 496	37 921	27 496

*Incurred insurance service expenses for the group and company are analysed as follows:

Audit fees	551	963	551	963
Consultant fees	693	-	693	-
Bank charges	63	118	63	118
Computer expenses	421	564	421	564
Depreciation	25	282	25	282
Marketing and advertising	970	330	970	330
Insurance	19	186	19	186
Leave pay	-	(684)	-	(684)
Medical aid	600	976	600	976
Petrol and oil	-	10	-	10
Motor vehicle expenses - repairs and maintenance	4	28	4	28
Pension fund	530	907	530	907
Rent and levies	665	-	665	-
Total salaries and wages	5 733	7 361	5 733	7 361
Social Security Commission	10	10	10	10
Stamp duty	232	377	232	377
	10 516	11 428	10 516	11 428

26. Net expenses from reinsurance contracts				
Allocation of the premiums paid	8 677	(2 377)	8 677	(2 377)
Changes that relate to past service (changes in fulfilment cash flows re LIC): - Experience adjustments in claims and other insurance service expenses in LIC	(1 844)	-	(1 844)	-
	6 833	(2 377)	6 833	(2 377)

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2025	2024	2025	2024
27. Investment income				
Dividend income				
Equity instruments at fair value through profit or loss:				
Listed investments	1 542	31 123	1 542	31 123
Credit Guarantee Scheme dividend received	-	5 708	-	5 708
Total dividend income	1 542	36 831	1 542	36 831
Interest income				
Investments in financial assets:				
Cash and cash equivalents	3 887	3 592	3 887	3 592
Corporate bonds	-	6 790	-	6 790
Credit Guarantee Scheme interest received	-	6 983	-	6 983
Funds on call	45 297	-	45 297	-
Total interest income	49 184	17 365	49 184	17 365
Total investment income	50 726	54 196	50 726	54 196
28. Fair value adjustments				
Impairment losses on				
Investments in subsidiaries, joint arrangements and associates	(1 015)	-	-	-
Fair value gains				
Financial assets designated as at fair value through profit or loss	34 227	28 720	34 227	28 720
Total other non-operating gains (losses)	33 212	28 720	34 227	28 720
29. Other income				
Other income	4	7	4	7
Profit on disposal of fixed assets	-	86	-	86
	4	93	4	93
30. Operating profit before net investment income				
Operating profit before net investment income for the year is stated after charging (crediting) the following, amongst others:				
Employee costs				
Salaries, wages, bonuses and other benefits	8 464	10 987	8 464	10 987
Other short-term costs	10	(847)	10	(847)
Retirement benefit plans: defined benefit expense	566	(189)	566	(189)
Total employee costs	9 040	9 951	9 040	9 951

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group		Company	
	2025	2024	2025	2024

30. Operating profit before net investment income (continued)

Expenses by nature

The total insurance expenses, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

Insurance service expenses:	2 686	1 123	2 686	1 123
Claims	(11)	-	(11)	-
Other movements related to current service	8 254	3 862	8 254	3 862
Insurance acquisition cash flows expensed when incurred	17 161	16 151	17 161	16 151
Amortisation of insurance acquisition cash flows	(4)	112	(4)	112
Changes in estimates in LIC fulfilment cash flows	(681)	(1 319)	(681)	(1 319)
Experience adjustments in claims and other insurance service expenses in LIC	10 516	7 567	10 516	7 567
Other directly attributable insurance expenses (refer to note 25 for analysis of direct insurance expenses)				
Other operating expenses				
Employee costs	9 040	9 951	9 040	9 951
Lease expenses	276	1 269	275	1 269
Depreciation, amortisation and impairment	3 350	53	2 335	53
Other expenses	11 665	10 477	11 665	10 478
	62 252	49 246	61 236	49 247

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
	2025	2024	2025	2024
30. Operating profit before net investment income (continued)				
Other operating expenses				
Other operating expenses are analysed by nature as follows:				
Accounting fees	2	-	2	-
Advertising	217	1 880	217	1 880
Amortisation	-	39	-	39
Audit fees	530	-	530	-
Bad debts	543	-	543	-
Bank charges	62	60	62	60
Cleaning	43	-	43	-
Computer expenses	309	308	309	308
Consulting and professional fees - legal fees	213	75	213	75
Consulting fees	1 025	881	1 025	881
Credit Guarantee Scheme costs	129	29	129	29
Depreciation	221	14	221	14
Employee costs	9 040	9 951	9 040	9 951
Entertainment	64	199	64	199
Impairment	2 114	-	2 114	-
Insurance	170	9	170	9
Management fees	-	853	-	853
Membership fees	192	133	192	133
Motor vehicle expenses	-	56	-	56
Municipal expenses	421	-	421	-
New product development	643	1 668	643	1 668
Office expenses	172	209	172	210
Penalties and fines	-	382	-	382
Personnel expenses	78	9	78	9
Asset manager management fees	4 932	-	4 932	-
Impairment of investment in subsidiary	1 015	-	-	-
Postage	1	-	1	-
Printing and stationery	50	174	50	174
Rent and levies	276	1 269	275	1 269
Repairs and maintenance	32	53	32	53
Secretarial fees	21	70	21	70
Security	-	7	-	7
Social upliftment	470	524	470	524
Staff welfare	119	232	119	232
Strategic session planning	23	317	23	317
Subscriptions	1	6	1	6
Telephone and fax	274	481	274	481
Travel - foreign	302	845	302	845
Travel - local	627	1 017	627	1 017
	24 331	21 750	23 315	21 751

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group		Company	
	2025	2024	2025	2024
31. Taxation				
Major components of the tax expense				
Current	21 958	7 585	21 958	7 585
Local income tax - current period				
Deferred	(425)	9 397	(425)	9 397
Originating and reversing temporary differences	21 533	16 982	21 533	16 982
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting profit	105 235	120 052	106 251	120 051
Tax at the applicable tax rate of 31% (2024: 32%)	32 623	38 417	32 938	38 416
Tax effect of adjustments on taxable income				
Rate change adjustment - 32% to 31%	(9)	-	(9)	-
Rate change adjustment - 31% to 30%	4	-	4	-
Permanent differences	(11 085)	(21 435)	(11 400)	(21 434)
	21 533	16 982	21 533	16 982
32. Other comprehensive income				
Components of other comprehensive income - Group - 2025				
		Gross	Tax	Net
Items that may be reclassified to profit (loss)				
Exchange differences on translating foreign operations				
Exchange differences arising during the year		81	-	81

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
	2025	2024	2025	2024
33. Cash (used in)/generated from operations				
Profit before taxation				
Adjustments for non-cash items:	105 235	120 053	106 251	120 052
Depreciation and amortisation				
Profit on disposal of assets	3 350	335	2 335	335
Fair value gains	-	(86)	-	(86)
Movements in provisions	(34 227)	(28 720)	(34 227)	(28 720)
Movements in retirement benefit assets and liabilities	88	(3 625)	88	(3 625)
Other non-cash in financial assets	(43)	(2 116)	(43)	(2 116)
Impairment of investment in subsidiary	1 623	(1 468)	1 542	(1 470)
Adjust for items which are presented separately:	(1 015)	-	-	-
Interest income				
Dividends received	(49 184)	(17 365)	(49 184)	(17 365)
Changes in working capital:	(1 542)	(36 831)	(1 542)	(36 831)
(Increase) decrease in trade and other receivables	394	(1 225)	394	(1 225)
Increase (decrease) in trade and other payables	1 707	(50)	1 707	(47)
Increase in insurance liabilities	3 983	1 196	3 983	1 196
Increase (decrease) in reinsurance contract liabilities	225	(44 076)	225	(44 076)
	30 594	(13 978)	31 529	(13 978)
34. Tax paid				
Balance at beginning of the year	(1 740)	1 340	(1 740)	1 340
Current tax recognised in profit or loss	(21 958)	(7 585)	(21 958)	(7 585)
Balance at end of the year	20 120	1 740	20 120	1 740
	(3 578)	(4 505)	(3 578)	(4 505)
35. Solvency margin				
Gross premiums			89 363	83 912
Capital and reserves			869 945	801 227
Solvency margin			973 %	955 %

The solvency margin represents capital and reserves expressed as a percentage of the net premium income. Net premium income represents gross premium income less re-insurance premiums.

36. Related parties

Relationships

Holding entity	Government of the Republic of Namibia (Ministry of Finance)
Subsidiaries	Refer to note 7
Indirect subsidiary	Quality Vehicles and Bakkie Centre (Pty) Ltd
Directors	Refer to director's report note 6
Fellow state owned enterprises	Refer below on disclosure of related party transactions

Notes to the Consolidated and Separate Annual Financial Statements

		Group		Company
Figures in Namibia Dollar thousand	2025	2024	2025	2024
36. Related parties (continued)				
Related party balances				
Credit guarantee scheme financial liability - owing to related party				
Development Bank of Namibia Ltd	(50 000)	(50 000)	(50 000)	(50 000)
Related party loan balances				
Refer to note 6 for disclosure of balances with related parties.				
Related party transactions				
Gross premiums received from related parties	(17)	(13)	(17)	(13)
Bank of Namibia	(540)	(559)	(540)	(559)
De Beers (Namibia) (Pty) Ltd	(474)	(561)	(474)	(561)
Development Bank of Namibia Ltd	(59)	(1)	(59)	(1)
Meat Corporation of Namibia	(1 008)	(999)	(1 008)	(999)
Mobile Telecommunications Limited	(15)	(14)	(15)	(14)
Namibia Financial Institutions Supervisory Authority	(42)	(40)	(42)	(40)
Namibia Tourism Board	(371)	(557)	(371)	(557)
Namibia University of Science and Technology	(38)	(37)	(38)	(37)
Namibian Broadcasting Corporation	(747)	-	(747)	-
Namibia Power Corporation	(164)	(234)	(164)	(234)
National Housing Enterprise	(149)	(160)	(149)	(160)
Roads Authority	(498)	(498)	(498)	(498)
Telecom Namibia Ltd	(4 122)	(3 673)	(4 122)	(3 673)
Dividends declared	16 000	17 700	16 000	17 700
Government of the Republic of Namibia				
Compensation to directors and other key management				
Short-term employee benefits	1 191	4 098	1 191	4 098
Post-employment benefits - Pension - Defined contribution plan	-	68	-	68
	1 191	4 166	1 191	4 166

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the group.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group		Company		
	2025	2024	2025	2024	
37. Directors' emoluments					
Executive					
2025	Basic salary	Other material benefits	Contributions paid under pension scheme	Post retirement benefits	Total
J Uusiku	2 587	27	285	122	3 021
2024		Basic salary	Contributions paid under pension scheme	Post retirement benefits	Total
NHM Tjozongoro		5 142	108	(852)	4 398
Non-executive					
2025					
Directors' fees				Fees for service as directors	Total
				1 280	1 280
2024					
Directors' fees				Fees for service as directors	Total
				1 380	1 380

38. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2025

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	
Unit trusts	5	890 555	-	890 555	890 555
Fixed - term deposits	5	-	8	8	-
Cash and cash equivalents	3	-	47 306	47 306	-
		890 555	47 314	937 869	890 555

Group - 2024

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Listed shares					
Unit trusts	5	15 898	-	15 898	15 898
Bonds	5	152 652	-	152 652	152 652
Fixed - term deposits	5	78 750	-	78 750	78 750
Cash and cash equivalents	5	-	8	8	-

Notes to the Consolidated and Separate Annual Financial Statements

	3	-	596 761	596 761	-
		247 300	596 769	844 069	247 300

Company - 2025					
	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Unit trusts	5	890 555	-	890 555	890 555
Fixed - term deposits	5	-	8	8	-
Cash and cash equivalents	3	-	39 956	39 956	-
		890 555	39 964	930 519	890 555

Company - 2024					
	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Listed shares	5	15 898	-	15 898	15 898
Unit trusts	5	152 652	-	152 652	152 652
Bonds	5	78 750	-	78 750	78 750
Fixed - term deposits	5	-	-	-	-
Cash and cash equivalents	3	-	8	8	-
		247 300	596 759	596 759	-
			596 767	844 067	247 300

Categories of financial liabilities

Group - 2025

Trade and other payables

	Note(s)	Amortised cost	Total
Credit Guarantee Scheme financial liability	11	3 981	3 981
Group - 2024	13	50 000	50 000
		53 981	53 981

Trade and other payables

	Note(s)	Amortised cost	Total
Credit Guarantee Scheme financial liability	11	2 273	2 273
	13	50 000	50 000
Company - 2025		52 273	52 273

	Note(s)	Amortised cost	Total
Trade and other payables			
Credit Guarantee Scheme financial liability	11	3 981	3 981
	13	50 000	50 000
		53 981	53 981

	Note(s)	Amortised cost	Total
Company - 2024			
Trade and other payables	11	2 273	2 273
Credit Guarantee Scheme financial liability	13	50 000	50 000
		52 273	52 273

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group		Company	
	2025	2024	2025	2024

38. Financial instruments and risk management (continued)

Capital risk management

The group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the group may adjust the amount of dividends paid to the shareholder, return capital to the shareholder and issue new shares.

The company must comply with certain regulatory requirements which require that the corporation maintain a minimum solvency margin where the aggregate value of its assets exceeds its liabilities by not less than N\$ 4.0 million or 15% of the total amount received by it in respect of premiums (after deducting an amount equal to the premiums paid by the registered insurer or reinsurer in respect of any reinsurance business) during its last preceding financial year, whichever is the greater amount. The company ensures that its solvency requirement is met at all times.

The company must establish and maintain a general reserve fund (in accordance with section 27 of the Namibia Special Risks Insurance Association Act) into which must be deposited at the end of each financial year 25 percent, or such other percentage, as the Board may determine with the written approval of the Minister, of the annual net profits of the company, if the general reserve fund is equal to or exceeds the margin of solvency of the company contemplated by section 23 of the Namibia Special Risks Insurance Association Act. The company ensures that the reserve is maintained.

Financial risk management Overview

Figures in Namibia Dollar thousand

38. Financial instruments and risk management (continued)

Refer to note 5 for the reconciliation of loss allowance provision for other financial assets at amortised cost as at 31 March.

All of these financial assets are considered to have low credit risk, and thus the impairment provision recognised during the period was limited to 12 months expected losses. Other instruments are

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

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

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk consists mainly of cash deposits, other financial assets and trade debtors. The group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board.

Debt investments

All of the entity's debt investments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' for instruments to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables and fixed deposits.

2025	Group		Company	
	2024	2025	2024	2025

considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Significant estimates and judgements

The loss allowances for financial assets are based on assumptions

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about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Impairment of financial assets

The impairment provisions for financial assets disclosed above

are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

The maximum exposure to credit risk is presented in the table below:

Group	Group			Company			
	2025	2024	2025	2024	2024	2024	
Other financial assets	5	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Cash and cash equivalents	3	890 555	-	890 555	247 300	-	247 300
		47 306	-	47 306	596 761	-	596 761
		937 861	-	937 861	844 061	-	844 061
Company							
Loan to related party	6	17 880	(17 880)	-	17 880	(17 880)	-
Other financial assets	5	890 555	-	890 555	247 300	-	247 300
Cash and cash equivalents	3	39 956	-	39 956	596 759	-	596 759
		948 391	(17 880)	930 511	861 939	(17 880)	844 059

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented. Financial assets at fair value do not include a loss allowance. The fair value is therefore equal to the gross carrying amount.

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and short term borrowings.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

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		Group		Company
	2025	2024	2025	2024

Figures in Namibia Dollar thousand

38. Financial instruments and risk management

The maturity profile of contractual cash flows of non-derivative financial liabilities held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Group - 2025

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	11	3 981	3 981	3 981
Credit Guarantee Scheme financial liability	13	50 000	50 000	50 000
		53 981	53 981	53 981

Group - 2024

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	11	2 273	2 273	2 273
Credit Guarantee Scheme financial liability	13	50 000	50 000	50 000
		52 273	52 273	52 273

Company - 2025

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	11			
Credit Guarantee Scheme financial liability	13	3 981	3 981	3 981
		50 000	50 000	50 000
		53 981	53 981	53 981

Company - 2024

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	11	2 273	2 273	2 273
Credit Guarantee Scheme financial liability	13	50 000	50 000	50 000
		52 273	52 273	52 273

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	2025	Group		Company	
		2024	2025	2024	2025

38. Financial instruments and risk management (continued)

Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies. There was no exposure to foreign currency at the reporting date.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

Changes in market interest rates have a direct effect on the contractually determined cash flows associated with floating rate financial assets, and on the fair value of fixed maturity investments included in the group's investment portfolios. Additionally, relative values of alternative investments and their liquidity of the instruments invested in, could affect value of interest rate linked investments. The ongoing assessment by an investment research team of professional advisors, of market expectations, within the

Namibian interest rate environment, drives the process of asset allocation in this investment category.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Deposits and all investments attract interest at rates that vary with prime. The group's policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on profit or loss.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Note	Average effective interest rate		Carrying amount	
		2025	2024	2025	2024
Group					
Variable rate instruments: Assets					
Unit trusts	5	- %	- %	890 555	152 652
Fixed - term deposits	5	8.10 %	8.10 %	8	8
Cash and cash equivalents	3	5.25 %	5.25 %	47 306	596 761
				937 869	749 421

38. Financial instruments and risk management (continued)

Liabilities	11	- %	- %	(3 981)	(2 273)
Reinsurance and other payables - normal terms	13	- %	- %	(50 000)	(50 000)
Credit Guarantee Scheme financial liability				(53 981)	(52 273)
				883 888	697 148
Net variable rate financial instruments					
Fixed rate instruments: Assets					
Bonds	5	- %	7.70 %	-	78 750
Variable rate financial assets as a percentage of total interest bearing financial assets				100.00 %	90.49 %
Fixed rate financial assets as a percentage of total interest bearing financial assets				- %	9.51 %
Variable rate financial liabilities as a percentage of total interest bearing financial liabilities				100.00 %	100.00 %

Notes to the Consolidated and Separate Annual Financial Statements

Company	Note	Average effective interest rate		Carrying amount	
		2025	2024	2025	2024
Variable rate instruments:					
Assets					
Unit trusts	5	- %	- %	890 555	152 652
Fixed - term deposits	5	8.10 %	8.10 %	8	8
Cash and cash equivalents	3	5.25 %	5.25 %	39 956	596 759
				930 519	749 419
Liabilities					
Reinsurance and other payables - normal credit terms	11	- %	- %	(3 981)	(2 273)
Credit Guarantee Scheme financial liability	13	- %	- %	(50 000)	(50 000)
				(53 981)	(52 273)
Net variable rate financial instruments				876 538	697 146
Fixed rate instruments:					
Assets					
Bonds	5	- %	- %	-	78 750
Variable rate financial assets as a percentage of total interest bearing financial assets				100.00 %	90.49 %
Fixed rate financial assets as a percentage of total interest bearing financial assets				- %	9.51 %
Variable rate financial liabilities as a percentage of total interest bearing financial liabilities				100.00 %	100.00 %

38. Financial instruments and risk management (continued)

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group	2025	2025	2024	2024
Increase or decrease in rate Impact on profit or loss:	Increase	Decrease	Increase	Decrease
Variable rate instruments (0.50% per annum movement)	4 419	4 419	3 486	3 486
Company				
Increase or decrease in rate	2025	2025	2024	2024
Impact on profit or loss:	Increase	Decrease	Increase	Decrease
Variable rate instruments (0.50% per annum movement)	4 383	4 383	3 486	3 486

Notes to the Consolidated and Separate Annual Financial Statements

Price risk

The group is exposed to equity securities price risk because of investments held by the group and classified on the statement of financial position either as fair value through profit or loss. The group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group. The stock selection

and investment analysis process of assets, is supported by a well-developed research function utilising professional advisors.

The group's investments in equity of other entities that are publicly traded are included in one of the following three equity indexes: NSX (Namibian Stock Exchange), JSE (Johannesburg Stock Exchange) and on International Stock Exchanges.

Amounts exposed to price risk are as follows:

Listed shares	-	15 898	-	15 898
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Insurance risk

The group issues contracts that transfer insurance risk. The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, the materialisation of risk is random and therefore unpredictable.

benefits will vary from year to year.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

For its portfolio of insurance contracts the principal risk that the group faces under the insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur when the frequency or severity of the claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and

The group does not calculate the estimated cost of unpaid claims (both reported and not) as the group's claims experience is minimal and the cost of unpaid claims cannot be reliably estimated.

Figures in Namibia Dollar thousand	2025	Group		Company
		2024	2025	2024

38. Financial instruments and risk management (continued)

The group further manages insurance risk by placing re-insurance with credible re-insurance companies.

39. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 1

Recurring fair value measurements

Assets	Note(s)				
Financial assets mandatorily at fair value through profit or loss					
Listed shares					
Total	5	-	15 898	-	15 898
		-	15 898	-	15 898

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Level 2

Recurring fair value measurements

Assets	Note(s)				
Financial assets mandatorily at fair value through profit or loss					
Unit trusts	5	890 555	152 652	890 555	152 652
Bonds	5	-	78 750	-	78 750
Total financial assets mandatorily at fair value through profit or loss		890 555	231 402	890 555	231 402
Total		890 555	231 402	890 555	231 402

Level 3

Recurring fair value measurements

Assets

Investment property

Assets	Note(s)				
Land	8	16 430		16 430	18 544

Financial assets at amortised cost

Fixed - term deposits	5	8	8	8	8
Cash and cash equivalents	3	47 306	596 761	39 956	596 759
Total financial assets		47 314	596 769	39 964	596 767

Liabilities

Note(s)

Financial liabilities at amortised cost		190	233	190	233
Retirement benefit obligation	18	3 981	2 273	3 981	2 273
Trade and other payables	11	50 000	50 000	50 000	50 000
Credit Guarantee Scheme financial liability	13	54 171	52 506	54 171	52 506
Total financial liabilities		9 573	562 807	2 223	562 805

Total

40. Going concern

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

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate annual financial statements have been prepared on a going concern basis. The

directors are satisfied that the group 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 group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

41. 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.





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