

TRUSTCO INTEGRATED ANNUAL REPORT **2013**



Trustco's 2013 Reporting:

2013 Integrated Annual Report

The 2013 Integrated Report provides a holistic view of the group's business, strategy, performance for the year, strategic focus areas for the future and an overview of governance and remuneration. The notice of the annual general meeting and proxy are also included.

2013 Annual Financial Statements

The 2013 Annual Financial Statements provide a more detailed understanding of the financial aspects of the business. The detailed Audited Annual Financial Statements, prepared in terms of International Financial Reporting Standards (IFRS) are included together with the report of the independent auditor and the directors' report.

Approval and assurance of reports

The Board acknowledges its responsibility to ensure the integrity of the Integrated Report. The Board has applied its mind to the Integrated Report and believes that it addresses all material issues and fairly presents the integrated performance of the group. The Board approved all reports on 25 June 2013.

Go Green



All reports will be made available online at www.tgi.na.

A limited number of the printed version of the 2013 Integrated Annual Report will be made available to shareholders.



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21 Years of Trustco

Trustco Group Holdings Ltd welcomed the year 2013 with aplomb and celebration as it entered into its 21st year of business. From humble beginnings in Namibia, an emergence into Africa, and a commitment to future growth into other prime emerging markets, Trustco has become synonymous with innovation and entrepreneurship. The future of Trustco will be guided by its social pact to improve the every day lives of the people of the continent through unique and versatile products, in the countries that it operates in.

How it all began

Quinton van Rooyen, Trustco's dynamic founder and current group managing director, was born on 16 April 1965. After completing secondary school at the Higher Technical School in Windhoek, he pursued tertiary studies in law, obtaining B Juris and LLB degrees, in 1989 and 1992 respectively. Both degrees were obtained through distance learning at the University of South Africa (UNISA) – a clear indication of his will to succeed, as well as demonstrating his self-discipline and resilience; attributes for which he is admired by friends and critics alike.

His legal studies installed a deep sense of social justice within him, but at heart this only fueled his entrepreneurial spirit and deep-rooted passion for economic development. His entrepreneurship and creativity, coupled with his earlier discipline and resoluteness conspired so that he recognised the opportunity when, in 1992, he acquired an indebted company, Trustco, for a mere NAD100.

Quinton's business acumen, skill and nerve first transformed Trustco into a successful operation and then later into a formidable competitor within the industry. Today Trustco is a multi-faceted public company, with an original and unmistakable Namibian flair. The group's original business model and its development of innovative technologies have consistently yielded phenomenal growth.

Trustco's humble beginnings began with a staff compliment of merely eight employees. Today, the group boasts a staff compliment of almost 1 000, encompassing both Namibian and South African operations. Quinton has remained passionate about the group's workforce and believes that a skilled workforce that is well looked after can never let the group down, for they understand that without their inputs the group would fail.

Trustco has transformed the sectors where it operates through its unconventional approach to conducting business. Trustco's capacity to develop sustainable products and services has its foundation in the group's commitment to social responsibility and is rooted in the quest to create wealth for all stakeholders.

'We have a lean model of organisational management that is performance driven, with all our employees subscribing and contributing to the growth of the group through their clarity on the meaning of targets and objectives'
– Quinton van Rooyen.

Trustco is one of the most successful companies in Namibia based on its financial results over the past five years. Its return on assets of 15% per annum, average revenue growth of 34% per annum and average headline earnings growth of 46% per annum during this period is testament to this statement. The group listed with an annual profit margin of NAD21m six years ago, and it has since grown to a profit margin of NAD207m as at the financial year ended 2012.

Trustco listed on the Namibian Stock Exchange (NSX) on 27 September 2006. This primary listing was subsequently supplemented by securing the first listing on the Africa Board of the JSE Limited on 19 February 2009. The JSE Limited integrated the Africa Board into the Main Board on 21 May 2012 and Trustco now trades in the 'specialty finance' sector of the JSE Limited Main Board. On 16 July 2012, the primary listing on the NSX was amended to a secondary listing. The current listing structure provides Trustco with an opportunity to expand its investor base regionally and globally, and is now poised to revolutionise the provision of its micro financial services on a pan-African basis.

Trustco's listing on the JSE Limited enabled the group to rub shoulders with the best on offer in the listed environment. The Trustco listing is, above all, also a commitment to good corporate governance, accountability, transparency and stands up to rigorous scrutiny from its shareholders which include individuals and institutions from all walks of life.





What Trustco does

The group's operations in both Namibia and South Africa focus on two primary segments. These segments comprise of microfinancial services and group support. Microfinancial services consists of micro insurance and microfinance & education. Group support consists of the Land Bank and head office services. Trustco's focal business lines are augmented by its strategic business and support units that provide the administrative backbone to the group.

Micro Insurance

Legal Shield was a direct result of the unaffordability and inaccessibility of legal representation to ordinary Namibians. This grave injustice prompted Trustco to launch Legal Shield in 2000. This first insurance offering which gave access to legal cover at an affordable price sparked the beginning of a long line of affordable and socially beneficial insurance products. This, as with most of the group's other innovative insurance offerings, was a first-of-its-kind product in Namibia by a Namibian company.

Other niche products soon followed including insurance for hospitalisation, a labour and business product tailor-made for SMEs and insurance against the loss of income due to illness. In 2006 funeral cover began covering death as a result of HIV/AIDS with no pre-existing conditions exclusions; making Trustco one of the first insurers in Africa to do so. More products followed, but the most noteworthy was the added free funeral benefit on all short term 'shield' products for each policyholder and their spouse.

Microfinance & Education

Microfinance & Education comprises of the Institute for Open Learning (Pty) Ltd (IOL) and a financing segment where students can apply in-house for educational loans. The segment generates educational opportunities for students from all walks of life by providing a quality distance learning education with access to affordable financing.

Land Bank and Support Services

Since the early grassroots success of 1992, an impressive property portfolio has been built.

Over the years the investment in fixed properties has provided substantial asset growth. Today, the estimated value of the Namibian property portfolio is in excess of NAD650 million. It also remains a valuable source of funding within the group, and is reinvested into a variety of business opportunities across the group.

To augment the above, the group also utilises innovative strategic and creative marketing tools and delivery methods such as the *Informanté* newspaper, a media studio and Trustco Air Services.

The future of Trustco

Demand for Trustco's products and services continues to soar and with the level of innovation the group has maintained, only the sky will limit the group's expansion.

Trustco's vision, firmly rooted on Namibian soil, and fast expanding into Africa and beyond, is to generate sustainable opportunities, and create wealth for its customers, employees, shareholders, the African continent and the entire planet. The group remains committed to business expansion beyond Namibia's borders and intends to spread and replicate its business model to the rest of the continent and beyond.

'We do not only believe that the full potential of Africa is yet to be realised, but we believe as a corporate citizen of the world, that it is through the understanding of the needs and demands of its people, uniquely placed not only to lead, but demands that Trustco plays a pioneering role in the unlocking of the African potential. The supreme beneficiaries are, and will remain, Namibia and its people and our shareholders. We pay our taxes here; we contribute to the expansion of the infrastructure and further the educational, economical and social development in Namibia in our sector. Economic growth is a result of expanding the volumes of human participation. Any enterprise can only succeed in an enabling environment, created by the government of the day...We believe that Africa has its own rhythm, we must understand this and stake our claim in this huge market of opportunity. Failing which, we must take responsibility for lagging behind when others claim their space and succeed. By spreading our wings over the continent and beyond, we are ambassadors for Namibia as the shining light of Africa and the beacon that leads the way to hope and optimism where it is usually regarded as a rarity.'
 – Quinton van Rooyen, 2012.



Chairman's Report

The Trustco group has navigated an African financial services landscape in a challenging but rewarding year. The strategies and targets which were set by the Board during 2011 have already been achieved by management, albeit not with immediate financial rewards.

The Board was fully aware that the major move into South Africa with the group's micro insurance segment, would be taxing on management. However, the Board remains determined for the largest economy in Africa, to also become the largest market for the group's very successful micro insurance offering. We will not compromise on this aspect; creating wealth for shareholders, while not losing sight of social responsibility and the interest of all stakeholders, remains the Board's main objective.

Whilst the group's profit after tax experienced a decline if compared with the previous financial year, that should be seen in the context of the group's aggressive expansion efforts, to ultimately reap fruits for its shareholders.

The financial services regulations which became effective in South Africa during December 2012, had the effect that the legacy business in that country became more and more unprofitable in an already depressed market place. As a result, steps were taken to get rid of the deadwood. Management were requested to rather channel their energy towards projects which will ultimately assist in the group's long term growth goals in South Africa and elsewhere in the world

As always, the micro insurance segment in Namibia punched above its weight with a solid performance during the financial year under review.

In turn the microfinance and education segment continued to perform admirably in Namibia. At the time of reporting, the Board was still contemplating if, and when, this business should be expanded to the rest of Africa as sufficient and sustainable growth is still evident in this segment in Namibia.

The performance of the microfinance and education segment culminated in no less than five international banks providing lines of credit to fund the loan book. Nonperforming loans were well under control and management increased its credit requirements twice during the year to comply with international responsible lending best practices.

Whilst the first phase of the Land Bank monetisation programme's reached completion, an independent study confirmed that the future economic viability of this programme's potential was not over estimated. Indeed the outlook for the remainder of the monetisation program remains positive, albeit that it would materialise in a cyclical pattern.

One of my personal highlights during the year was Trustco's hosting of Professor Mervyn King, undoubtedly one of the world's foremost authorities on Corporate Governance. The insight given to the Board and management was invaluable. It furthermore reaffirmed

my belief that the group continues to maintain excellence in its Corporate Governance standards.

The Board remains committed to ensure that the group operates transparently, with special emphasis on accountability and King III compliance.

I am delighted that Jabu Mahlangu, a chartered accountant by profession and Renier Taljaard, an insurance specialist, have joined the Board after Adrian Bock, who served the Board with great diligence and success, resigned from his executive function. Adrian's mandate, to bring Trustco closer to the capital markets, was successfully completed.

I would like to thank my fellow board members and the management team for their commitment, perseverance and above all, shared vision, during the past year. With your continuous loyal support, and leadership, Trustco will prosper.



Adv. R. Heathcote SC
Chairman



Adv R Heathcote | Chairman | Windhoek | 25 June 2013

Group Managing Director's Report

The year ending March 2013 culminated in the Group taking and implementing business decisions that should have long term benefits to shareholders and stakeholders alike. Business remains the taking of risk for reward.

Micro Insurance

Namibia

Micro Insurance is still a relatively unknown asset class in many parts of the world. The definition of this asset class is also still fluid. Trustco, as world leaders in providing Micro Insurance products, defines it as: "providing Insurance products, (short term or life) to a vast number of people at very affordable premiums or even for free to the insured, with benefits that are calculated in accordance with internationally accepted actuarial calculations"

A highlight this year was expanding the mobile based product successfully to a retailer in Namibia with an Africa footprint. In Namibia, this mode of distribution of was very successful and 150 000 new clients were enrolled during the first six months of deployment.

A very creative long term insurance product was also successfully introduced in Namibia during February 2013 called Yambu life.

South Africa

The view held by the Board that the Micro Insurance offering of the Group, that is so successful in Namibia, should be expanded to South Africa was implemented in that Country.

The insurance premium and claims administration business, which was a high revenue, low margin business and which was acquired during 2007 became less and less competitive. It was decided to right-size that business and implement the Micro Insurance business model. The Board opted for a greenfields model, instead of the acquisition route.

November 2012 heralded the sale of a new micro-insurance offering under the "Yambu" brand introduced into the South African market.

The negotiations, that started prior to year- end, to acquire 53 regional offices across South Africa, together with assets and trained staff, were finalised and implemented post financial year end.

I am confident that the decision taken to expand this segment to the market in South Africa was the correct one; this despite the accounting treatment of intangible assets which precipitated charge of NAD28.4m in the financial statements. The set-up cost, which accounted for the remainder of the losses recorded in South Africa, is a better option than a costly acquisition, which would in any event, had to be converted to a micro insurance operation.

Microfinance & Education

Namibia

The performance of this segment, that currently only operates in Namibia, was in line with expectations and growth in net profit after tax of 9% was recorded.

Loans advanced to students increased from NAD154 million during 2012 to more than NAD213 million during the financial year under review.

More than ten thousand students graduated since 2005 and the outlook for growth in this segment remains strong. Non-performing loans are at a healthy 4.7% of loan book value.

Monetisation of the Land Bank

The process is on-going since 2009. 5% of the approximately 3.5 million square meters available for sale has now been monetised.

The model for the Group is to supply the available vacant land with bulk infrastructure and sell it to qualified buyers. In obtaining qualified buyers for the vacant land, the group would provide approximately 15% of buyers with

mortgage finance directly from the Group.

Since the monetization process commenced, selling prices increased from NAD700/m² to NAD1500/m² for industrial land in Windhoek. It is foreseen that prices will still increase as demand remains strong and supply in the market is limited.

Because of the relative size of the available 'Land Bank', a phased monetization process is followed. Phase two is earmarked to be monetized during Q1 2014.

Future Outlook

I remain very optimistic about the future for the Group. The Group enjoys several competitive operational advantages and are blessed with creative thinkers who withstood several challenges successfully in the past. Coupled with a sound business model and based on cutting edge technologies, Trustco is an industry leader and has a workforce to behold.

Appreciation

I extend my warmest appreciation to our stakeholders, our suppliers and our customers for their continued support. We will continue to strive to provide a relevant, sustainable social service to communities, by way of our products and our investment in social equality.

I would like to extend my heartfelt thanks to the almost 1000 employees of the group; for sticking with us through an ever-changing and sometimes challenging environment.

And now, on the 21st anniversary of Trustco, I look back and feel especially proud of the many achievements and support that we enjoyed over the years.

I am aware that the past was, the present is and the future shall be. The world of tomorrow belongs to those who have vision today.



Quinton van Rooyen

Group Managing Director



Quinton van Rooyen | Group managing director | Windhoek | 25 June 2013

Group Profile

Creating Value



Vision

With our roots firmly in Namibia and our reach extended into the rest of Africa and beyond, we seek to generate sustainable opportunities to create wealth for our customers, shareholders and employees while impacting positively on society and our planet.

Mission

We provide efficient and dynamic products and services to our core industries, ensuring responsible and sustainable growth that will have a positive impact on society and our environment. We embrace technology to facilitate innovative and affordable solutions in each of our niche markets. We are accountable to all stakeholders to deliver value and sustainable returns on their investments. We value our employees and recognise their intellectual value and commitment as an important component of our success.

Group Strategy

'Focus on Core Business whilst creating sustainable wealth by Expanding into Africa'

The Board meets regularly to re-evaluate the group's short, medium and long term strategy.

The success or ineffectiveness of previous strategies is used as the foundation for discussions around future business opportunities and changing market environment. This year's discussions were particularly engaging as many of the plans and strategies laid out by the Board in previous years are now becoming a reality.

The group remains a bastion of creativity where new ideas are constantly generated and then implemented with management. Many of these ideas are incorporated into the strategy.

The current strategy has now been cemented in place and has given management a clear road map of the future. The three key pillars of this 2013 strategic model are:

- I. Focus on core business in Southern Africa
- II. Roll-out core business model into the rest of Africa
- III. Target growth in Net Asset Value

I. Focus on core business

The group has had opportunities in the past to diversify into various businesses, but the core business, namely financial services has been the critical revenue driver of the past. The Board has identified that the continued focus and commitment to these product lines will drive the future of the group.

In 2012 we saw the launch of Shop-4-Life in Namibia, a micro insurance venture with a retailer in Namibia. The Board's target is to launch the same product in other geographic areas.

The new micro insurance offering in South Africa, branded YAMBU, was launched in 2012. The YAMBU product provides legal cover and a funeral benefit for a small monthly premium. Since this product is similar to other products already highly successful in Namibia, it is the group's strategy to commence with the roll-out of other similarly successful Namibian micro insurance policies in South Africa.

Land Bank monetisation will continue to augment revenues in Namibia although management expects the property development revenues to begin to form a smaller percentage of group income in the future. Phase 2 of the 'Land Bank' development will commence in 2013 and the anticipation is

that sales of these erven will be as successful as previous years.

II. Roll-out core business model into rest of Africa

Trustco established a new African expansion department in order to solely focus on African opportunities. The strategy is to explore the potential for business in Africa, in line with the product mix, such as insurance, information technology and intellectual property offerings.

III. Target growth in net asset value

The culmination of borrowing arrangements with overseas funders such as DEG, Proparco and the African Development Bank has given the microfinance and education segment a reputational boost. The fact that all loans to students are for the sole purpose of providing an educational benefit, gives the segment a distinct social benefit.

Trustco, by being the first private sector Namibian company to list a note program on the JSE Limited has catapulted itself into an elite group of foreign companies to access debt markets in South Africa. South Africa is seen as an investor gateway into Africa, and it is the Board's view that a listing of this kind, combined with the current equity listing, will show investors and stakeholders that the company's focus on growing into Africa has not wavered.



'Our point of departure is that we must move our attention away from market sentiment which has negatively affected our share price in recent times and focus on creating wealth for stakeholders.'

*Quinton van Rooyen,
Group managing director*

Group Structure

Trustco Group Holdings



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graph TD; TH[Trustco Group Holdings] --> GS[Group Support]; TH --> MS[Microfinancial Services]; GS --> LB[Land Bank]; GS --> HOS[Head Office Services]; MS --> ME[Microfinance & Education]; MS --> MI[Micro Insurance];
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The diagram illustrates the group structure of Trustco Group Holdings. At the top is the parent company, Trustco Group Holdings. It branches into two main divisions: Group Support and Microfinancial Services. Group Support further branches into Land Bank and Head Office Services. Microfinancial Services branches into Microfinance & Education and Micro Insurance.

Group Support

Land Bank

Trustco's Land Bank – a portfolio of developed investment property and undeveloped land which is to be monetised in phases

Head Office Services

Human Resources, Media, Marketing, Fleet Management, Security Services, Internal Audit, Group Legal, Risk & Compliance, Group Finance, IT and Treasury.

Microfinancial Services

Microfinance & Education

Trustco Finance provides educational loans to students, giving access to education not otherwise available. The Institute for Open Learning (IOL) – Trustco's education institute – provides accredited academic and skills development courses

Micro Insurance

Life and short term insurance including the innovative Trustco Mobile product

Business Model

Trustco Group Holdings Ltd is a diversified financial services company incorporated in Namibia. The business commenced in 1992 with the acquisition of a property development company and since its inception, operations have grown in leaps and bounds. The group operates in Namibia and South Africa and was listed on the Namibian Stock Exchange (NSX) and the Africa Board of the JSE Limited in 2006 and the Main Board in 2009 respectively.

The key objective is the creation of a substantial and sustainable base of human and financial capital. Efforts are geared towards reducing poverty whilst providing innovative solutions and stretching boundaries in order to serve shareholders and other stakeholders.

Operational structure

The group is divided into two primary segments, namely:

- Microfinancial services which consists of:
 - Micro insurance; and
 - Microfinance & education; and
- Group support which consists of:
 - The Land Bank; and
 - Head office services.

These segments operate across the following geographical segments:

- Namibia
- South Africa
- The rest of Africa

Micro Insurance

The segment offers niche short term and life products to the low income group. Products underwritten by this segment include legal insurance, funeral cover, income protection cover and hospitalisation cover. The group is the market leader for legal insurance cover and funeral cover in Namibia. During the year under review the group rolled-out legal and funeral cover in South Africa under the YAMBU brand.



On the technological front the group offers Trustco Mobile, an innovative telephony platform through which funeral insurance can be extended to a customer. The micro insurance segment and a retailer group in Namibia have entered into an agreement to provide free life cover insurance to its regular customers in Namibia. The group is confident that this unique method of making life cover free and accessible to thousands of Namibians who shop at this retailer, and have no access to the traditional distribution channels for insurance, will provide generously to revenue in the future.

A small portion of the South African operations is dedicated to providing innovative policy administration facilities for insurance products. The company offers a user-friendly and stable system to assist users with the administration of policies.

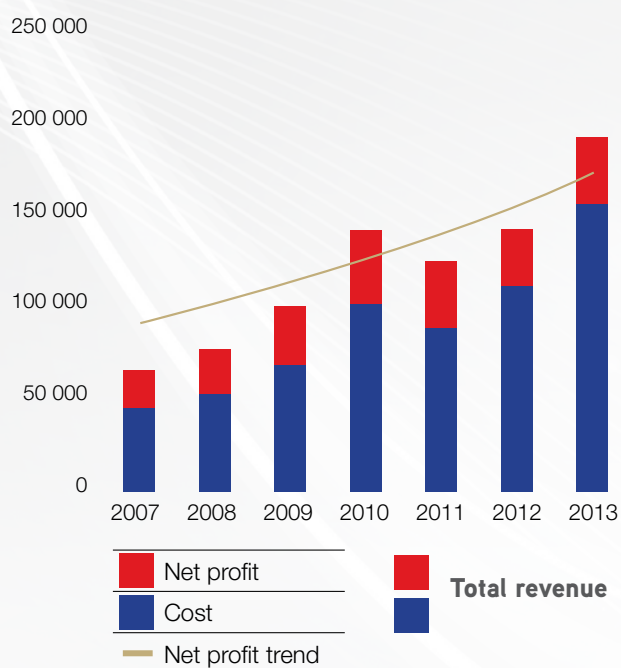
Business Model (continued)

Microfinance & education

The education arm of the segment was purchased in 2005 and is committed to providing accredited and value-adding educational programmes. This has enabled the group to contribute to the educational, economic and social advancement of Namibians. The majority of enrolled students are from the low income group. With skills acquired through studying with The Institute for Open Learning (IOL), students not only enhance their own net income, but plough their experience and knowledge back into the community.

The group's microfinance segment offers financing for education courses offered inhouse. The financing arm compliments the strategy of the group by making quality education available for all. Loan repayments are effected by way of direct salary repayments through a government payroll deduction code as well as through agreements with individual corporate institutions.

Currently this segment only operates in Namibia, but with the African continent's desire for advancement and growth, educational opportunities are constantly being investigated in other countries.



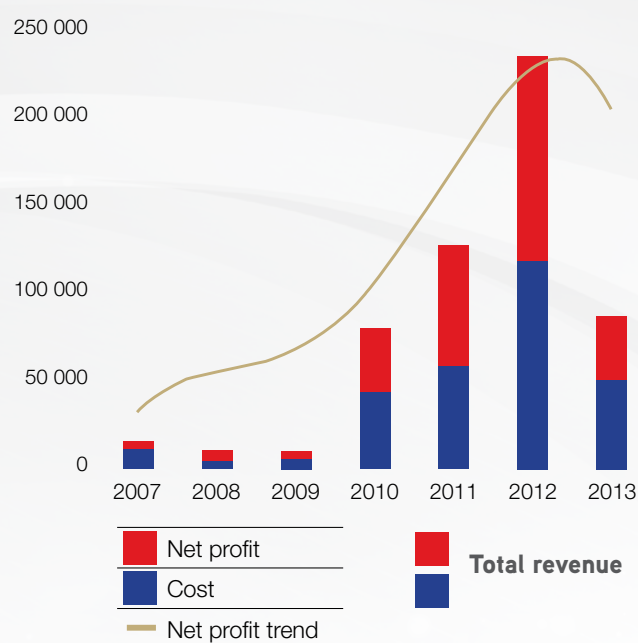
Land Bank (Trustco properties and mortgage loans)

The Land Bank has proven to be an excellent and efficient source of funding for the group. This segment underpins the growth in our main microfinancial services products by creating a substantial cash flow in the medium term.

Trustco's property portfolio consists of industrial, residential and commercial properties situated mostly in Namibia. All properties within the group are housed in this segment including owner-occupied properties, investment properties and real estate stock.

The group continues to develop serviced land in Namibia and will embark on the second phase of development of serviced land in the northern industrial area of Windhoek in 2013.

The segment also contains a mortgage finance component which augments the property development and sales arm.



Head office services

Head office provides the administrative backbone upon which all operational segments are based, but also houses several strategic units aimed at augmenting the operations and returns of the group.

Strategic business includes:

The African Expansion department which is responsible for identifying and rolling-out products across the rest of Africa.

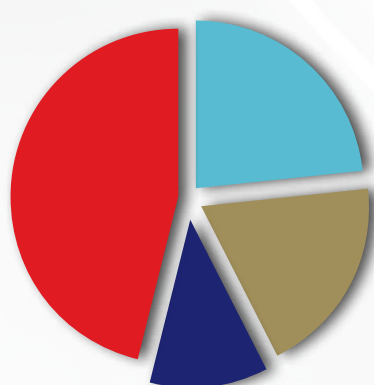
The *Informanté* newspaper, which is now circulated as a weekly edition in Namibia, and as a monthly edition in South Africa. This gives the group an enormous competitive advantage when it comes to delivering the message of Trustco. Apart from the strategic importance of reaching individuals through editorial comment, the cost savings in utilising our own inhouse newspaper as an advertising medium cannot be overstated.

Trustco Air Services which operates three aircrafts under a cross-border charter License.

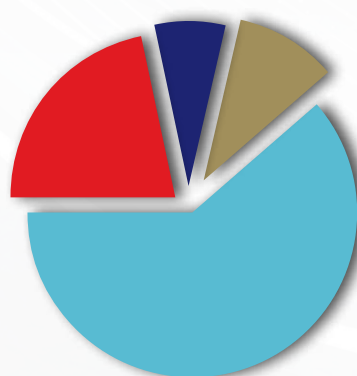


Value Added Statement

	31 Mar 2013		31 Mar 2012	
	NAD000	%	NAD000	%
Value added is the wealth created by Trustco Group Holdings Ltd and its subsidiaries through the sale of products and provision of services.				
Revenue from all operations	639 472		839 737	
Purchases and other direct costs of services	(380 703)		(441 669)	
Wealth created	258 769		398 068	
Distribution of wealth created by Trustco Group of companies:				
Employee compensation				
Salaries, wages and other benefits	120 450	46.5%	87 164	21.9%
Shareholders				
Dividends	29 916	11.6%	25 827	6.5%
Government				
Taxation (PAYE, Income tax, etc.)	50 129	19.4%	37 013	9.3%
Retention for expansion and future growth	58 274	22.5%	248 064	62.3%
Net profit for the year	39 384		239 823	
Depreciation and amortisation	18 890		8 241	
	258 769	100.0%	398 068	100.0%



2013

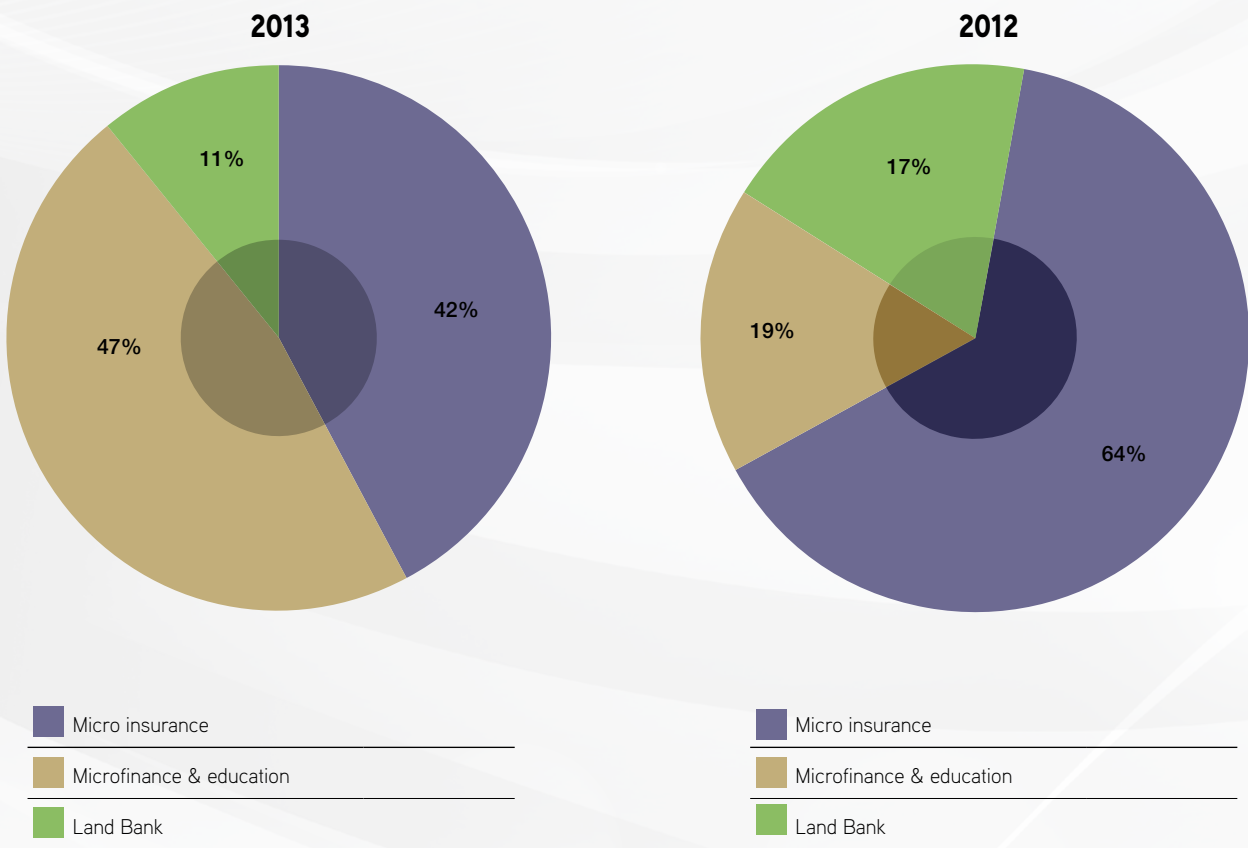


2012

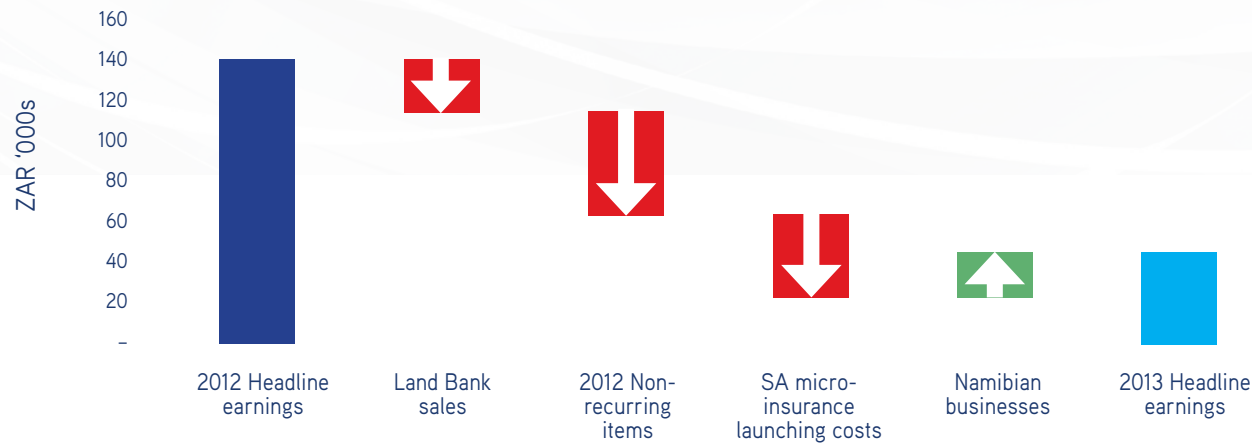
- Employee compensation
- Shareholders
- Government
- Retention for expansion and future growth

Financial Highlights

Contribution to HEPS



2012 vs 2013 Earnings expansion



Financial Highlights (continued)

Namibian economy and financial landscape

The world has been through a few lean years since 2008; the stellar growth rates of the late 90s and early 2000s now seem a distant memory. With the world reeling from sovereign debt crises in Europe and the downgrading in previously AAA countries such as the UK, the economic future looks bleak. In the midst of all this doom and gloom there are some positive signs. The 2013 GDP growth projections in Namibia are slightly higher than the 2012 indicator (up 0.2% on 2012 projected growth rate of 4%).

Inflation rose significantly to 7.25% (year-on-year) at end December 2011, but declined to 6% at end July 2012 with an uptick in September 2012 to 6.75% (although most pundits predict that inflation will fall below 6% in 2013). The increasing trend reflects the impact of high oil prices and a substantial depreciation of the South African Rand (to which the Namibian Dollar is pegged 1:1) caused by the ongoing industrial strikes in South Africa. The Namibian economy, being intrinsically linked to South Africa suffers a contagion effect of these events across the border.

Trustco has not been immune to financial crisis which hurt the middle and lower class more severely than higher income earners. The group has observed customer growth rates being reduced, most likely due to a loss in disposable income and a reduced appetite for financial products.

This year's financial results demonstrates the group's commitment to expansion into South Africa by investing a substantial portion of funds into marketing and development of a product base in South Africa.

Five year review

	2013	2012	2011	2010	2009
	NAD'000s	NAD'000s	NAD'000s	NAD'000s	NAD'000s
Revenue	595 239	713 304	587 018	550 448	484 514
NPAT	39 384	239 824	211 513	137 544	93 378
Headline earnings	33 863	138 540	146 916	85 332	71 364
HEPS (c)	4.7	20.3	21.7	12.6	10.8
Total Assets	1 532 927	1 520 089	1 222 347	921 104	762 324
NAV	968 130	913 305	732 781	478 645	370 477
NAV/Share (c)	131	134	113	71	56
Share price (c)	1.18	1.14	0.97	0.44	0.76

Trustco remains profitable in the current period. It is disheartening to have experienced the current dip in total profitability compared to a few excellent years of past performance, but the group remains focused on its core strategy. The upshot is that a great deal of capital capacity building was done in the current period, which should springboard profits in the future.

Group consolidated performance

The 2013 group consolidated revenue of NAD595m showed a sharp reduction from revenues of NAD713m in 2012 mostly due to the cessation of contracts in South Africa which had previously resulted in higher revenues albeit with a lower gross profit margin. The reduced revenue in South Africa is expected to be replaced over time with insurance income from new products into the region. Another reason for revenue decrease is the tailing-off of property sales from the finalisation of the first development phase of the Land Bank. The second phase will begin in the latter part of 2013.

Net profit after tax of NAD39m for the year, showed a significant decrease from the 2012 comparative period of NAD240m.

The major reasons for the variance in net profit after tax compared to 2012 were: impairment of intangible assets, NAD28.4m (2012: nil), costs incurred to launch the new micro insurance offering in South Africa (NAD40m), as well as a reduction in fair value gains recognised in 2013 compared to 2012 (NAD71m decrease).

The 2012 results included the recognition of gains on legal settlements (NAD21m in 2012) as well as earnings from the Zimbabwean venture (NAD22.8m in 2012), neither of which are present in the 2013 results.

Headline earnings of NAD34m reflected a commensurate decrease on the prior year comparative of NAD138m.

Southern African operations

Although the South African operations returned a loss for the financial year of R44.5m (excluding impairment) (2012: Profit of R8m), a great deal of the accounting loss related to expenses for building future capacity and business creation which, under accounting standards, was required to be recognised in the current period.

YAMBU insurance policies issued reached 10 500 on 31 March 2013, resulting in revenue from this product of R3m for the first three months.

Namibian operations

Insurance

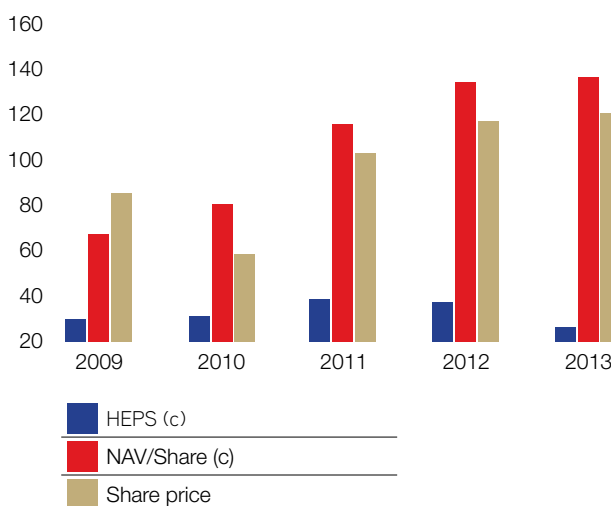
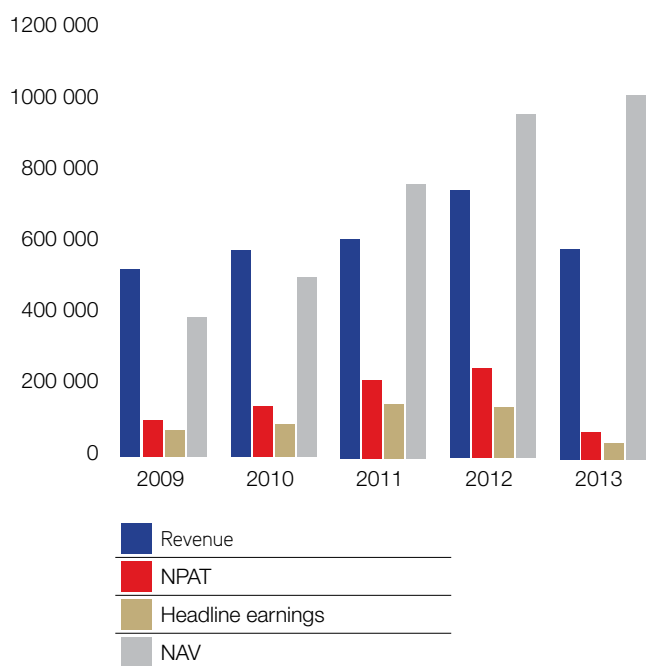
The micro insurance segment grew net profit after tax by 12% to NAD67m (2012: NAD60m), mostly due to the Shop-4-Life contract and organic growth.

Microfinance & Education

This segment grew net profit after tax by 9%, a direct result of the continued demand for educational courses and financial assistance attached thereto in the country. However, the impressive growth was only able to be achieved through dedicated funding sources for the microfinance segment.

Land Bank

The remaining property sales of Lafrenz Phase I which began in 2011 were near conclusion in the current financial year resulting in net profit for the segment of NAD19m (2012: NAD123m). The strategic importance of owning and developing this land cannot be over emphasised. The fact that the group sold the property for an average price of NAD1 300 per m² in 2011 and 2012 but paid a mere NAD1 per m² for this property means that this is effectively the group's cheapest source of funding. Utilising the cashflow from the sales and re-investing into successful core operations such as micro insurance and finance, has meant a reduced appetite for external funding in those segments and ensured sustainability. The apparent cyclical behaviour of property sales seen in recent years is more a function of the market's appetite for developed land and Trustco's timing of this development.



Financial position and bond issue

Our microfinance segment has maintained steady growth in credit extensions. The educational loan segment has entered into various agreements in order to continue funding the loan book growth. Net educational loans has grown from NAD250m at 31 March 2012 to NAD332m as at 31 March 2013. This represents a 33% growth.

The growth in the educational loan book in spite of the adverse economic climate might pose the question of asset quality, however the segment has managed to reduce the percentage of non-performing loans down to 4.7% from the 6.1% reflected in 2012. The group's management team attribute this to better consumer education and various responsible lending practices.

The group has listed a domestic medium term note program of ZAR1bn on the JSE Limited exchange and it is anticipated that the first tranche will be drawn down upon in the 2014 financial year.

Ryan McDougall
Group financial director

Abridged Audited Group Results

Condensed Consolidated Statement of Financial Position

as at 31 March 2013

	Notes	31 March 2013 NAD'000	31 March 2012 NAD'000	Change %
ASSETS				
Non-current assets				
Property, plant and equipment	4	179 266	160 502	11.7
Investment property	5	344 247	317 990	8.3
Intangible assets	6	232 650	261 478	(11.0)
Deferred income tax assets		78 183	73 136	6.9
Mortgage loans	7	20 070	–	100
Educational micro loans advanced	8	204 426	150 115	36.2
Other loans		5 692	24 566	(76.8)
<i>Total non-current assets</i>		1 064 534	987 787	7.8
Current assets				
Short-term portion of educational micro loans advanced	8	127 988	99 804	28.2
Short-term portion of other loans advanced		1 160	804	44.3
Finance lease receivable		–	457	(100)
Amounts due from related parties	14	8 482	–	100
Short-term portion of mortgage loans	7	1 377	–	100
Inventories		10 420	12 623	(17.5)
Trade and other receivables	9	271 182	317 425	(14.6)
Current income tax assets		860	189	355.0
Cash and cash equivalents		46 924	101 000	(53.5)
<i>Total current assets</i>		468 393	532 302	(12.0)
Total assets		1 532 927	1 520 089	0.8
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	10	169 545	162 645	4.2
Share premium	10	24 600	–	100
Deemed treasury shares		–	(3 840)	(100)
Vendor shares	11	14 976	14 976	–
Contingency reserves		4 610	2 970	55.2
Put options		(52 832)	(52 832)	–
Revaluation reserves		21 797	16 806	29.7
Foreign currency translation reserve		1 869	–	100
Distributable reserves		783 565	772 580	1.4
<i>Total capital and reserves</i>		968 130	913 305	6.0
Non-current liabilities				
Long-term liabilities		288 717	211 931	36.2
Other liabilities		1 590	257	518.7
Deferred income tax liabilities		33 231	31 148	6.7
Policyholders' liability under insurance contracts		16 587	10 684	55.3
<i>Total non-current liabilities</i>		340 125	254 020	33.9
Current liabilities				
Current portion of long-term liabilities		40 764	34 117	19.5
Current portion of other liabilities		4 516	2 622	72.2
Amounts due to related parties	14	–	1 413	(100)
Trade and other payables	13	129 154	256 323	(49.6)
Technical provisions		20 558	17 917	14.7
Current income tax liabilities		29 116	28 603	1.8
Bank overdraft		564	11 769	(95.2)
<i>Total current liabilities</i>		224 672	352 764	(36.3)
Total equity and liabilities		1 532 927	1 520 089	0.8

Condensed Consolidated Statement of Comprehensive Income

for the year ended 31 March 2013

		For the year ended 31 Mar 2013 NAD'000	For the year ended 31 Mar 2012 NAD'000	Change %
	Notes			
Insurance premium revenue		150 710	126 302	19.3
Revenue		444 529	587 002	(24.3)
Total revenue		595 239	713 304	(16.6)
Cost of sales		(240 194)	(320 368)	(25.0)
Gross profit		355 045	392 936	(9.6)
Investment income		3 849	24 509	(84.3)
Fair value gains and losses on investment properties	5	26 304	97 101	(72.9)
Other income	16	14 080	4 823	191.9
Insurance benefits and claims		(26 717)	(18 872)	41.6
Transfer to policyholder liabilities		(5 903)	(2 377)	148.3
Change in unearned premium provision		(981)	(492)	99.4
Administrative expenses	16	(294 167)	(202 743)	45.1
Finance costs		(27 814)	(30 092)	(7.6)
Profit before taxation		43 696	264 793	(83.5)
Taxation		(4 312)	(24 969)	(82.7)
Profit for the year		39 384	239 824	(83.6)
<i>Other comprehensive income, net of tax</i>		8 138	1 392	
Items that will not be subsequently reclassified to profit or loss		6 269	1 392	484 .6
Revaluation of property, plant and equipment, net of deferred tax				
Items that may be subsequently reclassified to profit or loss		1 869	–	350.4
Foreign currency translation adjustment, net of deferred tax				100
Total comprehensive income for the period		47 522	241 216	(80.3)
Earnings per shares:				
Basic earnings per share (cents)	3	5.41	35.08	(84.6)
Diluted earnings per share (cents)	3	5.38	34.84	(84.6)

Condensed Statement of Changes in Equity

for the year ended 31 March 2013

	Share capital NAD'000	Share premium NAD'000	Foreign currency translation reserve NAD'000	Deemed treasury shares NAD'000	Put options NAD'000	Vendor shares NAD'000	Contingency reserve NAD'000	Revaluation reserve NAD'000	Retained earnings NAD'000	Total NAD'000
Balance at 1 April 2011	162 645	-	-	(18 731)	-	14 976	2 361	15 414	556 116	732 781
Transfer to contingency reserve	-	-	-	-	-	-	609	-	(609)	-
Put option issued	-	-	-	-	(52 832)	-	-	-	-	(52 832)
Sale of deemed treasury shares	-	-	-	14 891	-	-	-	-	3 076	17 967
Total comprehensive income for the period	-	-	-	-	-	-	-	1 392	239 824	241 216
Dividends for the period	-	-	-	-	-	-	-	-	(25 827)	(25 827)
Balance at 31 March 2012	162 645	-	-	(3 840)	(52 832)	14 976	2 970	16 806	772 580	913 305
Balance at 1 April 2012	162 645	-	-	(3 840)	(52 832)	14 976	2 970	16 806	772 580	913 305
Transfer to contingency reserve	-	-	-	-	-	-	1 640	-	(1 640)	-
Share issued	6 900	24 600	-	-	-	-	-	-	-	31 500
Sale of deemed treasury shares	-	-	-	3 840	-	-	-	-	1 879	5 719
Release of revaluation reserve to distributed reserves	-	-	-	-	-	-	-	(1 278)	1 278	-
Total comprehensive income for the period	-	-	1 869	-	-	-	-	6 269	39 384	47 522
Dividends for the period	-	-	-	-	-	-	-	-	(29 916)	(29 916)
Balance at 31 March 2013	169 545	24 600	1 869	-	(52 832)	14 976	4 610	21 797	783 565	968 130

Condensed Consolidated Statement of Cash Flows

for the year ended 31 March 2013

	Notes	Year ended 31 March 2013 NAD'000	Year ended 31 Mar 2012 NAD'000	Change %
Cash generated by operations before working capital changes		96 917	178 114	(45.6)
Changes in working capital		(76 332)	(80 703)	(5.4)
Interest received		3 849	24 509	(84.3)
Finance costs		(27 814)	(30 092)	(7.6)
Finance lease assets		457	–	100
Other loans advanced		(346)	–	(100)
Educational loans advanced		(212 861)	(154 279)	38.0
Educational loans repaid		129 222	113 825	13.5
Mortgage loans advanced		(6 008)	–	(100.0)
Mortgage loans repaid		2 097	–	100.0
Taxation paid		(13 600)	(12 848)	5.9
<i>Net cash flow from operating activities</i>		(104 419)	38 526	(371.0)
Cash flow from investing activities				
Additions to property, plant and equipment		(23 250)	(12 095)	92.2
Additions to investment property		(3 364)	(1 604)	109.7
Additions to intangible assets		(10 326)	(24 081)	(57.1)
Additions to assets at fair value through profit and loss		–	(4 223)	100.0
Proceeds on sale of property, plant and equipment		6 917	1 160	496.3
Proceeds on sale of investment properties		1 600	17 400	(90.8)
Proceeds on sale of assets at fair value through profit and loss		–	32 300	(100.0)
<i>Net cash flow from investing activities</i>		(28 423)	8 857	(420.9)
Cash flow from financing activities				
Public issue of ordinary shares		31 500	–	100
Sale of deemed treasury shares		5 719	17 967	(68.2)
Proceeds from long-term liabilities		83 433	13 830	503.3
Payments to related parties		(9 895)	(7 413)	33.5
Increase in policyholder under insurance contracts		5 903	2 377	148.3
Dividends paid		(29 916)	(25 827)	15.8
Proceeds / (Repayment) of other liabilities		3 227	(582)	(654.5)
<i>Net cash flow from financing activities</i>		89 971	352	25 459.9
Net change in cash and cash equivalents		(42 871)	47 735	(189.8)
Cash and cash equivalents at the beginning of the year		89 231	41 496	115.0
Cash and cash equivalents at the end of the year		46 360	89 231	(48)

Notes to the Audited Abridged Annual Financial Statements

for the year ended 31 March 2013

1 Basis of preparation

The abridged annual consolidated financial statements, which comprise the abridged consolidated statement of financial position as at 31 March 2013, and the abridged consolidated statement of comprehensive income, changes in equity, cash flow statement for the year ended 31 March 2013, and related notes are derived from the audited consolidated financial statements of Trustco Group Holdings Ltd for the year ended 31 March 2013 which have been audited by the group's independent auditors BDO.

The auditor's unmodified report is available for inspection at Trustco's registered offices.

The abridged consolidated financial information was compiled under the supervision of the group financial director, Ryan McDougall, CA (SA), CA (Namibia).

The group's audited financial statements and annual integrated report are available for inspection at the company's registered office. Electronic copies are available on the company's website (www.tgi.na).

The abridged group financial statements have been prepared in accordance with the framework concepts and measurement and recognition criteria of International Financial Reporting Standards (IFRS) and comply with IAS 34 Interim Financial Reporting and are in accordance with the SAICA Financial Reporting Guides as issued by the Accounting Practice and Financial Pronouncements as issued by Financial Reporting Standards Council, and the Namibian Companies' Act, No 28 of 2004 (as amended) and JSE Listings Requirements.

These abridged financial statements do not contain all the information and disclosures required by IFRS in the annual financial statements. Accounting policies used in the abridged group financial statements are the same as those used to prepare the group annual financial statements, and consistent with the prior year.

2 Headline earnings

	31 Mar 2013 NAD'000	31 Mar 2012 NAD'000	Change %
Profit attributable to ordinary shareholders	39 384	239 824	(83.6)
<i>Adjustments net of taxation:</i>	(5 521)	(101 284)	(94.5)
Loss / (Profit) on disposal of property, plant and equipment	774	(156)	(596.2)
Fair value adjustments on investment properties	(26 304)	(97 196)	(72.9)
Impairment of intangible assets	28 406	–	100.0
Impairment of property, plant and equipment	–	700	(100.0)
Profit on disposal of investment property	(180)	(4 447)	(96.0)
Tax effect	(8 217)	(185)	4 341.6
Headline earnings	33 863	138 540	(75.6)

3 Earnings, headline earnings and dividends per share

	31 Mar 2013 (cents)	31 Mar 2012 (cents)	Change %
Earnings per share	5.41	35.08	(84.6)
Diluted earnings per share	5.38	34.84	(84.6)
Headline earnings per share	4.65	20.27	(77.0)
Diluted headline earnings per share	4.62	20.12	(77.0)
Dividends declared per share (cents)	4.15	3.75	(10.7)
Dividends paid per share (cents)	4.15	3.75	(10.7)

Notes to the Audited Abridged Annual Financial Statements (continued)

for the year ended 31 March 2013

4 Property, plant and equipment

During the year the group acquired property, plant and equipment (PPE) at a cost of NAD23.3m (2012: NAD12.1m). The closing net book value of PPE as at 31 March 2013 was NAD179.3m (31 March 2012: NAD160.5m). Disposals at carrying value of NAD7.7m were made (2012: NAD1.3m).

5 Investment properties

During the year the group acquired investment property at a cost of NAD3.4m (2012: NAD1.6m) and recognised a revaluation gain of NAD26.3m (2012: NAD97.1m). The fair value of Investment properties as at 31 March 2013 was NAD344.2m (31 March 2012: NAD318.0m). Disposals at carrying value of NAD1.4m were made (2012: NAD13m).

6 Intangible assets

A loss on the impairment of intangible assets was recognised in the current financial period amounting to NAD28.4m (2012: NAD2.4m)

7 Mortgage loans advanced

	31 Mar 2013 NAD'000	31 Mar 2012 NAD'000	Change %
Loans advanced (including transaction costs)	6 008	–	100.0
Reclassification from other loans	17 536	–	100.0
Payments received	(2 097)	–	(100.0)
Closing balance	21 447	–	100.0

The group has chosen to enter into mortgage loan agreements with certain purchasers of the Lafrenz development. These loans are issued to the borrowers on commercial market-related terms and are subject to credit approval processes by the group.

8 Educational loans advanced

	31 Mar 2013 NAD'000	31 Mar 2012 NAD'000	Change %
Educational loans advanced at the end of the year	348 853	266 055	31.1
Impairment of loans at the end of the period	(16 439)	(16 136)	1.9
Closing balance	332 414	249 919	33.0

9 Trade and other receivables

Property sales receivables	155 616	218 001	(28.6)
Other receivables	30 800	33 620	(8.4)
Prepayments	4 303	3 350	28.4
State: other taxes receivable	4 994	8 337	(40.1)
Trade receivables	75 469	54 117	39.5
Total	271 182	317 425	(14.6)

Included in other receivables is an amount of NAD42.1m that relates to royalties due by Econet in Zimbabwe. Trustco has instituted legal action to recover the royalties. Litigation is ongoing, but the directors are confident that the amount is fully recoverable.

Notes to the Audited Abridged Annual Financial Statements

(continued)

for the year ended 31 March 2013

10 Share capital

	Number of shares '000	Share capital NAD'000	Share premium NAD'000	Total NAD'000
<i>Authorised</i>				
As at 31 March 2013: 2 500 000 000 ordinary par value shares of NAD0.23	2 500 000	575 000	–	575 000
As at 31 March 2012: 2 500 000 000 ordinary par value shares of NAD0.23	2 500 000	575 000	–	575 000
<i>Issued and fully paid up</i>				
As at 31 March 2013: 737 142 ordinary par value shares of NAD0.23	737 142	169 545	24 600	194 145
As at 31 March 2012: 707 142 ordinary par value shares of NAD0.23	707 142	162 645	–	162 645

During the year 30 000 000 new shares were issued at a premium of NAD0.82 (par value NAD0.23) (2012: nil).

11 Treasury shares

There were no treasury shares held by the company.

12 Vendor shares

The carrying value of vendor shares as at 31 March 2013 is NAD14.98m (31 Mar 2012: NAD14.98m). This amount is held as a contingent payment on settlement of purchase price to DEX. Total amount of shares to be issued upon settlement of the overdraft facility of NAD 19.4 million, is 4.789 million.

13 Borrowings & facilities

A new Domestic Medium Term Note Programme was listed on the JSE to the value of R1bn. The first tranche of bond has, as at 31 March 2013, not yet been issued. The first tranche of the bond will carry a floating rate linked to JIBAR. The value of other borrowings as at 31 March 2013 is NAD329.5m (2012: NAD246m).

14 Trade and other payables

	31 Mar 2013 NAD'000	31 Mar 2012 NAD'000	Change %
Trade creditors	13 088	29 823	(56.1)
State: Other taxes due	23 049	30 325	(24.0)
Other payables	11 857	16 206	(26.8)
Put option liability	52 032	52 832	(1.5)
Insurance premiums, brokerage and administered claims payable	29 128	127 137	(77.1)
Total	129 154	256 323	(49.6)

Insurance premiums, brokerage and administered claims payable relate to amounts owing in terms of service contracts under Trustco Financial Services arrangements.

Notes to the Audited Abridged Annual Financial Statements (continued)

for the year ended 31 March 2013

15 Amounts due by / (due to) related parties

	31 Mar 2013 NAD'000	31 Mar 2012 NAD'000	Change %
Loan from Next Investments (Pty) Ltd	8 482	(1 413)	(700.3)

The sole shareholder of Next Investments (Pty) Ltd ("Next") is Quinton van Rooyen, the Group CEO and majority shareholder (53.25%) of Trustco Group Holdings Ltd. The loan to Next is unsecured, bears interest at 9.25% and is repayable in 12 months.

16 Transactions with related parties

Next Investments (Pty) Ltd	(17 075)	(3 318)	414.6
Charter income received	369	69	434.8
Rent received	247	640	(61.4)
Advertising income received	4	–	100.0
Facility fee paid	(4 598)	(3 108)	47.9
Interest paid	–	(919)	(100.0)
Management fees paid	(13 097)	–	100.0
Northern Namibia Development Company (Pty) Ltd ("NNDC")	408	292	39.7
Charter income received	406	282	44.0
Advertising income received	2	10	(80.0)

The sole shareholder of NNDC is Quinton van Rooyen, the Group MD and majority shareholder of Trustco Group Holdings Ltd. Quinton van Rooyen is not directly remunerated by the Group. Dividends received by virtue of his shareholding as well as his interest in Next and NNDC have been fully disclosed to the remuneration committee. Quinton Z van Rooyen (Jnr) is an employee of Next.

In terms of a management agreement with Next Investments, the following is payable annually to Next by Trustco after completion of the financial statement audit:

- 0.5% of Turnover;
- 1% of the headline earnings; and
- 1% of the basic earnings of the company.

If the annual growth of any of the above categories exceeds inflation by more than 5% then the payment is doubled. The above calculation is halved if this target is not met. Next may elect to waive any or all of its management fees due at the discretion of its management.

Notes to the Audited Abridged Annual Financial Statements (continued)

for the year ended 31 March 2013

17 Profit before tax

This is arrived at after taking into account the following:

Profit on foreign exchange differences	4 078	–	100.0
Profit on disposal of property, plant and equipment	–	156	(100.0)
Depreciation, amortization and impairment			
- Property, plant and equipment	(8 142)	(6 295)	(29.3)
- Intangible assets	(39 154)	(4 761)	(722.4)
Loss or disposal of property, plant and equipment.	(774)	–	(100.00)
Bad debts written off and provision for doubtful debts.	(2 402)	1 726	(239.2)
Audit fees	(3 300)	(1 488)	(121.8)

18 Directorate

Details of appointment and resignations of directors and other officers in the year under review were as follows:

Name	Position	Appointment	Resignation
J Mahlangu	Director	04 Feb 2013	
R Taljaard	Director	05 Jul 2012	
R McDougall	Director	31 Mar 2013	
A L Bock	Director		31 Mar 2013
M A Gebhardt	Company secretary		30 Nov 2012
D J Steyn	Company secretary	03 Dec 2012	

19 Dividends

The Board of Directors recommended on 2 November 2012 that an interim dividend of 1.90 cents per share be declared for the six months ended 30 September 2012. The dividend was paid on 14 December 2012.

The board of directors recommended that no final dividend for the year ended 31 March 2013 would be declared.

20 Litigation settlements & contingent liabilities

The contract with Econet in Zimbabwe expired during February 2012. The Group has recognised revenue as per the limited data provided by Econet while the legal process to recover damages and outstanding royalties continues. No liability was raised in respect of the insurance premiums for the period 1 June 2011 to 17 February 2012 as the group believes that they do not have a constructive obligation. In addition, no asset was raised as a result of the loss of income for the remainder of the contract period, subsequent to 30 September 2011.

Litigation continues on the above matter and during the 2013 financial year various legal opinions were sought on the recoverability of the claims as well as the merits of a possible obligation arising to Econet. Based on these opinions, the group has not chosen to impair the related financial asset or quantify any possible obligation.

21 Business combinations

On the 3rd June 2013, the group acquired the rights to various leased premises, accompanying staff and PPE from Real People (Pty) Ltd. In terms of IFRS 3: Business Combinations, the acquisition meets the definition of a business combination. The business which forms a set of integrated branch outlets and skilled workforce across South Africa was acquired to increase the presence of the group in South Africa and facilitate sales of Trustco products through direct outlets.

The Group will settle the transaction with 2 equal payments for R4.1m and a third and final payment to be determined based on the actual transfer date value of all the agreed assets and obligations less the difference between R9m and the actual monthly operating expenses of the entity for the months of June and July 2013, the value of such final payment is expected to be similar to the first two payments. All consideration is by way of a cash settlement.

Condensed Segmental Analysis

for the year ended 31 March 2013

	Micro insurance (Namibia) NAD '000	Micro Finance NAD '000	Property NAD '000	Zimbabwe NAD '000	South Africa NAD '000	Group NAD '000
2013						
Segment revenue	–	141 642	236 010	499	175 717	553 868
Inter segment revenue	–	–	(109 339)			(109 339)
	–	141 642	126 671	499	175 717	444 529
Insurance income	150 013	–	–	–	697	150 710
External revenue	150 013	141 642	126 671	499	176 414	595 239
Segment result	49 374	18 401	62 008	(1 169)	(55 614)	73 000
Inter segment	17 624	9 377	(43 317)	–	(17 300)	(33 616)
Profit for the year	66 998	27 778	18 691	(1 169)	(72 914)	39 384
Segment assets	170 559	455 649	675 102	49 889	181 728	1 532 927
Segment liabilities	106 809	307 898	137 178	–	12 912	564 797
Capital expenditure	4 969	5 797	21 202	–	4 761	36 729
Impairment losses	–	–	–	–	28 406	28 406
Depreciation	1 923	2 244	2 299	–	1 676	8 142
Amortisation of intangible assets	1 238	1 892	1 444	3 199	2 975	10 748
2012						
Segment revenue	–	114 566	211 514	29 076	309 654	664 810
Inter segment revenue	–	–	(77 808)	–	–	(77 808)
	–	114 566	133 706	29 076	309 654	587 002
Insurance income	126 302	–	–	–	–	126 302
External revenue	126 302	114 566	133 706	29 076	309 654	713 304
Segment result	77 814	39 870	161 693	22 819	7 033	309 229
Inter segment	(17 932)	(14 428)	(38 441)	–	1 396	(69 405)
Profit for the year	59 882	25 442	123 252	22 819	8 429	239 824
Segment assets	153 547	346 943	723 444	32 449	263 706	1 520 089
Segment liabilities	110 238	217 334	154 442	–	124 770	606 784
Capital expenditure	11 550	15 475	46 475	–	–	73 500
Depreciation	1 517	1 811	1 875	–	1 092	6 295
Amortisation of intangible assets	2 203	1 274	984	–	300	4 761

Accomplishments

Listed debt & equity markets

Trustco's listing on the JSE Limited was moved from the Africa Board to the Main Board on 21 May 2012. This turned out to be a very beneficial move as investor interest has peaked in the period subsequent to this move. The Namibian Stock Exchange (NSX) primary listing was changed to a secondary listing as of 16 of July 2012, which meant that the Trustco NSX Share price (TUC) mirrored the JSE Share price (TTO) and investors with access to either market obtained a fair price for trades. The group has listed a domestic medium term note program of ZAR 1bn on the JSE limited Exchange and it is anticipated that the first tranche will be drawn down upon in the 2014 financial year.

Global Credit Rating

During 2012 the Global Credit Rating Agency (GCR) issued Trustco a BBB- Long-Term Credit Rating.

Employment equity

Trustco received a performance award from the Employment Equity Commission (EEC) in Namibia. These awards are based on the Affirmative Action Compliance Reports submitted by employers to the EEC on an annual basis. Trustco was ranked 8th out of 738 employers registered with the Employment Equity Commission in Namibia. Trustco has always prided itself on being an equal opportunity employer who gives back to, and makes a substantial investment in, the community.

Formal accreditation of educational courses

The Institute for Open Learning (IOL) obtained accreditation from the Namibian Qualifications Authority for its DPPE (Diploma in Pre-Primary Education), ACSE (Advanced Certificate in Secondary Education) and ICDL (International Computer Driving Licence) courses as well as for the IUM (International University of Management) and ICB (Institute for Certified Bookkeepers) courses it offers. This endorses the quality of these courses and enables IOL students to benchmark their qualifications against international levels, making the courses more marketable thus opening the door to a wider student base.

During the year, IOL also introduced its own PDSPE course (Professional Degree in Senior Primary Education) as well as a second advanced ACPE (Advanced Certificate in Senior Primary Education) and POL (Police) certificates.

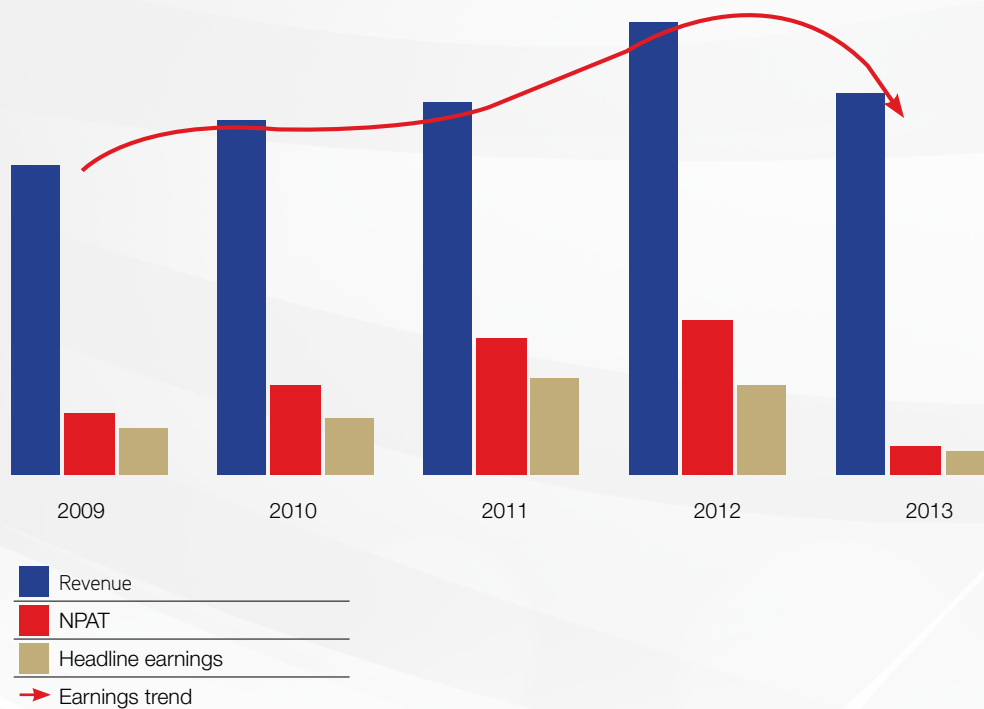


Chantelle Reid, chief operating officer of human resources for Trustco, received the company award from Minister Immanuel Ngatjizeko witnessed by Commissioner Usiku and Johannes !Gawaxab.

The “not so accomplished”

Financials

The company did not meet financial targets as it was decided during the year to launch its micro insurance offering in South Africa. Whilst management is well aware of the reasons for the reduction in earnings metrics, and are very bullish about future profits, it is disappointing to management that the group was not able to demonstrate another year of stellar growth to shareholders. However the benefits of current continuing capacity building and aggressive expansion will almost certainly be demonstrated in future earnings.



South African operations

A difficult and challenging market in South Africa for the insurance back-office function meant that the core Trustco Financial Services (TFS) operations no longer met the group's expectations of returns or profitability. Much of this was due to an ever-shrinking market for brokers and claims administrators in South Africa, as more insurers either insource or use international sites for processing, as well as the change in regulatory environment in respect of these operations. The extent of this reduction in business was that a new strategy had to be introduced to sustain the South African operations. A change in management has now injected new ideas and life force into the ailing operations. A direct and tangible result has been the YAMBU product launch, a short term legal cover insurance product, the projections of which for the future profitability in South Africa show a return to operational and financial efficiency.

Board of directors



From left to right: R McDougall, R Taljaard, F J Abrahams, V de Klerk, Adv R Heathcote, W J Geyser, J Jones (RSA CEO), Q van Rooyen, J Mahlangu

Board of directors: Trustco Group Holdings Ltd

CHAIRMAN OF THE BOARD

Adv R Heathcote SC (DOB: 25 September 1964) LLB
Independent, Non-Executive Director

4th Floor, Namlex Chambers, 333 Independence Avenue, Windhoek, Namibia

Adv R Heathcote is an advocate of the High Court of Namibia. He was an acting Judge of the High Court of Namibia in 2005, 2007, 2009 and 2011 and several of his judgments have been reported in both the Namibian and South African Law Reports. Adv R Heathcote was not only honoured by being appointed Senior Counsel in 2009, but has further served as the president of the Society of Advocates in Namibia.

INDEPENDENT, NON-EXECUTIVE DIRECTOR

V de Klerk (DOB: 26 November 1954)

3rd Ruhr Street, Northern Industrial area, Windhoek, Namibia

Ms de Klerk is currently the executive director of Namibia's most prominent rural development organisation – Women's Action for Development (WAD), which is widely known as one of the most effective NGO's in Namibia. Under her leadership, WAD has initiated a diverse range of small businesses and is involved in training an impressive number of unemployed Namibians countrywide to

acquire various skills in order to enter the labour market. Through her directorship and prominence in the media, the organisation has attracted a number of frontline Black Economic Empowerment partners to promote Broad Based Economic Empowerment (BBBEE). She has served the Trustco group as a member of the remuneration and nominations committee and was recently appointed as the chairperson of the remuneration committee.

INDEPENDENT, NON-EXECUTIVE DIRECTOR

W J Geyser (DOB: 3 June 1960), B Compt, Hons. B Compt CA (SA)

c/o Edison & Mandume Ndemufayo Street, Windhoek, Namibia

As a member of the South African Institute of Chartered Accountants, he held the position of assistant manager at the audit firm Deloitte, Haskins & Sells (now Deloitte) and later joined their financial management services division where he provided accounting assistance, taxation and estate planning to a number of individuals and companies. Since then he has performed consultancy work for large corporations and has held various senior positions. Mr Geyser currently holds the position of group managing director of Epic Holdings (Pty) Ltd and various other directorships in Namibian Companies. He is the chairman of the audit and risk committee and a member of the remuneration and nominations committee.

INDEPENDENT, NON-EXECUTIVE DIRECTOR

R Taljaard (DOB: 11 September 1959) B Econ & FCII

c/o Sam Nujoma and Robert Mugabe Avenue, Windhoek, Namibia

Mr Taljaard has held various senior executive positions. Mr Taljaard established Swabou Insurance in 1990 and Swabou Life in 1992. In addition, he founded the Harvest Reinsurance Company in 1997 and served on the Board of Trustco Insurance from 2000 to 2006. He has also held the position of managing director of both Trustco Insurance and Trustco Life, and joined the Board of Trustco Group Holdings on 5 July 2012. Mr Taljaard is a fellow member of the Insurance Institute of South Africa and Namibia and serves the Trustco group as a member of the audit and risk committee.

INDEPENDENT, NON-EXECUTIVE DIRECTOR

J Mahlangu (DOB: 9 August 1967) B Com (Acc), B Compt (Hons), CTA CA (SA)

Waterfall Crescent, Mahai Close, Waterfall Park, Bekker Street, Midrand, 1685, South Africa

Mr Mahlangu completed his articles with Pricewaterhouse Coopers (PwC) in 1996. He joined the Offices for Serious Economic Offences in 1998 and in 2000 returned to the offices of PwC where he was appointed as head of the PwC Forensic Services practice in Gauteng, and was made a partner in 2002. Mr Mahlangu further excelled by starting his own company, Ligwa Advisory Services and has a diverse client base. He has performed audit and forensic-related assignments internationally and in addition carried out various statutory appointments. Mr Mahlangu is a member of the audit and risk committee.

GROUP MANAGING DIRECTOR

Q van Rooyen (Executive) (DOB: 16 April 1965) B Iuris, LLB, DBL (Honoris Causa) Business Leadership & Entrepreneurship (IUM)

Trustco, 2 Keller Street, Windhoek, Namibia

Mr van Rooyen acquired Trustco for a meagre NAD100 in 1992 upon finalising his studies and simultaneously took over the company's debt. His business acumen and skill transformed the group into a successful dual-listed entity. Moreover, his creativity led to him being voted *Business Communicator of the Year* in 2003 and voted second *'Most Admired Business Personality of the Year'* in 2007. His talent and passion is to create products and services that are sustainable, socially responsible and that create extraordinary wealth for stakeholders by harnessing opportunities in Africa. Mr van Rooyen whole-heartedly believes that the full potential of Africa is yet to be realised.

GROUP TREASURER

F J Abrahams (Executive) (DOB: 19 June 1975) B Com

Trustco, 2 Keller Street, Windhoek, Namibia

Mr Abrahams commenced with his articles in 1997 after obtaining his degree and completed them in 1999. During this period he obtained vast experience in the financial sector and conducted various client audits. Upon completion of his articles, he took up the position of group financial manager in 2000. On 1 April 2004 he accepted appointment as group financial director, and having recently celebrated his 12th year with Trustco, Mr Abrahams stepped down as group financial director with effect from 31 March 2013. He continues to act in an executive role, and currently heads up the group's treasury function.

GROUP FINANCIAL DIRECTOR

R McDougall (Executive) (DOB: 19 January 1981) B Bus Sc (Hons) CA (SA), CA (Namibia), FRM

Trustco, 2 Keller Street, Windhoek, Namibia

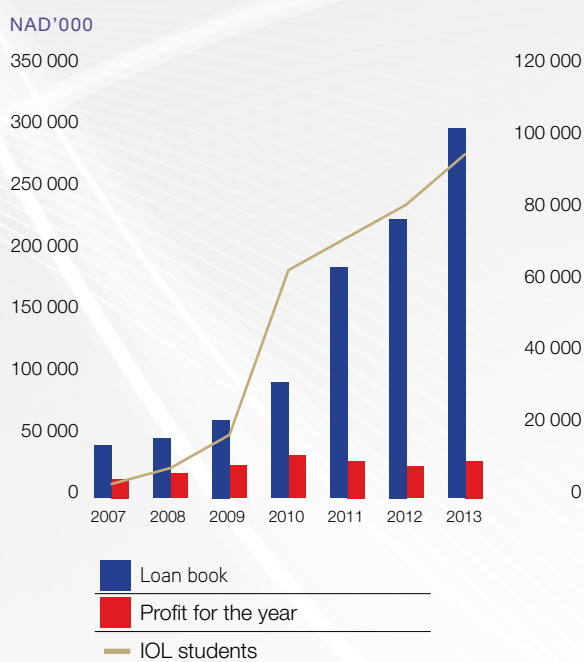
Mr McDougall is a qualified chartered accountant with a wealth of experience in financial services, specifically banking and financial risk management. Following the completion of his articles at KPMG Johannesburg in 2006, Mr McDougall gained practical experience as Head of Treasury Finance at HSBC Securities and the Hong Kong and Shanghai Banking Corporation in their Johannesburg office in South Africa. Thereafter he headed up the financial and regulatory accounting department at Standard Bank in Jersey, Channel Islands. He joined Trustco Group Holdings in 2012 and was appointed to the Board of directors during March 2013.

Operational Review

Namibia

Namibia

The Namibian operations are headed by Q Z van Rooyen B Com, LLB (University of Pretoria). Mr van Rooyen (Jnr) has a legacy of creativity and innovation; whilst studying fulltime he embarked on various successful commercial enterprises until he joined the group in 2011. His experience within the microfinance & education segment in Namibia enabled Mr van Rooyen (Jnr) to gain valuable on-the-ground experience in the core business of Trustco. This experience and his academic qualifications made him a natural choice to replace the outgoing Namibian head of operations. In January 2013, he officially took charge of the group's Namibian operations.



Our commitment to educational solutions in Namibia

The microfinance & education segment is part solution to Namibia's educational and financing demands, particularly in the previously excluded sector of the population. Students enrolled at the Institute for Open Learning (IOL) have direct access to affordable financing provided by Trustco Finance. The segment has a strong regional footprint with offices in six regions and over 18 active Smart Education outlets all over Namibia making education accessible to every Namibian. Over 95% of IOL's students receive financing through Trustco Finance of whom half are women and over 95% of all students are fully employed.

IOL commits itself to excellent educational programmes as well as involvement with public and community educational activities, and is becoming one of the foremost distance learning education institutes in Namibia.



Trustco Finance, the financing component to the segment, provides educational loans to students who register for courses at IOL. Financing for courses is typically the largest hurdle for many prospective students to overcome, but with direct access to educational funding, students are in a position to enrol for courses that would help them increase their core competencies and net salaries.

Typical loan amounts range from NAD1 000 to NAD20 000, with repayment terms ranging from 12 to 60 months with the average loan period currently standing at 37 months. Interest rates are set in accordance with Namibia's Micro Lending Regulations. The age group of Trustco Finance borrowers mostly ranges from 18 to 55 years. Approximately 49% of the loan portfolio comprises of individuals that are between the age of 18 and 34 years and 47% of borrowers are between 35 and 55 years of age. Loans granted to students residing in rural areas currently make up 78% of the total loan portfolio.

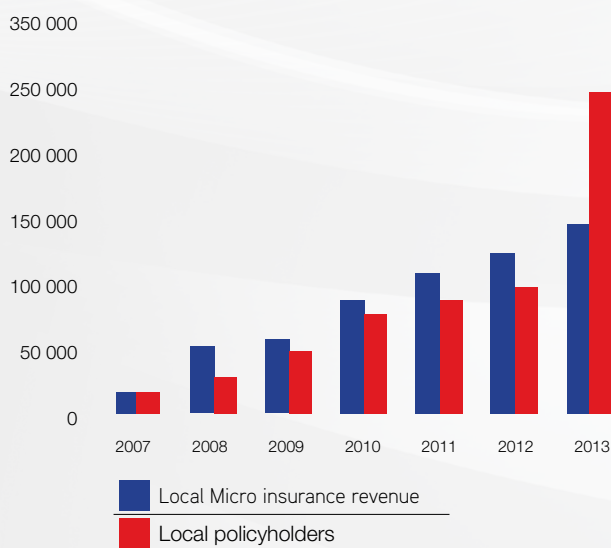
Trustco Finance has amended its business processes to be more transparent to borrowers and more pro-active in identifying borrowers who are struggling to meet their repayments. To this end, responsible lending practices, a revised loan application document and a robust provisioning policy have been implemented with advice from international funders. All of these efforts have resulted in a reduction of non-performing loans to a mere 4.7% of the loan book.

During 2012 Trustco Finance began utilising ICT capabilities to launch educational courses in previously inaccessible rural areas through the use of smartphones, tablets, laptops, delivery of course material and access to online courses.

Operational Review (continued)

A new way to view insurance

NAD'000



Micro insurance in Namibia provides short and long term insurance services through innovative niche products to people from all walks of life. Pioneering system-driven developments have made insurance even more accessible to the market in a novel way resulting in the introduction of the 'Free Life Cover' product. The ever expanding product base of this segment ensures that families, from the poorest to the richest, are able to afford accessible insurance products and safeguard their future.

Head office services

Monetising the Land Bank

This segment houses all properties of the group (including owner-occupied properties, rental properties and strategic vacant land) as well as the property financing division.

The group's property portfolio comprises mainly of strategic virgin land in the Windhoek area and in the northern town of Ondangwa suitable for industrial, commercial and residential purposes. The group currently owns 3.6 million square meters of sellable land to which the group refers to as the Land Bank. During 2013 financial year, the Land Bank has contributed NAD101m in revenue to the group's profits.

Experts are of the opinion that the value of Lafrenz, Trustco's largest single land holding in Windhoek, will increase for both industrial and residential purposes over the next five years.

A recent industrial land study showed that land for industrial development within the Windhoek basin is extremely limited. The report noted that, with the exception of one or two undeveloped erven and a small pocket of municipal land in the northern part of the city, no land other than the remainder of Trustco's Lafrenz development will become available for industrial development. Industrial developers therefore has little choice other than to focus on the Trustco area should it prefer a location within the Windhoek basin.

The land at fair value on the group's financials reflects an undeveloped price. The price per m² of developed land is substantially higher, but requires an investment to develop.

Short term financing arrangements are usually negotiated with banks to finance the land development. These facilities are repaid as sales materialise from developed land.

Innovative group support solutions

Although the costs and revenues in these group support operations are split on an allocative basis to the business units, this is a highly sustainable and viable segment. Already the group benefits from an inhouse advertising cost that runs significantly cheaper than publication in competitors' newspapers. The average comparative price for a full page advertisement in the Namibian newspapers runs seven times cheaper than that of competitors' in South Africa. For the same price as a full page advertisement in a South African daily print, the Namibian *Informanté* can run 14 pages in a weekly edition which would unfortunately take up almost 50% of the newspaper.

The *Informanté* is still distributed free of charge and currently has a weekly circulation of 65 000; which represents 20% of the working population of Namibia; and over one million copies circulated monthly in South Africa.

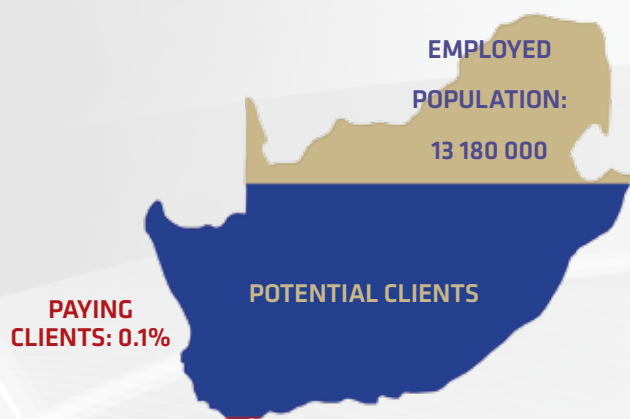
Other operations in this support segment include a media crew, a marketing studio, human resources management, fleet management, security services, internal audit, group finance, group legal, risk & compliance, IT, treasury, charter services and general administrative functions; all of which create a true diversified support segment which provides a cost-effective and meaningful method of delivering the group's products and services to inaccessible regions, and to communities from all walks of life.

It is the vision of the Namibian management team to be the crown jewel in the Trustco empire, and as Trustco continues to expand into Africa and beyond, management will continue to support and advise on new ventures.

Operational Review (continued)

South Africa

South Africa



Stakeholders will be pleased to see the group's second-in-charge spearheading the Southern African operations. Mr Jones has a wide range of business experience in South Africa ranging from operations and client management in several companies to sales and marketing management in Namibia. Since joining Trustco in 2000, Mr Jones has moved from being IT manager to general manager in 2003, before accepting a position on the group executive committee. Mr Jones' passion is to integrate technology solutions into viable products, specifically for the mass market. He relocated to South Africa to facilitate and ensure the smooth roll-out of the Trustco group insurance products in South Africa.

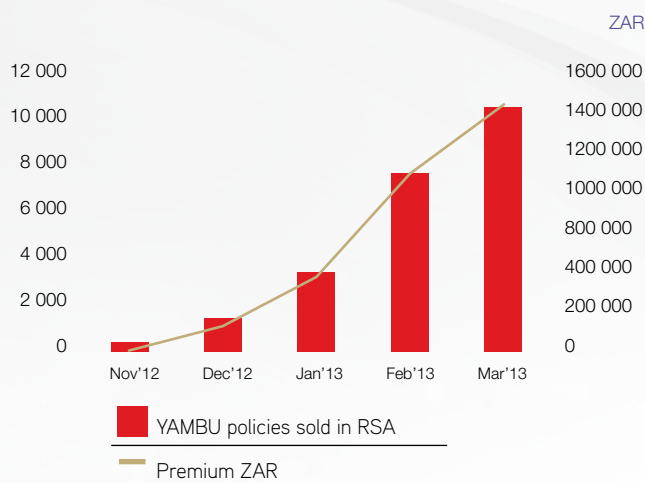
Micro insurance

The Southern African operations have begun to roll out some of the group's insurance products, which leveraged off successful micro insurance products from Namibia. The new insurance product offers cover for legal costs and services to those who cannot afford legal representation. 2012 saw Trustco South Africa operations launch YAMBU as a separate brand in the short term insurance space. Trustco Financial Services will be responsible for delivering micro insurance products to the mass market segment in South Africa. This is the first of a number of planned product launches to YAMBU's target market in South Africa. Trustco South Africa will soon offer a full range of innovative micro insurance products in South Africa.

The South African combined results for the year reflect a loss of R44.5m (excluding impairment). These results reflect the significant

investment into setup costs and marketing expenditure incurred in establishing new business initiatives; however, on the up-side this investment and capital expenditure saw sales of YAMBU reach 10 500 policies on 31 March 2013. This is an encouraging achievement in five months and it is anticipated that the sales momentum will continue into the next financial year.

On 1 June 2013, Trustco South Africa acquired a network of branches in all nine provinces in South Africa. These 53 branches will facilitate the selling of the group's micro insurance products and provide a face-to-face service to existing clients.



Historically Trustco South Africa has provided insurance, outsourcing information technology and software solutions to the financial services and insurance market. Recent legislative and regulatory changes have caused this line of business to come under pressure, resulting in reduced margins for these services. The Trustco group has embarked on a project of right-sizing this business and has reduced its operating costs as well as improved operating margins by exiting contracts from low margin business. The IT systems in Trustco South Africa will, however, be utilised to add value in supporting the new insurance business by applying superior premium collection capabilities to achieve higher collection success levels.

Information Technology

The IT Landscape in the Trustco group

The information technology system in Trustco is a widely diverse engine designed to fit with the corporate entrepreneurial style of the company and digest the group's various business nuances. The current focus of the group is to implement the blue print of Namibia with the initial focus being on insurance in the rest of Africa.

Trustco IT has long been tailoring its business systems to enable it to replicate the model in alternate locations. This is the enabler for the business to transform and white label the systems which have given birth to the core business in Namibia's many successes. It seemed that it would be a natural progression to have it transportable and replicable in other countries the group chooses to operate in.

With state-of-the-art infrastructure, the information systems incorporate the latest techniques and technologies to take advantage of the optimisations and performance to fully utilise the features and functionality of the applications which run on it to the maximum.

The choice of selecting which technologies was no coincidence, as the IT department had scoped the systems to ensure a manageable centralised platform, with good governance procedures that are easy to manage, measure and enforce.

Information technology plays an integral part of the Trustco group of companies and provides for all the infrastructure and customised systems to enhance and help drive the businesses forward in the space they choose to be in. In an environment where change is the only constant, the group embraces new techniques and technologies which support dynamic and creative initiatives to deliver services, while also enhancing the existing service offerings to further improve on efficiency and customer experience.

Pathway to strategic IT utilisation

David Swindon is the group's resident IT guru and provides a strategic edge over our competitors by leading the development and implementation of some of our best previous successes. Mr Swindon has been in the IT industry for over 22 years and currently heads Information Technology for Trustco as CIO. He has been associated with Trustco since 2000, initially as a contractor, before joining permanently in 2003. He has been involved in a number of business sectors, which has added a huge contribution with him being instrumental in the design through to implementation of all inhouse systems developed for Trustco during his tenure. This has enabled the business to leverage and to dominate against competitors.



David Swindon - CIO

David Swindon was appointed as the Chief Information Officer (CIO) on 1 September 2012

IT Focus

Information Technology in the Trustco group plays an instrumental enabling role in providing systems and solutions for the diverse core business drivers and the subsidiaries.

To be optimal and efficient, IT leverages areas of commonality, and converges these to align businesses and processes to follow on common threads.

Leveraging and optimisation were not isolated to business functions alone, but was also extended to converging the communications toward integration to enhance the competitiveness and sustainable growth throughout the group, thus saving on operating costs and adding substantial value.

Technology in the group is purposefully being put in place with the group's strategy in mind. The growth and systems developed have been aligned to the needs of the business and the vision of the group to provide for the solutions today incorporating the vision of tomorrow.

Innovation and technology are inseparable in Trustco, especially in this day and age where acceptance in the younger generation is completely natural and the expectation of being green is not a request, but a requirement. This has given IT scope to constantly re-assess what the group is doing in the scope of change, then aligning and advising the business on the new options in technology. This helps guide business to take advantage of IT and even to re-invent certain of its products, processes and offerings to supply new needs.

To achieve this level of integration requires constant evaluation to identify some specialised processes, which require strong understanding between business and IT. The needs and level of specialisation depends on the place/country of business, the type of business, and maturity of that business. This helps drive good governance, and because of the group's compliance to King III, it creates a good balance to ensure the correct controls are in place and that they are measured.

Internal audit plays a prominent role in performing its assurance function which ensures that good IT Governance procedures and controls are in place so that Trustco IT can deliver on quality and exceptional value.

It is required of IT to further develop a larger systems foot print and presence in the Africa and South African operations, to facilitate the business growth needs in line with the group's strategy. This process will bring about significant positive change during the new financial year and a host of opportunities.

IT Corporate Governance

The IT Steering Committee (ITSC) oversees the Information Technology (IT) investment priorities for the Trustco group and the purpose is to

- Provide strategic leadership for IT through the alignment of IT's strategic objectives and activities with enterprise strategic objectives and processes;
- Prioritise IT investment initiatives and deliver final approvals and recommendations on proceeding with proposed IT projects;
- Ensure open communication between the IT department and the other functional units of the Trustco group so as to promote collaborative planning and;
- Offer acceptance and guidance of the regional IT budgets to ensure strategic direction and acceptance on the allocations and usage thereof.

Information Technology

Hardware and Infrastructure

The IT department keeps a detailed IT Risk and Asset register and key items like Disaster Recovery Plans are revised and tested frequently to ensure the core business remains highly functional within an acceptable recovery time frame. The production (PR) and disaster recovery (DR) environments of the core business operate on an active/active basis, which means that the resources are balanced redundantly across the two data centres and the hardware clustered across no less than two server data centres through fibre optical cables. This ensures that the DR environment is always in a state of readiness. Operations which are not core but are important have off-site locations for staff to operate from.

All database back-ups are run daily according to the back-up strategies, and core databases are replicated near real time. Back-ups are stored by way of disk-to-disk and disk-to-tape. Tapes are taken off-site to a secured location.

Because of the similarity of the business in South Africa and Namibia from an IT and infrastructure perspective, as an extra variable, the department has the capacity to replicate country data in any other country should this ever be a requirement.

All data centres subscribe to the typical requirements that is expected in good governance, with Generators, UPS, and Fire Protection for Data Centres with Restricted Access controls.

Software Development

All custom software and maintenance is developed using the Trustco SDLC life cycle methodology, the department employs for a specific project and requirement. This includes a mature change control process which keeps the requirements of the business involved and ensures a deliverable which meets the needs of the business without compromising quality, security and integrity of our resources.

Support

For users and system / software support in each country, we use a tracking / ticket logging system to manage the requests and ensure that all service levels are maintained to the best of the department's ability with a prioritisation process to escalate urgent items.

Security

All systems are centralised within each country, and users have to authenticate themselves to be able to gain access to the network. Users have to subscribe to the password strength policy as enforced by the IT systems. Passwords are required to be changed regularly.

IT Policies and Procedures

All users must read and understand the IT Policies which govern the network usage and this requires to be agreed to before access is granted to the network and resources.

IT ensures random checks on staff to ensure compliance and that the fair usage of resources is observed.

These policies are revised from time to time.





Stakeholder Engagement

Stakeholder engagement

Trustco recognises that there is an extensive range of stakeholders who have an interest in the group and its activities and on whom its operations and products have an impact. There are also those stakeholders whose activities have an impact on the groups operations and interests and other stakeholders where co-operation leads to mutual benefit.

The group engages actively with stakeholders, shareholders, customers, employees as well as governments, non-governmental organisations (NGOs), local communities, regulators and the media, in order to understand and respond to their concerns and benefit from their contribution. This is done at an international, national, group and operational, or segment level.

The approach is one of both informal and formal multi-stakeholder dialogue to engage regularly and transparently. Formal and fully transparent processes demonstrate the level of engagement and provide a universal standard for monitoring stakeholder engagement.

Stakeholder engagement in this section deals with employees, customers, community, government and regulatory bodies, investors and shareholders, board of directors and media. Effective stakeholder engagement improves the management of regulatory risks which impacts on the clients and the groups' relationship with them. The group further believes that engaging with stakeholders encourages the principles of stability, comparability, consistency, accuracy and transparency of reporting, both internally and externally.

	Significance	What matters most	Engagement mechanisms
Employees: To remain competitive Trustco requires a high performance culture where employees are safe, engaged, accountable, empowered, recognised and rewarded. Trustco's vision is that there should be no discriminatory practices, implicit or explicit in the workplace, that restricts employment and opportunities of any person.	<ul style="list-style-type: none"> • Best minds and talents – employees are the core of the groups' business; their talents and commitment determine the company's ability to realise its vision and must ensure employee alignment with the group's strategy and mission. 	<ul style="list-style-type: none"> • Transformation and managing change • Reward and recognition • Fair and equitable workplace • Transparent in recruitment and selection • Focused on quality leadership to ensure optimum performance 	<ul style="list-style-type: none"> • Ongoing training and career development • Staff Social Scheme and Corporate Wellness Programme • Performance and Retention Incentive Scheme • Access to company information via corporate intranet, morning coffee table meetings and regular meetings with senior management • Team building events and regular regional office visits
Customers: Trustco realises that without its clients there would be no sales, no revenue and no business. The group understands the need to be more customer orientated in its approach in both services and products offered to ensure that customer satisfaction is constantly improved on. To maintain and improve market share it is essential for Trustco to respond to client queries, give feedback and work internally to improve service delivery.	<ul style="list-style-type: none"> • Essential to the growth and sustainability of the business • Expand the manner in which feedback is received from those using company products • Ensure word-of-mouth marketing success • Constantly improves and manages regulatory risks 	<ul style="list-style-type: none"> • Service satisfaction • Product awareness • Broaden customer base • Adding value and responding to their needs 	<ul style="list-style-type: none"> • Direct contact • Customer service charters • Customer call centres • Feedback forums • Regular and dedicated communication and contact • Social networking, Short Messaging Services, (SMS) online information
Community: The success of the group is not shaped and measured only by the financial outcomes, but also by the social and environmental impact that decisions and actions have on the broader community.	<ul style="list-style-type: none"> • Provides a platform to address social needs and to meet the company's social responsibility commitments • Engaging with the community demonstrates responsibility, being a caring corporate citizen and maintain the respect of the community 	<ul style="list-style-type: none"> • Transparency and accountability • Accessibility and availability of information • Foster and maintain strong ties with the community • Access to affordable services 	<ul style="list-style-type: none"> • Charitable donations to support social welfare and community interests • Educational and sports sponsorships to support development • Community outreach and corporate social responsibility program

	Significance	What matters most	Engagement mechanisms
<p>Government and regulatory bodies:</p> <p>Business is affected by policy and regulatory decisions. Trustco strives to strengthen relations with the government and its agencies and remains steadfastly committed to national goals of nation building, job creation and economic growth. The company has regular interaction and participates in workshops and summits involving government.</p> <p>Liaising closely with both government and regulators ensure a sustainable operating environment. Management continually seeks to ensure compliance with applicable legal and regulatory requirements by having regular Board and committee meetings, monthly executive committee meetings, ongoing engagement between management and management bodies and ongoing consultation with internal and external auditors.</p> <p>The various industries in which the group operates are regulated by amongst others; the Johannesburg Stock Exchange (JSE Limited), Namibian Stock Exchange (NSX), Financial Services Board (FSB), Namibia Financial Institutions Supervisory Authority (NAMFISA), Companies and Intellectual Property Commission (CIPC), Namibia Qualifications Authority (NQA) and The Ministry of Trade and Industry in Namibia.</p>	<ul style="list-style-type: none"> Affects the groups' ability to manage political, financial and other market related risks 	<ul style="list-style-type: none"> Transparent disclosures Legal and regulatory Compliance Regular engagement and dialogue between management and regulatory bodies Transformation in line with commitments Explore collaborations Job creation Strengthen relations 	<ul style="list-style-type: none"> Active involvement and engagement with government and regulators of different business segments Adhere to and incorporation of government regulations, policies and Acts Attending industry meetings, participating in government surveys as well as formal membership and representation on several forums, committees and federations Adhere to and incorporation of government regulations, policies and Acts
<p>Investors and shareholders:</p> <p>Trustco recognises the importance of engaging with investment communities in addition to market disclosures. The company values its shareholders and has as a priority timeous and robust communication and interaction with shareholders.</p>	<ul style="list-style-type: none"> Determined to support our growth and engage with shareholders and investors Shareholders diary and information Notice of AGM and proxies Administration information 	<ul style="list-style-type: none"> Investment and growth opportunities Governance and internal support Risk opportunities to expand in africa Risk management Management performance Communication and interaction 	<ul style="list-style-type: none"> Investor relations department Voluntary quarterly reports and announcements concerning significant matters Investor roadshows, institutional investor analyst events, presentations at industry conferences and investor tours of assets and operations Annual General Meeting (AGM) Dividend policy Websites and social media Circulars and announcements Press releases
<p>Board of directors:</p> <p>The Board provides effective leadership based on an ethical foundation and is responsible for strategic direction and control of the company whilst maintaining a balance between performance, strategy, sustainability and risk.</p>	<ul style="list-style-type: none"> Guardians of good corporate governance 	<ul style="list-style-type: none"> Balance between strategy, performance sustainability and risk. Act in the best interest of the company and shareholders 	<ul style="list-style-type: none"> Regular interaction and open communication lines between Group MD, external advisors, management and the Board Regular feedback to Board and sub-committee meetings
<p>Media:</p> <p>Engaging regularly with media stakeholders to stay abreast and informed of pertinent issues. Enhancing the digital footprint of the group ensures results in potential online growth, visibility and presence</p>	<ul style="list-style-type: none"> Ongoing dialogue via electronic and print media engagement with all stakeholders 	<ul style="list-style-type: none"> Open communication lines Transparent and accurate 	<ul style="list-style-type: none"> Network sessions Active web and social media interaction <i>Informante</i> newspaper Increased visibility

Corporate Social Responsibility

Inspiring education and development

The Institute for Open Learning (IOL) provides affordable distance education to over 40 000 Namibians through 400 different course offerings throughout the country. The programme presents the opportunity for Namibians to pursue education and training in fields such as business, information technology, police science and others. IOL donated educational materials to other educational institutions and organisations in Namibia and partnered with various education institutions to promote educational causes.

During the course of the year IOL supported the Salvation Army and the Rotary Club with their annual Winter Relief Project and donated 100 blankets to the Otjomuise Project School. These blankets proved invaluable to learners and teachers who had to camp outside whilst the school buildings were under renovations.

IOL further sponsored goods to the value of NAD30 000 to the Ministry of Education for the Heads of Department Conference in Windhoek as well as NAD10 000 to the Namibian National Teachers Unions for its International Teacher's Day celebrations. Sponsorships in the amount of NAD5 000 to the Namibian Police and Namibian Young Designers were made to encourage further studies within the police force and traditional attire design amongst previously disadvantaged learners.

IOL was also delighted to make a difference as the main sponsor for Children with Cancer in Namibia (CHICA). The company supported the Penkoppe Fundraiser 2012 initiative and contributed to the good cause of supporting children with cancer in Namibia in association with CHICA; who have done exceptional work for these children over several years.

Motivating direction and initiative

Trustco Insurance awarded three bursaries to the value of NAD25 000 each, to deserving law students enrolled at the University of Namibia, manifesting its commitment to invest in the improvement of education of the youth. The annual bursaries awarded to students brings the total grant to NAD475 000 for a total of 24 bursary holders.

As part of the Winna Mariba Million-a-Month game show, the Aruana Wheelchair Foundation received six wheelchairs to the value of NAD18 000 from Trustco Insurance. Trustco Insurance also supported the Salvation Army and the Rotary Club with their annual Winter Relief Project and donated 500 blankets for the vulnerable.

Trustco Insurance also supports and sponsors the West Coast Road Safety Initiative on an annual basis which aims to raise awareness and to reduce road fatalities on Namibian roads, particularly during the festive season.

Strengthening and building the future

Trustco is committed in its quest towards social justice, good citizenship and opportunities to all Namibians. The company made its biggest sponsorship and contribution this year towards education and it comprised a generous NAD500 001 towards the Keetmanshoop Campus Fund of the University of Namibia.

Furthermore, smaller educational facilities also benefitted from donations, such as the Dr Franz Aupa Indongo Primary School in the form of first aid kits. Other sponsorships included donations to Windhoek High School, Windhoek Afrikaans Private School, Namibia Business School, Vrede Rede Primary School and Windhoek Gymnasium Private School, with the latter also receiving NAD40 000 towards its athletics team in support of a tour to the University of Pretoria Top Ten Athletics Meeting in South Africa.

The Namibian Stock Exchange (NSX) Investment Challenge, a competition which has been running for more than a decade, showcases the country's future potential economists. The various school teams trade virtual shares on a virtual stock exchange platform. Elnathan Private School came out on top for the second year in a row and was crowned the overall winner of the challenge and also scooped up the second prize. Trustco once again supported this educational initiative and sponsored the first prize of NAD20 000.

With the aim of maintaining the company's commitment to an innovative and creative business model and also sharing Trustco's intrinsic belief in incorporating ingenuity into all spheres of industry, Trustco management attended the 1st Annual International Creativity Conference held in Namibia, Otjiwarongo. Trustco sponsored the transportation for all the international guest speakers travelling from and to Hosea Kutako International Airport and Otjiwarongo, as well as their transportation for the duration of the conference.

Trustco staff members also once again generously sponsored Christmas gifts and necessity boxes to the children of Sunshine Kid's Orphanage at the annual Christmas party the company hosts for the benefit of the children.

Supporting sport

Trustco Group International is dedicated to making a difference in communities using and promoting sports. To this end, it has supported various junior and senior sport individuals and teams locally, as well as for participation in international competitions.

Trustco Group International has entered into a joint venture with United Sport Club giving rise to the unification and synergy of two premier local brands. The company, in line with its ongoing endeavour to invest in the development of the larger community,



Trustco MD, Quinton van Rooyen (third from right) is flanked by squash players from the participating nations in the All Africa Squash Championships.



(Left to Right) Abe Beukes, financial director: Aruana Wheelchair Foundation; Gottfriedine Kaura, Eberesia Tjiveta, director: Onyose Trust Arenda Herman, chairperson: Aruana Wheelchair Foundation; and Paulo Coelho, Brand Manager: Trustco Insurance.

has committed itself to this sponsorship initiative for a period of five years. The club has been renamed Trustco United Sport Club and boasts world class sporting facilities for rugby, hockey, cricket and netball as well as a family restaurant.

The Trustco Annual Golf Day was a particular highlight of 2012. The event was an exceptional illustration of sport for charity with 33 teams participating, each comprising four players. The event raised an amount of NAD115 500 and all proceeds were donated to the Physically Active Youth Programme (PAY) Namibia. This is a registered, community-based charity group that provides after school care and development for under-privileged youths.

Trustco Group International first started as a minor sponsor and for over a decade has invested phenomenal resources into squash. The company believes in developing sport amongst the youth in Namibia, fostering a sense of healthy competition, commitment and teamwork in youngsters. Trustco has thus signed a sponsorship agreement to the value of NAD1.5m with the Namibian Squash Association (NSA) to be used over a period of three years towards squash development.

The company sponsored a visit of the World Squash Ambassadors from the World Squash Federation (WSF) to Namibia to promote squash and further consolidate relationships with squash playing nations across the globe. Of particular note is that the All Africa Squash Championships for juniors and seniors were hosted by the NSA for the first time ever in Namibia during February and March. These international events were made possible by the generous sponsorship of Trustco.

Further sponsorships were awarded to Cricket Namibia, Four Stars Netball Club and Namib Eagles; a sports club which caters for disadvantaged members of our society.

Strengthening the community

In 2012 Namibia was once again firmly placed on the world map, by the now world renowned NASA scientist Dr Japie van Zyl, who was born in Outjo, Namibia. Trustco aided in bringing Dr Van Zyl to Windhoek where he was a special guest of honour at an educational gala event co-sponsored by Cosmos Digital Radio and FNB.

In order to recognise the everyday heroes amongst us, Trustco sponsored local community achievers with a sum of NAD2 000 each. The heroes were nominated by community members via a SMS voting competition. One hero in particular, who touched the hearts of many Namibians, was Gert Gcao from the San Community in Tsumkwe. At the time of the competition he was recovering from severe burn wounds alongside four other men from the Tsumkwe. These men had saved an Australian tourist's life by shielding her from a bushfire with their bodies.

Beyond borders

Trustco via its South African brand YAMBU, provided desperately needed financial support to Community Provision & Social Services (COMPASS) children's home and orphanage. The pressure of the global socio-economic climate has forced poorer levels of society outside of the country's socio-economic structure. The poor, homeless, unemployed and uneducated have to survive by their own rules and understanding of society. By engaging with welfare organisations like COMPASS, Trustco creates opportunities for young South Africans to live a normal, balanced life and is currently sponsoring the care of 25 babies.

Trustco staff have also generously contributed and collected clothes, toys and other items for donation to those in need.

YAMBU has purchased a Tuc-Tuc vehicle, which it has branded and

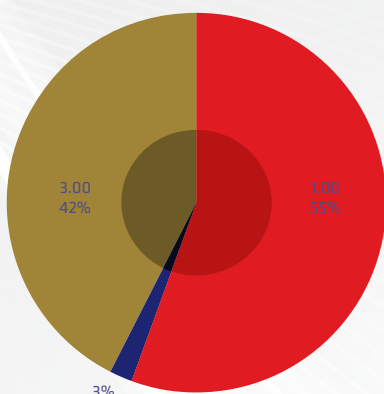
Corporate Social Responsibility (continued)



(Left to Right) Glenda Strauss, Brand Manager: IOL hands over first aid kits to Mr CA Groenewald HOD Project Coordinator for Dr. Frans Aupa Indongo Primary School.



(Left to Right) Trustco MD, Quinton van Rooyen, hands over the Annual Golf Day proceeds cheque to Willhemina Shiikwa, Project Coordinator: Physically Active Youth (PAY) the charity selected to benefit from this day.



TOTAL SPONSORSHIP	NAD
Education	58 672
Sport	1 005 143
NGO's and charities	753 611
	1 817 426

entered into an alliance with Routledge Modise Incorporated. YAMBU funds the Tuc-Tuc and Routledge Modise Incorporated will employ and manage the human capital required to maintain the operations of the vehicle. This project not only serves as an employment initiative, but affords both parties constant and invaluable outdoor brand exposure. The intention is to roll this project out as a national initiative for job creation and brand exposure.

The South African operations has followed the company's already proven successful strategy of delivering a monthly newspaper to target market communities at no cost to the recipient. The South African edition of the *Informanté* newspaper is packed with legal orientated articles which are designed to assist and educate the population on their rights, delivering 'news you can use'. One million copies are distributed freely each month across South Africa. This initiative is further supported by YAMBU sponsoring a weekly radio programme which also educates listeners as well as handles phone-in queries with regards to legal issues in their lives.

The Trustco group is committed to support and to assist institutions, programmes, schools and other worthy causes through bi-lateral support or direct sponsorships as a way to enhance and contribute to social development, social justice and opportunities for all.

Total sponsorship

Education	Sport	NGO's & Special	Total
58 672	1 005 143	753 611	1 817 426

Sustainability

Scope

The sustainability report serves as a platform to communicate past performance achieved and future sustainable projects and targets which will be embraced by the group. It is a progressive step in order to strengthen corporate values, strategy and decision making philosophies. The group recognises that its stakeholders have a growing interest in sustainability issues. Increasing transparency and addressing sustainability in the group helps to strengthen stakeholder trust, reduce costs, secure continuity of the business, and protect the brand. Collaboration with suppliers and stakeholders further encourages the development of more sustainable products and services. The group strategy is to multiply the positive impact of high sustainability standards on performance throughout the businesses by embedding sustainability into routine business practices and procedures.

Key focus areas for sustainability:

- Economic
- Stakeholders and community
- Employees
- Environment

Economic

Trustco's goal is to deliver superior growth in total shareholder returns and enhance the quality of earnings through solid risk management and diversification of earnings streams. The key focus will be ongoing profitability and sustainable growth.

Ongoing profitability - Trustco remains committed to deliver sustainable financial results despite a capital constrained environment and the adverse global economy. Continued focus on the integrated business strategy and optimising returns from each business segment will position Trustco to deliver growth in the coming year. The group's annual average earnings growth rate over the past five years has been above 20%.

Sustainable growth - The nature of Trustco's business and the institutional arrangements means that it is crucial for the group to have an investment grade credit rating. An investment grade rating also generally provides more favourable borrowing rates and offers shareholders additional confidence in the security and sustainability of earnings. In 2012, Trustco was given an investment grade rating of BBB- by Global Capital Ratings (GCR).

Group strategy is to focus on its insurance business to make it more robust with more innovative and diversified products, as well as to strengthen the educational segment to have a dominant position in Namibia. Insurance has improved its financial position by increasing Net Asset Value (NAV) and maintained adequate capital adequacy and liquidity ratios. Growth in number of insurance policies and educational course sales has continued to meet expectations. The group is well on its way to diversify geographically by expanding its

product base cross border into Africa and beyond. The launch and roll-out of legal insurance products in South Africa commenced under the product name of YAMBU.

With the JSE Limited primary listing Trustco is very aware that it must remain compliant with the listings requirements. Corporate governance policies, procedures and structures are constantly reviewed to ensure compliance. Board and staff training in this regard are considered a priority. Regulators are constantly engaged to ensure that Trustco is and remains compliant.

Stakeholders and community

The group has long recognised that to sustain its social license it must engage constructively with communities and stakeholders.

Community engagement mechanisms employed by the group include websites, social media, stalls and displays at events and shows, student support centres, contact classes and mobile offices, regular correspondence and Short Messaging Services (SMS). The group has regional offices and a physical presence in the main geographical areas. Mobile offices visit the regions and towns where the group does not have physical offices to ensure adequate opportunities for customer satisfaction and experience. The business units make use of the *Informante* newspaper as well as other print media to ensure that clients stay abreast of the latest company news, product information and development.

The group also supports regional communities, creates employment opportunities and enhances existing services including education, sport, facilities and welfare through contributions, sponsorships and donations. Trustco's vision is to deliver on a range of initiatives and continuous improvement of products and services.

Employees

Trustco's goal is to engage its employees in ways to support its business, to grow and improve their skills and ensure they deliver outstanding performance and results in a sustainable manner.

To attract and retain skilled staff remains a challenge on the group's journey of expansion and growth as well as to ensure succession is in place for key executive positions. Several measures have been implemented to attract the best talents and to retain the required skills in Trustco. The group strives to create an informal yet disciplined atmosphere that is conducive to innovative and creative thinking and ultimately to Trustco's unique business culture.

It is important to create a safe, engaged and challenging work environment where employees can contribute to the overall sustainable success of the group. Staff enjoy several unique benefits under the Staff Social Scheme. The scheme incorporates benefits specifically for the purpose of retaining skilled staff and also to contribute to the social wellbeing and health of employees. The scheme also aims to provide financial security to both the staff member and his or her family by means of life and disability cover.

Sustainability (continued)

The scheme includes amongst other a hospital fund, an employee fund, functional impairment cover, dread disease cover, maternity leave benefits, paternity leave benefits, birthday leave, life and disability cover. The scheme also includes additional unique benefits for example; additional annual leave, sabbatical leave as well as a Corporate Wellness Programme. The focus of this programme is educational and aims to create awareness of general health and wellness amongst staff members. The Staff Social Scheme and Corporate Wellness Programme are mutually beneficial to the group and its employees in that it serves as retention tool whilst improving the overall health and productiveness of the employees.

The group understands the importance of succession planning to the stability, viability, bottom line and sustainability of the company. Succession planning in the group is managed over the long term as it remains a continuous process of identifying and preparing strong employees through mentoring, training and development to move into their next role. Leadership transition is also a strategic initiative driven by the Board. The management teams of all segments are actively involved in the succession planning process. Succession planning takes place in consultation with senior management and is continuously updated, monitored and adjusted according to change in employee cycles. Succession plans and succession organograms are accordingly adjusted in terms of changes and growth in the organisation. The succession plans in the group are open and discussed and communicated to all involved.








Environmental impact

Although Trustco has a relatively low carbon footprint, the group is conscious of the fact that each and every corporate citizen should take and implement measures to limit and reduce their carbon footprint to safeguard our natural resources for future generations. Trustco, on an ongoing basis, is using and moving toward the use of additional green technologies in the workplace and properties. The company has sensitised all employees to environmental issues and has become a huge supporter of recycling, reduced power consumption, water saving, working towards a paperless work environment and other environmental responsible practices. Environmental awareness campaigns are incorporated into the Corporate Wellness Programme and are co-ordinated by the human resources department to ensure continuous awareness among staff.

Trustco has approached Global Carbon Exchange (GCX) to do a carbon assesment footprint and by completing the process has become one of Namibia's first corporate entities to complete a Carbon Footprint Assessment in accordance with the Green House Gas Protocol. The assessment of Trustco's carbon footprint makes business sense as it reduces operational costs and secures a greener and more environmentally friendly approach to business.

The company is now aware of its total emissions and is implementing measures to further monitor, reduce and minimise emissions and waste from its operations. This was the beginning of a low carbon path for Trustco to become a more sustainable company.

An account of sustainability targets achieved and not achieved detailed below:

Category	Description	Target	Target achieved	Performance
Economic	Maintain growth in earnings	To grow earnings by over 12%		Financial performance down 65% on prior year
Economic	Solid credit rating reflecting underlying cashflow potential	BBB-		BBB-
Economic	Replicate successful business model in other countries	Commenced roll out of insurance products in RSA		YAMBU launched
Economic	Development of land for residential/commercial use	Service 12 – 14 ha of land and make this available for commercial property development		Land Bank phase II moved to 2014 and residential development not yet started
Stakeholders & community	Being responsive to the educational needs of students	Relevant course and curriculum development of course material; preparing students for the workplace		Six new courses developed as well as certification of 41 courses by local educational body
Environment	Carbon emissions and green initiatives	Reduce carbon footprint and move to more energy efficient initiatives		Head office buildings converted all lights to LED
Employees	Ensure a diversified and integrated staff	Employment equity		Received an employment equity award

Corporate Governance

Statement of Compliance

The group is committed to high standards of corporate governance, best practice, business integrity, ethics and professionalism. The Board continually strives to improve the level of compliance with integrated reporting. The Board recognises the necessity to conduct business in accordance with the King Code of Corporate Practice and Conduct ("King III"); it also adheres to the Companies Act and the JSE Limited and NSX Listings Requirements.

The King III principles are embodied in the group's internal controls and policy procedures governing corporate conduct. The Board is satisfied that all efforts have been made to comply with King III and where the group does not comply, it is stated and explained.

Board Structure



The Board of directors consists of eight directors, of which the majority, including the chairman of the Board, are independent Non-Executive Directors.

In terms of King III the chairman of the Board is to be re-elected annually. Adv R Heathcote was re-elected as Chairman of the Board for 2013.

Appointments to the Board

The Board, in conjunction with the Remuneration and Nominations Committee, reviews and assesses the mix of skills and experience of its directors as well as the Board's composition. Paragraph 3.2 of the Remuneration and Nominations Charter titled "The responsibilities and duties of the committee in relation to nominations." is applied when appointing directors.

The directors retire every subsequent year in accordance with the Articles of Association of Trustco Group Holdings Limited.

Chairperson and Managing Director

In line with best practice, the roles of the Chairperson and Managing Director are separate. The Board is chaired by an independent non-executive chairman, Adv Raymond Heathcote. The roles of the chairman and Managing Director, Mr. Quinton van Rooyen, are strictly separate with a clear division of responsibility. The Chairman is responsible for leading the Board whilst the Managing Director is responsible for the operational management of the group.

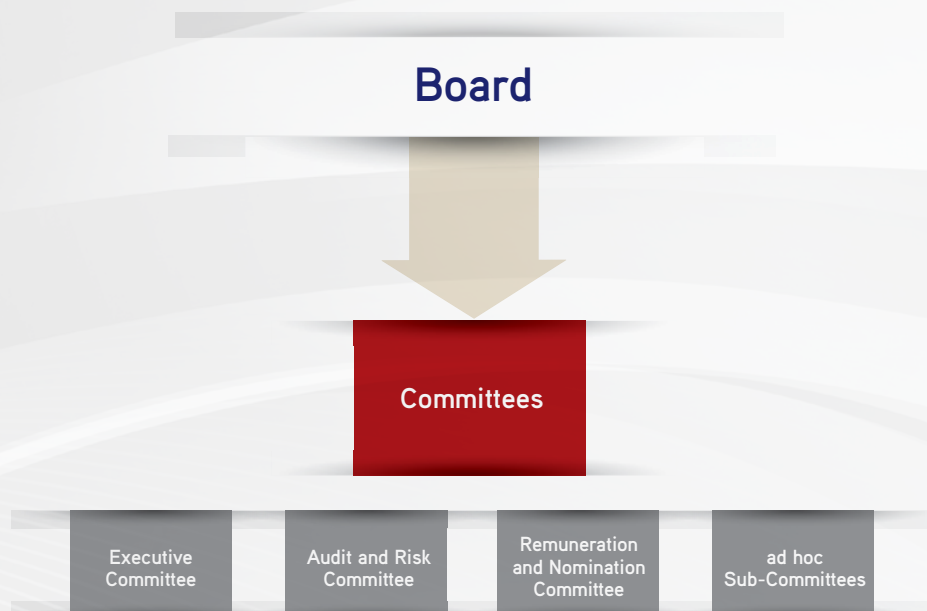
Board meetings

The Board holds a minimum of four meetings and one strategy session every year.

The table below records the attendance of directors at these meetings:

Name of Director	Appointed	05/07/12	26/09/12	02/11/12	15/03/12
Adv R Heathcote		✓	✓	✓	✓
W J Geyser		✓	✓	✓	✓
V de Klerk		–	–	✓	✓
R Taljaard	05/07/12	–	✓	✓	✓
J Mahlangu	04/02/13	–	–	–	✓
Q van Rooyen		✓	✓	✓	✓
A L Bock	resigned 31/3/13	✓	✓	✓	–
F J Abrahams		✓	✓	✓	✓
R McDougall	31/3/13	–	–	–	–

Corporate Governance (continued)



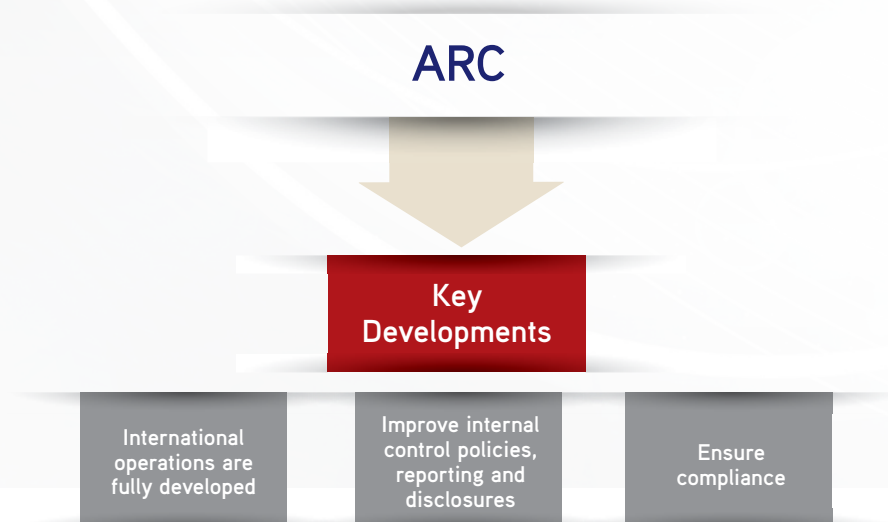
Board

Trustco has a unitary Board of directors consisting of 8 directors, the majority of whom are non-executive directors. The Chairman of the Board is an independent non-executive director.

Independent Non-Executive Directors	Non-Executive Directors	Executive Directors
5	0	3

Audit & risk committee (ARC):

In line with the ARC Charter, the committee is tasked with maintaining oversight regarding the internal system of controls of the group, as well as assessing the integrity of the group's Integrated Annual Report and Annual Financial Statements. The ARC is further responsible to assist management in developing a framework to identify, monitor and manage risk.



The audit & risk committee held three meetings in the year, with attendance as follows:

Name of Director	Appointed	19/06/12	18/10/12	22/02/13
W J Geyser (chairman)		√	√	√
R Taljaard	05/07/12	–	√	√
J Mahlangu	04/02/13	–	–	√

Audit and risk committee report

The audit and risk committee is pleased to present its report for the financial year ended 31 March 2013.

Terms of reference

The committee has adopted formal terms of reference as its audit committee charter. This charter has been approved by the Board of directors. The committee conducted its affairs in compliance with this charter and has discharged its responsibilities contained therein.

Committee membership and attendance at meetings

The committee consists of three independent non-executive directors and meets at least three times a year. The committee met three times in the 2012/2013 financial year.

The Group MD, FD and other members of management (as appropriate) attend the meetings by invitation. Representatives from the external and internal auditors are also in attendance by invitation.

Roles and Responsibilities

The roles and responsibilities of the committee include those assigned to it by the Board and which have been documented in the charter.

Duties

In the conduct of its duties, the committee has performed the following:

- nominated, for appointment as auditor of the company, a registered auditor who, in the opinion of the committee, is independent of the company;
- determined the fees to be paid to the auditor and the auditor's terms of engagement;
- ensured that the appointment of the auditor complies with applicable statutory provisions relating to the appointment of auditors;
- determined, subject to applicable statutory and regulatory provisions, the nature and extent of any non-audit services that the auditor may provide to the company, or that the auditor must

not provide to the company or a related company;

- pre-approved any proposed agreement with the auditor for the provision of non-audit services to the company;
- prepared a report, to be included in the annual report of the company for the relevant financial year, that addresses the items as prescribed in applicable statutory and regulatory provisions;
- received and dealt appropriately with any concerns or complaints, whether from within or outside the company, or on its own initiative, in relation to the matters prescribed in applicable statutory and regulatory provisions;

Where applicable made submissions, to the Board on any matter concerning the company's accounting policies, financial controls, records and reporting

External auditor

The committee has satisfied itself that the external auditor was independent of the company, and includes consideration of compliance with all relevant legislatures relating to independence of auditors.

No non audit services were provided by the external auditors for the period under review.

For the 2012/2013 year, the committee has nominated, for approval at the annual general meeting, BDO as the external audit firm, and Mr J De Vos as the individual auditor responsible for performing the functions of auditor. Mr J Schoeman was appointed as the JSE accredited partner.

The committee fulfils an oversight role regarding the company's Integrated Report as well as the reporting process, including the system of internal financial control. It is responsible for ensuring the internal audit function is independent and has the necessary resources, standing and authority, within the organisation to discharge its duties.

Internal controls

After due consideration of information and explanations by management of the combined assurance, and discussions with the external auditor on the results of their audit; the audit and risk committee is of the opinion that the company's system of internal controls is effective and forms a basis for the preparation of reliable financial statements.

Corporate Governance (continued)

The audit and risk committee has considered the appointment of the financial director, Mr. Ryan McDougall, and is satisfied with his capability and competence.

Financial statements

The committee has reviewed the separate and consolidated financial statements of the company and is satisfied that they comply with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act.

Risk management

The Board has assigned oversight of the company's risk function to this committee. The committee fulfils an oversight role regarding:

- the adequacy of the nature, intent and effectiveness of the risk and control infrastructure within the Trustco environment; and
- the review of, and compliance with, the risk philosophy, strategies and policies of the company.

Internal audit

The committee has approved the annual audit plan. The internal audit function reports to the committee and has the responsibility for reviewing and providing assurance on the adequacy of the internal control environment across the company's operations.

Whistle blowing

Remuneration & nominations committee (REMCO):

REMCO considers and recommends to the Board with reference to succession planning, general staff policies, remuneration and performance benefits and bonuses while making sure that the executives are compensated according to performance.

The committee is satisfied that adequate and appropriate provision is made for whistle blowing. No instances requiring action were encountered during the year under review.

Sustainability reporting

The committee has considered the company's sustainability information as disclosed in the Integrated Annual Report, and has assessed its consistency with operational and other information known to the committee members. The committee is satisfied that the sustainability information is reliable and consistent with the financial results.

The committee is satisfied that it has met all of its objectives and satisfactorily discharged all of its responsibilities.



W J Geyser
Chairman

REMCO

Key Developments

Consider and recommends on board appointments, succession, policies, remuneration and benefits

Individual performance, short and long term incentives

Recommends proposed fees for approval after due consideration

Recommends on the composition of the Board

The remuneration and nominations committee held three meetings in the year, with attendance as follows:

Name of Director	Appointed	02/07/12	01/10/12	12/03/13
W J Geyser		√	√	√
V de Klerk (chairperson)		√	√	√

Report of the Remuneration and Nominations Committee

Remuneration and Nominations Committee (REMCO)

Members (as appointed 5 July 2012)

Ms V de Klerk (chairperson) as appointed 5 July 2012

Mr W J Geyser as appointed 5 July 2012

Composition and meeting procedures

REMCO is chaired by an independent director and comprises solely of non-executive directors of Trustco Group Holding Limited. The meeting is attended (by invitation) by the group managing director and head of human capital, who is the executive responsible for human resources management. Meetings are held at least once a year.

Role and responsibilities:

REMCO considers and recommends to the Board matters regarding:

- Executive remuneration;
- Level of fees for non-executive directors;
- Remuneration, fees and service contracts;
- Succession planning and general staff policies;
- Benefits and performance bonuses;
- Short- and long term incentive scheme and group retirement funds;
- Review and approve succession plans for key senior executives and makes recommendations to the Board;
- Review recruitment policies, workforce composition and diversity learning and development, performance management systems, staff retention policies and makes recommendations to the Board;
- Monitors the implementation of the strategic objectives and policies by management and reports to the Board;

Ensure competitive reward to facilitate the recruitment, motivation and retention of high-performance employees at all levels;

- Relevant performance measures for executives;
- Special benefits or arrangements;
- Review promotions, transfers and termination of employment policies;
- Ensure compliance with applicable laws and codes.

REMCO relies on external market surveys and industry reward levels as benchmarks. Remuneration packages are structured in such a way that short- and long term incentives are linked to achievement of business objectives.

REMCO recommends proposed fees for approval to the Board after due consideration of the comparable fee structures and market practices.

Corporate Governance (continued)

The REMCO Chairperson reports to the Board and attends the AGM to report on REMCO's discussions, which include:

- Key developments areas;
- Reviews new developments;
- Ratifies increases and adjustments for executives and senior management and all other employees;
- Recommends fee levels of non-executive directors.

REMCO furthermore performs the functions of a traditional nomination committee and the duties include:

- Identifying, evaluating and recommending suitable potential candidates for appointment to the Board (appointment of directors remain a function of the Board);
- Making recommendations on the composition of the Board based on skills, knowledge, experience and resources

Mr J Mahlangu was identified and recommended by REMCO based on his skills, knowledge and experience and was appointed by the Board effective 4 February 2013.

Company Secretary

All directors have access to the advice and services of the Company Secretary, Mr. Dominic Steyn, who is responsible for ensuring compliance with procedures, applicable statutes and regulations. Mr Steyn is responsible for providing the directors with up-to-date information on regulatory developments and corporate governance principles. Where appropriate, the company secretary involves the sponsor and other relevant experts in this regard.

The Board has considered Mr Dominic Steyn's qualifications and competence to act as Company Secretary and his ability to execute the role with sufficient independence.

The Board is satisfied that Mr Dominic Steyn is competent to act as company secretary with sufficient independence from the Board as he is not a director of the Board and holds no shares in Trustco.

For the Board to function effectively, all directors have access to information to assist them in their duties. This includes corporate announcements, investor communication and developments. Directors have full access to management as required.

Executive committee (EXCO) structure:

The EXCO structure has been implemented in accordance with best practice with optimisation for the sectors that Trustco operates in. EXCO is chaired by the group managing director and is responsible for the implementation of strategy and operations as defined by the Board. Recommendations of EXCO are referred to the Board for final approval.

Group Managing Director



Exco

Corporate
Affairs

Corporate
Communications

Group Legal, Risk
and Compliance

Information
Technology

Finance

Namibian
Operations

RSA
Operations

Treasury

Group Executive Committee

EXCO

Sub-committees

Group Capital Adequacy Committee

Independently reviews the segments
Oversees & mitigates risks

Group Credit Committee

Approves credit applications
Objectively reviews applications
Ongoing review of risk

Group Review Committee

Reviews performance
Protects stakeholders' interest



Q VAN ROOYEN
GROUP MANAGING DIRECTOR



E JANSE VAN RENSBURG
HEAD: CORPORATE AFFAIRS



B V KANDETU
HEAD: GROUP CORPORATE COMMUNICATIONS



J JONES
DEPUTY GROUP MANAGING DIRECTOR
COUNTRY CEO: SOUTH AFRICAN OPERATIONS



Q Z VAN ROOYEN
COUNTRY CEO: NAMIBIAN OPERATIONS



D SWINDON
CHIEF INFORMATION OFFICER



F J ABRAHAMS
GROUP TREASURER



D J STEYN
HEAD: GROUP LEGAL,
RISK & COMPLIANCE AND COMPANY SECRETARY



R MCDUGALL
GROUP FINANCIAL DIRECTOR

Corporate Governance (continued)

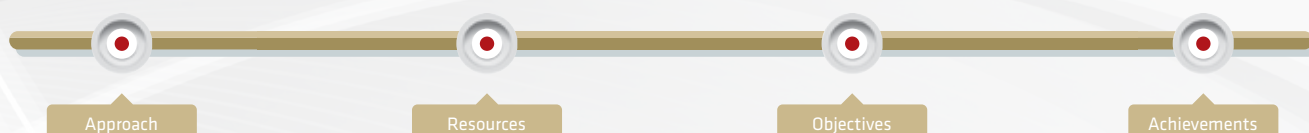
Risk Management Review

Formal risk

Formal risk assessments are completed at least annually in each operating segment and risk registers are maintained and monitored on an ongoing basis. Risk ratings attached to each identified risk guides the group executive committee and the audit and risk committee as to the level of attention required. Below are the key risks and risk types affecting the group:

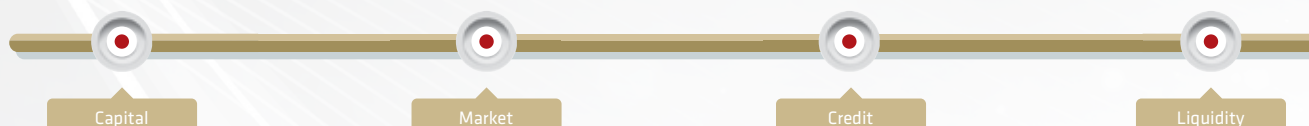
Strategic risk

Strategic risks are the risk of failing to achieve business objectives. It is integral in the strategic planning and decision-making process when formulating the strategy, budgets and business plan. The function of the compatibility between the company's objectives, the approach and resources used to meet the envisioned objectives and the effectiveness and quality with which executives implement systems for purposes of facilitating the achievement of the objectives. The strategic risk assessment is integrated into the strategic planning process of the group.



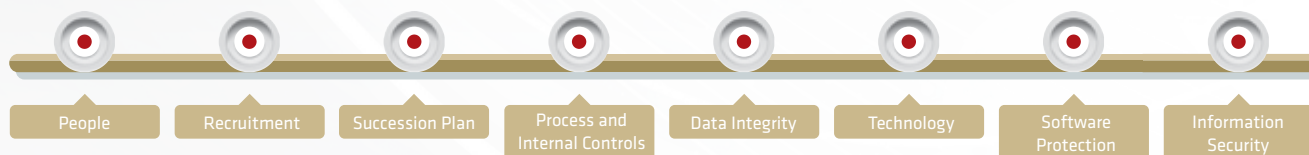
Financial risk

Financial risk is any risk that may result in a financial impact to the group. The group seeks to minimise the effect of these risks through various financial instruments, as well as utilising ongoing reporting internally, on liquidity, credit and market risk and ensuring adherence to prescribed capital requirements in regulated entities.



Operational risk

Operational risk is the risk of an adverse financial or operational impact resulting from inadequate internal processes, people or systems. It also includes external events such as legal risk. Utilising risk, repeating risk events and employing suitably trained staff in this are a help to minimise the occurrence of these events.



Social and environmental risk

Environmental risk management places a strong emphasis on targeting the problems that could arise from natural events and pollution. In order to limit and hopefully prevent and or mitigate these situations the company and different segments implemented a system of metrics that assist with prevention and mitigation on all operational levels.

Social risks emerge from society's aspirations and demands and the company's vulnerability if failing to meet these demands. Social and environmental risk management complete and enhance the current mainstream of corporate social responsibility and is an integral part of the company's risk management registers and systems.

The company continues to ensure that appropriate attention is given to environmental and social concerns and continuously monitors these risks.

Operating across various international domains presents an increase in the group's exposure to various regulatory regimes, and therefore a risk that changing socio-economic climates may present an ongoing operational burden. This is pro-actively monitored by the group EXCO.



Prof Mervyn King in Windhoek on *Governance beyond boardroom*

Risk mitigation and contingency planning

With any business there will always be risks from a variety of sources, both internal and external. It is important for the company to identify, classify and mitigate these risks.

Trustco follows a risk process consisting of: risk identification, mitigation, contingency planning, risk control and management.

Trustco believes that a key aspect of both risk mitigation and contingency planning is the ability to identify potential risks before they arise and plan mitigation or contingency strategies.

The company therefore takes into account the views underlying the business plan or model, and asks what would happen if the views turned out to be incorrect? In addition to identifying potential risks, the company prioritises its mitigation and contingency planning efforts on the most significant risks, with the most significant risk being addressed first.

During risk mitigation the company focuses on identifying risk owners for the risks identified, minimising the risks once they arise; whilst contingency planning ensures an alternative course of action planned once a risk surfaces.

The company continuously monitors risks and controls in order to:

Corporate Governance (continued)

Risk Management Review

- Ensure the execution of the risk plans and evaluate their effectiveness in reducing risk;
- Keep track of the identified risks, including the watch list;
- Monitor trigger conditions for contingencies ;
- Monitor residual risks and identify new risks arising during project execution; and
- Update the organisational process assets;

The purpose of risk monitoring is to determine if:

- Risk responses have been implemented as planned;
- Risk response actions are as effective as expected, or if new responses should be developed;
- Project assumptions are still valid.
- Risk exposure has changed from its prior state, with analysis of trends;
- A risk trigger has occurred;
- Proper policies and procedures are followed; and
- New risks have occurred that were not previously identified.

Group risk overview

The group is exposed to commercial and market risks in the ordinary course of its business. The most significant of these risks identified by the company are credit risk, interest rate risk, liquidity risk and operational risk.

Credit risk is the risk of loss due to the non-performance of the group to repay any financial obligation as a result of the deterioration in the financial position of the group.

Interest rate risk is the sensitivity of the financial performance and/or the financial position of the group due to unexpected movements in the interest rate.

Liquidity risk is the risk of not being able to meet funding or trading obligations as and when they become due and payable.

Operational risk is the risk of incurring loss as a result of inadequate or failed policies and procedures, people or from external events.

Focus on the Namibian consumer market results in a geographic and market concentration risk.

The group's operations are currently mainly focused in the Namibian market. The group is expanding its product offering in South Africa and Africa, which should alleviate geographic and market concentration risk. However, currently the group does face a geographic concentration risk. Any adverse effects on the

Southern African, and more specifically, the Namibian economy are likely to have an adverse impact on the loan portfolio and in its insurance products penetration, lapse rate and take up, thereby, operating performance.

The group may require additional capital in the future for growth.

The group cannot make assurances that it will be able to generate sufficient cashflow internally, or obtain alternative sources of capital on favourable terms. Growth potential may be hindered by reduced access to capital. Whilst Namibia's loan book has funding lines that should materially ensure the lending business is fully funded in Namibia, expansions into other geographical areas may require additional capital. This risk is however somewhat mitigated in that the other areas of the business not in the lending space are largely cash generative, proceeds of which may be deployed, however access to capital remains a risk.

Liquidity risk

The group's ability to make scheduled payments on or to refinance debt obligations depends on the financial position and operating performance of the operational entities, which is subject to the economic climate at the time, and may be out of its own control. The group cannot make assurances that its operational subsidiaries will indefinitely generate sufficient cashflow to satisfy the debt obligations. This could place liquidity risk on the business.

Group success is dependent on key members of management; the loss of which could have an adverse impact on their business

The leadership team has a good mix of experience in financial services. They also have extensive experience in establishing and building new businesses, all having been part of the development of a number of the entities within the group over the years. The loss of such intellectual capital could have an adverse impact on the business. This risk has been identified and succession structures are in place in all material operating subsidiaries.

A system failure could cause delays or interruptions in service which could result in the loss of clients

The centralised nature of the businesses processing is reliant on a functional Information Technology (IT) platform. In the event that the IT platform is disrupted, this would negatively impact on the level of service that is rendered to clients. The group cannot guarantee that clients would not seek alternative funding channels due to reduced service levels. This risk is however largely mitigated in that the IT platform has been developed inhouse and has off-site back-ups. Nevertheless given the reliance of the group on its IT technology as a differentiator, it does remain a material risk.

Material specific risk factors:

- Microfinancial services

Microfinance & Education

- The loan book is predominantly secured by way of a government deduction reservation code. There is a risk that in the event that this is withdrawn, the collection profile, without other interventions, will be affected negatively.
- The terms at which loans may be advanced to students are regulated by the Namibian Financial Institutions Supervisory Authority and governed by the Ministry of Finance, currently capped at Namibian Prime x 2. The performance of the book will be affected by any changes to legislation in this regard.
- The Institute for Open Learning (IOL) is regulated by the Namibia Qualifications Authority (NQA), Namibia Training Authority (NTA) and the Ministry of Education, in respect of the academic courses. The withdrawal of accreditation on a material number of the academic courses could, without a re-balancing to skilled courses, have a material effect on the ability to penetrate the market and sustain current growth rates.

Micro insurance

- The two main risks in this segment revolve around regulatory risk and market concentration risk. The majority of the profits in this segment are generated in Namibia. Concentration and market saturation risks have been identified. The roll-out of

the group's insurance products in South Africa, together with its Pan-African mobile strategy will over time alleviate this risk; however, currently there remains a concentration risk. As with any regulated industry, there is a risk in respect of changes in regulations, which may have an adverse effect in the performance of this segment.

- A further material risk to Trustco Mobile and its envisaged roll-out into Africa is that its competitors may copy the 'business and risk' model of the IT application, with patents registered in most of the jurisdictions where Trustco envisages rolling-out. This risk has been mitigated to a significant degree.

- Group support

Land Bank

- The ability to monetize the landbank, at the appropriate returns, and within the envisaged management's time lines of 10 years, may be at risk, if there is a significant deterioration in the economic climate in Namibia. Independent analysis commissioned by management indicate that given the lack of developmental land in the Windhoek basin there remains a demand supply mismatch, which should underpin demand and price appreciation over the foreseeable future. Material changes to the broader economic climate do however carry risks.

A formal risk reporting and feedback process has been developed and is reported on and presented at each ARC meeting.

Remuneration Employees

Remuneration philosophy

Remuneration packages are designed and administered to balance and align directors' and employees' interests in relation to those of all stakeholders. Overall rewards are considered and determined within an effective risk management environment in line with the short, medium and long term success and goals of the group. Trustco also believes that including equity as a retention incentive in our employees' compensation is the best way to align their interests with the long term success of the group.

The group is committed to a balanced remuneration philosophy which consists of the following components:

- Individual performance-related remuneration which positively influences and supports the creation of an exceedingly high-performing organisation;
- Rewarding of sustained-performance and exceeded-performance expectations through extraordinary increases, bonuses, incentives and company shares;
- Non-financial reward and recognition in the form of promotions and added responsibility;
- Providing a balanced mix of remuneration, including above-industry-average salaries, innovative benefits, short term cash incentives and profit sharing;
- Creating a competitive total-remuneration opportunity which aids in competing for the best talent locally and abroad among companies with global operations and global consumers;
- Employee growth and development through performance management that is cemented in simplicity and transparency;
- Unparalleled working environment where performance is rewarded; and
- Ownership and drive to perform with share-based incentive and retention schemes.



Employees (continued)

Workforce Statistics, Growth and Profile

Workforce statistics (as at March 2013)

COUNTRY	NAMIBIA	SOUTH AFRICA	TOTAL
MALE	240	174	414
FEMALE	212	188	400
TOTAL	452	362	814

Workforce Growth (as at March 2013)



Workforce Profile

	Mar-13		Mar-12	
	Staff Count	% of Staff	Staff Count	% of Staff
Top Management	6	1%	10	2%
Senior Management	38	5%	34	5%
Middle Management	101	12%	101	16%
Skilled	135	16%	199	32%
Semi-Skilled	479	59%	209	34%
Unskilled	55	7%	65	11%
TOTAL	814		618	



Employees (continued)

Employee Remuneration

The group recognises the necessity inherent in the attraction and retention of suitably qualified and experienced employees, particularly in strategic positions within the group. In accordance with the objective of securing qualified, skilled and dedicated employees, the company is proud to adhere to leading guidelines in terms of employee remuneration.

Various policies, guidelines and procedures govern the remuneration of the group of companies in both the short and long term. These include:

- Annual salary increase policy
- KPI-based performance appraisal procedures
- Trustco performance and retention incentive scheme
- Minimum wage
- Staff study loans
- Staff International Computer Driving Licence (ICDL) policy
- Long service appreciation policy

- Increased workload policy
- Individual growth and development
- Stimulating working environment

Trustco performance and retention incentive scheme

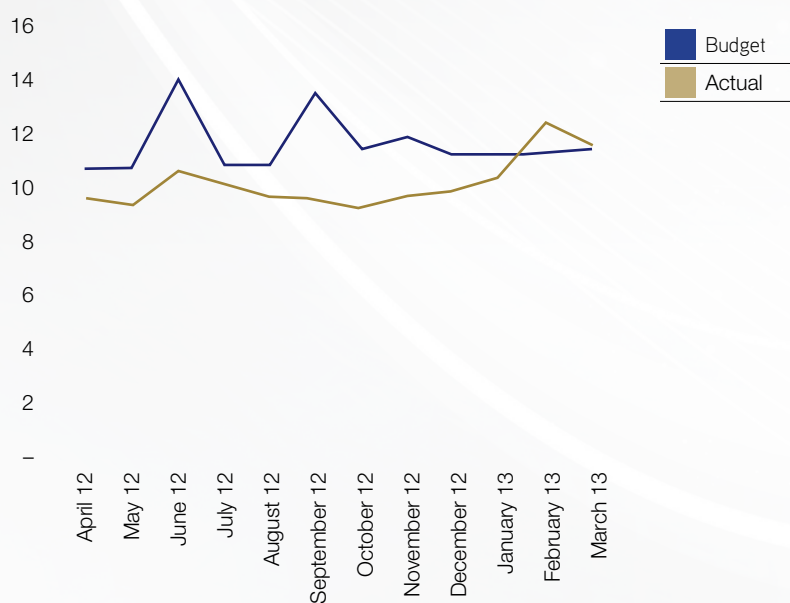
The group currently employs a 50:50 based incentive scheme. The purpose of incentive allocations and payments are both short and long term; to reward and retain. 50% of any incentive is allocated in cash and paid directly to the employee and the remaining 50% is used to purchase Trustco shares for the employee. These incentive plans aim to retain key skills and motivate executives over the long term which is essential to sustainable business.

Bonus payments are discretionary and depend on financial performance and contribution.

Minimum wage

The minimum monthly remuneration of any person employed by the group is NAD3 000 for a 40 hour work week.

Total Group Remuneration



Top three salary earners of prescribed officers who are not directors of a particular company are disclosed hereunder:

EMPLOYEE (MONTHLY EARNINGS)	2013 NAD	2012 NAD	% CHANGE
Employee 1	200 699	105 230	91
Employee 2	112 649	70 900	59
Employee 3	105 230	65 154	62



Board Remuneration

Board Remuneration

		Fees	Basic	Bonus	Shares	Benefits	Total
Holding Company directors							
Non-executive directors							
Adv Heathcote		339 166	-	-	-	-	339 166
V de Klerk		131 217	-	-	-	-	131 217
R Taljaard	App 5 July 2012	94 281	-	-	-	-	94 281
W Geyser		203 017	-	-	-	-	203 017
J Mahlangu	App 4 February 2013	22 319	-	-	-	-	22 319
T Mberirua	Res 1 April 2012	22 544	-	-	-	-	22 544
T Aupindi	Res 15 March 2012	15 444	-	-	-	-	15 444
		827 988	-	-	-	-	827 988
Executive directors							
Q van Rooyen*		-	-	-	-	-	-
FJ Abrahams		-	901 600	-	-	54 183	955 783
AL Bock	Res 31 March 2013	-	1 299 837	-	200 000	-	1 499 837
R McDougall	App 31 March 2013	-	-	-	-	-	-
		-	2 201 437	-	200 000	54 183	2 455 620
Subsidiary company directors							
Executive directors							
J Jones		-	1 240 623	-	-	84 912	1 325 535
E Janse van Rensburg		-	610 768	50 797	-	34 128	695 693
J van den Heever	Res 31 March 2013	-	878 783	-	-	46 562	925 345
Dr CJ Powell	Res 15 March 2013	-	821 225	-	-	60 260	881 485
A Lambert		-	514 621	59 923	23 303	25 956	623 803
I Calitz		-	421 132	-	12 750	25 838	459 720
B Kandetu		-	423 616	-	-	14 105	437 721
AJ Bornmann		-	803 900	-	-	675	804 575
I Barnard	Res 30 July 2012	-	453 440	-	-	2 649	456 089
E Crockroft	Res 30 June 2012	-	242 164	-	-	10 710	252 874
D Caine		-	807 588	-	-	191 542	999 130
B du Plessis	Res 30 September 2012	-	611 615	-	-	49 887	661 502
E du Toit		-	548 752	-	-	82 104	630 856
		-	8 378 227	110 720	36 053	629 328	9 154 328
		827 988	10 579 664	110 720	236 053	683 511	12 437 936

* Refer to Note 16 of the Audited Abridged Annual Financial Statements on page 23 for full details of Q van Rooyen's remuneration.

Shareholders Information

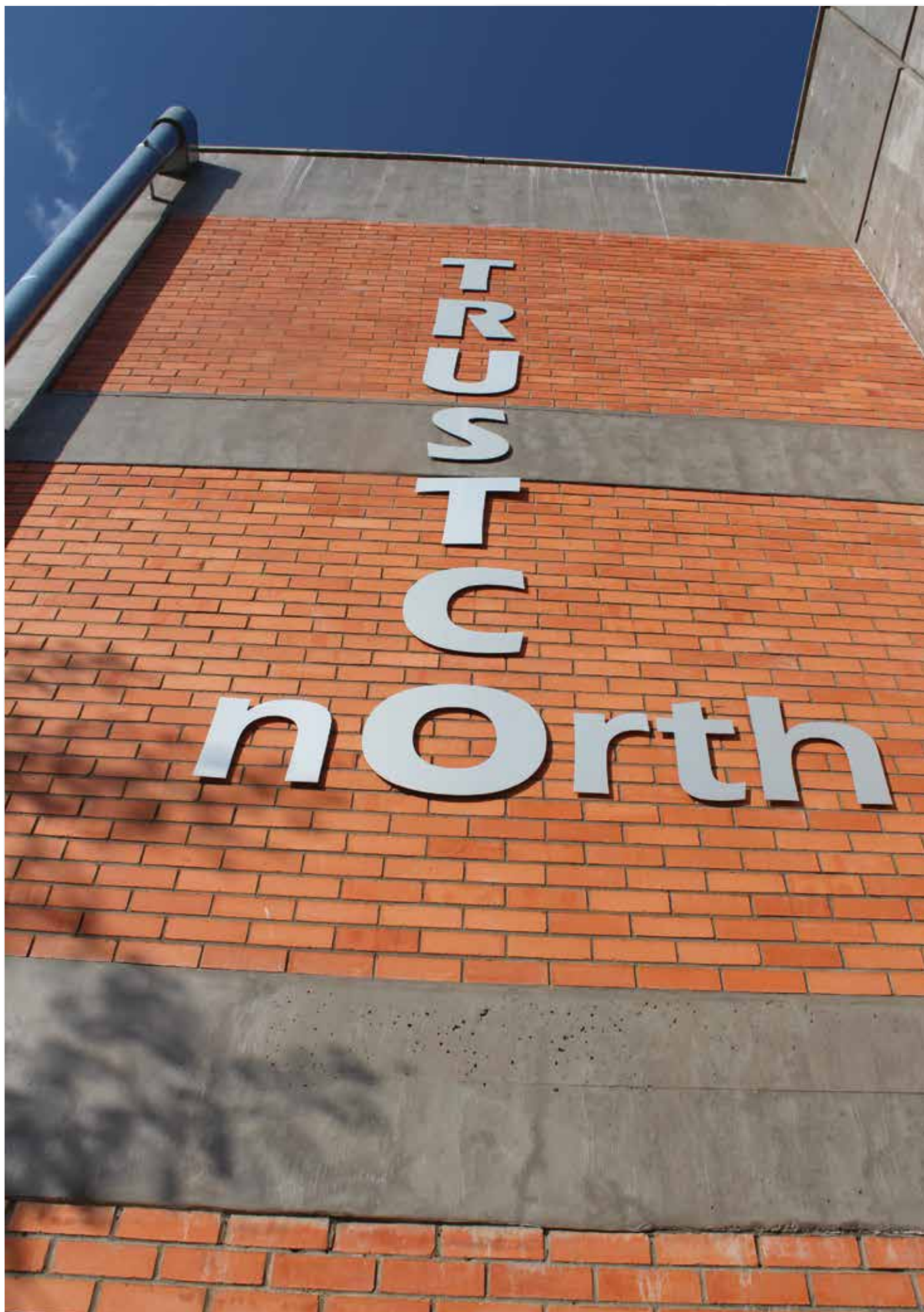
Analysis of Shareholders

Range of Shareholders	Shareholders	Shares	% of Shareholders	% of Shares
1-499	25	7 512	0.00%	0.77%
500-999	1 224	617 108	0.08%	37.80%
1000-1999	697	864 489	0.12%	21.53%
2000-2999	240	556 629	0.08%	7.41%
3000-3999	102	327 509	0.04%	3.15%
4000-4999	51	219 376	0.03%	1.58%
5000-9999	317	1 973 828	0.27%	9.79%
>=10000	582	732 575 639	99.38%	17.97%
	3 238	737 142 090	100%	100%

Category

Corporate bodies	62	103 555 191	14.05%	1.92%
Private individuals	3 105	471 746 317	64.00%	95.89%
Nominee companies	5	130 481 292	17.70%	0.15%
Trust	66	31 359 290	4.25%	2.04%
	3 238	737 142 090	100%	100%
Public shareholders	3 080	335 629 993	45.53%	95.12%
Non- public shareholders	158	401 512 097	54.47%	4.88%
Directors	12	398 338 047	54.04%	0.37%
Associates	1	41 350	0.01%	0.03%
Employees with restricted trading terms	144	3 062 275	0.41%	4.45%
Employee share trust	1	70 425	0.01%	0.03%
	3 238	737 142 090	100%	100%

Large Shareholders- more than 1% of share capital	% of shares	Number of shares
Quinton van Rooyen	53.25%	392 554 120
Renaissance Africa Master Fund	10.08%	74 331 920
Snowball Wealth (Pty) Ltd	3.66%	27 000 000
BNYM 15 Omnibus Account	3.12%	23 000 000
LLC Pershing	2.18%	16 098 180
SBSA ITF RE: CM Institutional	1.54%	11 387 260
Midbrooklane (Pty) Ltd	1.49%	10 976 311
Leo Chih Hao Chou	1.36%	10 000 000
Africa Emerging Markets Fund State	1.36%	9 996 718
RE: CM and Calibre Limited	1.20%	8 874 120
Miramare Investments (Pty) Limited	1.08%	7 968 050
	80.32%	592 186 679



Notice of Annual General Meeting

Trustco Group Holdings Limited

(Incorporated in the Republic of Namibia)

Reg No 2003/058

JSE share code: TTO; NSX share code: TUC

('Trustco Group Holdings Limited' or 'the Company')

Notice is hereby given to shareholders that the annual general meeting of the shareholders of the Company will be held in the Boardroom, 3rd floor, Trustco House, 2 Keller Street, Windhoek on Wednesday, 25 September 2013 at 12:00 to deal with such business as may lawfully be dealt with at the meeting and to consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act, 28 of 2004 (as amended) ('the Companies Act'), as read with the Listings Requirements of JSE Limited ('JSE Listings Requirements'), which meeting is to be participated in and voted at by shareholders recorded in the company's securities register on the record date of Friday, 13 September 2013. Shareholders are advised of the following applicable dates, last date for lodging forms of proxy for South African shareholders is Friday 20 September 2013 at 17H00 and Monday 23 September 2013 at 12H00 for all other shareholders. The last date to trade to be eligible to vote is Friday 6 September 2013

The quorum requirement for the ordinary and special resolutions set out below is sufficient persons being present to exercise, in aggregate, at least 25% of all voting rights that are entitled on the resolutions, provided that at least three shareholders of the company are present in person or by proxy at the annual general meeting. The percentage of voting rights required to pass the ordinary resolutions is more than 50% of the voting rights exercised, and the percentage of voting rights required to pass the special resolutions is at least 75% of the voting rights exercised thereon.

Agenda

1. Ordinary dividend

To note the interim dividend of 190 cents per ordinary share declared by the board of directors on 2 November 2012.

Resolutions

2. Ordinary Resolution 1

Presentation of annual financial statements and reports

Presenting for adoption of the annual financial statements of the Company and Auditors' Report for the financial year ended 31 March 2013. The annual financial statements have been circulated as required. The abridged audited annual financial statements, together with the reports, are contained in the Company's integrated report.

3. Ordinary resolution 2

Remuneration of non- executive directors

'Resolved that the non-executive directors' fees for their services as directors are hereby approved as follows:

Remuneration

	Shares (direct)	Fees NAD	Basic NAD	Bonuses NAD	Retirement and Medical NAD	Other benefits NAD	Total NAD
Adv R Heathcote		339 166	–	–	–	–	339 166
V de Klerk	16 000	131 217	–	–	–	–	131 217
R J Taljaard	–	94 281	–	–	–	–	94 281
W J Geyser	–	203 017	–	–	–	–	203 017
J Mahlangu	–	22 319	–	–	–	–	22 319
T Mberirua (resigned 1 April 2012)	–	22 544	–	–	–	–	22 544
T Aupindi (resigned 15 March 2012)	–	15 444	–	–	–	–	15 444
Total	16 000	827 988	–	–	–	–	827 988

Notice of Annual General Meeting (continued)

4. Ordinary resolution 3

Re-election of directors of the company

The following director retires by rotation in terms of the Company's Articles of Association and, being eligible, makes herself available for re-election.

'Resolved that Mrs VC de Klerk be and is hereby re-elected as a director of the company.'

Mrs de Klerk is currently the Executive Director of Namibia's most prominent rural development organisation – Women's Action for Development (WAD), which is widely known as one of the most effective NGO's in Namibia. Under her leadership WAD is initiating a wide range of small businesses and engaged in training an impressive number of unemployed Namibians country-wide, to acquire various skills to enter the labour market. Through her directorship and prominence in the media, the organisation has attracted a number of frontline Black Economic Empowerment partners to promote broad-based economic empowerment among the poor. Previously she was a well-known Television and Radio personality and has gained business and economic experience when she was appointed to the President's Economic Advisory Council during 1997.

Mrs de Klerk is acknowledged in the publication: "Guide to Namibian Politics" as one of the 109 Namibian key-players that influences political direction in the country. Mrs de Klerk is the Chairperson of the Remuneration and Nomination Committee.

5. Ordinary resolution 4

Election of directors of the company

During the year the Board appointed Mr J Mahlangu as a director of the Company. Mr Mahlangu retires in terms of the Company's Articles of Association and, being eligible, makes himself available for election.

'Resolved that Mr J Mahlangu be and is hereby elected as a director of the company.'

Mr Mahlangu holds the qualifications of Bcom (Acc), BCompt (Hons), CTA and CA (SA). He was a partner and head of the PricewaterhouseCoopers Forensic Services practice in Gauteng. He completed articles with PricewaterhouseCoopers ("PwC") in 1996 and joined the Office for Serious Economic Offences in 1998. In 2000, he was re-employed by PwC and was admitted as a partner in 2002.

After 14 years at PwC, of which 8 were in his role as partner, Mr Mahlangu started his own firm, Ligwa Advisory Services. He was involved with several high profile clients and investigations. His client base has been quite diverse, including both public and private sectors. Mr Mahlangu has also performed audit and forensic related assignments work outside of the Republic of South Africa, in particular Swaziland, Malawi, Angola, Ghana and Zimbabwe.

In addition to forensic audits, Mr Mahlangu has carried out statutory appointments such as:

- Inspector in terms of the Medical Schemes Act 131 of 1998;
- Inspector of Companies in terms of the Companies Act 61 of 1973;
- Curator in terms of the Financial Services Board Act, 97 of 1990; and
- Curator bonis in terms of the Prevention of Organised Crime Act, 121 of 1998

6. Ordinary resolution 5

Re-appointment of external auditors

'Resolved, on recommendation of the Audit and Risk Committee, that BDO be hereby re-appointed as group external auditors to hold office from the conclusion of the annual general meeting until the conclusion of the next annual general meeting of Trustco Group Holdings Limited.'

7. Ordinary resolution 6

External auditors' remuneration

'Resolved that Trustco Group Holdings Limited's Audit and Risk Committee be and is hereby authorised to determine the remuneration of the Company's auditors' and the auditors' terms of engagement.'

8. Ordinary resolution 7

Advisory endorsement of remuneration report

'To endorse through a non-binding advisory vote, the Company's remuneration report (excluding the remuneration of the non-executive directors for their services as directors and members of the Board committees), as set out in the Remuneration Report contained in the intergraded report.'

9. Ordinary resolution 8

General authority to issue shares for cash

'Resolved that all the authorised but unissued shares in the capital of the Company be and are hereby placed under the direct control of the directors, subject to the provisions of the Companies Act, 28 of 2004 (as amended), the Articles of Association of the Company and the JSE Listings Requirements, which provide inter alia that:

- The general authority be valid until the Company's next Annual General Meeting provided that it shall not extend beyond fifteen months from the date of the passing of this ordinary resolution (whichever period is shorter);
- The allotment and issue of the shares must be made to public shareholders as defined in the Listing Requirements of the JSE and not to related parties;
- The shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
- The number of shares issued for cash in aggregate in any one financial year shall not exceed 15% (fifteen percent) of the Company's issued ordinary share capital. The number of ordinary shares which may be issued shall be based on the number of ordinary shares in issue at the date of such application less any ordinary shares issued during the current financial year, provided that any ordinary shares to be issued pursuant to a rights issue (announced, irrevocable and fully underwritten) or acquisition (concluded up to the date of application including announcement of the final terms) may be included as though they were shares in issue at the date of application;
- The maximum discount at which ordinary shares may be issued is 10% (ten percent) of the weighted average traded price of those shares over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities or any other price agreed to by the JSE; and
- After the Company has issued shares for cash which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of shares in issue prior to that issue, the Company shall publish an announcement containing full details of the issue (including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 business days prior to the date that the price of the issue is agreed in writing between the issuer and the party subscribing for the shares and the effect of the issue on net asset value, net tangible asset value, earnings and headline earnings per share), or any other announcements that may be required in such regard in terms of the JSE Listings Requirements which may be applicable from time to time.

In terms of the Listing Requirements of the JSE and the Namibian Companies Act, Act 24 of 2008, a 75% (seventy five percent) majority of the votes cast by shareholders present or represented by proxy at the general meeting.

10. Special resolution

General authority to repurchase shares

Preamble

Resolved in terms of the Articles of Association of the Company (or one or more of its wholly-owned subsidiaries) and section 89 of the Namibian Companies Act, No. 28 2004 that the directors of the Company be authorised, by way of a general authority to acquire the Company's own shares, upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the Listings Requirements of the JSE Limited ("JSE") and any other stock exchange the Company is listed subject to the following terms and conditions:

- a. the repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty;

Notice of Annual General Meeting (continued)

- b. authorisation thereto must be given by the Company's and its subsidiaries' articles of Association.
- c. this general authority will be valid only until the company's next annual general meeting, provided that it does not extend beyond 15 months from the date of the passing of this special resolution;
- d. the number of shares which may be repurchased pursuant to this authority in any financial year may not in the aggregate exceed 20% (twenty percent) of the Company's issued share capital as at the date of passing of this general resolution or 20% of the Company's issued share capital in the case of an acquisition of shares in the Company by a subsidiary of the Company.
- e. in determining the price at which the company's ordinary shares are repurchased by the company in terms of this general authority the maximum premium at which such ordinary shares may be repurchased will be 10% of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the five trading days immediately preceding the date of the repurchase of such ordinary shares by the company;
- f. the Board will have acknowledged by resolution that the company will satisfy the solvency and liquidity test immediately after the repurchase and that since the test was done there have been no material changes to the financial position of the company and the group;
- g. neither the company nor its subsidiaries will repurchase securities during a prohibited period, as defined in paragraph 3.67 of the JSE Listings Requirements, unless a repurchase programme is in place in terms of which the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation), full details of which programme have been disclosed in an announcement on the Stock Exchange News Service (SENS) prior to the commencement of the prohibited period;
- h. when the company has cumulatively repurchased 3% of the initial number of the relevant class of securities, and for each 3% in aggregate of the initial number of that class acquired thereafter, an announcement will be published on SENS and in the financial press; and
- i. at any point in time the company will appoint only one agent to effect any repurchase(s) on its behalf.'

The directors of the company undertake that they will not effect a general repurchase of shares as contemplated above, unless the following conditions are met:

1. the company and the group are in a position to repay their debt in the ordinary course of business for a period of 12 months after the date of the repurchase;
2. the company's and the group's assets will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the repurchase. For this purpose the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements, which comply with the Companies Act;
3. the share capital and reserves of the company and the group are adequate for a period of 12 months following the date of the repurchase; and
4. the available working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the repurchase.

In terms of the Namibian Companies Act 28 of 2004 and the JSE Listing Requirements, a special resolution must be approved by 75% of the voting rights exercised in respect of such special resolution, provided that such voting rights are entitled to be exercised in respect of such special resolution.

Disclosure in terms of section 11.26 of the JSE Listings Requirements

The following additional information is provided in terms of the JSE Listings Requirements for purposes of the special resolution.

Directors of the Company

Quinton van Rooyen
 Floors Jacobus Abrahams
 Winton John Geyser
 Raymond Heathcote
 Veronica de Klerk
 Renier Taljaard
 Jabulani Mahlangu
 Ryan McDougall

Large shareholders - more than 1% of share capital	% Of shares	Number of shares
Quinton van Rooyen*	53.25	392 554 120
Renaissance Africa Master Fund	10.08	74 331 920
Snowball Wealth (Pty) Ltd	3.66	27 000 000
BNYM 15 Omnibus Account	3.12	23 000 000
LLC Pershing	2.18	16 098 180
SBSA ITF RE: CM Institutional	1.54	11 387 260
Midbrooklane (Pty) Ltd	1.49	10 976 311
Leo Chih Hao Chou	1.36	10 000 000
Africa Emerging Markets Fund State	1.36	9 996 718
RE: CM and Calibre Limited	1.20	8 874 120
Miramare Investments (Pty) Limited	1.08	7 968 050
	80.32	592 186 679

* Q van Rooyen is a director as well as a major shareholder

Directors' interests

Details of the beneficial direct and indirect interest of directors in the shares of the company are set out below:

Executive Directors	Direct	Indirect	Total 2012	Direct	Indirect	Total 2013
Mr Q van Rooyen	392 554 120	-	392 554 120	392 554 120	-	392 554 120
Mr F J Abrahams	842 781	-	842 781	1 042 781	-	1 042 781
Mr R McDougall	-	-	-	225 904	-	225 904
Non-Executive Directors						
Mr W Geyser	-	-	-	-	-	-
Adv R Heathcote	-	-	-	-	-	-
Ms V De Klerk	16 000	-	16 000	16 000	-	16 000
Mr J Mahlangu	-	-	-	-	-	-
Mr R Taljaard	-	-	-	-	-	-

Since the end of the financial year and until the date of this report there were no material changes in the interest of the directors.

Notice of Annual General Meeting (continued)

Company's share capital

There were no changes in the authorised share capital of the group during the period under review, however, the issued share capital was amended with an additional listing of 30 000 000 ordinary shares of 213 cents each which concludes the total issued share capital of the Company as at 31 March 2013 to NAD169.5 comprising of 737 142 090 shares with a par value of 23c each.

- The company does not have any unlisted securities.
- The company does not have a share incentive scheme.
- The company has not repurchased any of its shares during the period under review

Material change

Other than the facts and developments, reported on in the integrated report and the annual financial statements of 31 March 2013 there have been no material changes in the affairs or financial position of Trustco Group Holdings Limited and its subsidiaries from 31 March 2013 to the date of the audit report forming part of the annual financial statements.

Directors' responsibility statement

The directors, whose names are given above, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolutions and certify that, to the best of their knowledge and belief, no facts have been omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this resolution and additional disclosure in terms of section 11.26 of the JSE Listings Requirements pertaining thereto contain all such information required by law and the JSE Listings Requirements.

Litigation statement

Other than as disclosed or accounted for in the Integrated Report and annual financial statements on page 15 the directors are not aware of any, legal or arbitration proceedings, including any proceedings that are pending or threatened against the Company of which the Company is aware which may have or have had in the recent past, being at least the previous 12 months from date of this annual report, a material effect on the financial position of the Company and its subsidiaries.

Voting will be performed by way of a poll so that each shareholder present or represented by way of a poll so that each shareholder present or represented by way of proxy will be entitled to vote the number of shares held or represented by them.

Equity securities held by a share trust or scheme will not have their votes at the Annual General Meeting taken into account for the purposes of resolutions proposed in terms of the JSE Listings Requirements.

Unlisted securities (if applicable) and shares held as treasury shares may not vote.

By order of the Board

D Steyn

Company secretary

25 June 2013

Form of Proxy



Trustco Group Holdings Limited

Incorporated in the Republic of Namibia
Registration number: 2003/058
JSE share code: TTO NSX share code: TUC
ISIN: NAO00A0RF067
(Trustco Group Holdings Limited or The company)

I/We

Being member/s of Trustco Group Holdings Limited and holding shares entitled me/us to votes (1 vote per share) do hereby appoint:

..... of or failing him/her

..... of or failing him/her

..... of or failing him/her

the chairman of the meeting as my proxy to vote for me/us on my/our behalf at the annual general meeting to be held in the boardroom at 3rd Floor, Trustco House, 2 Keller Street, Windhoek on 25 September 2013, or any adjournment thereof.

Signed at on this day of 2013.

Address:

Signature:

Mark with an X whichever is appropriate. Unless otherwise directed, the proxy will vote or abstain as he/she deems fit in respect of the member's total holdings. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak, and on a poll, vote in his/her stead. A proxy need not be a member of the company. Kindly complete and return the form to the Transfer Secretaries, P.O Box 2401, Windhoek by 12h00 on 23 September 2013 or Computershare Investor Services ground floor, 70 Marshall Street, Johannesburg, 2001. South African shareholders must kindly complete and return the form to the Transfer Secretary, Computershare Investor Services ground floor, 70 Marshall Street, Johannesburg, 2001 by 17h00 on Friday, 20 September 2013.

Form of Proxy

Resolutions	For	Against	Abstain
1. Adoption of the annual financial statements for the year ended 31 March 2013.			
2. Approval of the remuneration of the non-executive directors for the year end 31 March 2013.			
3. To re-appoint Ms V de Klerk as director.			
4. To appoint Mr J Mahlangu as director.			
5. To re-appoint BDO Namibia as Group external auditors.			
6. Determination of the remuneration of the external auditors.			
7. Advisory endorsement on a non- binding basis of company's remuneration philosophy			
8. General authority to issue shares for cash.			
9. General authority to repurchase shares.			

Signed at on this day of 2013

Address: Signature

Proxies

Any Trustco shareholders entitled to vote at the annual general meeting may appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of Trustco.

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