

NAMIBIA ASSET MANAGEMENT LTD ("NAM")
Registration No. 97/397
Registered in Namibia
ISIN Code: NA000AOJMJ44
NSX Share Code: NAM

UNAUDITED INTERIM RESULTS FOR THE SIX MONTH-PERIOD ENDED 31 MARCH 2019

Results

Despite the continued weak local, regional and global economic performance, NAM delivered results, which are in line with management expectations for the six months to 31 March 2019.

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

- Revenue decreased by 1.6% to N\$36.7 million (March 2018: N\$37.3 million).
- Operating profit was down by 3.7% to N\$9.9 million (2018: N\$10.3 million) whereas profit before tax increased by 4.4% to N\$11.0 million (March 2018: N\$10.6 million).
- Total comprehensive income was up by 7.3% to N\$7.5 million (March 2018: N\$6.9 million).
- Headline earnings per share increased by 4.4% to 4.80 cents compared to 4.60 cents as at 31 March 2018.
- Our Assets under Management ("AuM") were flat at N\$20.4 billion as at the end of March 2019 (September 2018: N\$20.4 billion).

Business update

NAM continues to be singularly focused on active asset management and is one of the largest custodians of saving assets in Namibia. We offer a complete and diversified range of products to both retail and institutional clients, including a comprehensive range of offshore solutions.

The period under review was characterised by two opposing quarters from a market performance point of view. During the fourth quarter of 2018 markets sold off sharply. The MSCI All Country World Index declined by 12.8% as trade wars and slowing global growth plagued market sentiment. We have, however observed a turnaround in market performance during the first quarter of 2019.

The impact of this turnaround on our business has been positive from an AuM perspective. The long-term performance across our entire fund range remains excellent and was further boosted by excellent performance across the board during the first three months of 2019.

From an operational perspective, following the implementation of a new fund administration model and the insourcing of retail

reporting and communications in financial year 2018, we successfully migrated our unit trust client administration to Intembeko Investment Administrators. These back-office transitions were achieved on time, within budget and without interruption to our clients.

Institutional business

As one of the notable managers of institutional assets in the local savings industry, NAM manages N\$18.3 billion in client assets (September 2018: N\$18.2 billion). The increase in AuM was mainly driven by positive performance across all of our institutional products.

Retail Business

The retail AuM was N\$2.1 billion (September 2018: N\$2.2 billion), despite recording net outflows of N\$144.3 million over the 6 months to the end of March 2019. These outflows are reflective of the challenging economic environment we are currently experiencing. Solid investment performance across our unit trust funds offset the impact of these outflows.

Prospects

Slow recovery in both global and local economies as well as prevailing uncertainties are likely to persist - Brexit is still not resolved, and trade wars continue to flare up.

The proposed introduction of value-added tax on asset management services; a 10% dividend withholding tax as announced by the Minister of Finance in his 2018 budget speech and again in 2019; and other regulatory interventions, such as increased domestic asset requirements, will continue to place pressure on investment returns into the foreseeable future.

Notwithstanding the above challenges, we believe that our robust investment approach to identifying the best investment opportunities across our client portfolios will continue to generate long-term value for all our stakeholders.



A PILLAY
CHAIRMAN
09 May 2019



E EMVULA
CHIEF EXECUTIVE OFFICER

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

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, Windhoek
Windhoek, Namibia

TRANSFER SECRETARIES

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

Release date: 14 May 2019

NAMIBIA ASSET MANAGEMENT LTD

UNAUDITED CONDENSED INTERIM RESULTS FOR THE SIX MONTHS ENDED
31 MARCH 2019

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 31 March 2019 N\$	Unaudited 31 March 2018 N\$	% Change	Audited 30 Sept 2018 N\$
Revenue	36 739 969	37 323 089	(1.6)	75 789 210
Other income	380 161	323 721	17.4	712 488
Operating expenditure	(27 190 665)	(27 340 427)	(0.6)	(56 046 607)
Operating profit	9 929 465	10 306 383	(3.6)	20 455 091
Finance income	1 296 107	525 356	146.7	1 762 854
Finance costs	(206 581)	(273 130)	(24.4)	(497 383)
Profit before tax	11 018 991	10 558 609	4.4	21 720 562
Taxation	(3 617 651)	(3 471 722)	4.2	(6 956 819)
Profit attributable to ordinary shareholders	7 401 340	7 086 887	4.4	14 763 743
Other comprehensive income				
Net change in fair value of available-for-sale financial assets (before income tax)	53 585	(138 788)		1 841
Other comprehensive income for the period	53 585	(138 788)		1 841
Total comprehensive income for the period	7 454 925	6 948 099	7.3	14 765 584

All comprehensive income is attributable to equity holders of the Group

EARNINGS PER SHARE (cents)

- Basic	4.80	4.60	4.4	9.57
- Diluted	4.66	4.43	5.2	9.25

NAMIBIA ASSET MANAGEMENT LTD

**UNAUDITED CONDENSED INTERIM RESULTS FOR THE SIX MONTHS ENDED
31 MARCH 2019**

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Unaudited 31 March 2019 N\$	Unaudited 31 March 2018 N\$	Audited 30 Sept 2018 N\$
ASSETS			
Non - current assets	7 379 316	7 496 987	8 072 213
Equipment	616 259	826 483	754 670
Intangible assets	-	4 048	1 855
Marketable securities - statutory (Note 4)	5 000 000	5 000 000	5 000 000
Deferred tax	1 763 057	1 666 456	2 315 688
Current assets	42 429 810	34 751 291	43 083 624
Marketable securities- additional (Note 4)	7 386 426	5 830 081	6 382 285
Trade and other receivables	13 166 542	13 328 964	13 226 084
Current tax asset	527 958	348 606	475 786
Cash and cash equivalents	21 348 884	15 243 640	22 999 469
TOTAL ASSETS	49 809 126	42 248 278	51 155 837
EQUITY AND LIABILITIES			
TOTAL EQUITY ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	23 388 419	20 531 995	28 743 157
Issued capital and share premium	3 794 152	3 794 152	3 794 152
Reserve for own shares	(9 579 250)	(9 579 250)	(9 579 250)
Share based payment reserve	3 634 539	2 869 331	3 263 009
Fair value reserve	1 907 345	1 713 131	1 853 760
Retained earnings	23 631 633	21 734 631	29 411 486
Non-current liabilities	4 463 493	5 806 526	6 030 778
Interest-bearing liabilities	4 463 493	5 806 526	6 030 778
Current liabilities	21 957 214	15 909 757	16 381 902
Shareholders for dividends	246 306	173 024	173 023
Trade and other payables	21 710 908	15 736 733	16 208 879
TOTAL EQUITY AND LIABILITIES	49 809 126	42 248 278	51 155 837

NAMIBIA ASSET MANAGEMENT LTD

**UNAUDITED CONDENSED INTERIM RESULTS FOR THE SIX MONTHS ENDED
31 MARCH 2019**

CONDENSED GROUP 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\$
Restated 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 period	-	-	7 086 887	-	-	(138 788)	6 948 099	
Profit for the period	-	-	7 086 887	-	-	-	7 086 887	
Other comprehensive income for the year	-	-	-	-	-	(138 788)	(138 788)	
Transactions with owners recorded directly to equity	-	-	(13 203 731)	350 799	-	-	(12 852 932)	
Share based payments	-	-	-	350 799	-	-	350 799	
Dividends paid to equity holders	-	-	(13 203 731)	-	-	-	(13 203 731)	
Balance as at 31 March 2018 (unaudited)	1 542 292	2 251 860	21 734 631	2 869 331	(9 579 250)	1 713 131	20 531 995	
Comprehensive income for the period	-	-	7 676 855	-	-	140 629	7 817 484	
Profit for the period	-	-	7 676 855	-	-	-	7 676 855	
Other comprehensive income for the period	-	-	-	-	-	140 629	140 629	
Transactions with owners recorded directly to equity	-	-	-	393 678	-	-	393 678	
Share based payments	-	-	-	393 678	-	-	393 678	
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 period	-	-	7 401 340	-	-	53 585	7 454 925	
Profit for the period	-	-	7 401 340	-	-	-	7 401 340	
Other comprehensive income for the period	-	-	-	-	-	53 585	53 585	
Transactions with owners recorded directly to equity	-	-	(13 181 193)	371 530	-	-	(12 809 663)	
Share based payments	-	-	-	371 530	-	-	371 530	
Dividends paid to equity holders	-	-	(13 181 193)	-	-	-	(13 181 193)	
Balance as at 31 March 2019 (unaudited)	1 542 292	2 251 860	23 631 633	3 634 539	(9 579 250)	1 907 345	23 388 419	

NAMIBIA ASSET MANAGEMENT LTD

**UNAUDITED CONDENSED INTERIM RESULTS FOR THE SIX MONTHS ENDED
31 MARCH 2018**

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Unaudited 31 March 2019 N\$	Unaudited 31 March 2018 N\$	Audited 30 Sept 2018 N\$
Cash flows from operating activities			
Cash receipts from customers	37 179 668	36 289 380	75 247 148
Cash paid to suppliers and employees	(21 174 787)	(24 917 333)	(52 757 606)
Cash generated by operations	16 004 881	11 372 047	22 489 542
Finance income	958 007	752 788	1 795 347
Taxation	(3 117 187)	(3 078 532)	(7 340 041)
Dividends paid	(13 107 910)	(13 148 050)	(13 148 050)
Net cash flow from operating activities	737 791	(4 101 747)	3 796 798
Cash flow from investing activities			
Acquisitions of equipment to maintain operations	-	(63 901)	(108 908)
Marketable securities (investments)	(1 889 095)	(1 280 600)	(1 393 012)
Marketable securities disinvestments	1 279 737	802 321	817 024
Net cash flows from investing activities	(609 358)	(542 180)	(684 896)
Cash flows from financing activities			
Repayment of Interest-bearing liabilities	(1 349 776)	(1 148 806)	(1 148 806)
Interest paid on Interest-bearing liabilities	(429 242)	(636 212)	(636 212)
Net cash flows from financing activities	(1 779 018)	(1 785 018)	(1 785 018)
Net movement in cash and cash equivalents	(1 650 585)	(6 428 945)	1 326 884
Cash and cash equivalents at the beginning of the period	22 999 469	21 672 585	21 672 585
Cash and cash equivalents at the end of the period	21 348 884	15 243 640	22 999 469

NOTES TO THE UNAUDITED CONDENSED INTERIM GROUP FINANCIAL STATEMENTS

1. Reporting entity

Namibia Asset Management Ltd (the "Company") is a Company incorporated in Namibia. The condensed group financial statements for the six months ended 31 March 2019 comprise the Company and its subsidiaries (together referred to as the "Group").

2. Statement of compliance

These condensed Group financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) IAS 34, Interim Financial Reporting and in the manner required by the Namibian Companies Act 28 of 2004. These condensed Group financial statements have not been audited or independently reviewed by the Group's external auditors.

These condensed Group interim financial statements were approved by the Board of directors on 09 May 2019.

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 2018, except for the adoption of new and amended IFRS's that become effective 01 October 2018. 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.

- **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.

The adoption of IFRS 9 resulted in changes to the wording of our accounting policies however these did not result in any adjustments of the amounts recognised in the financial statements.

4. Marketable securities

Marketable securities include statutory investments as well as additional investments 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

	Unaudited 31 March 2019 N\$	Unaudited 31 March 2018 N\$	Audited 30 Sept 2018 N\$
Earnings			
Earnings per share is based on basic earnings of:	7 401 340	7 086 887	14 763 743
Headline earnings per share is based on headline earnings of:	7 401 340	7 086 887	14 763 743
Reconciliation of basic earnings to headline earnings			
Basic earnings	7 401 340	7 086 887	14 763 743
Headline earnings attributable to ordinary shareholders	7 401 340	7 086 887	14 763 743
Weighted average number of ordinary shares in issue	154 229 200	154 229 200	154 229 200
Diluted weighted average number of ordinary shares in issue*	158 818 555	159 894 965	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	200 000 000
Treasury shares			
- Shares held by NAM Staff Share Trust	(3 770 000)	(3 770 000)	(3 770 000)
- Shares held by The Orban Street Trust	(42 000 800)	(42 000 800)	(42 000 800)
Weighted average number of shares in issue**	154 229 200	154 229 200	154 229 200
Effect of share options outstanding	4 589 355	5 665 765	5 384 694
Diluted ordinary shares in issue	158 818 555	159 894 965	159 613 894
	(cents)	(cents)	(cents)
Basic earnings per share	4.80	4.60	9.57
Headline earnings per share	4.80	4.60	9.57
Diluted earnings per share	4.66	4.43	9.25

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

**after consolidation of treasury shares held