

NAMIBIA ASSET MANAGEMENT LTD ("NAM")
Registration No. 97/397
Registered in Namibia
ISIN Code: NA000AOJMZ44
NSX Share Code: NAM

REVIEWED FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

- ASSETS UNDER MANAGEMENT (AUM) OF N\$20.4 BILLION
- DILUTED HEADLINE EARNINGS PER SHARE OF 9.25 CENTS
- TOTAL DIVIDEND PER SHARE OF 7.5 CENTS

Results

Namibia Asset Management (NAM) delivered results in line with management expectations for the 12 months to 30 September 2018, notwithstanding a very challenging domestic economic environment and global market volatility.

Key highlights from NAM's condensed results for the period under review include:

- Operating profit was flat at N\$20.5 million (2017: N\$20.5 million), whereas profit before tax decreased by 1.5% from N\$22.0 million to N\$21.7 million.
- Total comprehensive income was 2.5% lower at N\$14.8 million compared to N\$15.1 million in the prior comparative period.
- Headline earnings per share were marginally down by 1.2% to 9.57 cents (2017: 9.69 cents).
- Assets under management (AuM) increased by 2% for the period under review to N\$20.4 billion (2017: N\$20.0 billion).

Business update

NAM is singularly focused on active asset management and is one of the largest custodians of saving assets in the Namibia. We offer a complete and diversified range of portfolios to both retail and institutional clients. In addition, we continue to offer a comprehensive range of offshore solutions to the local market.

The long-term performance across our entire fund range remains excellent. Of the institutional and retail assets that have been invested with us for a period of at least 7 years, the majority have outperformed their respective benchmarks since inception.

Last year, we communicated our intention to migrate our investment administration services to JP Morgan by mid-2018. We are happy to report that the migration has been successfully completed. In addition, we have insourced our retail client reporting and correspondence and will migrate our unit trust client

administration to Intembeko Investment Administrators in the final quarter of the 2018 calendar year. We look forward to the enhancements that these initiatives will provide in delivering a world-class service to our clients.

The proposed introduction of value-added tax on asset management services and a 10% dividend withholding tax as announced by the Minister of Finance in his 2018 budget speech, coupled with other regulatory interventions such as the increased domestic asset requirements, will continue to put pressure on investment returns into the foreseeable future.

Institutional business

NAM continues to be one of the notable managers of institutional assets in the local savings industry, managing N\$18.2 billion in client assets (2017: N\$17.8 billion). The increase in AuM was driven by positive net inflows of N\$543 million relating to new clients.

Retail Business

With the addition of the money market and offshore funds during the last two years, NAM now provides a full suite of products that are suitable for the local market.

Despite recording net outflows of N\$170 million (2017: N\$198 million) over the 12 months to end September 2018, solid investment performance across our unit trust funds contributed to our retail business's AuM remaining flat for the period at N\$2.2 billion (2017: N\$2.2 Billion).

Dividend

The Board recommended a final dividend of 7.5 cents per ordinary share (2017: 7.5 cents per ordinary share).

The salient dates are as follows:

Last day to trade:	30 November 2018
Securities start trading	
Ex - dividend:	03 December 2018
Record date:	07 December 2018
Payment date:	14 December 2018

Prospects

We expect that tough domestic economic conditions will continue over the medium term.

Despite these challenges, we remain committed to delivering good investment performance over the long term and excellent client service. We are also encouraged by the re-opening of previously closed mandates to new institutional investors, which has already yielded positive inflows, and the expansion of our global offering.

We further believe that our robust investment approach to identifying the best investment opportunities across our client portfolios will generate long-term value for all stakeholders.



A PILLAY
CHAIRMAN



E EMVULA
CHIEF EXECUTIVE OFFICER

14 November 2018

BOARD OF DIRECTORS:

A PILLAY* (CHAIRMAN)
E EMVULA (CHIEF EXECUTIVE OFFICER)
U EISEB (CHIEF FINANCIAL OFFICER)
R G YOUNG*
B ROSSOUW
S WALTERS
E ANGULA
A RHODA*
T SHAANIKA
(* SOUTH AFRICAN)

COMPANY SECRETARY

U EISEB

AUDITOR'S REVIEW OPINION

The condensed group financial statements for the year ended 30 September 2018 have been reviewed by KPMG Namibia. The auditor's unqualified review conclusion is available for inspection at the Company's registered office.

REGISTERED OFFICE

Unit 18, Tenbergen Village, Corner of Robert Mugabe and Lazarett Street, Windhoek

P.O. Box 23329, Windhoek, Namibia

AUDITORS

KPMG Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)
30 Schanzen Road, Windhoek
P.O. Box 86863, Eros

SPONSOR

IJG Securities (Pty) Ltd
Member of the NSX
4th Floor, 1@Steps, c/o Grove and Chasie Street, Kleine Kuppe,
Windhoek, Namibia

TRANSFER SECRETARIES

Transfer Secretaries (Pty) Ltd
4 Robert Mugabe Avenue
P.O. Box 2401
Windhoek, Namibia

Release date: 19 November 2018

NAMIBIA ASSET MANAGEMENT LTD

**CONDENSED GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
SEPTEMBER 2018**

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Reviewed 30 September 2018 N\$	Audited 30 September 2017 N\$	Change %
Revenue	75 789 210	69 582 765	8.9
Other income	712 488	621 220	14.7
Operating expenditure	(56 046 607)	(49 723 099)	12.7
Operating profit	20 455 091	20 480 886	(0.1)
Finance income	1 762 854	2 189 405	(19.5)
Finance costs	(497 382)	(617 076)	(19.4)
Profit before tax	21 720 563	22 053 215	(1.5)
Taxation	(6 956 820)	(7 105 005)	(2.1)
Profit attributable to ordinary shareholders	14 763 743	14 948 210	(1.2)
Other comprehensive income Items that will not be reclassified to profit or loss			
Net change in fair value of available-for-sale financial assets	1 841	194 465	(99.1)
Other comprehensive income for the year (net of income tax)	1 841	194 465	(99.1)
Total comprehensive income for the year	14 765 584	15 142 675	(2.5)
Total comprehensive income is attributable to equity holders of the Group			
EARNINGS PER SHARE (cents)			
- Basic	9.57	9.69	(1.2)
- Diluted	9.25	9.34	(1.0)

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Reviewed 30 September 2018 N\$	Reviewed Restated* 30 September 2017 N\$
ASSETS		
Non - current assets	8 072 213	7 833 530
Equipment	754 670	905 970
Intangible assets	1 855	6 241
Marketable securities (note 4)	5 000 000	5 000 000
Deferred tax	2 315 688	1 921 319
Current assets	43 083 624	39 849 073
Marketable securities (note 4 & 6)	6 382 285	5 718 021
Trade and other receivables	13 226 084	11 971 534
Current tax asset	475 786	486 933
Cash and cash equivalents	22 999 469	21 672 585
TOTAL ASSETS	51 155 837	47 682 603
EQUITY AND LIABILITIES		
TOTAL EQUITY	28 743 157	26 436 828
Ordinary share capital and share premium	3 794 152	3 794 152
Reserve for own shares	(9 579 250)	(9 579 250)
Share based payment reserve	3 263 009	2 518 532
Fair value reserve	1 853 760	1 851 919
Retained earnings (note 6)	29 411 486	27 851 475
Non-current liabilities	6 030 778	7 318 415
Interest bearing liabilities (note 5)	6 030 778	7 318 415
Current liabilities	16 381 902	13 927 360
Shareholders for dividend	173 023	117 341
Trade and other payables	16 208 879	13 810 019
TOTAL EQUITY AND LIABILITIES	51 155 837	47 682 603

*Refer to restatement note 6

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

Reviewed	Ordinary share capital N\$	Share premium N\$	Retained earnings N\$	Share based Payment Reserve N\$	Reserve for own Shares N\$	Fair Value Reserve N\$	Total N\$
Balance as at 01 October 2016 (audited)	1 542 292	2 251 860	25 474 013	1 852 370	(9 579 250)	1 657 454	23 198 739
Comprehensive income for the year	-	-	14 948 210	-	-	194 465	15 142 675
Profit for the year	-	-	14 948 210	-	-	-	14 948 210
Other comprehensive income for the year	-	-	-	-	-	194 465	194 465
Transactions with owners recorded directly to equity	-	-	(12 570 748)	666 162	-	-	(11 904 586)
Dividends paid to equity holders	-	-	(14 625 430)	-	-	-	(14 625 430)
Prior year error (note 6)	-	-	2 054 682	-	-	-	2 054 682
Share based payments	-	-	-	666 162	-	-	666 162
Balance as at 30 September 2017 (restated)	1 542 292	2 251 860	27 851 475	2 518 532	(9 579 250)	1 851 919	26 436 828
Comprehensive income for the year	-	-	14 763 743	-	-	1 841	14 765 584
Profit for the year	-	-	14 763 743	-	-	-	14 763 743
Other comprehensive income for the year	-	-	-	-	-	1 841	1 841
Transactions with owners recorded directly to equity	-	-	(13 203 732)	744 477	-	-	(12 459 255)
Dividends paid to equity holders	-	-	(13 203 732)	-	-	-	(13 203 732)
Share based payments	-	-	-	744 477	-	-	744 477
Balance as at 30 September 2018 (reviewed)	1 542 292	2 251 860	29 411 486	3 263 009	(9 579 250)	1 853 760	28 743 157

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Reviewed 30 September 2018 N\$	Restated 30 September 2017 N\$
Cash flows from operating activities		
Cash generated by operations	22 489 542	21 028 237
Finance income	1 795 347	1 807 498
Income taxes paid	(7 340 041)	(7 056 349)
Dividends paid (note 6)	(13 148 050)	(12 821 599)
Net cash flows from operating activities	3 796 798	2 957 787
Cash flow from investing activities		
Acquisitions of equipment to maintain operations	(108 908)	(161 607)
Marketable securities (investments)	(1 393 012)	(2 390 900)
Marketable securities disinvestments (note 6)	817 024	1 782 160
Net cash flows from investing activities	(684 896)	(770 347)
Cash flows from financing activities		
Repayment of interest-bearing borrowings (note 5)	(1 148 806)	(1 579 335)
Interest paid on interest-bearing borrowings (note 5)	(636 212)	(475 348)
Net cash flows from financing activities	(1 785 018)	(2 054 683)
Net movement in cash and cash equivalents	1 326 884	132 757
Cash and cash equivalents at the beginning of the year	21 672 585	21 539 828
Cash and cash equivalents at the end of the year	22 999 469	21 672 585

NOTES TO THE GROUP FINANCIAL STATEMENTS

1. Reporting entity

Namibia Asset Management Ltd (the "Company") is a Company incorporated in Namibia (Registration number: 97/397). The condensed group financial statements for the year ended 30 September 2018 comprise the Company, its subsidiary and other controlled entities, together referred to as the "Group".

2. Statement of compliance

The condensed group financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34: Interim Financial Reporting and in the manner required by the Companies Act 28 of 2004.

The condensed group financial statements were approved by the Board of Directors on 14 November 2018.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed group financial statements are the same as those applied by the Group in its full group financial statements as at and for the year ended 30 September 2017.

4. Marketable securities

Marketable securities include statutory investments as well as the investment of excess cash into the Group's unit trust funds. These investments are classified as level one financial instruments as their carrying values are based on quoted prices in active markets for identical assets.

5. Interest-bearing liabilities

The interest-bearing liabilities pertain to the acquisition of shares from Coronation Investment Managers SA (Pty) Ltd by the Urban Street Trust (OST), a controlled entity of NAM. The loan is repayable with any dividends that accrue on the 16 000 000 shares acquired as well as 30% of the dividends that accrue on the pre-existing 26 000 800 shares. The repayment would first be applied to any accrued interest and thereafter to the capital balance. The loan attracts interest at the prime rate of Nedbank South Africa less 200 basis points. The 16 000 000 shares are held as security against the loan amount until the loan and attributable interest is fully settled. It is our policy to record interest paid in respect of interest-bearing liabilities as part of financing activities.

6. Correction of prior year error

As previously reported in our March 2018 interim results we detected that during the 2017 financial year the Company incorrectly recorded a consolidation journal entry pertaining to the intercompany dividends paid by NAM to OST. In terms of the loan agreement between OST and Coronation the dividends accruing on certain OST shares are used to repay the Coronation loan (see note 5). The first repayment towards the loan was made from the 2016 NAM dividends received by the Trust, however these dividends were not consolidated out at a group level and therefore resulted in a misstatement of the below listed account balances as at 30 September 2017.

The error has been corrected by restating each of the impacted financial statement line items and the tables below summarise the impact of the restatement on the Group's consolidated financial statements:

	As previously reported	Adjustments	As restated
i) Condensed statement of financial position as at 30 September 2017			
Marketable securities	3 663 339	2 054 682	5 718 021
Retained earnings	25 796 793	2 054 682	27 851 475
ii) Condensed statement of cash flows for the year-end 30 September 2017			
Cash flows from operating activities			
Dividends paid	(14 876 281)	2 054 682	(12 821 599)
Cash flows from investing activities			
Marketable securities Disinvestments	3 836 842	(2 054 682)	1 782 160
iii) Condensed statement of changes in equity as at 30 September 2017			
Dividend paid to equity holders	(14 625 430)	2 054 682	(12 570 748)
Retained earnings	25 796 793	2 054 682	27 851 475

7. Earnings per share

	Reviewed 30 September 2018 N\$	Audited 30 September 2017 N\$	Change %
EARNINGS			
Earnings per share is based on basic earnings of:	14 763 743	14 948 210	(1.2)
Headline earnings per share is based on headline earnings of:	14 763 743	14 948 210	(1.2)
Reconciliation of earnings to headline earnings			
Profit attributable to ordinary shareholders	14 763 743	14 948 210	(1.2)
Headline earnings	14 763 743	14 948 210	(1.2)
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES**			
Ordinary shares in issue	154 229 200	154 229 200	
Diluted ordinary shares in issue*	159 613 894	160 024 007	
Reconciliation of statutory shares in issue to diluted ordinary shares in issue			
Authorised and issued shares	200 000 000	200 000 000	
Treasury shares			
Shares held by NAM Staff Share Trust	(3 770 000)	(3 770 000)	
Shares held by The Orban Street Trust	(42 000 800)	(42 000 800)	
Weighted average number of ordinary shares in issue**	154 229 200	154 229 200	
Effect of share options outstanding	5 384 694	5 794 807	
Diluted ordinary shares in issue	159 613 894	160 024 007	
Basic earnings per share in cents	9.57	9.69	(1.2)
Headline earnings per share in cents	9.57	9.69	(1.2)
Diluted earnings per share in cents	9.25	9.34	(1.0)

*Dilution of ordinary shares takes place if all staff exercise their options

**After consolidation of treasury shares held