

NAMIBIA ASSET MANAGEMENT LTD ("NAM")
Registration No. 97/397
Registered in Namibia
ISIN Code: NA000AOJMJZ44
NSX Share Code: NAM

REVIEWED FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

- ASSETS UNDER MANAGEMENT (AUM) OF N\$19.1 BILLION
- DILUTED HEADLINE EARNINGS PER SHARE OF 10.48 CENTS
- ORDINARY DIVIDEND PER SHARE OF 8 CENTS
- SPECIAL DIVIDEND PER SHARE OF 1 CENT

Results

NAM delivered credible financial results for the 12 months to 30 September 2019 despite a very challenging domestic economic environment and global markets volatility.

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

- Operating profit was up 5.4% to N\$21.5 million (2018: N\$20.5 million), whereas profit before tax increased by 10.9% from N\$21.7 million to N\$24.1 million.
- Total comprehensive income was 13.0% higher at N\$16.7 million compared to N\$14.8 million in the prior comparative period.
- Headline earnings per share increased by 12.3% to 10.75 cents (2018: 9.57 cents).
- Assets under management (AuM) decreased by 6.4% for the period under review to N\$19.1 billion (2018: N\$20.4 billion).

Business update

NAM is one of the largest investment managers in Namibia, managing a substantial portion of the country's savings assets on behalf of institutional and individual clients, a responsibility that we take very seriously.

During the period under review we ensured that all our contractual savings investors comply with Regulations 13 and 15 of the Pension Funds Act and Long-Term Insurance Act, respectively. These stipulate that 45% of a portfolio must be invested in domestic assets, 10% up from the 35% requirement previously.

Our comprehensive and diversified range of institutional and retail portfolios, offering local, regional and offshore exposure remains unchanged.

During the period under review, the weak economic conditions that characterised the last reporting period continued. A disappointing fourth quarter of 2018 saw most asset classes delivering negative returns. It is pleasing to note that the situation has reversed in 2019. This was reflected in our funds, with most of our views being vindicated, resulting in an improvement in short-term performance across all portfolios.

Further, while medium-term performance still reflects the negative conditions we experienced in 2018, long-term performance across our entire fund range remains compelling. This performance recovery had a positive impact on the revenue generated for the period to the end of September 2019.

Operationally, the migration of our investment administration services to JP Morgan and unit trust client administration platform Intembeko Investment Administrators has been successfully completed and we are satisfied with the services that both these entities provide to NAM.

Institutional business

NAM continues to be one of the notable managers of institutional assets in the local savings industry, managing N\$17.0 billion of client assets (2018: N\$18.2 billion). The decrease in AuM was driven by clients rebalancing their portfolios to comply with regulatory requirements.

Retail Business

Despite recording net outflows of N\$195 million (2018: N\$170 million) over the 12 months to end September 2019, solid investment performance across our unit trust funds contributed to our retail business's AuM reducing marginally by 4.6% to N\$2.1 billion (2018: N\$2.2 billion).

Dividend

The Board recommended an ordinary dividend of 8 cents per share (2018: 7.5 cents per ordinary share) as well as a special dividend of 1 cent per share (2018: 0) for the year under review.

The salient dates are as follows:

Last day to trade:	29 November 2019
Securities start trading:	
Ex - dividend:	02 December 2019
Record date:	06 December 2019
Payment date:	13 December 2019

Prospects

We are pleased with the recovery in the short-term performance of our portfolios but are aware that delivering on excellent long-term performance is our promise to our clients. With this in mind, we will continue to seek out opportunities and manage the risks inherent in volatile markets.

While markets and economies continue to be uncertain, as a business, we will remain focused on our long-term investment philosophy and on delivering client-service excellence.



A PILLAY
CHAIRMAN



E EMVULA
CHIEF EXECUTIVE OFFICER

11 November 2019

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 consolidated financial statements for the year ended 30 September 2019 have been reviewed by KPMG Namibia. The auditor's unqualified review conclusion is available for inspection at the Company's registered office.

REGISTERED OFFICE

1st floor, Millennium House, corner of Robert Mugabe Avenue and Dr AB May 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: 14 November 2019

NAMIBIA ASSET MANAGEMENT LTD

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Reviewed 30 September 2019 N\$	Audited 30 September 2018 N\$	Change %
Revenue*	83 330 820	75 789 210	10.0
Other income	933 304	712 488	31.0
Operating expenditure*	(62 714 145)	(56 046 607)	11.9
Operating profit	21 549 979	20 455 091	5.4
Finance income	2 910 924	1 762 854	65.1
Finance costs	(382 793)	(497 382)	(23.0)
Profit before tax	24 078 110	21 720 563	10.9
Taxation	(7 501 430)	(6 956 820)	7.8
Profit attributable to ordinary shareholders	16 576 680	14 763 743	12.3
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net change in fair value of financial assets designated at fair value through other comprehensive income	113 895	1 841	
Other comprehensive income for the year (net of income tax)	113 895	1 841	
Total comprehensive income for the year	16 690 575	14 765 584	13.0

Total comprehensive income is attributable to equity holders of the Group

EARNINGS PER SHARE (cents)

- Basic	10.75	9.57	12.3
- Diluted	10.48	9.25	13.3

*Revenue and operating expenditure include performance fee income and a performance fee expense of N\$9,044,424 (2018: NIL), respectively

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Reviewed 30 September 2019 N\$	Audited 30 September 2018 N\$
ASSETS		
Non - current assets	8 527 169	8 072 213
Equipment	1 366 379	754 670
Intangible assets	-	1 855
Marketable securities (note 4)	5 000 000	5 000 000
Deferred tax	2 160 790	2 315 688
Current assets	52 113 382	43 083 624
Marketable securities (note 4)	7 698 819	6 382 285
Trade and other receivables	12 486 440	13 226 084
Current tax asset	439 274	475 786
Cash and cash equivalents	31 488 849	22 999 469
TOTAL ASSETS	60 640 551	51 155 837
EQUITY AND LIABILITIES		
TOTAL EQUITY	32 778 234	28 743 157
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	3 788 704	3 263 009
Fair value reserve	1 967 655	1 853 760
Retained earnings	32 806 973	29 411 486
Non-current liabilities	4 639 705	6 030 778
Interest bearing liabilities	4 639 705	6 030 778
Current liabilities	23 222 612	16 381 902
Shareholders for dividend	253 439	173 023
Trade and other payables	22 969 173	16 208 879
TOTAL EQUITY AND LIABILITIES	60 640 551	51 155 837

For all financial assets and liabilities not measured at fair value, the fair values have not been presented in these condensed consolidated financial statements because their carrying amounts are reasonable approximation of fair value.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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 2017 (audited)	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 (audited)	1 542 292	2 251 860	29 411 486	3 263 009	(9 579 250)	1 853 760	28 743 157
Comprehensive income for the year	-	-	16 576 680	-	-	113 895	16 690 575
Profit for the year	-	-	16 576 680	-	-	-	16 576 680
Other comprehensive income for the year	-	-	-	-	-	113 895	113 895
Transactions with owners recorded directly to equity	-	-	(13 181 193)	525 695	-	-	(12 655 498)
Dividends paid to equity holders	-	-	(13 181 193)	-	-	-	(13 181 193)
Share based payments	-	-	-	525 695	-	-	525 695
Balance as at 30 September 2019 (reviewed)	1 542 292	2 251 860	32 806 973	3 788 704	(9 579 250)	1 967 655	32 778 234

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed 30 September 2019 N\$	Audited 30 September 2018 N\$
Cash flows from operating activities		
Cash generated by operations	30 192 666	22 489 542
Finance income	2 184 859	1 795 347
Income taxes paid	(7 310 016)	(7 340 041)
Dividends paid	(13 100 777)	(13 148 050)
Net cash flows from operating activities	11 966 732	3 796 798
Cash flow from investing activities		
Acquisitions of equipment to maintain operations	(1 238 391)	(108 908)
Marketable securities (investments)	(2 029 529)	(1 393 012)
Marketable securities disinvestments	1 569 586	817 024
Net cash flows from investing activities	(1 698 334)	(684 896)
Cash flows from financing activities		
Repayment of interest-bearing borrowings	(1 349 776)	(1 148 806)
Interest paid on interest-bearing borrowings*	(429 242)	(636 212)
Net cash flows from financing activities	(1 779 018)	(1 785 018)
Net movement in cash and cash equivalents	8 489 380	1 326 884
Cash and cash equivalents at the beginning of the year	22 999 469	21 672 585
Cash and cash equivalents at the end of the year	31 488 849	22 999 469

*It is the Group's policy to record interest paid in respect of interest-bearing liabilities as part of financing activities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting entity

Namibia Asset Management Ltd (the "Company") is a Company incorporated in Namibia (Registration number: 97/397). The condensed consolidated financial statements for the year ended 30 September 2019 comprise the Company, its subsidiary and other controlled entities, together referred to as the "Group".

2. Statement of compliance

The condensed consolidated 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 consolidated financial statements were approved by the Board of Directors on 11 November 2019.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its full consolidated financial statements as at and for the year ended 30 September 2018, except for the adoption of new and amended IFRS's that became effective 01 October 2018. In accordance with the requirements of the transition methods chosen by the Group in applying these standards, comparative information throughout these condensed consolidated statements has not been restated. The following new standards have the most pertinent impact on the group:

- **IFRS 9 - Financial instruments**

The standard replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments as well as the impairment of financial assets.

The adoption of IFRS 9 resulted in changes to the wording of our accounting policies and classification within the categories of financial assets. However, these did not result in any material adjustments of the amounts recognised in the financial statements.

- **IFRS 15 - Revenue from Contracts with Customers**

The standard introduces a 5-step approach to revenue recognition. It replaces substantially all of the current revenue recognition guidance included in IAS 18 - Revenue. Apart from providing more extensive disclosures for the Group's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Group.

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. Earnings per share

	Reviewed 30 September 2019 N\$	Audited 30 September 2018 N\$	Change %
EARNINGS			
Earnings per share is based on basic earnings of:	16 576 680	14 763 743	12.3
Headline earnings per share is based on headline earnings of:	16 576 680	14 763 743	12.3
Reconciliation of earnings to headline earnings			
Profit attributable to ordinary shareholders	16 576 680	14 763 743	12.3
Headline earnings	16 576 680	14 763 743	12.3
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES**			
Ordinary shares in issue	154 229 200	154 229 200	
Diluted ordinary shares in issue*	158 241 019	159 613 894	
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	4 011 819	5 384 694	
Diluted ordinary shares in issue	158 241 019	159 613 894	

Basic earnings per share in cents	10.75	9.57	12.3
Headline earnings per share in cents	10.75	9.57	12.3
Diluted earnings per share in cents	10.48	9.25	13.3

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

**After consolidation of treasury shares held