NASRIA

YOUR SPECIAL RISKS INSURER

2025/2026 ANNUAL REPORT

www.nasria.com.na

Acronyms

AGM	Annual General Meeting
ARC	Audit, Risk and Compliance Committee
BOSRIA	Special Risks Insurance of Botswana Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGS	Credit Guarantee Scheme
CSI	Corporate Social Investment
ESG	Environmental, Social and Governance
FIMA	Financial Institutions and Markets Act 2 of 2021
GWP	Gross Written Premiums
HR	Human Resources
HRRC	Human Resources and Remuneration Committee
HWC	Human-Wildlife Conflict
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
IFRS 17	International Financial Reporting Standard 17 – Insurance Contracts
IT	Information Technology
KPA	Key Performance Area
KPI	Key Performance Indicator
LGC	Legal, Governance and Compliance
MD	Managing Director
NAMFISA	Namibia Financial Institutions Supervisory Authority
NASRIA	Namibia Special Risks Insurance Association Limited
N$	Namibian Dollar
PEGA	Public Enterprises Governance Act 1 of 2019
PPE	Property, Plant and Equipment
PVT	Political Violence and Terrorism
SCM	Supply Chain Management
SME	Small and Medium Enterprises
SLA	Service Level Agreement
SOE	State-Owned Enterprise
VAT	Value Added Tax

Contents

About NASRIA

NASRIA is Namibia's national special risks insurer, established to provide insurance cover against losses arising from politically motivated events, including political violence, terrorism, riots, strikes, public disorder and related perils that are generally excluded from conventional insurance policies. Through its specialised insurance solutions, the organisation provides an important safeguard for businesses, institutions and individuals against risks that could otherwise have significant economic and social consequences.

In addition to its flagship Political Violence and Terrorism (PVT) insurance product, NASRIA underwrites the Credit Guarantee Scheme (CGS), which facilitates access to finance for qualifying Small and Medium Enterprises (SMEs) by providing credit guarantees to participating financial institutions. The scheme contributes to enterprise development, job creation and broader economic growth by reducing lending risks and supporting overall financial inclusion.

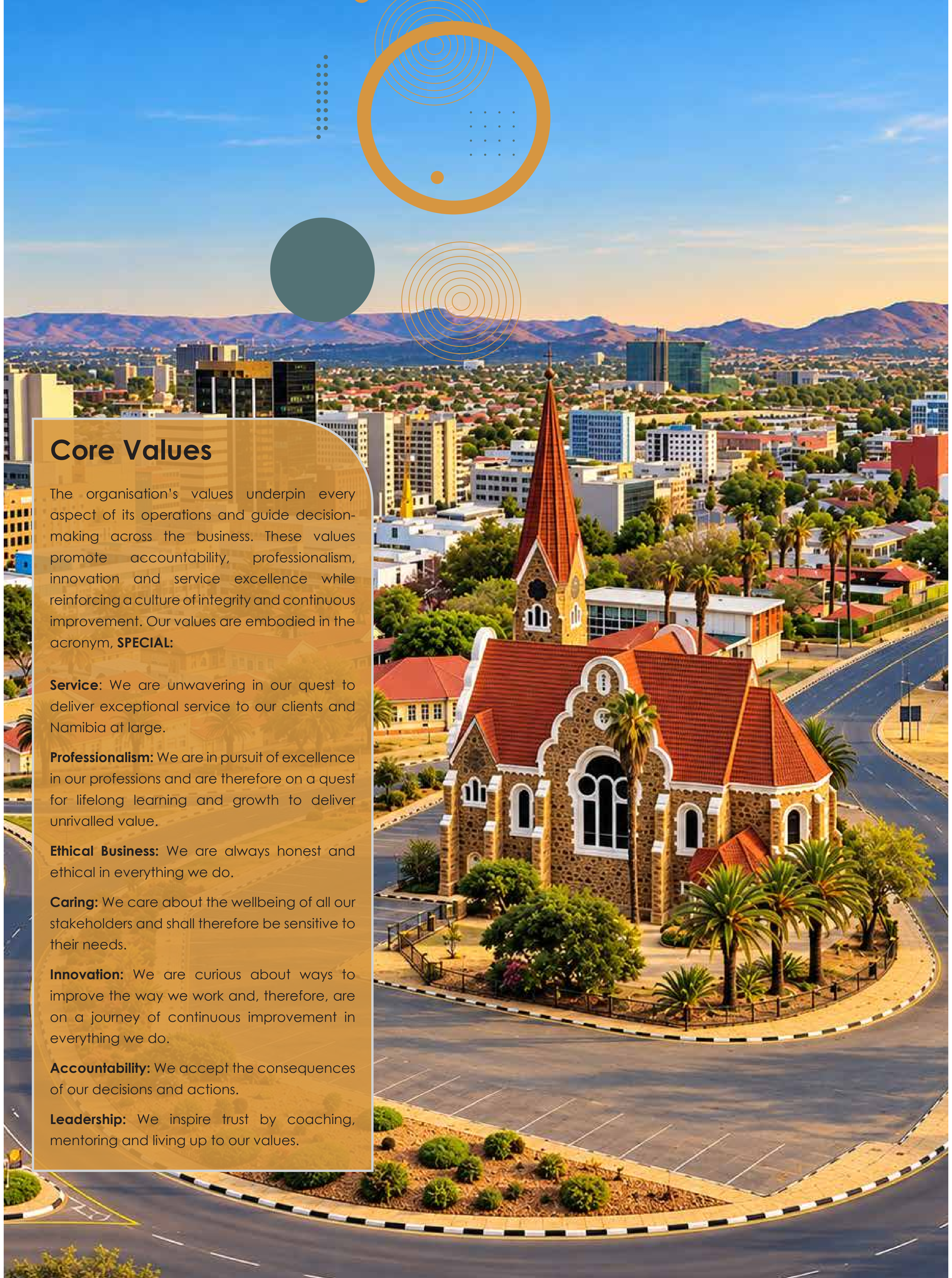
As a State-Owned Enterprise, NASRIA operates within a robust governance framework and remains committed to financial sustainability, prudent risk management, operational excellence and responsible stewardship of public resources. Through strong partnerships with insurers, brokers, agents, financial institutions, the government, and other stakeholders, the organisation continues to fulfil its mandate while creating sustainable value for the Namibian economy.

Our Vision

To be the leading provider of specialised risk solutions that protect economic activity and contribute to Namibia's sustainable development.

Our Mission

To provide sustainable specialised insurance and guarantee solutions through sound underwriting, prudent financial management, strategic partnerships and exceptional customer service.



Core Values

The organisation's values underpin every aspect of its operations and guide decision-making across the business. These values promote accountability, professionalism, innovation and service excellence while reinforcing a culture of integrity and continuous improvement. Our values are embodied in the acronym, **SPECIAL:**

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 are therefore on a quest for lifelong 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 to our values.

Operating Environment

The 2025/2026 financial year was characterised by a challenging economic environment marked by continued global uncertainty, inflationary pressures and heightened geopolitical risks. These conditions reinforced the importance of specialised insurance solutions that provide protection against extraordinary risks while supporting business continuity and investor confidence.

Despite these external challenges, the Namibian insurance industry demonstrated resilience, supported by improving economic activity, infrastructure investment and increased commercial confidence. Within this environment, NASRIA continued to strengthen its financial position, expand its product portfolio and enhance operational capability while maintaining prudent risk management and strong corporate governance.

Growing awareness of political violence and terrorism risks, together with increased demand for financial inclusion through the Credit Guarantee Scheme, created further opportunities for business growth. At the same time, evolving regulatory requirements, digital transformation and changing stakeholder expectations required ongoing investment in technology, governance and organisational capability.

These developments informed the organisation's strategic priorities during the reporting period and continue to shape its focus on sustainable growth, operational excellence and stakeholder value creation.

1

Board Chairperson's **Foreword**

Building Resilience Through Strategic Transformation

It is my pleasure to present the Annual Report of the Namibia Special Risks Insurance Association Limited (NASRIA) for the financial year ended 31 March 2026.

The past financial year marked an important chapter in NASRIA's continued evolution as Namibia's sole provider of Political Violence and Terrorism (PVT) insurance and underwriter of the Credit Guarantee Scheme (CGS). In an increasingly dynamic operating environment characterised by evolving risks, changing regulatory expectations, and growing stakeholder demands, the organisation remained steadfast in its commitment to protecting national economic interests while strengthening its institutional capability. Throughout the year, our focus was on building resilience through strategic transformation by reinforcing the foundations that will sustain the organisation well into the future.

The Board's primary responsibility is to provide strategic direction, ensure sound governance and safeguard the long-term sustainability of the organisation. During the year, we remained focused on strengthening governance structures, enhancing oversight, promoting ethical leadership and ensuring that the organisation continued to operate in accordance with its legislative mandate and the highest standards of corporate governance. These principles continue to guide every decision we make and underpin our responsibility to create lasting value for both the shareholder and our stakeholders.

One of the Board's significant achievements during the reporting period was the continued strengthening of NASRIA's governance framework. We advanced several initiatives designed to improve organisational growth and accountability, reinforce policy governance and support effective decision-making processes.

Financial resilience remains fundamental to the organisation's long-term success. Despite a challenging economic environment, NASRIA continued to demonstrate prudent financial stewardship through disciplined investment management and sound financial governance. The organisation managed an investment portfolio of approximately N$994.4 million across six external asset managers, generating investment income of N$54.4 million during the financial year. These results provide a strong financial foundation that enables NASRIA to meet its obligations, invest in strategic initiatives and continue delivering on its statutory mandate.

The Board maintained close oversight of the continued implementation of International Financial Reporting Standard (IFRS) 17, recognising its importance in strengthening the quality, transparency and consistency of financial reporting. This significant transformation programme extends beyond regulatory compliance and reinforces our commitment to sound financial management, improved reporting and adherence to international best practices.

Strategic transformation extends beyond financial performance. During the year under review, the Board provided oversight and guidance on several initiatives that will position NASRIA for long-term growth and organisational resilience. These include governance support for the establishment of BOSRIA, continued investment in technology and operational improvement, legal oversight of the proposed Head Office development and initiatives aimed at strengthening organisational effectiveness across the business. Collectively, these initiatives are laying a solid foundation for a more agile, resilient and future-ready organisation.

As a specialised insurer, NASRIA plays a unique role in supporting Namibia's economic stability. Through our PVT insurance product, we provide protection against extraordinary risks that are generally excluded from conventional insurance policies. Through the CGS, we facilitate improved access to finance for qualifying small and medium-sized enterprises by sharing credit risk with participating financial institutions. Together, these specialised solutions contribute to business continuity, economic participation and national resilience, thereby reinforcing NASRIA's strategic contribution to the country's development.

The Board recognises that organisational resilience is built through people. We are proud of the professionalism, commitment and integrity demonstrated by management and employees throughout the year. Their dedication, adaptability and unwavering focus on service excellence have enabled the organisation to successfully implement strategic initiatives while continuing to deliver value to policyholders, intermediaries, the government and other stakeholders.

On behalf of the Board, I extend our sincere appreciation to the Honourable Minister of Finance, the Ministry of Finance, the Namibia Financial Institutions Supervisory Authority (NAMFISA), our participating insurers, brokers, agents, financial institutions, business partners and policyholders for their continued confidence and support. I also thank my fellow Board members for their commitment, sound judgement and strategic guidance, as well as the Managing Director, Executive Management and all employees for their dedication in advancing the organisation's objectives.

As we look to the future, the Board remains confident in NASRIA's strategic direction and its ability to adapt to an evolving insurance landscape. We will continue to strengthen governance, embrace innovation, invest in our people and build organisational capability while remaining focused on delivering specialised risk solutions that protect businesses, strengthen confidence and contribute to Namibia's sustainable economic development.

The achievements reflected in this report demonstrate that resilience is not built through a single initiative, but through deliberate and sustained investment in governance, financial stewardship, operational excellence, innovation and people. By continuing to build resilience through strategic transformation, NASRIA is well positioned to fulfil its mandate while creating enduring value for future generations.

Adrianus Vugs
Chairperson of the Board

> **Resilience is not built through a single initiative, but through deliberate and sustained investment in governance, financial stewardship, operational excellence, innovation and people.**

2

Managing Director's Report

Building Resilience Through Strategic Transformation

John Uusiku

Managing Director and Principal Officer

> **By continuing to build resilience through strategic transformation, NASRIA is creating sustainable value for its stakeholders while strengthening its contribution to Namibia's economic development and long-term prosperity.**

The 2025/2026 financial year represented a significant period in NASRIA's journey of transformation and growth. Guided by our strategic objectives and statutory mandate, we remained focused on strengthening the organisation's resilience, enhancing operational excellence and delivering sustainable value to the shareholder and our stakeholders. The progress achieved during the year reflects the collective commitment of our employees, Executive Management and the Board of Directors to building a stronger, more agile and future-ready organisation.

As Namibia's sole provider of Political Violence and Terrorism (PVT) insurance and underwriter of the Credit Guarantee Scheme (CGS), NASRIA occupies a unique position within the country's financial services landscape. Our responsibility extends beyond providing specialised risk solutions; it includes contributing to economic confidence, supporting business continuity and enabling sustainable national development.

During the year, we continued to implement our strategic priorities with a clear focus on strengthening organisational capability, improving operational efficiency and delivering greater value to our stakeholders. In an increasingly complex operating environment, resilience is achieved not through isolated initiatives, but through continuous improvement, innovation and disciplined execution. Guided by this philosophy, we invested in our people, enhanced our systems, strengthened our governance architecture, and refined our business processes to ensure that NASRIA remains agile, responsive, and future-ready.

Operational excellence remained at the centre of our transformation journey. Significant progress was made in strengthening underwriting processes, enhancing claims administration, improving financial management and advancing digital capabilities that support efficient and effective service delivery. Across the organisation, departments worked collaboratively to optimise internal processes, strengthen internal controls and improve decision-making through better information, technology and governance. These initiatives have improved operational effectiveness while positioning the organisation to respond more efficiently to the evolving needs of our policyholders, intermediaries and strategic partners.

Financial resilience continues to underpin our ability to deliver on our mandate. Through prudent financial management and disciplined investment oversight, NASRIA maintained a robust investment portfolio valued at approximately N$994.4 million, managed across six external asset managers. The portfolio generated investment income of approximately N$54.4 million, providing a stable financial foundation that supports the organisation's sustainability, strengthens our capacity to absorb future uncertainties and enables continued investment in strategic initiatives.

During the reporting period, we maintained a strong focus on financial governance, liquidity management and responsible stewardship of organisational resources. Continued efforts to optimise expenditure, strengthen procurement governance and enhance financial reporting have reinforced the organisation's financial discipline while ensuring that resources are directed towards initiatives that create long-term value.

One of the most significant strategic initiatives undertaken during the year was the continued implementation of International Financial Reporting Standard (IFRS) 17. This transformational programme required extensive collaboration across the organisation to strengthen systems, improve reporting processes and enhance organisational capability. While IFRS 17 is a regulatory requirement, it also provides an opportunity to improve the transparency, consistency and quality of financial information, thereby strengthening stakeholder confidence and supporting more informed decision-making.

Transformation requires organisations to anticipate future opportunities. During the year, we continued advancing several strategic initiatives that will shape NASRIA's long-term growth and sustainability. These include governance support for the establishment of BOSRIA, the continued enhancement of policy governance and legal frameworks, and support for strategic infrastructure initiatives. Collectively, these projects strengthen the organisation's institutional capability and position NASRIA for continued growth in an evolving regional and regulatory insurance landscape.

Our commitment to customers and stakeholders remained unwavering throughout the year. We continued strengthening relationships with policyholders, participating insurers, brokers, agents, financial institutions, the regulator, and the government while enhancing awareness of our specialised product offering. Through PVT insurance, we continue to protect businesses and institutions against extraordinary risks that can otherwise have significant economic consequences. Through the CGS, we continue to facilitate improved access to finance for qualifying small and medium-sized enterprises, thus contributing to entrepreneurship, job creation and inclusive economic growth. These complementary products demonstrate our commitment to building resilience not only within our organisation, but across Namibia's broader economy.

None of these achievements would have been possible without the dedication and professionalism of our employees. Our people remain the driving force behind our success, and throughout the year, they demonstrated remarkable commitment, adaptability and resilience in delivering on our strategic objectives. We continued investing in learning and development, performance management, employee wellness and leadership development to ensure that our workforce remains equipped to meet future challenges and opportunities. By fostering a culture of accountability, collaboration and continuous improvement, we are building an organisation that can sustain high performance over the long term.

I extend my sincere appreciation to the Board of Directors for their strategic leadership, guidance and unwavering support throughout the year. I also thank every NASRIA employee for their commitment, professionalism and dedication to serving our stakeholders with excellence. My gratitude is equally extended to the Honourable Minister of Finance, the Ministry of Finance, the Namibia Financial Institutions Supervisory Authority (NAMFISA), our participating insurers, brokers, agents, financial institutions, policyholders and business partners for their continued confidence in NASRIA and for the collaborative relationships that enable us to fulfil our mandate.

As we look ahead, we recognise that the environment in which we operate will continue to evolve. Emerging risks, technological advancements, changing customer expectations and regulatory developments will require us to remain agile, innovative and responsive. We are confident that the investments we have made in governance, technology, financial sustainability, operational excellence and our people have established a strong platform from which to seize future opportunities and respond effectively to future challenges.

The progress reflected throughout this Annual Report demonstrates that strategic transformation is an ongoing journey rather than a destination. Every initiative undertaken during the year, whether strengthening governance, enhancing financial resilience, improving operational performance, investing in our people or expanding our strategic capability, contributes to building a stronger organisation that is equipped to fulfil its mandate with excellence. By continuing to build resilience through strategic transformation, NASRIA is creating sustainable value for its stakeholders while strengthening its contribution to Namibia's economic development and long-term prosperity.

3 NASRIA's Existing Products

Political Violence and Terrorism

Political Violence and Terrorism (PVT) insurance is a specialised class of insurance that provides financial protection against losses arising from politically motivated or socially driven acts of violence. Unlike conventional short-term insurance policies, which typically exclude losses resulting from political unrest, riots or acts of terrorism, PVT insurance is specifically designed to indemnify policyholders against these exceptional risks. Such cover enables individuals, businesses and institutions to recover financially following events that cause damage to insured property or interrupt normal business operations.

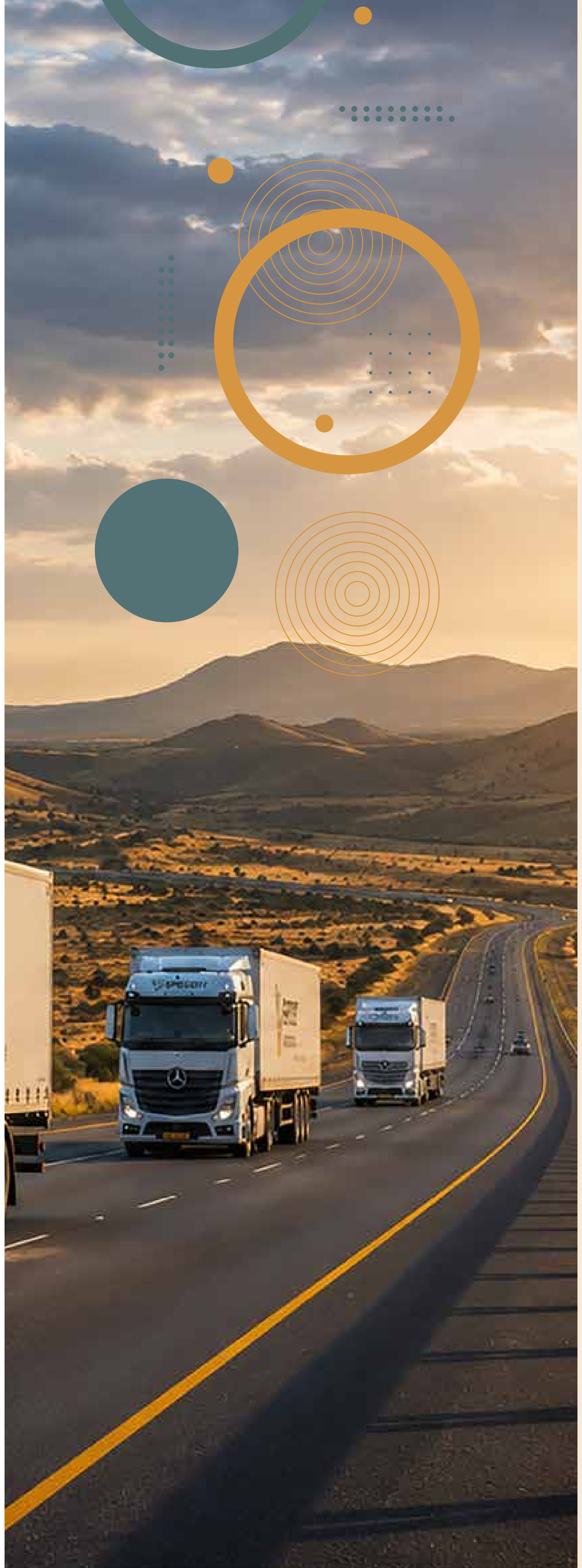
In Namibia, NASRIA is the only insurer authorised to provide Political Violence and Terrorism (PVT) insurance in terms of the Namibia Special Risks Insurance Association Act. Through this statutory mandate, the organisation plays a critical role in strengthening national economic resilience by providing cover for risks that are generally excluded from conventional insurance policies. This specialised protection supports business continuity, safeguards investments and contributes to economic stability during periods of political or civil unrest.

PVT insurance generally provides cover for physical loss of or damage to insured property resulting from insured events such as riots, strikes, lockouts, labour disturbances, civil commotion, public disorder, sabotage and acts of terrorism. Depending on the policy purchased, cover may also extend to consequential losses, including business interruption arising directly from insured damage. Internationally, political violence insurance products may also include protection against insurrection, rebellion, revolution, mutiny or coup d'état, although the scope of cover varies according to legislation and policy wording.

NASRIA's PVT product is available across a broad range of insurance classes, enabling both commercial and personal policyholders to obtain protection appropriate to their needs. These include commercial and domestic property, motor vehicles, marine cargo and hull, construction plants, contract works, money, business interruption and registered welfare institutions. Certain risks, such as machinery breakdown, theft, accidental damage, fidelity guarantee and general liability, remain outside the scope of PVT cover and continue to be insured under conventional insurance products.

As geopolitical uncertainty, civil unrest and terrorism continue to present evolving risks globally, Political Violence and Terrorism insurance has become an increasingly important component of enterprise risk management. Organisations operating in both developed and emerging markets recognise that conventional property insurance may not adequately respond to losses arising from politically motivated events. By providing dedicated protection against these exceptional risks, PVT insurance helps organisations recover more quickly, maintain operational continuity and protect their financial resilience during periods of instability.

This product remains central to NASRIA's mandate of protecting Namibia's economy against extraordinary risks that could otherwise have significant financial and social consequences. Through the provision of specialised Political Violence and Terrorism insurance, NASRIA contributes to business confidence, investor assurance and the long-term resilience of the country's financial and economic systems.



Credit Guarantee Scheme

The Credit Guarantee Scheme (CGS) is a specialised financial risk-sharing product designed to improve access to finance for Small and Medium-sized Enterprises (SMEs) that have viable business opportunities but are unable to obtain funding because they lack sufficient collateral. Unlike traditional insurance products that indemnify policyholders against physical loss or damage, the CGS provides a guarantee to participating financial institutions by covering an agreed portion of the credit risk associated with qualifying SME loans. Through this mechanism, the Scheme reduces lenders' exposure to default risk while enabling viable businesses to secure the finance required to start, sustain or expand their operations.

The Credit Guarantee Scheme (CGS) was declared a special risk under Section 1(2) of the Namibia Special Risks Insurance Association Act, 2017 (Act No. 5 of 2017) through Government Gazette No. 7241 on 15 June 2020. As a result, NASRIA was mandated to underwrite and administer the Scheme on behalf of the Government of the Republic of Namibia. Initially administered jointly with the Development Bank of Namibia (DBN) under a Cooperation Agreement concluded in July 2020, the Scheme has since transitioned to full administration by NASRIA, further strengthening the organisation's role in supporting Namibia's economic development objectives.

The primary objective of the CGS is to address one of the most significant barriers facing SMEs, namely limited access to affordable credit due to inadequate collateral. Although many entrepreneurs possess commercially viable business plans, they are frequently unable to satisfy the collateral requirements of financial institutions. The Scheme bridges this financing gap by providing participating lenders with a partial guarantee against loan defaults, thereby increasing their confidence to extend credit to qualifying businesses while maintaining prudent lending standards.

Under the Scheme, NASRIA provides a guarantee in favour of approved participating financial institutions for a portion of qualifying SME loans. While the participating institution remains responsible for conducting its normal credit assessment, approving the loan and managing the lending relationship, the guarantee reduces the institution's potential financial loss should the borrower default. This shared-risk approach encourages responsible lending while improving financial inclusion for entrepreneurs who would otherwise struggle to access capital. The Scheme guarantees 60% of the collateral requirement, significantly reducing the security burden placed on qualifying SMEs.

Eligible participating institutions include commercial banks, financial institutions regulated under applicable Namibian legislation and other institutions approved by the Ministry of Finance. The Scheme therefore operates as a partnership between the government, NASRIA and the financial sector, with each party contributing to the broader objective of stimulating private sector development and supporting entrepreneurship. By sharing credit risk between the public and private sectors, the Scheme creates an enabling environment for increased lending to productive businesses while maintaining financial sector stability.

Beyond improving access to finance, the Credit Guarantee Scheme contributes to Namibia's broader socio-economic development agenda. Increased financing for SMEs supports business expansion, entrepreneurship, employment creation, innovation and economic diversification. SMEs play a critical role in national economic growth, yet many remain constrained by limited access to capital. By reducing collateral barriers, the Scheme empowers businesses to invest, create jobs and contribute more effectively to the country's economic resilience and inclusive growth.

The CGS complements NASRIA's traditional Political Violence and Terrorism (PVT) insurance offering by expanding the organisation's portfolio beyond insurance for extraordinary physical risks into financial risk mitigation that directly supports national development objectives. While the PVT product protects businesses against exceptional events such as political violence, riots and terrorism, the Credit Guarantee Scheme promotes economic participation by enabling greater access to finance for viable SMEs. Together, these specialised products reinforce NASRIA's mandate of managing risks that are of strategic importance to Namibia while contributing to sustainable economic growth and financial resilience.

4 NASRIA's Products in Development

Overview

To ensure long-term sustainability, NASRIA has recognised the need to diversify its income streams beyond its traditional insurance offerings. By developing innovative insurance solutions and strengthening existing products, NASRIA aims to respond to evolving market needs, reach new customer segments and create additional sources of revenue.

The product diversification strategy not only supports business growth but also reinforces the organisation's mandate of providing specialised insurance solutions that address gaps in the Namibian insurance market.

Weather Index-Based Livestock Insurance (WIBLI)

WIBLI is NASRIA's flagship agricultural insurance product, which has already been fully developed. Extensive stakeholder consultations have been undertaken to refine the product and assess its suitability for the Namibian agricultural market segments. The current focus is on engaging the government and other key stakeholders to secure the support required for a successful market introduction.

At the same time, NASRIA is exploring opportunities to broaden the product's accessibility by remodelling WIBLI into a solution that can be distributed through the banking sector via a bancassurance mechanism. This approach would allow the product to reach a wider customer base, simplify access for farmers and strengthen its long-term commercial viability.

This demonstrates NASRIA's commitment to continuously adapting its products to market needs while identifying innovative distribution channels that support both financial inclusion and sustainable revenue growth.

Human-Wildlife Conflict Insurance

The Human-Wildlife Conflict Insurance product was co-designed with the Ministry of Environment, Forestry and Tourism to provide compensation to affected communities for crop damage, livestock losses, human injury and loss of life resulting from human-wildlife conflict. Although the product has been developed through collaboration, it has not been implemented and remains an outstanding initiative. Once introduced, it has the potential to address a significant gap in protecting rural communities and promote human-wildlife co-existence while further diversifying NASRIA's product portfolio.

Additional Income Opportunities Under Consideration

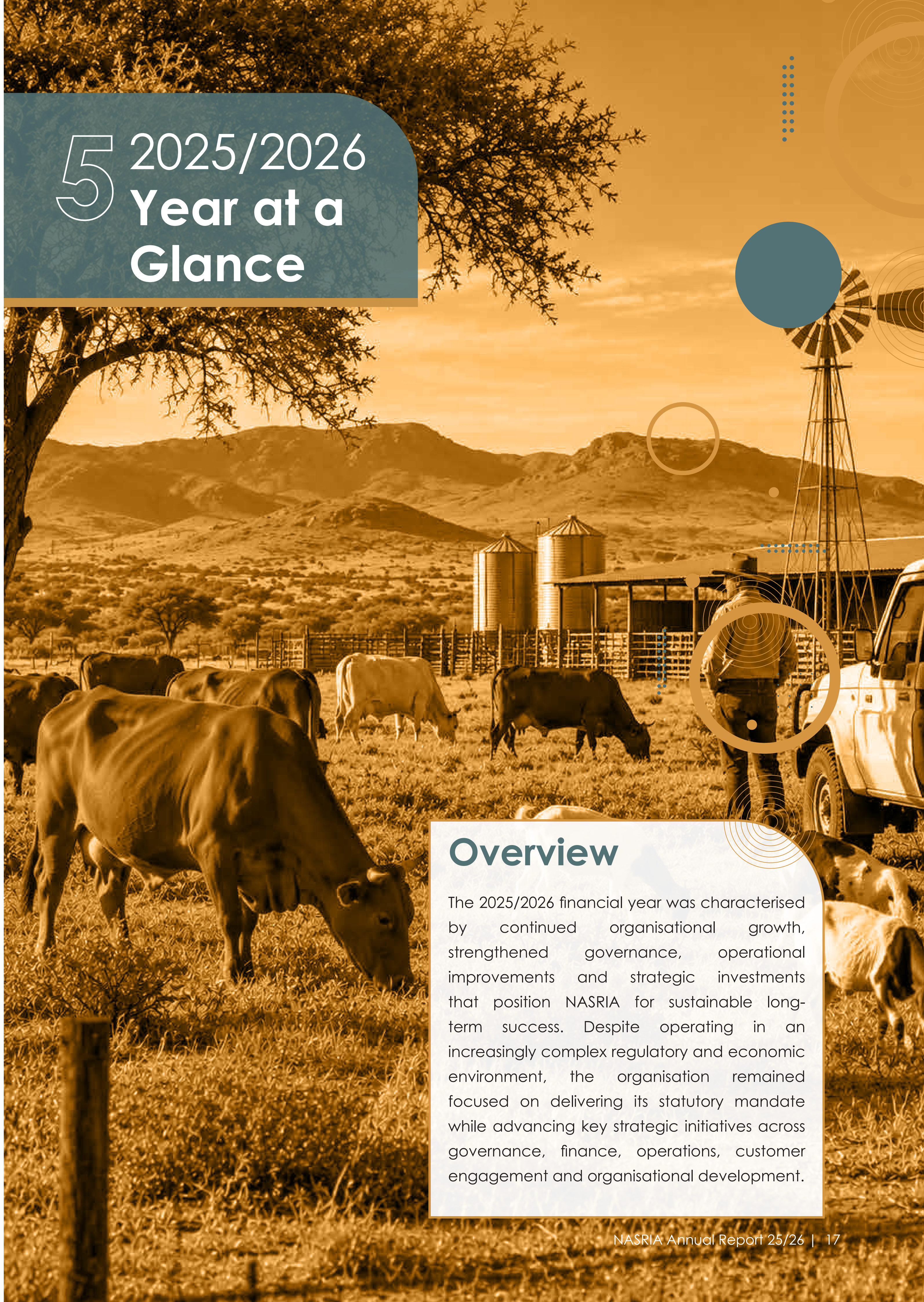
National Roads Damage Insurance: This is a proposed insurance product that can provide financial protection against damage to national roads and related infrastructure resulting from accidents, natural disasters or other insured events, helping to ensure the timely repairs and maintenance of national road networks.

Energy Insurance: This is a specialised insurance solution being investigated to support Namibia's emerging energy sector, including oil and gas, through benchmarking with international markets and collaboration with key local stakeholders. The proposed model includes a local energy insurance pool to retain insurance premiums within Namibia, build local underwriting capacity, and support the sustainable growth of the energy industry.

Conclusion

The products outlined above remain at various stages of exploration and development. During the new financial year, NASRIA will continue to assess their technical, commercial and financial feasibility through stakeholder engagements, market research and business case development to determine which initiatives should advance to implementation.

NASRIA's product development strategies aim to support the government in strengthening the management of Namibia's sovereign risks by developing innovative insurance solutions that address risks which are currently uninsured or underinsured. In doing so, the organisation seeks not only to diversify its own revenue streams but also to contribute to national resilience by providing sustainable risk financing solutions that reduce the government's financial exposure to major and emerging risks.



5 2025/2026 Year at a Glance

Overview

The 2025/2026 financial year was characterised by continued organisational growth, strengthened governance, operational improvements and strategic investments that position NASRIA for sustainable long-term success. Despite operating in an increasingly complex regulatory and economic environment, the organisation remained focused on delivering its statutory mandate while advancing key strategic initiatives across governance, finance, operations, customer engagement and organisational development.

The highlights below provide a snapshot of the year's most significant achievements.

5.1 Financial Highlights

Indicator	2025/2026
Gross Premium Income	N$101.3 million
PVT Gross Written Premium	N$99.7 million
CGS Premium Income	N$1.5 million
Net Profit for the Year	N$96.6 million
Investment Portfolio	N$994.4 million
Investment Income	N$54.4 million
Operating Expenses	23.4% below budget
Active Policies	71,835
CGS Guarantees Issued	159
Value of Guarantees (loans)	N$153.9 million
Jobs Supported	1,169

5.2 Governance and Leadership

Achievement	2025/2026 Performance
Governance Framework	Continued strengthening of corporate governance structures, Board oversight and organisational accountability
Policy Governance	Reviewed and strengthened governance policies to ensure continued regulatory compliance and alignment with best practices
Legal Support	Provided legal oversight for strategic organisational initiatives, including the establishment of BOSRIA and the proposed Head Office development
Compliance	Maintained compliance with applicable legislative and regulatory requirements while strengthening governance reporting

5.3. Financial Performance

Key Indicator	2025/2026 Result
Investment Portfolio	N$994.4 million
Investment Managers	6
Fair value gains	N$35.2 million
Investment Income	N$54.4 million
Financial Management	Continued focus on liquidity management, cost optimisation and financial sustainability
IFRS 17	Continued adoption to ensure compliance

5.4 Operational Excellence

Achievement	2025/2026 Outcome
Claims Management	Continued efficient processing and settlement of special risk claims
Underwriting	Enhanced underwriting controls and policy administration processes
Information Technology	Strengthened ICT governance and continued digital transformation initiatives
Procurement	Improved procurement governance and supplier management
Internal Processes	Continued optimisation of operational efficiency across the organisation

5.5 Market Growth and Customer Engagement

Achievement	2025/2026 Outcome
Sales Strategy	Strengthened sales initiatives to support revenue growth
Marketing	Enhanced corporate brand visibility and stakeholder engagement
Customer Engagement	Expanded customer awareness and communication initiatives
Strategic Growth	Continued progress towards the establishment and operationalisation of BOSRIA

5.6 Business Enablement

Achievement	2025/2026 Outcome
Human Capital	Continued investment in employee development and organisational capability
Learning and Development	Expanded staff training and professional development initiatives
Performance Management	Strengthened performance management and employee accountability
Employee Wellness	Continued implementation of employee wellness programmes

5.7 Strategic Priorities Delivered

During the reporting period, NASRIA successfully advanced several strategic initiatives that support the organisation's long-term sustainability and growth:

- Continued implementation of IFRS 17
- Progressed the establishment and operationalisation of BOSRIA in Botswana
- Managed an investment portfolio of approximately N$994.4 million across six external asset managers
- Generated N$54.4m in investment income, complemented by N$35.2m in fair value gains.
- Enhanced legal, governance and compliance practices across the organisation
- Strengthened organisational branding, stakeholder engagement and market visibility
- Continued investment in employee capability, organisational development and digital transformation

6 Board Members

The Board of Directors comprises accomplished professionals with extensive experience across actuarial science, insurance, finance, governance, law, organisational development, public administration and executive leadership.

Collectively, the Board provides strategic oversight, independent judgement and specialised expertise that support NASRIA's long-term sustainability and fulfilment of its statutory mandate.

Mr Adrianus Vugs

Chairperson of the Board

Mr Adrianus Vugs is Chairperson of the Board and an international consultant with extensive public and private sector experience across Europe, Africa and Asia. He advises the World Bank, central banks and government agencies on financial regulation, supervision, pensions and insurance. A former NAMFISA Executive, he has also worked with Swiss Re and Alexander Forbes. He holds degrees from the London School of Economics and University of Cape Town and is a Fellow of the Institute of Actuaries.

Ms Chrishilde Loubser

Independent Non-Executive Director

Ms Chrishilde Loubser is an experienced accounting professional with more than 25 years in financial management. Her expertise includes financial accounting, value-added tax and import VAT legislation in Namibia and South Africa, complemented by extensive leadership experience in Namibia's diamond mining industry. She holds a Bachelor of Commerce in Financial Accounting, a Bachelor of Commerce Honours degree and a CIMA Professional Qualification, providing a strong foundation in financial and strategic management.

Mrs Sybil Somaes

Independent Non-Executive Director

Mrs Sybil Somaes has more than 15 years of experience in Namibia's insurance, savings and investment sectors. Her expertise spans investment management and administration, risk management, regulatory compliance, strategy formulation, operations and legal management. Her multidisciplinary background enables her to contribute to both strategic and governance-related matters within the financial services sector. She holds a Bachelor of Laws (LLB) as well as a Bachelor of Commerce degree.

Mrs Birgit Hoffmann

Vice Chairperson of the Board

Mrs Birgit Hoffmann is an executive and leadership coach with more than 4,500 hours of professional coaching experience and over 20 years in executive and general management. Her expertise includes executive coaching, stakeholder communication, public relations and industrial psychology across diverse sectors. She holds a Master of Arts in Industrial and Organisational Psychology and is a Certified Integral Coach, Professional Certified Coach and Chartered Public Relations Practitioner.

Mr Paavo Amunjela

Non-Independent and Non-Executive Director

Mr Paavo Amunjela is an experienced public servant with more than 18 years of experience in taxation and public administration. His professional expertise spans auditing, organisational strategy, policy development, project management, organisational development and labour relations. Throughout his career, he has contributed to strengthening institutional systems and public sector administration. He holds, among other qualifications, a Master of Business Administration from the Management College of Southern Africa.

Mr Theophelus Gurirab

Independent Non-Executive Director

Mr Theophelus Gurirab is a seasoned strategic business leader with almost 30 years of experience in the insurance industry. His career includes extensive executive leadership experience and a strong record of supporting business growth, organisational performance and strategic development. His experience provides broad insight into the operational and commercial dynamics of the insurance sector. He holds a Bachelor of Arts Honours degree and has completed a Senior Management Development Programme.

7 Staff Members

John Uusiku
Managing Director

Magarete Van Niekerk
Legal, Governance & Compliance Officer

Kaurua Upora
Legal, Governance & Compliance Officer

Eveline Hamundja
ICT Systems Administrator

Rosa Mungandjera
Executive: Finance & Administration

Elsabe Engelbrecht
Executive Underwriting & Policy Administration

Vacant
Executive Sale & Marketing

Deolinda Fernandes
Claims, Administration & Procurement Officer

Nancy Perestrelo
Client Support Officer

Hilja Paulus
Debtors Clerk

Stacy Damases
Debtors Clerk

Charity Chipare
Manager: Finance

Hitjiua Tjiho
Manager: Legal, Governance and Compliance

Mariana Mayumbelo
Manager: Risk & Audit

Johannes Alugodhi
Manager: Underwriting and Policy Administration

Vaino Amakali
Assistant Accountant

Petrus Masilo
Assistant Broker Consultant

Olivia Mhanda
Assistant Underwriter

Herman Shihungileni
Financial Accountant: Payables

Ben Kwala
Financial Accountant: Receivables

Michelle Jager
Risk Underwriter

Stephany Jannetjies
Broker Consultant

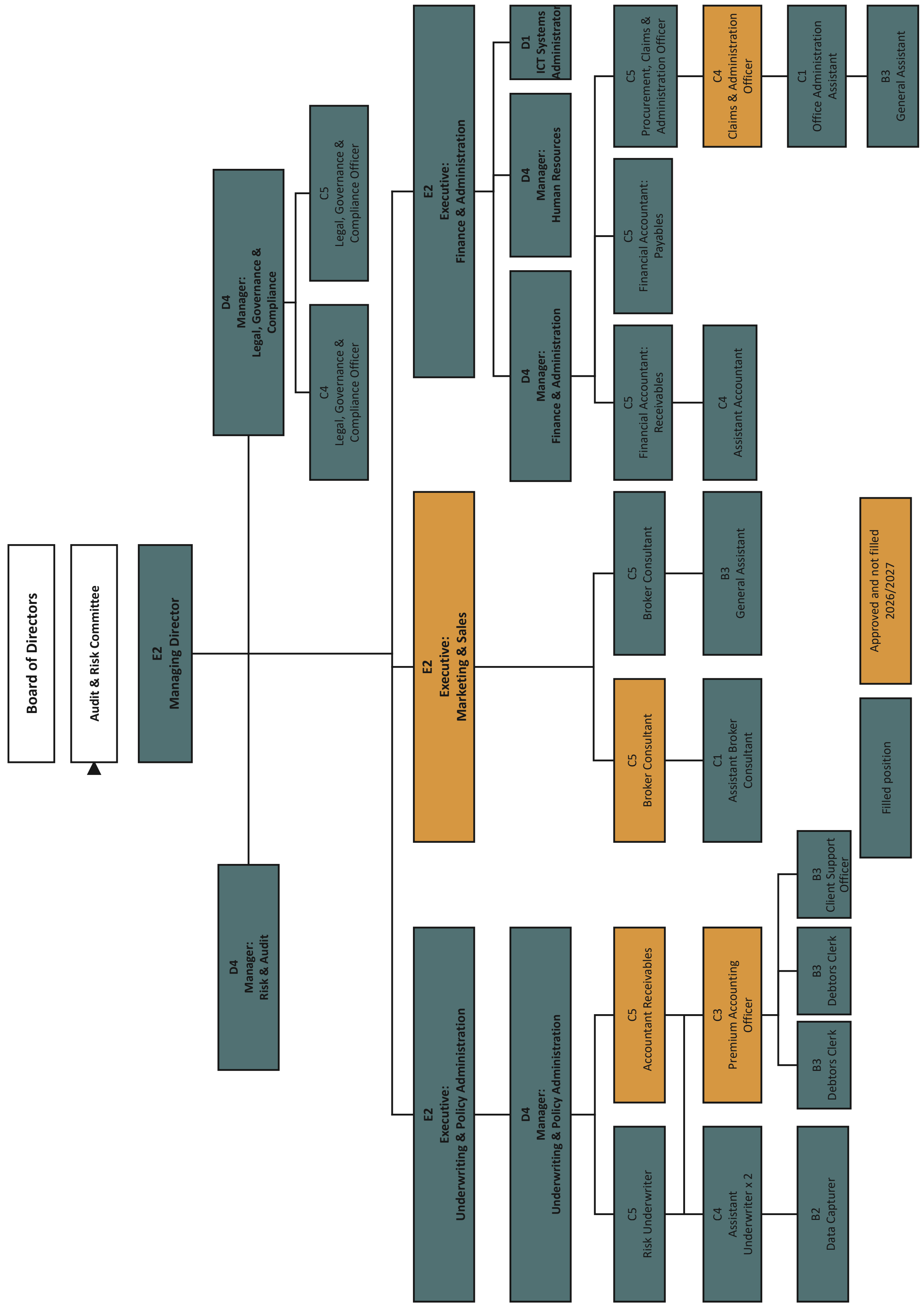
Kyron Clarke
Assistant Underwriter

Roche Graig
Office Administration Assistant

Jeremiah Tjiroze
General Assistant

Monalisa Murangi
General Assistant

NASRIA Organogram



8 Governance and Leadership

Overview

Strong governance remained central to NASRIA's ability to fulfil its statutory mandate during the 2025/2026 financial year, supported by effective Board oversight, legal and regulatory compliance, and strategic leadership.

The Legal, Governance and Compliance Unit, under the Office of the Managing Director, played a key role in strengthening governance maturity through legal advisory services, compliance support and oversight across the organisation.

Key achievements included strengthening policy governance, protecting intellectual property, supporting the establishment of BOSRIA, and providing legal oversight for strategic initiatives such as the proposed NASRIA headquarters development. Collectively, these efforts enhanced transparency, accountability, ethical leadership and institutional resilience while supporting NASRIA's long-term strategic objectives.

8.1. Governance Framework

NASRIA is a Tier 2 state-owned commercial enterprise established in terms of the Namibia Special Risks Insurance Association Act, Act 5 of 2017. In accordance with Section 6 of the Act, the organisation is mandated to conduct short-term insurance business relating to special risks while promoting the development of, and participation by Namibian people in the short-term insurance industry.
The organisation's governance framework provides the foundation for effective leadership, accountability and strategic oversight. Through clearly defined governance structures, delegated authorities and sound corporate governance practices, NASRIA ensures that decisions are taken in the best interests of the organisation while fulfilling its statutory obligations to the Government of the Republic of Namibia and its broader stakeholder community.

The Legal, Governance and Compliance function, under the stewardship of the Office of the Managing Director, supports the execution of this mandate by providing legal advisory services, strengthening governance structures, promoting regulatory compliance, and ensuring that organisational activities remain aligned with applicable legislative and governance requirements.

8.2. Regulatory Context

As a registered short-term insurer, NASRIA operates within a comprehensive legislative and regulatory framework designed to promote sound governance, financial stability and consumer protection. Oversight of the organisation is provided by the Namibia Financial Institutions Supervisory Authority (NAMFISA), which monitors compliance with applicable financial sector legislation and governance requirements.

Throughout the reporting period, the organisation continued to conduct its operations in accordance with the following key legislative instruments:

- Namibia Special Risks Insurance Association Act, Act 5 of 2017
- Financial Institutions and Markets Act, Act 2 of 2021
- Namibia Financial Institutions Authority Act, Act 3 of 2021
- Public Enterprises Governance Act, Act 1 of 2019
- Public Procurement Act, Act 15 of 2015
- Companies Act, Act 28 of 2004
- Many other relevant and applicable Acts, Regulations, Standards or Directives.

Compliance with these legislative frameworks remained fundamental to maintaining sound governance, operational integrity and regulatory accountability across the organisation.

8.3. Board of Directors

The Board of Directors is responsible for providing strategic direction, exercising effective oversight and ensuring that NASRIA fulfils its statutory mandate in accordance with applicable legislation and recognised principles of good corporate governance.

Full Name	Position	Gender	Nationality	Current Status
Adrianus Vugs	Chairperson and Independent Non-Executive Director	Male	Namibian	Initially appointed on 16 December 2020; reappointed on 1 October 2024
Birgit Hoffmann	Vice Chairperson and Independent Non-Executive Director	Female	Namibian	Appointed on 1 October 2024
Chrishilde Loubser	Independent Non-Executive Director	Female	Namibian	Initially appointed on 16 December 2020 Reappointed on 1 October 2024
Paavo Amunjela	Non-Independent and Non-Executive Director	Male	Namibian	Initially appointed on 16 December 2020. Reappointed on 1 October 2024
Sybil Somaes	Independent Non-Executive Director	Female	Namibian	Appointed on 1 October 2024
Theophelus Gurirab	Independent Non-Executive Director	Male	Namibian	Appointed on 1 October 2024. Resigned on 27 May 2025
John Uusiku	Executive Director, Managing Director and Principal Officer	Male	Namibian	Appointed on 1 March 2024

Table 1: Composition of the Board of Directors

8.4. Board Committees

To strengthen governance and support effective decision-making, the Board has established specialised Board Committees in accordance with Section 16(1) of the Namibia Special Risks Insurance Association Act, 2017. These committees assist the Board by considering matters within their respective mandates, providing strategic oversight and making recommendations to facilitate informed decision-making processes.

During the 2025/2026 financial year, the Board discharged its responsibilities through the following standing Board Committees:

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

Each committee operated within approved terms of reference and reported regularly to the full Board on matters within its mandate, thereby strengthening accountability, transparency and good corporate governance throughout the organisation.

8.4.1. Audit and Risk Committee

The Audit and Risk Committee provides oversight of NASRIA's financial reporting, accounting policies and annual financial statements. The committee reviews the Annual Report, monitors the effectiveness of the organisation's enterprise risk management framework and promotes a culture of sound risk management across the organisation.

The committee is also responsible for evaluating the adequacy and effectiveness of internal control systems, including those relating to information technology, cybersecurity and governance. Through these responsibilities, the committee contributes to strengthening accountability, organisational resilience and stakeholder confidence in the integrity of NASRIA's governance framework.

Name	Position
Chrishilde Loubser	Chairperson
Paavo Amunjela	Director
Sybil Somaes	Director
John Uusiku	Managing Director

Table 2: Audit and Risk Committee Composition

8.5.2. Human Resources and Administration Committee

The Human Resources and Administration Committee provides oversight of the organisation's human resource management, procurement, organisational administration and related governance matters. The committee promotes compliance with applicable legislation, monitors adherence to recognised human resource best practices and supports the development of an effective organisational culture.

Through its oversight role, the committee contributes to strengthening workforce capability, organisational effectiveness and sound human capital governance.

Name	Position
Birgit Hoffmann	Chairperson
Adrianus Vugs	Director
Paavo Amunjela	Director
Theophelus Gurirab *(resigned 27 May 2025)*	Director
John Uusiku	Managing Director

Table 3: Human Resources and Administration Committee Composition

8.4.3. Investments Committee

The Investments Committee assists the Board in overseeing NASRIA's investment strategy, investment governance and portfolio management processes. The committee provides strategic guidance on investment policies and continuously monitors investment performance to ensure that investment objectives remain aligned with the organisation's long-term financial sustainability.

Its oversight supports prudent investment management while balancing risk, liquidity and long-term financial performance.

Name	Position
Paavo Amunjela	Chairperson
Chrishilde Loubser	Director
Adrianus Vugs	Director
Sybil Somaes	Director
John Uusiku	Managing Director

Table 4: Investments Committee Composition

8.4.4. Insurance, Reinsurance and Claims Committee

The Insurance, Reinsurance and Claims Committee oversees the organisation's underwriting and reinsurance strategies while monitoring the effectiveness of claims management processes. The committee provides strategic oversight to ensure that underwriting policies, reinsurance arrangements and claims administration continue to support NASRIA's mandate and enterprise risk management objectives.

Through its work, the committee contributes to maintaining sound underwriting practices, effective reinsurance arrangements and efficient claims administration.

Name	Position
Sybil Somaes	Chairperson
Theophelus Gurirab *(resigned 27 May 2025)*	Chairperson
Birgit Hoffmann	Director
Adrianus Vugs	Director
Paavo Amunjela	Director
John Uusiku	Managing Director

Table 5: Insurance, Reinsurance and Claims Committee Composition

8.5. Directors' Remuneration

The remuneration of Board members reflects NASRIA's commitment to transparent, accountable and responsible corporate governance. Directors are remunerated in accordance with the approved remuneration framework, with compensation comprising annual retainers together with sitting fees earned through attendance at board and committee meetings.

The remuneration structure recognises the responsibilities associated with Board membership and participation in specialised committees that provide strategic oversight across key areas of the organisation. Committee remuneration reflects the additional governance responsibilities assumed by Directors in supporting the Board's decision-making processes.

8.6. Board and Committee Meeting Attendance

The Board maintained a high level of participation throughout the reporting period, reflecting Directors' continued commitment to effective corporate governance and active strategic oversight.

During the financial year, the full Board convened six (6) meetings. The Investments Committee and the Insurance, Reinsurance and Claims Committee each held four (4) meetings, while the Audit and Risk Committee met five (5) times and the Human Resources and Administration Committee convened four (4) meetings.

Consistent attendance ensured that strategic, financial, operational and compliance matters received appropriate oversight, contributing to informed decision-making and the continued promotion of sound governance across the organisation.

Director	Full Board (N$)	Investment Committee (N$)	Insurance, Reinsurance & Claims (N$)	Audit & Risk (N$)	HR & Admin	New Product Development (N$)	Ad Hoc (N$)	Total (N$)
Adrianus Vugs	119,916	34,971	34,971	-	23,314	26,644	9,912	252,040.56
Birgit Hoffmann	97,972	-	33,782	-	52,208	25,692	17,627	227,281.00*
Chrishilde Loubser	94,914	39,593	-	52,208	-	26,644	12,504	227,037.96
Paavo Amunjela	94,914	47,586	38,064	38,064	32,830	26,644	12,504	277,486.20
Sybil Somaes	94,914	38,064	44,390	38,064	-	36,335	20,219	272,986.00
Theophelus Gurirab	22,082	-	13,052	-	9,516	4,282	-	48,932.00
Total	**524,712**	**117,868**	**160,214**	**164,259**	**128,336**	**146,241**	**72,766**	**1,314,396**

Table 6: Directors' Remuneration During The Financial Year

Director	Full Board (6)	Investment (4)	Insurance, Reinsurance & Claims (4)	Audit & Risk (5)	HR & Administration (4)
Adrianus Vugs	6	3	3	–	2
Birgit Hoffmann	6	–	4	–	4
Chrishilde Loubser	6	4	–	5	–
Paavo Amunjela	6	3	4	3	4
Theophelus Gurirab *(resigned 27 May 2025)*	2	–	1	–	1
Sybil Somaes	2	4	4	5	–

Table 7: Board and Committee Meeting Attendance

9 Legal, Governance and Compliance

Overview

The Legal, Governance and Compliance Unit, under the Office of the Managing Director, provides integrated legal, governance and compliance support to the Managing Director, Board of Directors, Board Committees and the wider organisation.

The department plays a central role in supporting strategic decision-making, strengthening corporate governance and ensuring compliance with applicable legislative and regulatory requirements. Its responsibilities include legal advisory services, corporate governance administration, policy development, Board and Committee secretariat support, contract management and ongoing monitoring of regulatory developments.

Through these functions, the department helps strengthen organisational accountability, manage legal and compliance risks and support NASRIA in achieving its strategic objectives.

9.1 Key Governance Initiatives

During the 2025/2026 financial year, the Legal, Governance and Compliance Unit implemented several strategic initiatives aimed at strengthening governance effectiveness, regulatory compliance and organisational resilience. These initiatives enhanced Board performance, reinforced policy governance, strengthened legal compliance and positioned NASRIA to support its long-term strategic objectives.

9.1.1 Board Evaluation

The Office of the Managing Director coordinated a comprehensive evaluation of the Board of Directors and its committees to assess the effectiveness of the organisation's governance structures and oversight processes. The evaluation examined the composition of the Board and its Committees, the effectiveness of governance processes, the quality of Board deliberations and decision-making, the integrity of financial reporting, the effectiveness of internal control systems and the adequacy of enterprise risk governance arrangements.

A structured evaluation methodology was adopted, incorporating online surveys, telephonic interviews with selected Board members, consultations with the Legal, Governance and Compliance Unit and a comprehensive review of governance documentation. Key governance instruments reviewed included the Board Charter, Committees' terms of reference, the Integrated Strategic Business Plan (ISBP) and other supporting governance documentation.

The outcomes of the evaluation will inform continuous improvements to Board effectiveness, strengthen governance oversight and further enhance organisational accountability.

9.1.2 Board Leadership Development

Continuous learning and leadership development remain integral to enabling Directors to discharge their governance responsibilities effectively while providing strategic leadership to the organisation. In line with the principles of Namibia's National Code of Corporate Governance (NamCode) and the expectations of the Ministry of Finance and Public Enterprises for Boards of Public Enterprises, NASRIA continued investing in the ongoing development of its Directors.

During the reporting period, members of the Board participated in a one-month Advanced Oxford Management Leadership Development Programme presented by the Oxford School of Business. The programme focused on equipping Directors with the knowledge and leadership competencies required to respond to emerging challenges associated with technological advancement, increasingly complex operating environments and evolving stakeholder expectations.

Participation in the programme strengthened the Board's collective ability to exercise strategic oversight, interpret complex information, create sustainable organisational value and apply value-based leadership in fulfilling its fiduciary responsibilities.

9.1.3 Intellectual Property Protection

During the reporting period, the Office of the Managing Director facilitated the registration of NASRIA's trademark to strengthen the protection of the organisation's corporate identity, brand integrity and institutional reputation.

This initiative strengthens the organisation's ability to safeguard its intellectual property, prevent unauthorised use of its corporate branding and ensure consistent representation of the NASRIA brand across stakeholder engagements.

9.1.4 Strengthening Enterprise Risk Governance

To reinforce organisational governance and assurance capabilities, the Office of the Managing Director facilitated the appointment of a Risk and Audit Manager during the reporting period. This appointment supported the establishment and operationalisation of the Risk and Audit functions.

The creation of this role strengthens NASRIA's enterprise risk management capability, enhances the coordination of internal audit activities, reinforces the internal control environment and contributes to a more robust governance assurance framework across the organisation.

9.1.5 Governance Support for BOSRIA

The Office of the Managing Director continued to provide comprehensive legal and governance support for the establishment and operationalisation of Special Risks Insurance of Botswana (BOSRIA).

During the reporting period, BOSRIA received its operating licence from the Non-Bank Financial Institutions Regulatory Authority of Botswana. A Managing Director was designated and subsequently appointed to lead operations in Botswana, while a Principal Officer was appointed to oversee governance and operational requirements within the new subsidiary.

The successful establishment of BOSRIA represents a significant strategic milestone in NASRIA's regional expansion within the Southern African Development Community. The subsidiary supports the organisation's objectives of business diversification, revenue growth and the expansion of its regional market presence.

9.1.6 Policy Governance

Strengthening policy governance remained a key priority throughout the reporting period. To improve oversight of organisational policies, the department introduced a comprehensive policy tracking system that enables the Board, Executive Management and Business Units to monitor the review, approval and implementation status of all organisational policies.

The tracker enhances accountability, improves governance oversight and supports the timely review and implementation of policy instruments across the organisation. During the financial year under review, the department coordinated reviews of the following policies:

- Financial Assistance Policy
- Succession Planning Policy
- Accounts Receivable Policy
- Payments Policy
- Fixed Asset Register Policy
- Procurement Policy

The Office of the Managing Director also facilitated Board approval of several new and revised governance instruments, including the:

- Transfer and Secondment Policy
- ICT Acceptable Use Policy
- Information Security Policy
- Environmental, Social and Governance Policy
- Financial Delegation of Authority Policy

Collectively, these initiatives strengthened governance arrangements, improved operational consistency, enhanced information security, reinforced accountability and strengthened the delegation of authority throughout the organisation.

9.1.7 NASRIA Headquarters Development

The Office of the Managing Director continued providing legal, governance and compliance support for the proposed development of NASRIA's headquarters.

Support focused on ensuring compliance with legal, contractual, procurement and regulatory requirements while proactively identifying and managing legal and governance risks associated with the planning, construction and future operationalisation of the headquarters development.

These activities continue to support the delivery of a strategically significant infrastructure project while maintaining sound governance throughout the project lifecycle.

9.1.8 Supporting Namibia's Emerging Energy Sector

Responding to developments within Namibia's emerging oil and gas industry, the department supported the establishment of an Energy Insurance Pool to underwrite risks associated with the energy sector. The initiative seeks to strengthen domestic insurance capacity, promote localisation and beneficiation, and position NASRIA to play a meaningful role in supporting national economic development while contributing to the sustainable growth of Namibia's energy industry.

9.1.9 Financial Institutions and Markets Act (FIMA) Readiness

The Legal, Governance and Compliance Unit coordinated organisational readiness for the implementation of the Financial Institutions and Markets Act, No. 2 of 2021 (FIMA). During the reporting period, refresher training sessions were conducted to reinforce the understanding of the Act's regulatory and compliance obligations. In addition, a comprehensive FIMA implementation action plan was developed to monitor compliance requirements, track implementation progress and support ongoing organisational preparedness.

These initiatives strengthen NASRIA's regulatory compliance framework and ensure continued readiness for the evolving financial services regulatory environment.

9.1.10 Company Records and Statutory Compliance

To maintain statutory compliance, the Office of the Managing Director updated NASRIA's statutory records with the Business and Intellectual Property Authority (BIPA) following the appointment of new Directors. Newly appointed Directors were also registered on the Namibia Financial Institutions Supervisory Authority (NAMFISA) portal.

These activities ensured that statutory records remained accurate and up to date, thereby supporting continued regulatory compliance and reinforcing sound corporate governance practices.

Insurance Brokers Training and Information sharing Otjozondjupa Region

10

Operational **Excellence**

Overview

Operational excellence in 2025/2026 focused on strengthening the controls, systems and capabilities that support reliable service delivery. Across finance, underwriting, technology, procurement and claims, NASRIA prioritised governance, efficiency and operational readiness to support sustainable growth.

10.1 Financial Performance and Stewardship

10.1.1 Strengthening Financial Sustainability

The Finance and Administration function strengthened financial governance, regulatory compliance, liquidity management and corporate support during the year, providing a stable platform for operational and strategic delivery.

Key work included embedding IFRS 17, strengthening financial systems and reporting processes, maintaining expenditure discipline, coordinating assurance activities and supporting strategic initiatives, including BOSRIA.

10.1.2 Financial Stewardship Highlights

Focus Area	2025/2026 Outcome
IFRS 17	Implementation completed and embedded into financial reporting processes
Financial Governance	Strengthened reporting, liquidity management and financial controls
Cost Discipline	Maintained prudent expenditure management while supporting strategic priorities
Assurance	Coordinated internal and external audits and strengthened financial oversight
Strategic Support	Provided financial and governance support to BOSRIA and other strategic initiatives

Table 8: Financial Stewardship Highlights

10.2 Underwriting and Policy Administration

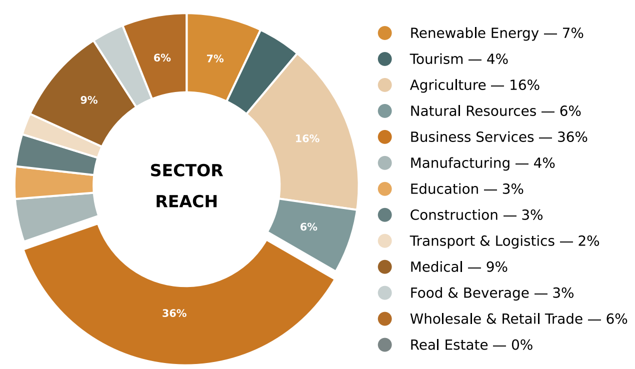
Sound underwriting practices remained fundamental to NASRIA's operational performance throughout the reporting period. The Underwriting and Policy Administration function continued to strengthen underwriting governance, improve policy administration processes, and enhance operational controls while supporting sustainable premium growth.

The PVT and CGS portfolios recorded continued growth, supported by stronger reconciliation controls and improved policy administration. Key performance outcomes are summarised below.

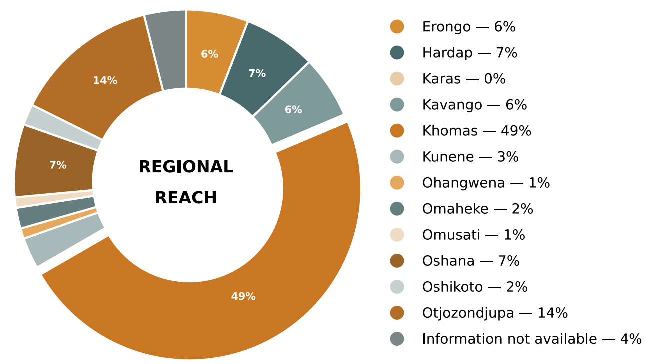
The Credit Guarantee Scheme also continued to support SME access to finance and employment across all fourteen regions, reinforcing NASRIA's developmental contribution.

The department also strengthened governance through the implementation of an Underwriting and Policy Administration Procedures Manual together with comprehensive Standard Operating Procedures designed to improve consistency, strengthen internal controls and enhance service delivery.

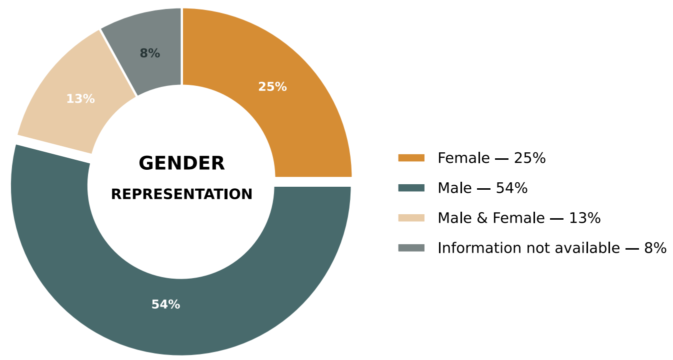
CGS Sectoral Reach



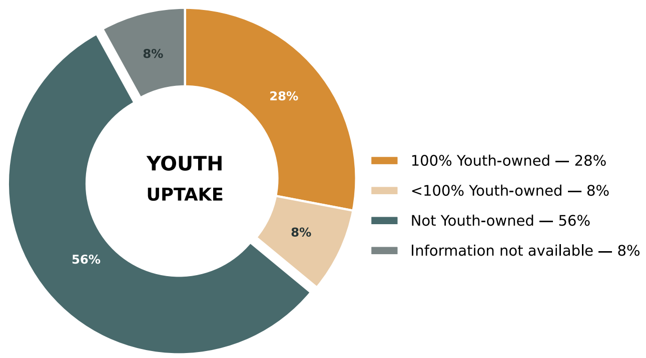
CGS Regional Reach



CGS Gender Representation



CGS Youth Uptake



10.2.1 Underwriting Performance Highlights

Indicator	Performance
PVT Gross Written Premium	N$99.7 million
Annual Premium Growth	8.8%
CGS Performance	N$1.5 million
CGS Premium Growth	63%
Premium Reconciliation Rate	97%
SMEs Supported	159
CGS Disbursements	N$153.9 million
Jobs Supported	1,169

Table 9: Underwriting Performance Highlights

10.3 Information Technology and Digital Enablement

Technology continued to serve as a key enabler of operational excellence during the reporting period. Strategic investments in digital infrastructure strengthened system reliability, enhanced cyber resilience and improved collaboration across the organisation.

Major initiatives included infrastructure modernisation, deployment of enhanced email protection, implementation of a next-generation firewall, wireless network enhancements and the introduction of SharePoint to improve document management and organisational collaboration.

Cybersecurity remained a strategic priority, with enhanced access controls, improved authentication mechanisms and organisation-wide cyber awareness training strengthening NASRIA's overall security posture. At the same time, cloud-based technologies continued to improve scalability, operational flexibility and information management capabilities.

Looking ahead, the implementation of a modern insurance administration system remains a strategic priority that will improve automation, reporting capability and operational efficiency across the organisation.

10.4 Procurement and Asset Management

Sound procurement governance remained central to operational excellence throughout the year. Procurement activities focused on achieving value for money while ensuring fairness, transparency and compliance with applicable legislative and organisational requirements.

During the reporting period, six (6) procurement processes were undertaken across ICT infrastructure, cybersecurity, professional services and corporate publications, with five being successfully awarded. Procurement activities also supported local economic development through the appointment of several Namibian small and medium enterprises.

The total value of procurement contracts awarded during the year amounted to N$666,328.12.

Indicator	Result
Procurement Processes	6
Successfully Awarded	5
Total Contract Value	N$666,328.12

Table 10: Procurement Summary

10.5 Claims Management

The organisation continued to process claims efficiently in accordance with approved policy frameworks and established claims management procedures. During the reporting period, two (2) Political Violence and Terrorism claims were assessed and settled for a combined value of N$174,276.45, as well as one (1) Credit Guarantee Scheme claim valued at N$599,379.69.

These outcomes demonstrate NASRIA's continued commitment to fair, transparent and timely claims administration while ensuring compliance with policy conditions and governance requirements.

Class of Business	Claims Received	Amount (N$)	Status
Political Violence and Terrorism	2	174,276.45	Paid
Credit Guarantee Scheme	1	599,379.69	Paid

Table 11: Claims Activity

10.6 Operational Priorities for 2026/2027

Building on the progress achieved during the reporting period, NASRIA will continue strengthening operational excellence by embedding IFRS 17 into routine financial operations, reviewing the mandates of external asset managers, implementing a modern underwriting and insurance administration system, enhancing automation across finance and administration functions, strengthening digital capabilities and continuing prudent financial and operational management.

Collectively, these priorities will improve organisational efficiency, strengthen governance, enhance service delivery and position NASRIA to deliver sustainable value to its stakeholders while fulfilling its statutory mandate.

NASRIA attends the National Youth Service 6th Graduation

11

Market Growth **and Customer Engagement**

Overview

Market Growth and Customer Engagement remained central to NASRIA's strategy during the 2025/2026 financial year, supporting continued premium growth, stronger stakeholder relationships and increased awareness of specialised insurance solutions. Through targeted business development, broker engagement, strategic marketing and enhanced communication, the organisation strengthened its market presence and reinforced its position as Namibia's specialist provider of special risks insurance.

Gross Premium Income increased to N$101.3 million, supported by stronger relationships with brokers, insurers and corporate clients, while the inaugural Broker Awards further strengthened intermediary partnerships.

Customer engagement also extended through Corporate Social Investment initiatives, industry participation and strategic partnerships, enhancing NASRIA's visibility, stakeholder confidence and prospects for sustainable market expansion.

11.1 Commercial Performance

The organisation delivered another year of strong commercial performance despite a challenging economic environment. Gross Premium Income reached N$101.3 million, representing an increase of N$8.7 million compared with the previous financial year. Growth was driven by increased awareness of special risks insurance, stronger broker relationships, improved client retention and continued contributions from key industrial and commercial accounts.

The Sales and Marketing function successfully achieved its Gross Written Premium target through continuous engagement with brokers, insurance companies and other intermediaries. Product presentations, broker visits, training workshops and awareness campaigns ensured that intermediaries remained well informed about NASRIA's specialised insurance products and were equipped to support business growth.

Targeted business development initiatives and strengthened stakeholder relationships also contributed to the acquisition of new clients while maintaining high levels of customer retention. At year-end, NASRIA maintained a portfolio of 71,835 active insurance policies, demonstrating continued market confidence in the organisation's specialised insurance products and services.

Performance Indicator	2025/2026
Gross Premium Income	N$101.3 million
Premium Growth	N$8.7 million
Active Policies	71,835

Table 12: Commercial Performance Highlights

11.2 Business Development

Business development remained a strategic priority throughout the reporting period, generating N$3.7 million in new business across the Political Violence and Terrorism (PVT) product and the Credit Guarantee Scheme (CGS).

Growth was achieved through sustained engagement with brokers, underwriting agencies, insurance companies, regulators, government institutions and prospective clients. Relationship-building initiatives included consultation meetings, product presentations, broker workshops, regional information sessions and participation in industry conferences.

Recognising that customer retention remains as important as new business acquisition, the organisation continued to prioritise proactive client engagement throughout the renewal process. Early renewal discussions, regular communication and prompt responses to policy inquiries strengthened customer confidence and supported high renewal levels across the portfolio.

Broker capacity-building remained a key focus area. Regular training sessions and one-on-one engagements enhanced intermediaries' understanding of underwriting requirements, policy administration and claims processes, enabling them to better serve policyholders while contributing to sustainable premium growth.

Indicator	Performance
New Business Generated	N$3.7 million
Strategic Focus Areas	PVT and CGS
Stakeholder Engagement	Brokers, insurers, regulators, government and industry partners

Table 13: Business Development Highlights

The Sales and Marketing Department led the exploration and development of new insurance products aimed at diversifying NASRIA's income streams and expanding its contribution to Namibia's risk management landscape. This included developing the Weather Index-Based Livestock Insurance (WIBLI) product, ongoing stakeholder engagement and government advocacy to support its future implementation, and exploring alternative distribution models through the banking sector. The department has also driven the conceptualisation and investigation of additional products, including National Road Damage Insurance and Energy Insurance, through research, stakeholder collaboration, benchmarking and market feasibility assessments. These initiatives are intended to identify commercially viable insurance solutions that address national risk exposures, support the government in managing sovereign risks and position NASRIA for sustainable long-term growth.

11.3 Marketing and Brand Development

Marketing initiatives focused on increasing public awareness of NASRIA's specialised insurance products while strengthening stakeholder engagement and reinforcing the organisation's position within Namibia's insurance industry.

Throughout the reporting period, the organisation implemented integrated communication campaigns comprising insurance brokers' education initiatives, corporate communication programmes, stakeholder awareness activities and targeted media engagements. These initiatives improved the understanding of special risks insurance, strengthened stakeholder relationships and increased public awareness of NASRIA's statutory mandate.

Brand visibility was further enhanced through media interviews, press releases, educational publications and participation in national events, including the NBC Battle for All sports event, the State-Owned Enterprise Annual Games and the Insurance Institute of Namibia graduation ceremony.

Digital communication continued to play an increasingly important role in stakeholder engagement. Ongoing enhancements to the corporate website, together with active communication across LinkedIn, Facebook and X, expanded NASRIA's digital presence while improving stakeholder access to information and educational content.

11.4 Customer and Stakeholder Engagement

Customer and stakeholder engagement during the year focused on strengthening service relationships, obtaining feedback and supporting effective intermediary collaboration.

The inaugural Broker Awards provided a dedicated platform to recognise brokers and insurance intermediaries and reinforce the partnerships that underpin NASRIA's distribution model.

Inaugural Broker Awards

GOLD
- Falcon Insurance Brokers
- Herman Krause Insurance Brokers CC
- Marsh Namibia (PTY) LTD
- Minet Namibia Insurance Brokers (PTY) LTD
- National Insurance Brokers
- Neptune Risk Managers
- Securitas Insurance Brokers
- Standard Insurance Brokers
- STS Insurance Brokers Namibia (PTY) LTD
- Welwitschia

SILVER
- Blue Umbrella Insurance Brokers
- Finsure Financial Advisory Services
- FNB Insurance Brokers
- GB Brokers
- Intersure Insurance Brokers CC
- Namibia Risk Solutions CC
- Peregrine Brokers (PTY) LTD
- SWANAM
- Tessa de Jager Insurance Brokers
- Williams and Knight Insurance Brokers CC

BRONZE
- Andre la Cock Insurance Brokers
- Anthony Abrahams Insurance Brokers
- IJ Snyman Transport
- Kerrie Mostert Brokers
- Meritus Brokers CC
- Morne Pretorius Insurance Brokers CC
- Prosure Shortterm Insurance Brokers
- Seun Kesslau Insurance Brokers CC
- Terra Nova Property and Insurance
- Wespac Financial Services CC

11.5 Corporate Social Responsibility and Investment

As part of its commitment to responsible corporate citizenship, NASRIA invested approximately N$600,000.00 in Corporate Social Responsibility and Investment (CSRI) initiatives during the reporting period.

The organisation supported projects spanning education, healthcare, agriculture, sport, community development and empowerment, reflecting its commitment to creating sustainable social value beyond its commercial mandate.

In addition to its CSRI initiatives, NASRIA participated in several insurance industry conferences and seminars and sponsored the Insurance Institute of Namibia Graduation Ceremony. These initiatives strengthened the organisation's corporate profile while reinforcing relationships across the insurance sector and broader stakeholder community.

Quarter 1
- Eben-Ezer Soup Kitchen
- Ombwana Combined School
- Okapembambu Primary School
- IK Tjimuhavi Combined School
- Mazoba Junior Primary School
- Namibia Development Fund
- University of Namiba
- Otjiuuo Primary School
- Brave Warriors Fundraising Gala Dinner

Quarter 2
- Insurance Institute of Namibia (IIN)
- Gracious Nursery and Pre-school

Quarter 3

International University of Management (IUM)

National Youth Service

Elondo-East Primary School

Namibian Institute Of Public Administration And Management (NIPAM)

Back to School Initiative

Quarter 4

Nengushe Secondary School

Governors Office: Erongo Region

11.6 Challenges and Market Opportunities

Despite achieving strong commercial performance, the organisation continued to operate within a dynamic and evolving business environment.

Limited public understanding of special risks insurance remained one of the primary challenges, requiring ongoing investment in stakeholder education and awareness initiatives. Prevailing economic conditions also influenced purchasing decisions across the market, placing pressure on insurance uptake and business growth.

NASRIA also continued to rely primarily on insurance intermediaries as its distribution channel. While this model remains highly effective, it underscores the importance of maintaining strong broker relationships and ensuring that intermediaries remain well informed about NASRIA's products and services.

At the same time, several opportunities were identified to support future growth. These include increasing demand for specialised insurance within the industrial sector, expanding digital engagement, improving penetration within underserved markets and strengthening participation within Namibia's growing SME sector. Continued collaboration with brokers, intermediaries and corporate clients will remain critical to expanding market presence and supporting sustainable premium growth.

11.7 Strategic Priorities for 2026/2027

In 2026/2027, the Market Growth and Customer Engagement function will focus on sustainable premium growth, broker and corporate-client relationships, customer experience and targeted awareness of PVT and CGS.

Priorities include customer education, expansion into underserved market segments, evidence-based marketing and market research to support commercially viable product diversification. Digital channels will support these priorities through improved website content, social media engagement and marketing analytics.

During the 2026/2027 financial year, NASRIA will commence planning for the organisation's 40th anniversary celebrations in 2027. Preparations will include developing the anniversary campaign, budget and implementation plan, coordinating stakeholder engagements and commemorative activities, documenting the organisation's history and achievements, and delivering a programme that celebrates its legacy while strengthening its brand and stakeholder relationships.

NASRIA Supports Community Initiatives with N$134,518 in Sponsorships

12 Business **Enablement**

Overview

Business Enablement remained a critical driver of NASRIA's performance during the 2025/2026 financial year, with continued investment in people, technology and organisational capability strengthening the foundations for sustainable growth.

The organisation maintained a stable workforce, enhanced talent management, learning and development, performance management and governance practices, while supporting employee wellbeing and organisational effectiveness. At the same time, significant investment in information technology modernised digital infrastructure, strengthened cybersecurity and improved collaboration across the business.

Collectively, these initiatives enhanced NASRIA's internal capabilities, supported innovation and operational efficiency, and ensured that its people, systems and organisational processes remained aligned with evolving business and stakeholder needs.

12.1 Human Capital

12.1.1 Building a High-Performing Workforce

NASRIA continued to strengthen its organisational capability through strategic human capital management focused on attracting, developing and retaining skilled employees while fostering a high-performance culture.

The organisation maintained a stable workforce throughout the reporting period, with employee numbers increasing from 21 to 27 by year-end through targeted recruitment to strengthen organisational capacity. Disciplined workforce planning and prudent vacancy management resulted in employee expenditure of N$22.3 million, representing a favourable variance of 15.6% year on year.

Industrial relations remained positive throughout the year, with only one employee resignation recorded. Salary negotiations were successfully concluded following Board approval of a 5.0% salary increase effective during the 2026/2027 financial year, further reinforcing constructive employee relations.

Indicator	2025/2026
Employees (Year End)	27
Employee Costs	N$22.3 million
Salary Increase Approved	5.0%

Table 14: Human Capital Highlights

12.1.2 Talent Acquisition and Retention

Recruitment activities continued to focus on strengthening organisational capability by filling critical executive, management and operational positions in accordance with sound corporate governance principles and applicable employment legislation.

Structured probation management processes remained an important component of talent management. Performance was closely monitored throughout probation periods, resulting in the successful confirmation of several employees while ensuring continued support and development for employees completing their probationary periods.

12.1.3 Learning and Development

Developing employee capability remained a strategic priority throughout the reporting period. NASRIA continued investing in professional development through structured learning programmes, as well as academic support and leadership development initiatives designed to strengthen organisational capability and support long-term succession planning.

A comprehensive Emotional Intelligence training programme was delivered across multiple departments to strengthen leadership capability, interpersonal effectiveness and collaborative workplace practices.

The organisation also secured a Namibia Training Authority (NTA) training levy refund of N$86,608.68, thereby increasing resources available for employee development.

Academic development remained an important focus, with financial support provided for tertiary studies at the University of Namibia and professional insurance qualifications through the Insurance Institute of Namibia.

Initiative	Outcome
Emotional Intelligence Programme	Organisation-wide implementation
NTA Levy Refund	N$86,608.68
Academic Assistance	University and professional insurance studies

Table 15: Learning and Development Highlights

12.1.4 Employee Well-being and Engagement

Employee wellbeing remained central to NASRIA's people strategy. During the reporting period, the organisation continued investing in initiatives that strengthen workplace culture, encourage employee engagement and promote organisational values.

A notable initiative introduced during the year was the Policy Spotlight Series, designed to improve employee understanding of organisational policies and encourage the consistent application of corporate governance principles throughout the organisation.

Employee well-being was further supported through an active Sports Club, participation in regional sporting events and the State-Owned Enterprise Games, while the Social Club continued coordinating employee engagement activities that strengthened teamwork and organisational culture.

Recognition of employee excellence remained a key feature of organisational culture through the monthly Value Café initiative, which celebrates employees who consistently demonstrate NASRIA's core values and reinforces a culture of excellence, accountability and professionalism.

12.1.5 Performance Management

Performance management continued to play a significant role in aligning individual performance with organisational strategy while supporting employee accountability and continuous development.

During the reporting period, the organisation achieved a 96% performance appraisal completion rate and a 92% sign-off rate, reflecting strong organisational commitment to performance management and employee accountability.

Employees completed Performance Agreements together with Personal Development Plans, ensuring alignment between individual objectives and organisational priorities.

To further strengthen governance and consistency, NASRIA established a Performance Calibration Committee responsible for reviewing performance outcomes, promoting fairness across the organisation and enhancing the integrity of the performance management process.

Indicator	Achievement
Performance Appraisals Completed	96%
Performance Agreements Signed	92%
Calibration Committee	Established

Table 16: Performance Management Highlights

12.1.6 Human Resources Governance

Human Resources governance continued to evolve during the reporting period through strengthened committee structures, policy reviews and continued compliance with statutory obligations.

A key milestone was the establishment of the Affirmative Action Committee responsible for promoting workplace equity and overseeing submission of the organisation's statutory reports to the Employment Equity Commission.

The Staff Development Committee continued administering study assistance and monitoring compliance with employee development policies, while the organisation maintained compliance with statutory obligations through ongoing contributions to the Vocational Education and Training (VET) Levy.

12.3 Digital Enablement

Technology remained a critical business enabler throughout the reporting period. Continued investment in digital infrastructure strengthened operational resilience, enhanced cybersecurity and improved organisational collaboration.

Major technology initiatives included infrastructure upgrades, the implementation of enhanced email protection, deployment of a next-generation firewall, improvements to wireless networking and implementation of SharePoint to strengthen collaboration and document management.

Cybersecurity remained a strategic priority through enhanced access controls, improved authentication mechanisms and organisation-wide cyber awareness training. Cloud technologies also enhanced scalability, operational flexibility and information management capabilities while supporting the organisation's broader digital transformation strategy.

Looking ahead, the implementation of a modern insurance administration system will further strengthen automation, reporting capability, integration across business functions and overall operational efficiency.

12.4 Human Capital Strategic Priorities for 2026/2027

Building on the progress achieved during the reporting period, NASRIA will continue investing in its people, technology and organisational capability to support sustainable growth and operational excellence.

Key priorities for the coming financial year include strengthening workforce capability through continued learning and development, embedding enhanced performance management practices, expanding employee wellbeing initiatives and advancing the organisation's digital transformation programme through implementation of a modern insurance administration system.

By continuing to invest in its employees, governance frameworks and digital capabilities, NASRIA is strengthening the organisational foundations necessary to deliver its statutory mandate, respond to an evolving business environment and create sustainable value for its stakeholders.

13 Organisational Strategic **Priorities and Future Outlook**

Overview

The achievements of the 2025/2026 financial year have positioned NASRIA on a strong foundation of financial resilience, sound governance, operational excellence and sustained market growth. Looking ahead, the organisation's strategic priorities for 2026/2027 will focus on strengthening organisational capability, expanding market reach, enhancing customer value and leveraging technology to improve efficiency.

These priorities are aligned with NASRIA's mandate, Integrated Strategic Business Plan and long-term vision, and are intended to ensure that the organisation remains financially sustainable, operationally agile and responsive to an evolving risk environment while continuing to deliver specialised insurance solutions that support Namibia's economic resilience and development.

13.1 Strategic Direction

As Namibia's provider of specialised insurance solutions, NASRIA operates within an increasingly dynamic environment characterised by evolving geopolitical risks, economic uncertainty, technological advancement and changing stakeholder expectations. Against this backdrop, the organisation will continue strengthening its capacity to respond proactively to emerging opportunities while maintaining sound governance, prudent financial management and operational excellence.

During the new financial year, NASRIA will advance the development and commercial feasibility of innovative insurance products through research, stakeholder engagement, product refinement and business case development, with the aim of diversifying the organisation's revenue streams while supporting the government's capacity to manage sovereign and emerging national risks more effectively.

The organisation's strategic direction remains centred on delivering sustainable value to policyholders, shareholders and the broader Namibian economy. This will be achieved through continued investment in people, technology, governance, customer engagement and product innovation, supported by disciplined financial stewardship and effective risk management.

13.2 Strategic Priorities for 2026/2027

13.2.1 Financial Sustainability

NASRIA will embed IFRS 17 into routine financial operations, strengthen internal capability, review external asset-manager mandates and maintain disciplined expenditure and liquidity management to protect long-term financial resilience.

13.2.2 Sustainable Market Growth

NASRIA will pursue sustainable premium growth through broker and corporate-client partnerships, targeted awareness of PVT and CGS, deeper penetration of underserved segments and disciplined evaluation of new product opportunities.

13.2.3 Customer-Centric Service Delivery

Delivering an exceptional customer experience will remain central to NASRIA's long-term success. During the coming year, the organisation will continue enhancing service delivery through stronger claims communication, regular customer satisfaction assessments and closer engagement with brokers, insurers, government institutions and other strategic stakeholders.

Improved communication, increased responsiveness and continued customer education will strengthen stakeholder confidence while reinforcing NASRIA's reputation as a trusted provider of specialised insurance solutions.

13.2.4 Digital Transformation

Technology will continue to serve as a key enabler of organisational performance. Building on the ICT investments made during the reporting period, NASRIA will continue modernising its digital environment through enhanced automation, improved data management and expanded technology-enabled service delivery.

A major priority for the coming financial year will be the implementation of a modern underwriting and insurance administration system to improve operational efficiency, strengthen data integrity and enhance integration across business functions.

The organisation will also continue investing in website enhancements, digital communication platforms, marketing analytics and cloud-based technologies to improve decision-making, operational performance and stakeholder engagement.

13.2.5 Organisational Capability

Developing organisational capability remains fundamental to achieving NASRIA's strategic objectives. During the coming year, the organisation will continue investing in leadership development, employee wellbeing, learning and development, succession planning and performance management.

The continued review of Human Resources policies, strengthening of governance structures and implementation of modern people management practices will ensure that employees remain equipped to respond to future organisational requirements while fostering a culture of accountability, collaboration and continuous improvement.

13.2.6 Governance and Risk Management

Strong governance and effective risk management will continue to underpin organisational sustainability. NASRIA will continue strengthening its governance framework through enhanced Board oversight, policy development, regulatory compliance and enterprise risk management.

The organisation will also continue preparing for the implementation of evolving regulatory requirements while embedding Environmental, Social and Governance (ESG) principles into organisational decision-making and operations. Continued governance maturity will support transparency, accountability and long-term organisational resilience.

13.2.7 Environmental, Social and Governance (ESG)

During the new financial year, NASRIA will implement and embed its Environmental, Social and Governance (ESG) Policy across the organisation by integrating ESG principles into its strategy, governance, operations, enterprise risk management and decision-making processes. This will strengthen responsible business practices, enhance stakeholder accountability, and reinforce the organisation's commitment to long-term sustainability, sound governance and responsible corporate citizenship.

13.2.8 Regional Expansion

The establishment of Special Risks Insurance of Botswana (BOSRIA) represents an important milestone in NASRIA's regional growth strategy. During the 2026/2027 financial year, the organisation will focus on supporting the operationalisation of the subsidiary through strengthened governance, financial oversight and administrative support.

This initiative reflects NASRIA's broader strategic ambition to expand its regional footprint, diversify revenue streams and strengthen its contribution to the Southern African insurance market.

13.3 Looking Ahead

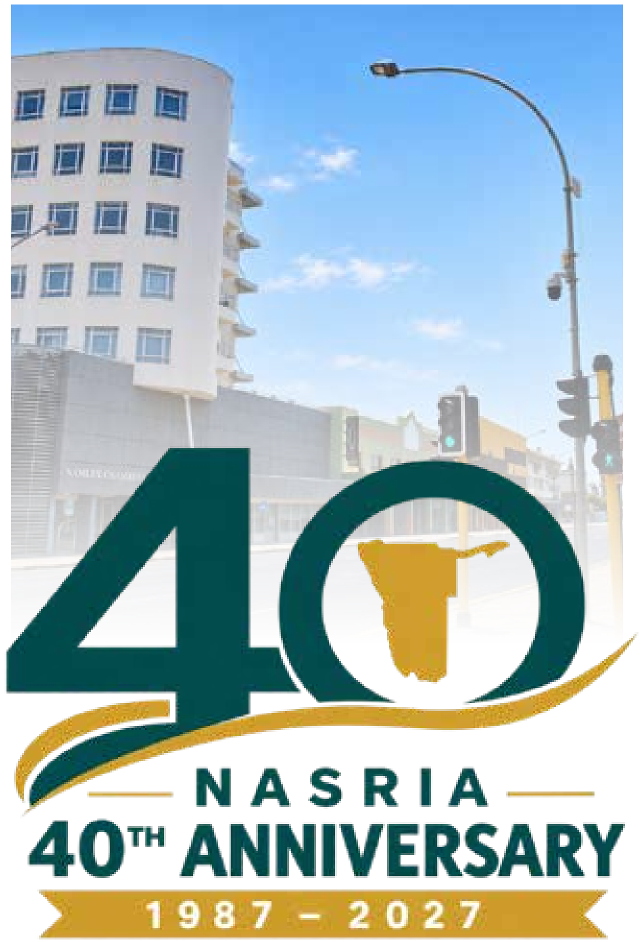
The future presents both opportunities and challenges for the insurance industry. Economic uncertainty, technological advancement, evolving regulatory requirements and changing customer expectations will require organisations to remain agile, innovative and resilient.

NASRIA enters the 2026/2027 financial year from a position of strength. Strong financial performance, sound governance, prudent risk management and continued investment in people, technology and stakeholder relationships have established a solid platform for sustainable growth.

As NASRIA approaches its 40th anniversary in 2027, this important milestone provides an opportunity to reflect on the organisation's institutional journey, recognise the partnerships and progress that have shaped its development, and position the business for its next chapter. More than a celebration of longevity, the anniversary represents NASRIA's enduring commitment to protecting economic activity, strengthening national resilience and responding to Namibia's evolving risk landscape.

Looking ahead, NASRIA will build on this legacy by maintaining disciplined financial stewardship, strengthening customer and stakeholder relationships, embracing digital innovation, developing organisational capability and pursuing opportunities for sustainable market and product growth. These priorities will enable the organisation to continue fulfilling its statutory mandate while creating long-term value for its shareholder, policyholders and broader stakeholder community.

The 40th anniversary therefore marks both a celebration of NASRIA's journey and a platform for the future. As the organisation continues to evolve, it remains committed to delivering specialised insurance solutions with integrity, accountability and excellence, while contributing meaningfully to Namibia's long-term economic and social development.



14 Financial **Summary**

Overview

NASRIA delivered another strong financial performance during the 2025/2026 financial year, reflecting sound financial management, resilient underwriting performance and continued growth in investment returns.

Despite a dynamic operating environment and the continued implementation of IFRS 17, the organisation maintained a strong balance sheet, increased profitability and preserved a solid capital position, providing a firm foundation for sustainable future growth.

The audited financial statements were prepared in accordance with IFRS Accounting Standards and the Companies Act of Namibia.

14.1 Financial Performance

Insurance revenue increased from N$89.4 million to N$97.1 million, representing growth of approximately 11.9% over the previous financial year. Strong underwriting performance, together with disciplined management of insurance service expenses and lower net reinsurance costs, resulted in the insurance service result improving to N$52.2 million, compared with N$44.6 million in the previous year.

Investment activities continued to make a significant contribution to overall profitability. Investment income increased to N$54.4 million, while fair value gains on the investment portfolio amounted to N$35.2 million. Collectively, insurance and investment activities generated a net insurance and investment result of N$141.8 million, an increase from N$129.6 million in the previous year.

Profit before taxation increased to N$120.1 million, while profit after tax reached N$96.6 million, representing growth of approximately 22.3% compared with the previous financial year. This performance demonstrates NASRIA's ability to generate sustainable earnings while maintaining prudent financial discipline.

14.2 Financial Position

NASRIA's financial position remained exceptionally strong at year-end. Total assets increased by approximately 8.6%, from N$960.8 million to N$1.036 billion. The investment portfolio remained NASRIA's largest asset, increasing to N$994.4 million, demonstrating continued growth in the organisation's long-term financial resources.

Total equity strengthened from N$869.3 million to N$949.4 million, primarily driven by retained earnings generated during the year. At the same time, total liabilities decreased from N$91.5 million to N$86.4 million, further strengthening NASRIA's balance sheet and capital base.

14.3 Investment Portfolio

The investment portfolio continued to provide stability and long-term value creation. Investments measured at fair value increased from N$890.6 million to N$994.4 million, reflecting disciplined investment management and favourable market performance. Investment income and fair value gains remained important contributors to overall profitability, reinforcing NASRIA's strategy of maintaining a diversified and well-managed investment portfolio.

14.4 Cash Flow and Liquidity

NASRIA continued to maintain adequate liquidity to support its operations and strategic priorities. While cash and cash equivalents decreased during the year, this largely reflects investment activities and tax payments rather than operational weakness. NASRIA's substantial investment portfolio and strong capital position ensure that it remains well placed to meet its obligations and fund future strategic initiatives.

14.5 Key Financial Highlights

OPERATING & INVESTMENT PERFORMANCE

	2025/26		Previous	YoY
INSURANCE REVENUE	N$97.1m	2025/26	N$89.4m	^ 8.7%
INSURANCE SERVICE RESULT	N$52.2m	2025/26	N$44.6m	^ 17.0%
INVESTMENT INCOME	N$54.4m	2025/26	N$50.7m	^ 7.2%
FAIR VALUE GAINS	N$35.2m	2025/26	N$34.2m	^ 3.0%
NET INSURANCE AND INVESTMENT RESULT	N$141.8m	2025/26	N$129.6m	^ 9.4%
PROFIT BEFORE TAXATION	N$120.1m	2025/26	N$105.2m	^ 14.1%
PROFIT FOR THE YEAR	N$96.6m	2025/26	N$83.7m	^ 15.5%

BALANCE SHEET & LIQUIDITY

	2025/26		Previous	YoY
TOTAL ASSETS	N$1.036bn	2025/26	N$960.8m	^ 7.8%
INVESTMENT PORTFOLIO	N$994.4m	2025/26	N$890.6m	^ 11.7%
TOTAL EQUITY	N$949.4m	2025/26	N$869.3m	^ 9.2%
TOTAL LIABILITIES	N$86.4m	2025/26	N$91.5m	˅ -5.7%
CASH AND CASH EQUIVALENTS	N$14.9m	2025/26	N$47.3m	˅ -68.4%

15 Annual Financial **Statements**

Namibia Special Risks Insurance Association Ltd
(Registration number 1987/0201)
Consolidated and Separate Annual Financial Statements
for the year ended 31 March 2026

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	
	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	

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 2027 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 76, 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: 28 August 2026
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 2026, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting 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 76 comprise:

- the directors' report for the year ended 31 March 2026;
- the consolidated and separate statements of financial position as at 31 March 2026;
- the consolidated and separate statements of profit or loss and other 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 consolidated and separate 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.

PricewaterhouseCoopers, Registered Auditors
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Country Senior Partner: Chantell N Husselmann
The Firm's principal place of business is at Unit No. 156, Maerua Mall, Centaurus Street, Windhoek, Khomas Region, Republic of Namibia
Partners: Willem A Burger (Partner in charge: Coast), Gerrit Esterhuyse, Hans F Hashagen, Nina A Coetzer, Audrey C van Antwerpen, Riëtte Jacobs
Practice Number 9406, VAT reg no. 00203281-015

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 Standards)* (Code of Conduct), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document(s) titled “Namibia Special Risks Insurance Association Limited (Registration Number 1987/0201) Consolidated and Separate Annual Financial Statements for the year ended 31March 2026". The other information does not include the consolidated or the separate 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 IFRS Accounting 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's 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 and/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: 2 September 2026

Directors' 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 2026.

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.

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$ 16 000 000 (2025: 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	Non-executive Independent	Namibian	Appointed 18 December 2020
C Loubser		Non-executive Independent	Namibian	Appointed 18 December 2020
P Amunjela		Non-executive Independent	Namibian	Appointed 18 December 2020
T Gurirab		Non-executive Independent	Namibian	Appointed 1 October 2024 and Resigned 27 May 2025
S Somaes		Non-executive Independent	Namibian	Appointed 1 October 2024
B Hoffmann	Deputy Chairperson	Non-executive Independent	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

Directors' Report

9. Going concern (continued)

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, with cash and cash equivalents resourses of NAD 14.9 million (2025: NAD 47.3 million), which are considered adequate to meet 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 28 August 2026. 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.

Namibia Special Risks Insurance Association Ltd
(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Directors' Report

15. Credit Guarantee Scheme (continued)

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.

Namibia Special Risks Insurance Association Ltd
(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Consolidated and Separate Statements of Financial Position as at 31 March 2026

		Group		Company	
Figures in Namibia Dollar thousand	Note(s)	2026	2025	2026	2025
Assets					
Cash and cash equivalents	3	14 932	47 306	8 301	39 956
Trade and other receivables	4	1 361	2 726	1 059	2 429
Other financial assets	5	994 416	890 563	994 416	890 563
Reinsurance contract assets	15	3 069	-	3 069	-
Investments in subsidiaries	7	-	-	8 427	8 283
Investment property	8	16 430	16 430	16 430	16 430
Property, plant and equipment	9	5 502	3 688	5 500	3 688
Deferred tax	17	-	133	-	133
Total Assets		**1 035 710**	**960 846**	**1 037 202**	**961 482**
Liabilities					
Trade and other payables	11	4 390	3 980	4 253	3 980
Provisions	12	830	497	830	497
Credit Guarantee Scheme financial liability	13	50 000	50 000	50 000	50 000
Insurance contract liabilities	14	15 383	14 283	15 383	14 283
Reinsurance contract liabilities	15	-	2 466	-	2 466
Current tax payable	16	15 318	20 120	15 318	20 120
Deferred tax	17	298	-	298	-
Retirement benefit obligation	18	133	190	133	190
Total Liabilities		**86 352**	**91 536**	**86 215**	**91 536**
Equity and Liabilities					
Equity					
Share capital	19	8 000	8 000	8 000	8 000
Reserves	20 - 22	234 144	209 180	234 650	209 099
Retained income	23	707 214	652 130	708 337	652 847
		949 358	**869 310**	**950 987**	**869 946**
Total Equity and Liabilities		**1 035 710**	**960 846**	**1 037 202**	**961 482**

Namibia Special Risks Insurance Association Ltd

(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

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

		Group		Company	
Figures in Namibia Dollar thousand	Note(s)	2026	2025	2026	2025
Insurance revenue	25	97 149	89 363	97 149	89 363
Insurance service expenses	26	(41 197)	(37 921)	(41 197)	(37 921)
Net expenses from reinsurance contracts	27	(3 754)	(6 833)	(3 754)	(6 833)
Insurance service result		**52 198**	**44 609**	**52 198**	**44 609**
Investment income	28	54 359	50 726	54 312	50 726
Fair value gains	29	35 246	34 227	35 246	34 227
Net insurance and investment result		**141 803**	**129 562**	**141 756**	**129 562**
Other income	30	-	4	-	4
Other operating expenses	31	(21 699)	(24 330)	(21 246)	(23 314)
Profit before taxation		**120 104**	**105 236**	**120 510**	**106 252**
Taxation	33	(23 469)	(21 533)	(23 469)	(21 533)
Profit for the year		**96 635**	**83 703**	**97 041**	**84 719**
Other comprehensive income:					
Other comprehensive income		-	-	-	-
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		(587)	81	-	-
Other comprehensive income for the year net of taxation	34	**(587)**	**81**	**-**	**-**
Total comprehensive income for the year		**96 048**	**83 784**	**97 041**	**84 719**

Namibia Special Risks Insurance Association Ltd

(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Consolidated and Separate Statements of Changes 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 01 April 2024	**8 000**	**-**	**75 570**	**107 978**	**183 548**	**609 978**	**801 526**
Profit for the year	-	-	-	-	-	83 703	83 703
Other comprehensive income	-	81	-	-	81	-	81
Total comprehensive income for the year	**-**	**81**	**-**	**-**	**81**	**83 703**	**83 784**
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 01 April 2025	**8 000**	**81**	**101 121**	**107 978**	**209 180**	**652 130**	**869 310**
Profit for the year	-	-	-	-	-	96 635	96 635
Other comprehensive income	-	(587)	-	-	(587)	-	(587)
Total comprehensive income for the year	**-**	**(587)**	**-**	**-**	**(587)**	**96 635**	**96 048**
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 2026	**8 000**	**(506)**	**126 672**	**107 978**	**234 144**	**707 214**	**949 358**
Note(s)	19	22 & 34	20	21		34	

Dividends per share

	2026	2025
Final (c)	200.00	200.00

Namibia Special Risks Insurance Association Ltd
(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Consolidated and Separate Statements of Changes 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
Company							
Balance at 01 April 2024	**8 000**	**-**	**75 570**	**107 978**	**183 548**	**609 679**	**801 227**
Profit for the year	-	-	-	-	-	84 719	84 719
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**84 719**	**84 719**
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 01 April 2025	**8 000**	**-**	**101 121**	**107 978**	**209 099**	**652 847**	**869 946**
Profit for the year	-	-	-	-	-	97 041	97 041
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**97 041**	**97 041**
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 2026	**8 000**	**-**	**126 672**	**107 978**	**234 650**	**708 337**	**950 987**
Note(s)	19	22&34	20&34	21		34	

Namibia Special Risks Insurance Association Ltd
(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Consolidated and Separate Statements of Cash Flows

		Group		Company	
Figures in Namibia Dollar thousand	Note(s)	2026	2025	2026	2025
Cash flows from operating activities					
Cash generated from operations	35	33 258	30 594	34 166	31 529
Tax paid	36	(27 840)	(3 578)	(27 840)	(3 578)
Net cash from operating activities		**5 418**	**27 016**	**6 326**	**27 951**
Cash flows from investing activities					
Purchase of property, plant and equipment	9	(2 297)	(628)	(2 295)	(628)
Investment in subsidiary		-	-	(144)	(8 283)
Purchases of investments at fair value		(51 500)	(563 730)	(51 500)	(563 730)
Proceeds from sales of investments at fair value		31 000	-	31 000	-
Interest received	28	1 005	3 887	958	3 887
Net cash (used in)/from investing activities		**(21 792)**	**(560 471)**	**(21 981)**	**(568 754)**
Cash flows used in financing activities					
Dividends paid	24	(16 000)	(16 000)	(16 000)	(16 000)
Total cash movement for the year		**(32 374)**	**(549 455)**	**(31 655)**	**(556 803)**
Cash and cash equivalents at the beginning of the year		47 306	596 761	39 956	596 759
Cash and cash equivalents at the end of the year	3	**14 932**	**47 306**	**8 301**	**39 956**

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, except for investment property (fair value), land and buildings within PPE (revalued amount), and equity investments (fair value through profit or loss), which are stated as described in the relevant policy notes 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.

Accounting Policies

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.

Provisions

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

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, and subsequently carried at fair value less accumulated impairment losses.

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.

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.

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

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

On revaluation, the gross carrying amount of the asset is adjusted consistently with the revaluation of the carrying amount. The accumulated depreciation is adjusted accordingly so that the net carrying amount equals the revalued amount.

Accounting Policies

1.4 Property, plant and equipment (continued)

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

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 . 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

Intangible assets are initially recognised at cost.

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

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

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

The useful life and amortisation method of intangible assets are reviewed at the end of each reporting . 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, 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.

Accounting Policies

1.6 Financial instruments (continued)

Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write offs accounting policy.

Impairment - Expected credit losses and write offs

A provision matrix is used as a practical expedient when determining expected credit losses. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast conditions.

The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account.

The group writes off an instrument 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 into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the group's recovery procedures. Any recoveries made are recognised in profit or loss.

Investments in equity instruments

The group holds investments in various listed and unit trusts. Refer to note 5.

They are subsequently measured at fair value, with fair value gains or losses recognised in profit or loss. Details of the valuation policies and processes are presented in note 41.

Dividends received on equity investments are recognised in profit or loss when the group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Investments in debt instruments at fair value through profit or loss

The group holds investments in government bonds which are measured at fair value through profit or loss. Although they are debt instruments, management have concluded that they do not qualify to be measured at amortised cost or fair value through other comprehensive income. Refer to note 5.

Details of the valuation policies and processes are presented in note 41 for details.

Trade and other payables

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Accounting Policies

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.

Accounting Policies

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 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.

1.9 Share capital and equity

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

1.10 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.

Accounting Policies

1.10 Employee benefits (continued)

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 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.

1.11 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.

Namibia Special Risks Insurance Association Ltd
(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Accounting Policies

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

NASRIA's financial guarantee contracts, specifically the credit guarantees, solely transfer financial risk and not non-financial risks. However, they have historical 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 2026, the following reinsurance arrangements were in place:

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

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:

2026	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**

Accounting Policies

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

2025			
PVT	1 235 821	0.30 %	3 695
CGS	-	- %	-
Total IFRS 17 Portfolio	**1 235 821**	**0.30 %**	**3 695**

1.13.2 Contract Recognition and Derecognition

Contract recognition – insurance and reinsurance contracts issued

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.

Accounting Policies

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

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.
- 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.

Accounting Policies

1.11 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	• 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	• Claims paid • Claims reporting but not yet assessed / settled Reinsurance groups: • 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 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.

Accounting Policies

1.11 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 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.

Accounting Policies

1.11 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.

Namibia Special Risks Insurance Association Ltd
(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Accounting Policies

1.11 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	-	-	-	-	-	-	-	-
Motor 2026	-	-	-	-	-	-	-	-

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 difficultly 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.

Accounting Policies

1.11 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

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

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

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.

Accounting Policies

1.11 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	Special Risks Insurance
	Commercial Risks	Special Risks Insurance
	Construction Plant	Special Risks Insurance
	Contract Works	Special Risks Insurance
	Domestic Risks	Special Risks Insurance
	Marine Cargo	Special Risks Insurance
	Marine Hull	Special Risks Insurance
	Money	Special Risks Insurance
	Motor	Special Risks Insurance
	Welfare Institutions	Special Risks Insurance
CGS	Credit Guarantee	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.

Namibia Special Risks Insurance Association Ltd
(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Accounting Policies

1.11 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

STEP 3: Profitability Buckets

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.

Accounting Policies

1.11 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
CGS	Credit_Guarantee	NSPBO

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:

Accounting Policies

1.11 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. Insurance acquisition cash flows are amortised in line with this pattern.

Accounting Policies

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

Expense allocation methodology

Cost Centre	Allocation Metric	Description
Marketing	Gross Written Premium	All marketing related costs of all NASRIA products and rebranding exercise. This includes adverts; workshops and all travel to regions; roadshows; expos - This relates to all products
Professional fees	Number of policies sold	Accounting fees - for payroll consultants
Audit fees	Number of policies sold	Fees paid to PWC for external audit fees - attributable expense related to the insurance activities
Underwriting	Number of policies sold	Stamp duty paid for each insurance policy issued
Depreciation	Number of policies sold	Depreciation for buildings, office equipment, IT equipment, furniture and motor vehicles, motor vehicles are used mostly for overall branding marketing, this marketing is not specifically related to insurance contracts. Building, office equipment, IT equipment and furniture are used for insurance administration work purposes. The depreciation expense on Land not attributable
Insurance expense	Number of policies sold	Insurance on company assets, attribution as per insurance related assets - see depreciation rationale above
Employee expenses	Headcount	HR costs include remuneration, long term incentives, pension funds, leave pay and other fringe benefits connected to staff remuneration (e.g. bus fare for local travel which is legislated).
Operating expenses	Other	General operational expenses includes non-insurance related bank charges, amortisation, depreciation, executive office remuneration, impairment and professional expenses. All these costs are not directly related to insurance contracts.
Computer expenses	Headcount	Computer expenses for those personnel directly servicing insurance contracts, these expenses relate to insurance system service provider Footprint.
Insurance accounts - bank charges	Number of in-force policies	The main bank account is the Nedbank current account, which is our transacting account. The other bank account is a bank which current account and FNB account opened for CGS. All operational transactions are handled through one bank account
Consultant Fees	Number of in-force policies	HR consultants for payroll outsourced; Procurement consultant; HR consultant for strategic objectives; Cleaning services outsourced; Investment consultant; internal auditor consultancy; QED actuaries.
Rent & Levies	Number of in-force policies	Body corporate fees for 3rd floor sectional title property and rent for 5th floor office space in Namlex Building. In the past 3rd floor was Nasria's office building, Nasria moved to the 5th floor at the end of 2023. The 3rd floor is now vacant.

Accounting Policies

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

Expense allocation methodology (continued)

Cost Centre	Treatment	% Attributable	% Non-attributable	% Acquisition	% Claims	% Maintenance
Marketing	Fully attributable	1.00%	0.00%	1.00%	0.00%	0.00%
Professional fees	Not attributable	0.00%	1.00%	0.00%	0.00%	0.00%
Audit fees	Partially attributable	0.65%	0.35%	0.00%	0.00%	0.65%
Underwriting	Fully attributable	1.00%	0.00%	1.00%	0.00%	0.00%
Depreciation	Partially attributable	0.17%	0.83%	0.00%	0.00%	0.17%
Insurance expense	Partially attributable	0.17%	0.83%	0.00%	0.00%	0.17%
Employee expenses	Partially attributable	0.63%	0.37%	0.29%	0.00%	0.33%
Operating expenses	Not attributable	0.00%	1.00%	0.00%	0.00%	1.00%
Computer expenses	Partially attributable	0.63%	0.37%	0.29%	0.00%	0.33%
Insurance accounts - bank charges	Partially attributable	0.65%	0.35%	0.00%	0.00%	0.65%
Consultant Fees	Partially attributable	0.55%	0.45%	0.00%	0.00%	0.55%
Rent & Levies	Partially attributable	0.81%	0.19%	0.00%	0.00%	0.81%

1.12 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.

1.13 Consolidation

Basis of consolidation

The consolidated consolidated and separate annual financial statements incorporate the consolidated and separate annual financial statements of the company and all subsidiaries. Subsidiaries are entities which are controlled by the group.

The results of subsidiaries are included in the consolidated consolidated and separate annual financial statements from the date of obtaining control until the date that control is lost.

The accounting policies of all subsidiaries are the same as those of the parent.

Accounting Policies

1.13 Consolidation (continued)

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Investments in subsidiaries in the separate financial statements

Investments in subsidiaries are carried at cost less any accumulated impairment losses in the separate financial statements.

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair values at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

1.14 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.

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.

Notes to the Consolidated and Separate Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

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 01 January 2025.

The group has adopted the amendment for the first time in the 2026 consolidated and separate annual financial statements.

The impact of the amendment is not material.

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 01 April 2026 or later periods:

Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures

Amendments were made to this disclosure-based Standard, resulting in further changes to the disclosures required of subsidiaries qualifying under IFRS 19. The amendments to IFRS 19 become effective concurrently with the original Standard.

The effective date of the amendment is for years beginning on or after 01 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 standard will have a material impact on the group's consolidated and separate annual financial statements.

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 standard is for years beginning on or after 01 January 2027.

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

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

Notes to the Consolidated and Separate Annual Financial Statements

2. New Standards and Interpretations (continued)

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 standard is for years beginning on or after 01 January 2027.

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

The group is in the process of assessing the impact of IFRS 18 on its financial statements, particularly regarding the reclassification and presentation of line items in the statement of profit or loss and disclosures of management-defined performance measures. The impact of the new standard is not yet known or reasonably estimable.

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards

Annual Improvements to IFRS Accounting Standards - Volume 11 - Hedge Accounting by a First-time Adopter - Amendment to reduce inconsistency in wording of the requirements in IFRS 9 Financial Instruments in relation to hedge accounting requirements for a first-time adopter.

The effective date of the amendment is for years beginning on or after 01 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 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 01 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 - 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 01 January 2026.

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

Notes to the Consolidated and Separate Annual Financial Statements

2. New Standards and Interpretations (continued)

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 01 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.

Amendment to IFRS 9 and IFRS 7

Two amendments were made which deal with contracts referencing nature-dependent electricity and may not be applied to other contracts by inference. In terms of these contracts, buyers of nature-dependent electricity may have no practical ability to avoid making sales of unused electricity.

In the first instance, the amendments allow for entities to satisfy the "own-use" requirement when considering whether contracts to buy or sell non-financial items fall within the scope of IFRS 9. This will apply if the entity is, or expects to be a net purchaser of electricity. If the contract qualifies under the amendment, then the "own-use" requirement will be met and the contract will fall outside the scope of IFRS 9.

The second amendment deals with hedge accounting. It allows an entity to designate as the hedged item a variable nominal amount of forecast electricity transactions that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility.

Additional disclosure will be required relating to each of these amendments.

The effective date of the amendment is for years beginning on or after 01 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

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 01 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.

Notes to the Consolidated and Separate Annual Financial Statements

2. New Standards and Interpretations (continued)

Amendments to IAS 7 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 01 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 01 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.

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025
3. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Bank balances	14 784	47 156	8 153	39 806
Short-term deposits	148	150	148	150
	14 932	**47 306**	**8 301**	**39 956**
Current assets	14 932	47 306	8 301	39 956

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:

	Group 2026	Group 2025	Company 2026	Company 2025
Credit rating				
AAA (First National Bank of Namibia Ltd)	148	150	148	150
AA (Bank Windhoek Limited)	2	2	-	-
A (Nedbank Namibia Limited)	7 947	39 806	7 947	39 806
	8 097	**39 958**	**8 095**	**39 956**

	Group 2026	Group 2025	Company 2026	Company 2025
4. Trade and other receivables				
Other receivable	16	-	11	-
Non-financial instruments:				
VAT	297	2 726	-	2 429
PAYE	1 048	-	1 048	-
Total trade and other receivables	**1 361**	**2 726**	**1 059**	**2 429**

Split between non-current and current portions

	Group 2026	Group 2025	Company 2026	Company 2025
Current assets	1 361	2 726	1 059	2 429

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

	Group 2026	Group 2025	Company 2026	Company 2025
At amortised cost	16	-	11	-
Non-financial instruments	1 345	2 726	1 048	2 429
	1 361	**2 726**	**1 059**	**2 429**

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.

Namibia Special Risks Insurance Association Ltd
(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

5. Other financial assets

Investments held by the group which are measured at fair value, are as follows:				
Equity investments at fair value through profit or loss	994 408	890 555	994 408	890 555
Amortised cost	8	8	8	8
	994 416	**890 563**	**994 416**	**890 563**
Mandatorily at fair value through profit or loss:				
Unit trusts	994 408	890 555	994 408	890 555
Equity investments at fair value through other comprehensive income:				
Fixed - term deposits	8	8	8	8
Fixed-term deposits are held with financial institutions. The interest rates range between 3.95% to 8.2% (2025: 3.95% to 8.2%)				
Total financial assets	**994 416**	**890 563**	**994 416**	**890 563**

Split between non-current and current portions

Current assets	994 416	890 563	994 416	890 563

Fair value information

Refer to note 41 Fair value information for details of valuation policies and processes.

6. Loans to group companies

Subsidiaries

Cathral Investments Eighty Two (Pty) Ltd	-	-	17 880	17 880
Impairment of loan to subsdiary	-	-	(17 880)	(17 880)
	-	-	-	-

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 (2025: nil).

Split between non-current and current portions

Current assets	-	-	-	-

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.

Namibia Special Risks Insurance Association Ltd
(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

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 - 2026

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 - 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)	-

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 2026	% holding 2025	Carrying amount 2026	Carrying amount 2025
Cathral Investments Eighty Two (Pty) Ltd	100	100	-	-
Special Risks Insurance of Botswana Limited	100	100	8 427	8 283
			8 427	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.

All balances classified as non-current.

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

8. Investment property

Group	2026			2025		
	Cost	Accumulated depreciation and accumulated impairment losses	Carrying value	Cost	Accumulated depreciation and accumulated impairment losses	Carrying value
Investment property	18 544	(2 114)	16 430	18 544	(2 114)	16 430

Company	2026			2025		
	Cost	Accumulated depreciation and accumulated impairment losses	Carrying value	Cost	Accumulated depreciation and accumulated impairment losses	Carrying value
Investment property	18 544	(2 114)	16 430	18 544	(2 114)	16 430

Reconciliation of investment property - Group - 2026

	Opening balance	Total
Investment property	16 430	16 430

Reconciliation of investment property - Group - 2025

	Opening balance	Impairments	Total
Investment property	18 544	(2 114)	16 430

Reconciliation of investment property - Company - 2026

	Opening balance	Total
Investment property	16 430	16 430

Reconciliation of investment property - Company - 2025

	Opening balance	Impairments	Total
Investment property	18 544	(2 114)	16 430

The group's investment property is stated at cost less accumulated depreciation and accumulated impairment losses.

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. Mr Lofty-Eaton is not connected to the group. The valuation report was completed on 25 February 2025 and effective for period end.

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

8. Investment property (continued)

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.

All balances classified as non-current.

9. Property, plant and equipment

Group	2026			2025		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	3 630	(735)	2 895	1 855	(698)	1 157
Furniture and fixtures	935	(668)	267	924	(590)	334
Motor vehicles	670	(546)	124	512	(512)	-
Office equipment	1 911	(45)	1 866	1 911	(45)	1 866
Computer equipment	2 107	(1 757)	350	1 754	(1 423)	331
Total	**9 253**	**(3 751)**	**5 502**	**6 956**	**(3 268)**	**3 688**

Company	2026			2025		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	3 630	(735)	2 895	1 855	(698)	1 157
Furniture and fixtures	935	(668)	267	924	(590)	334
Motor vehicles	670	(546)	124	512	(512)	-
Office equipment	1 911	(45)	1 866	1 911	(45)	1 866
Computer equipment	2 105	(1 757)	348	1 754	(1 423)	331
Total	**9 251**	**(3 751)**	**5 500**	**6 956**	**(3 268)**	**3 688**

Reconciliation of property, plant and equipment - Group - 2026

	Opening balance	Additions	Depreciation	Total
Buildings	1 157	1 775	(37)	2 895
Furniture and fixtures	334	11	(78)	267
Motor vehicles	-	158	(34)	124
Office equipment	1 866	-	-	1 866
Computer equipment	331	353	(334)	350
	3 688	**2 297**	**(483)**	**5 502**

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

9. Property, plant and equipment (continued)

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 - Company - 2026

	Opening balance	Additions	Depreciation	Total
Buildings	1 157	1 775	(37)	2 895
Furniture and fixtures	334	11	(78)	267
Motor vehicles	-	158	(34)	124
Office equipment	1 866	-	-	1 866
Computer equipment	331	351	(334)	348
	3 688	**2 295**	**(483)**	**5 500**

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**

Cost of the fully depreciated assets identified still in use

Furniture and fixtures	173	-	173	-
Motor vehicles	512	-	512	-
Office equipment	45	-	45	-
Computer software	162	-	162	-
Electronic equipment	238	-	238	-
	1 130	**-**	**1 130**	**-**

Revaluations

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

Buildings	3 079	1 304	3 079	1 304

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

9. Property, plant and equipment (continued)

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.

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)	-	-
Additions: 2026	1 775	-	1 775	-
	3 630	**1 855**	**3 630**	**1 855**

All balances classified as non-current.

10. Intangible assets

Group	2026			2025		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	272	(272)	-	272	(272)	-

Company	2026			2025		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	272	(272)	-	272	(272)	-

Reconciliation of intangible assets - Group - 2025

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

Reconciliation of intangible assets - Company - 2025

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

Namibia Special Risks Insurance Association Ltd
(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

10. Intangible assets (continued)

Other information

All balances classified as non-current.

11. Trade and other payables

Financial instruments:				
Sundry creditors	2	1 315	3	1 315
Accrued expenses	2 332	2 665	2 194	2 665
Non-financial instruments:				
VAT	2 056	-	2 056	-
	4 390	**3 980**	**4 253**	**3 980**

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

At amortised cost	2 334	3 981	2 197	3 981
Non-financial instruments	2 056	-	2 056	-
	4 390	**3 981**	**4 253**	**3 981**

Split between non-current and current portions

Current portion	4 390	3 981	4 253	3 981

Fair value of trade and other payables

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

12. Provisions

Reconciliation of provisions - Group - 2026

	Opening balance	Additions	Total
Provision for leave pay	497	333	830

Reconciliation of provisions - Group - 2025

	Opening balance	Additions	Total
Provision for leave pay	409	88	497

Reconciliation of provisions - Company - 2026

	Opening balance	Additions	Total
Provision for leave pay	497	333	830

Namibia Special Risks Insurance Association Ltd
(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

12. Provisions (continued)

Reconciliation of provisions - Company - 2025

	Opening balance	Additions	Total
Provision for leave pay	409	88	497

Non-current liabilities	-	-	-	-
Current liabilities	830	497	830	497
	830	**497**	**830**	**497**

13. Credit Guarantee Scheme financial liability

Credit Guarantee Scheme financial liability	50 000	50 000	50 000	50 000
Current liabilities	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 recognised as liabilities (all balances classified as current).

Liability for remaining coverage:				
Liability for remaining coverage of contracts measured under the PAA	13 475	11 724	13 475	11 724
Liability for incurred claims:				
Estimates of present value of future cash flows	1 540	2 544	1 540	2 544
Risk adjustment for non-financial risk	368	15	368	15
	15 383	**14 283**	**15 383**	**14 283**

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

14. Insurance contract liabilities (continued)

31 March 2026	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
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	11 724	2 544	15	14 283
	11 724	**2 544**	**15**	**14 283**
Insurance revenue				
Full retrospective approach	(97 149)	-	-	(97 149)
	(97 149)	**-**	**-**	**(97 149)**
Insurance service expenses				
Incurred insurance service expenses:				
:- Claims	-	2 314	368	2 682
:- Expenses	8 156	15 366	-	23 522
:- Other movements related to current service	-	-	-	-
Amortisation of insurance acquisition cash flows	17 552	-	-	17 552
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	(2 544)	(15)	(2 559)
Total insurance service expenses	**25 708**	**15 136**	**353**	**41 197**
Total insurance service result	**(71 441)**	**15 136**	**353**	**(55 952)**
Total changes in the statement of financial performance	**(71 441)**	**15 136**	**353**	**(55 952)**
Cash flows (actual cashflows in the period)				
Premiums and premium tax received	100 407	-	-	100 407
Claims and other insurance service expenses paid	-	(774)	-	(774)
Administration and other expenses	-	(15 366)	-	(15 366)
Insurance acquisition cash flows	(27 215)	-	-	(27 215)
Total cash flows	73 192	(16 140)	-	57 052
Net closing balance	**13 475**	**1 540**	**368**	**15 383**
Insurance contract liabilities summarised as:				
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	13 475	1 540	368	15 383
	13 475	**1 540**	**368**	**15 383**

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

14. Insurance contract liabilities (continued)

31 March 2025	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
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 in 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

Figures in Namibia Dollar thousand	Group 2026	Group 2025	Company 2026	Company 2025

15. Reinsurance contract liabilities

Liability for remaining coverage:				
Liability for remaining coverage of contracts measured under the PAA	(3 069)	2 466	(3 069)	2 466
	(3 069)	**2 466**	**(3 069)**	**2 466**

All balances classified as current.

31 March 2026	Liabilities for Remaining Coverage Excluding loss component	Liabilities for Incurred claims Estimates of Present Value of Future Cash Flows	Liabilities for Incurred claims Risk Adjustment for Non-financial risk	Total
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	2 466	-	-	2 466
	2 466	**-**	**-**	**2 466**
Allocation of the premiums paid				
Full retrospective approach	6 059	-	-	6 059
Net income (expenses) from reinsurance contracts held	**6 059**	**-**	**-**	**6 059**
Amounts recovered from reinsurance				
Recoveries of incurred claims and other insurance service expense	-	(2 305)	-	(2 305)
Changes related to past service (changes related to incurred claims component)	-	-	-	-
Total amounts recovered from reinsurance	**-**	**(2 305)**	**-**	**(2 305)**
Total net expenses from reinsurance	**6 059**	**(2 305)**	**-**	**3 754**
Total changes in the statement of financial performance	**6 059**	**(2 305)**	**-**	**3 754**
Cash flows (actual cashflows in the period)				
Premiums and premium tax received	(9 289)	-	-	(9 289)
Amounts recovered	-	-	-	-
Total cash flows	(9 289)	-	-	(9 289)
Net closing balance	**(764)**	**(2 305)**	**-**	**(3 069)**
Reinsurance contract liabilities summarised as:				
Closing insurance contract assets	-	(3 069)	-	(3 069)
Closing insurance contract liabilities	-	-	-	-
	-	**(3 069)**	**-**	**(3 069)**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group 2026	Group 2025	Company 2026	Company 2025

15. Reinsurance contract liabilities (continued)

31 March 2025	Liabilities for Remaining Coverage Excluding loss component	Liabilities for Incurred claims Estimates of Present Value of Future Cash Flows	Liabilities for Incurred claims 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**

16. Current tax payable

	Group 2026	Group 2025	Company 2026	Company 2025
Normal tax	(15 318)	(20 120)	(15 318)	(20 120)
Net current tax payable				
Current liabilities	(15 318)	(20 120)	(15 318)	(20 120)

Namibia Special Risks Insurance Association Ltd

(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

16. Current tax payable (continued)

Opening balance	(20 120)	(1 740)	(20 120)	(1 740)
Current tax charge	(23 038)	(21 958)	(23 038)	(21 958)
Payments	27 840	3 578	27 840	3 578
	(15 318)	**(20 120)**	**(15 318)**	**(20 120)**

17. Deferred tax

Deferred tax liability

Property plant and equipment	(57)	(45)	(57)	(45)
Prepayments	(1 541)	-	(1 541)	-
Provision for deferred acquisition costs	-	(1 089)	-	(1 089)
Total deferred tax liability	**(1 598)**	**(1 134)**	**(1 598)**	**(1 134)**

Deferred tax asset

Provision for doubtful debts	470	470	470	470
Provision for other staff benefits	40	57	40	57
Reinsurance liability	790	740	790	740
Deferred tax balance from temporary differences other than unused tax losses	1 300	1 267	1 300	1 267

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	(1 598)	(1 134)	(1 598)	(1 134)
Deferred tax asset	1 300	1 267	1 300	1 267
Total net deferred tax (liability) asset	**(298)**	**133**	**(298)**	**133**

Reconciliation of deferred tax asset / (liability)

At beginning of year	133	(292)	133	(292)
Reduction due to rate change - 32% to 31%	-	9	-	9
Reduction due to rate change - 31% to 30%	-	(4)	-	(4)
Decreases in valuation allowance of provision for deferred acquisition costs	1 089	324	1 089	324
Decreases temporary difference movement on tangible fixed assets	(12)	(31)	(12)	(31)
Increases temporary difference movement on provision for doubtful debts	-	106	-	106
(Decreases) temporary difference movement on provision for other staff costs	(17)	(16)	(17)	(16)
Increases temporary difference movement on reinsurance liability	50	37	50	37
Increases temporary difference movement on prepayments	(1 541)	-	(1 541)	-
	(298)	**133**	**(298)**	**133**

Namibia Special Risks Insurance Association Ltd

(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

17. Deferred tax (continued)

Split between non-current and current portions

Non-current deferred tax assets	-	133	-	133
Split between non-current deferred tax liabilities	(298)	-	(298)	-
	(298)	**133**	**(298)**	**133**

18. Retirement benefit obligation

Present value of the defined benefit obligation-partially or wholly funded	133	190	133	190
Opening balance	190	233	190	233
Movement during the period	(57)	(43)	(57)	(43)
	133	**190**	**133**	**190**

Split between non-current and current portions

Non-current portions	133	190	133	190
Current portions	-	-	-	-
	133	**190**	**133**	**190**

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.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group 2026	Group 2025	Company 2026	Company 2025

19. Share capital

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

All issued shares are fully paid and carry equal rights in respect of voting, dividends, and repayment of capital. No further liability is attached to any of the shares issued.

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 37) of the Company contemplated by section 23 of the Namibia Special Risks Insurance Association Act.

Opening balance	101 121	75 570	101 121	75 570
Transfer from retained income	25 551	25 551	25 551	25 551
	126 672	**101 121**	**126 672**	**101 121**

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

22. Foreign currency translation reserve

Translation reserve comprises exchange differences on consolidation of foreign subsidiaries.

Opening balance	81	-	-	-
Exchange differences on consolidation of BOSRIA	(587)	81	-	-
	(506)	**81**	**-**	**-**

23. Retained earnings

The increase in retained earnings during the year was primarily attributable to the Group's profit after tax of NAD 96.6 million (2025: NAD 83.7 million) and dividends declared amounting to NAD 16.0 million (2025: NAD 16.0 million).

The increase in retained earnings during the year was primarily attributable to the Company's profit after tax of NAD 97.0 million (2025: NAD 84.7 million) and dividends declared amounting to NAD 16.0 million (2025: NAD 16.0 million).

24. Dividends paid

Dividends	(16 000)	(16 000)	(16 000)	(16 000)

25. Insurance income

Expected premium receipts allocation under the PAA	97 149	89 363	97 149	89 363

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group 2026	Group 2025	Company 2026	Company 2025

26. Insurance service expenses

Incurred insurance service expenses:				
- Claims	774	2 686	774	2 686
- Expenses	23 521	10 516	23 521	10 516
- Other movements related to current service	(650)	(11)	(650)	(11)
Insurance acquisition cash flows expensed when incurred	-	8 254	-	8 254
Amortisation of insurance acquisition cash flows	17 552	17 161	17 552	17 161
Changes in estimates in LIC fulfilment cash flows	-	(4)	-	(4)
Experience adjustments in claims and other insurance service expenses in LIC	-	(681)	-	(681)
	41 197	**37 921**	**41 197**	**37 921**

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

Audit fees	721	551	721	551
Consultant fees	5 030	693	5 030	693
Bank charges	136	63	136	63
Computer expenses	243	421	243	421
Depreciation	81	25	81	25
Marketing and advertising	-	970	-	970
Insurance	37	19	37	19
Medical aid	-	600	-	600
Acquisition costs expensed as incurred	8 155	-	8 155	-
Pension fund	-	530	-	530
Rent and levies	1 228	665	1 228	665
Total salaries and wages	7 890	5 733	7 890	5 733
Social Security Commission	-	10	-	10
Stamp duty	-	232	-	232
	23 521	**10 516**	**23 521**	**10 516**

27. Net expenses from reinsurance contracts

Allocation of the premiums paid	3 754	8 677	3 754	8 677
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)
	3 754	**6 833**	**3 754**	**6 833**

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025
28. Investment income				
Dividend income				
Equity instruments at fair value through profit or loss:				
Listed investments	7 691	1 542	7 691	1 542
Interest income				
Investments in financial assets:				
Cash and cash equivalents	1 005	3 887	958	3 887
Funds on call	45 663	45 297	45 663	45 297
Total interest income	**46 668**	**49 184**	**46 621**	**49 184**
Total investment income	**54 359**	**50 726**	**54 312**	**50 726**
29. Fair value adjustments				
Fair value gains				
Financial assets designated as at fair value through profit or loss	35 246	34 227	35 246	34 227
30. Other income				
Other income	-	4	-	4

31. 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

	Group 2026	Group 2025	Company 2026	Company 2025
Salaries, wages, bonuses and other benefits	8 139	8 464	8 062	8 464
Other short-term costs	22	10	22	10
Retirement benefit plans: defined benefit expense	1 142	566	1 142	566
Total employee costs	**9 303**	**9 040**	**9 226**	**9 040**

Notes to the Consolidated and Separate Annual Financial Statements

31. 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:

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025
Insurance service expenses:				
Claims	774	2 686	774	2 686
Other movements related to current service	(650)	(11)	(650)	(11)
Insurance acquisition cash flows expensed when incurred	-	8 254	-	8 254
Amortisation of insurance acquisition cash flows	17 552	17 161	17 552	17 161
Changes in estimates in LIC fulfilment cash flows	-	(4)	-	(4)
Experience adjustments in claims and other insurance service expenses in LIC	-	(681)	-	(681)
Other directly attributable insurance expenses (refer to note 26 for analysis of direct insurance expenses)	23 521	10 516	23 521	10 516
Other operating expenses				
Employee costs	9 303	9 040	9 226	9 040
Short term leases	343	276	285	275
Depreciation, amortisation and impairment	405	3 350	405	2 335
Other expenses	11 648	11 664	11 330	11 664
	62 896	**62 251**	**62 443**	**61 235**

Notes to the Consolidated and Separate Annual Financial Statements

31. Operating profit before net investment income (continued)

Other operating expenses

Figures in Namibia Dollar thousand	Group 2026	Group 2025	Company 2026	Company 2025
Other operating expenses are analysed by nature as follows:				
Accounting fees	-	2	-	2
Advertising	-	217	-	217
Audit fees	389	530	389	530
Bad debts	-	543	-	543
Bank charges	77	62	73	62
Cleaning	63	43	63	43
Computer expenses	490	309	490	309
Consulting and professional fees - legal fees	516	213	516	213
Consulting and professional fees - other	126	-	-	-
Consulting fees	1 090	1 937	1 090	1 937
Brokers awards recognition	558	-	558	-
Credit Guarantee Scheme costs	48	129	46	129
Startup costs and regulatory fees	59	-	-	-
Disposal - transfer cost	204	-	204	-
Depreciation	405	221	405	221
Employee costs	9 303	9 040	9 226	9 040
Entertainment	304	64	304	64
IT expenses	119	-	119	-
Impairment of investment property	-	2 114	-	2 114
Insurance	185	170	185	170
Membership fees	293	192	293	192
Motor vehicle expenses	57	-	57	-
Municipal expenses	173	421	173	421
New product development	23	643	23	643
Office expenses	66	172	66	172
Personnel expenses	104	78	104	78
Asset manager management fees	2 377	4 019	2 377	4 019
Impairment of investment in subsidiary	-	1 015	-	-
Postage	-	1	-	1
Printing and stationery	89	50	89	50
Stakeholder engagement- intermediaries	67	-	67	-
Rent and levies	343	276	285	275
Repairs and maintenance	15	32	15	32
Secretarial fees	4	21	4	21
Security	5	-	5	-
Social upliftment	674	470	674	470
Staff welfare	78	119	78	119
Strategic session planning	66	23	66	23
Subscriptions	-	1	-	1
Telephone and fax	423	274	423	274
Training	1 702	-	1 702	-
Travel - foreign	972	302	972	302
Travel - local	232	627	105	627
	21 699	**24 330**	**21 246**	**23 314**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group 2026	Group 2025	Company 2026	Company 2025
32. Audit fees				
External auditors remuneration - included in operating expenses	389	530	389	530
External auditors remuneration - included in incurred insurance service expenses	721	551	721	551
Internal auditors remuneration - included in incurred in operating expenses	579	231	579	231
	1 689	**1 312**	**1 689**	**1 312**

33. Taxation

Major components of the tax expense

Figures in Namibia Dollar thousand	Group 2026	Group 2025	Company 2026	Company 2025
Current				
Local income tax - current period	23 038	21 958	23 038	21 958
Deferred				
Originating and reversing temporary differences	431	(425)	431	(425)
	23 469	**21 533**	**23 469**	**21 533**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Figures in Namibia Dollar thousand	Group 2026	Group 2025	Company 2026	Company 2025
Accounting profit	120 104	105 236	120 510	106 252
Tax at the applicable tax rate of 30% (2025: 31%)	36 031	32 623	36 153	32 938
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	(12 562)	(11 085)	(12 684)	(11 400)
	23 469	**21 533**	**23 469**	**21 533**

The income tax rate of 31% in 2025 (2024: 32%) was reduced to 30% in 2026 (2025: 31%).

The decrease in the applicable tax rate from 31% to 30% relates to the phased reduction in the Namibian non-mining corporate income tax rate, as legislated in the 2023/24 and 2024/25 National Budgets. The reduced rate of 30% applies to financial years commencing on or after 1 January 2025, and accordingly applies to the Company's current reporting period. This represents a change in tax legislation rather than a change in the Company's tax position and is presented as a reconciling item between the standard rate applied in the current and prior periods.

34. Other comprehensive income

Components of other comprehensive income - Group - 2026

	Gross	Tax	Net
Items that may be reclassified to profit (loss)			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	(587)	-	(587)

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

34. Other comprehensive income (continued)

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

35. Cash generated from operations

Profit before taxation	120 104	105 235	120 510	106 251
Adjustments for non-cash items:				
Depreciation and amortisation	485	3 350	486	2 335
Fair value gains	(35 246)	(34 227)	(35 246)	(34 227)
Movements in provisions	333	88	333	88
Movements in retirement benefit assets and liabilities	(57)	(43)	(57)	(43)
Other non-cash in financial assets	4 658	1 623	5 244	1 542
Impairment of investment in subsidiary	-	(1 015)	-	-
Adjust for items which are presented separately:				
Interest income	(46 668)	(49 184)	(46 621)	(49 184)
Dividends received	(7 691)	(1 542)	(7 691)	(1 542)
Changes in working capital:				
Decrease in trade and other receivables	1 365	394	1 370	394
Increase in trade and other payables	410	1 707	273	1 707
(Decrease) increase in insurance liabilities	1 100	3 983	1 100	3 983
(Decrease) increase in reinsurance contract liabilities	(5 535)	225	(5 535)	225
	33 258	**30 594**	**34 166**	**31 529**

36. Tax paid

Balance at beginning of the year	(20 120)	(1 740)	(20 120)	(1 740)
Current tax recognised in profit or loss	(23 038)	(21 958)	(23 038)	(21 958)
Balance at end of the year	15 318	20 120	15 318	20 120
	(27 840)	**(3 578)**	**(27 840)**	**(3 578)**

Tax paid during the year can be analysed as follows:

Current year tax liability	(21 173)	(21 958)	(21 173)	(21 958)
Prior year tax liability	(2 708)	-	(2 708)	-
	(23 881)	**(21 958)**	**(23 881)**	**(21 958)**

Namibia Special Risks Insurance Association Ltd
(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

37. Solvency margin

Gross premiums	97 149	89 363
Capital and reserves	950 988	869 945
Solvency margin	979 %	973 %

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.

38. 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

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				
Bank of Namibia	(26)	(17)	(26)	(17)
De Beers (Namibia) (Pty) Ltd	(636)	(540)	(636)	(540)
Development Bank of Namibia Ltd	(601)	(474)	(601)	(474)
Meat Corporation of Namibia	-	(59)	-	(59)
Mobile Telecommunications Limited	(1 163)	(1 008)	(1 163)	(1 008)
Namibia Financial Institutions Supervisory Authority	(18)	(15)	(18)	(15)
Namibia Tourism Board	(51)	(42)	(51)	(42)
Namibia University of Science and Technology	(1 071)	(371)	(1 071)	(371)
Namibian Broadcasting Corporation	(44)	(38)	(44)	(38)
Namibia Power Corporation	(325)	(747)	(325)	(747)
National Housing Enterprise	(190)	(164)	(190)	(164)
Roads Authority	(171)	(149)	(171)	(149)
Telecom Namibia Ltd	(682)	(498)	(682)	(498)
	(4 978)	**(4 122)**	**(4 978)**	**(4 122)**

Dividends declared				
Government of the Republic of Namibia	16 000	16 000	16 000	16 000

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group 2026	Group 2025	Company 2026	Company 2025

38. Related parties (continued)

Compensation to directors and other key management

Short-term employee benefits	1 176	4 098	1 176	4 098

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.

39. Directors' emoluments

Executive

2026

	Basic salary	Other material benefits	Contributions paid under pension scheme	Total
J Uusiku	2 452	142	290	2 884

2025

	Basic salary	Other material benefits	Contributions paid under pension scheme	Post retirement benefits	Total
J Uusiku	2 587	27	285	122	3 021

Non-executive

2026

Directors' emoluments	Fees for service as directors	Total
Directors' fees	1 314	1 314

2025

	Fees for service as directors	Total
Directors' fees	1 280	1 280

Namibia Special Risks Insurance Association Ltd
(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group 2026	Group 2025	Company 2026	Company 2025

40. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2026

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Trade and other receivables	4	-	16	16	-
Unit trusts	5	994 408	-	994 408	994 408
Fixed - term deposits	5	-	8	8	-
Cash and cash equivalents	3	-	14 932	14 932	-
		994 408	**14 956**	**1 009 364**	**994 408**

Group - 2025

	Note(s)	Fair value through profit or loss - Mandatory	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	-	47 306	47 306	-
		890 555	**47 314**	**937 869**	**890 555**

Company - 2026

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Trade and other receivables	4	-	11	11	-
Unit trusts	5	994 408	-	994 408	994 408
Fixed - term deposits	5	-	8	8	-
Cash and cash equivalents	3	-	8 301	8 301	-
		994 408	**8 320**	**1 002 728**	**994 408**

Company - 2025

	Note(s)	Fair value through profit or loss - Mandatory	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**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group 2026	Group 2025	Company 2026	Company 2025

40. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2026

	Note(s)	Amortised cost	Total
Trade and other payables	11	2 334	2 334
Credit Guarantee Scheme financial liability	13	50 000	50 000
		52 334	**52 334**

Group - 2025

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

Company - 2026

	Note(s)	Amortised cost	Total
Trade and other payables	11	2 197	2 197
Credit Guarantee Scheme financial liability	13	50 000	50 000
		52 197	**52 197**

Company - 2025

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

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.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group 2026	Group 2025	Company 2026	Company 2025

40. Financial instruments and risk management (continued)

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

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.

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 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 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.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group 2026	Group 2025	Company 2026	Company 2025

40. Financial instruments and risk management (continued)

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		2026			2025		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Other financial assets	5	994 408	-	994 408	890 555	-	890 555
Trade and other receivables	4	16	-	16	-	-	-
Cash and cash equivalents	3	14 932	-	14 932	47 306	-	47 306
		1 009 356	**-**	**1 009 356**	**937 861**	**-**	**937 861**

Company		2026			2025		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loan to related party	6	17 880	(17 880)	-	17 880	(17 880)	-
Other financial assets	5	994 408	-	994 408	890 555	-	890 555
Trade and other receivables	4	11	-	11	-	-	-
Cash and cash equivalents	3	8 301	-	8 301	39 956	-	39 956
		1 020 600	**(17 880)**	**1 002 720**	**948 391**	**(17 880)**	**930 511**

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.

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.

Namibia Special Risks Insurance Association Ltd
(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Namibia Dollar thousand	Group 2026	Group 2025	Company 2026	Company 2025

40. Financial instruments and risk management (continued)

Group - 2026

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	11	2 334	2 334	2 334
Credit Guarantee Scheme financial liability	13	50 000	50 000	50 000
		52 334	**52 334**	**52 334**

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**

Company - 2026

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	11	2 197	2 197	2 197
Credit Guarantee Scheme financial liability	13	50 000	50 000	50 000
		52 197	**52 197**	**52 197**

Company - 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**

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.

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

40. Financial instruments and risk management (continued)

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	
Group		2026	2025	2026	2025
Variable rate instruments:					
Assets					
Unit trusts	5	- %	- %	994 408	890 555
Fixed - term deposits	5	8.10 %	8.10 %	8	8
Cash and cash equivalents	3	5.25 %	5.25 %	14 932	47 306
				1 009 348	**937 869**
Liabilities					
Trade and other payables - normal terms	11	- %	- %	(2 334)	(3 981)
Credit Guarantee Scheme financial liability	13	- %	- %	(50 000)	(50 000)
				(52 334)	**(53 981)**
Net variable rate financial instruments				**957 014**	**883 888**

Variable rate financial assets as a percentage of total interest bearing financial assets	100.00 %	100.00 %
Variable rate financial liabilities as a percentage of total interest bearing financial liabilities	100.00 %	100.00 %

Namibia Special Risks Insurance Association Ltd
(Registration number 1987/0201)
Consolidated And Separate Annual Financial Statements for the year ended 31 March 2026

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

40. Financial instruments and risk management (continued)

	Note	Average effective interest rate		Carrying amount	
Company		2026	2025	2026	2025
Variable rate instruments:					
Assets					
Unit trusts	5	- %	- %	994 408	890 555
Fixed - term deposits	5	8.10 %	8.10 %	8	8
Cash and cash equivalents	3	5.25 %	5.25 %	8 301	39 956
				1 002 717	**930 519**
Liabilities					
Reinsurance and other payables - normal credit terms	11	- %	- %	(2 197)	(3 981)
Credit Guarantee Scheme financial liability	13	- %	- %	(50 000)	(50 000)
				(52 197)	**(53 981)**
Net variable rate financial instruments				**950 520**	**876 538**

Variable rate financial assets as a percentage of total interest bearing financial assets	100.00 %	100.00 %
Variable rate financial liabilities as a percentage of total interest bearing financial liabilities	100.00 %	100.00 %

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	2026	2026	2025	2025
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Variable rate instruments (0.50% per annum movement)	4 785	4 785	4 419	4 419

Company	2026	2026	2025	2025
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Variable rate instruments (0.50% per annum movement)	4 753	4 753	4 383	4 383

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.

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

40. Financial instruments and risk management (continued)

At the reporting date, the group was not exposed to price risk.

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.

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 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.

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.

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

Insurance risk sensitivity

The following sensitivity analysis has been prepared using a sensitivity rate which is used when insurance risk internally to key management personnel and represents management's assessment of the reasonably possible change in underwriting risk. All other variables remain constant. The sensitivity analysis includes only insurance and reinsurance portfolis held at the reporting date.

Sensitivities (N$ 000)	Profit before tax impact
+10% claims	(135)
-10% claims	135

Concentration of insurance risk

The Group is exposed to concentrations of insurance risk arising from insurance contracts issued. A concentration of insurance risk exists where a particular event or series of events could affect a significant proportion of the Group's insurance liabilities.

The Group determines concentrations of risk by assessing exposures that share common characteristics, including:

- industry sector of the insured;
- geographical location of the insured risk;
- type of insured event and underlying asset class;
- individual policyholder exposures and accumulation of sums insured; and
- frequency and severity characteristics of the insured risks.

The Group's portfolio is diversified across a wide range of commercial, industrial and public sector policyholders; however, significant concentration exists in the following areas:

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

40. Financial instruments and risk management (continued)

Industry concentrations

The Group's largest concentrations of risk arise from the following sectors:

- Retail and wholesale trade;
- Mining and natural resources;
- Utilities and municipal infrastructure;
- Telecommunications;
- Financial services and banking;
- Property and real estate;
- Logistics, transportation and distribution; and
- Hospitality and tourism.

Large individual risks include exposures relating to major commercial entities such as Pupkewitz Holdings, City of Windhoek, Mobile Telecommunications Limited (MTC), Shoprite Namibia, Langer Heinrich Uranium, financial institutions and other significant corporate groups. These risks are characterised by high sums insured and may give rise to significant losses from a single insured event.

Geographical concentrations

The majority of the Group's insured risks are located within Namibia. Concentrations are primarily located in:

- Windhoek and the greater Khomas region;
- Erongo region, including mining and industrial operations;
- Coastal centres such as Swakopmund and Walvis Bay;
- Hardap and Mariental regions; and
- Other major commercial and industrial centres within Namibia.

As a result, the Group may be exposed to aggregation risk from severe events affecting a particular geographic location, including fire, explosion, natural catastrophe or other large loss events.

Concentration by policyholder and sums insured

The Group monitors concentrations arising from individual policyholders and groups of related policyholders. Certain insureds account for a significant proportion of the total sums insured including mining operations, municipal infrastructure, telecommunications networks, retail groups, and financial institutions.

At the reporting date, the highest concentrations of sums insured included exposures relating to:

Major exposure category	Nature of concentration
Mining operations	High-value industrial assets and infrastructure
Municipal infrastructure	Utilities, public facilities, and service delivery assets
Telecommunications	Network infrastructure and supporting assets
Retail groups	Nationwide property and stock exposures
Financial institutions	Property portfolios and associated assets

The Group actively manages these concentrations through underwriting limits, reinsurance arrangements, risk accumulation monitoring, geographic zonal analyses, and ongoing portfolio reviews.

Management believes that, after considering the effect of reinsurance protections and diversification across industries and regions, the level of concentration risk remains within the Group's risk appetite and regulatory capital requirements.

Notes to the Consolidated and Separate Annual Financial Statements

	Group		Company	
Figures in Namibia Dollar thousand	2026	2025	2026	2025

40. Financial instruments and risk management (continued)

Claims development

	Accident year						
N$'000s	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	Total
At end of accident year	-	78	-	1 123	212	-	
1 year later	5 637	78	-	1 186	679		
2 years later	5 637	78	288	1 380			
3 years later	5 637	189	399				
4 years later	5 637	189					
5 years later	5 637						
Cumulative paid	**5 637**	**-**	**-**	**-**	**-**	**-**	**5 637**
LIC held from FY2021-FY2026	-	-	-	-	-	1 540	1 540
LIC held from prior periods							-
Effect of discounting							-
Effect of RA							368
Gross LIC							**1 540**

41. 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 2

Recurring fair value measurements

Assets	Note(s)				
Financial assets mandatorily at fair value through profit or loss					
Unit trusts	5	994 408	890 555	994 408	890 555
Total		**994 408**	**890 555**	**994 408**	**890 555**

Level 3

Recurring fair value measurements

Assets	Note(s)				
Investment property					
Land	8	16 430	16 430	16 430	16 430

Notes to the Consolidated and Separate Annual Financial Statements

		Group		Company	
Figures in Namibia Dollar thousand		2026	2025	2026	2025

41. Fair value information (continued)

Financial assets at amortised cost					
Trade and other receivables	4	16	-	11	-
Fixed - term deposits	5	8	8	8	8
Cash and cash equivalents	3	14 932	47 306	8 301	39 956
Total financial assets at amortised cost		**14 956**	**47 314**	**8 320**	**39 964**
Liabilities	Note(s)				
Financial liabilities at amortised cost					
Retirement benefit obligation	18	133	190	133	190
Trade and other payables	11	2 334	3 981	2 197	3 981
Credit Guarantee Scheme financial liability	13	50 000	50 000	50 000	50 000
Total financial liabilities at amortised cost		**52 467**	**54 171**	**52 330**	**54 171**
Total		**(21 081)**	**9 573**	**(27 580)**	**2 223**

42. 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 with cash and cash equivalents resourses of NAD 14.9 million (2025: NAD 47.3 million), which are considered adequate to meet 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.

43. 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.

2022
2023
2024
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