

Trustco Group Holdings Limited

Abridged Audited Group Results

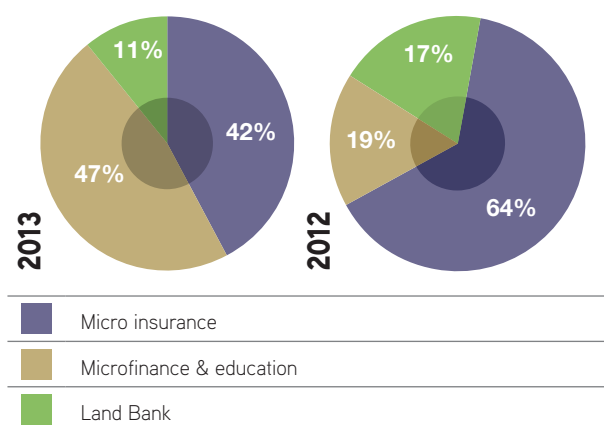
for the year ended 31 March 2013



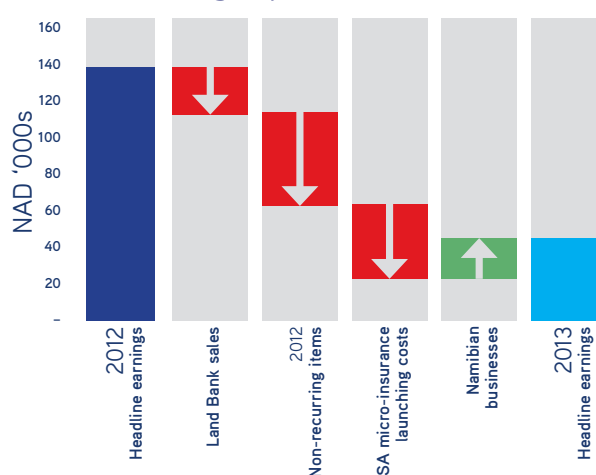
Incorporated in the Republic of Namibia (Registration number: 2003/058), NSX share code: TUC, JSE share code: TTO ISIN: NA000A0RF067, ("the Company" or "the Group" or "Trustco")

Financial overview

Contribution to HEPS



2012 vs 2013 Earnings expansion



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 demonstrate 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 NAD'000s	2012 NAD'000s	2011 NAD'000s	2010 NAD'000s	2009 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)	133	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 all impairment of intangible assets, NAD28.4m (2012: nil), costs incurred to launch the new micro insurance offering in South Africa (NAD44.5m), 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.

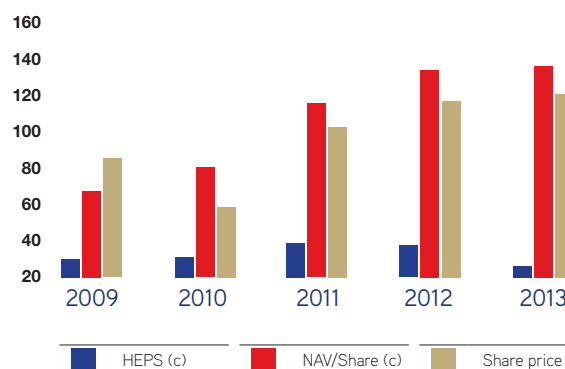
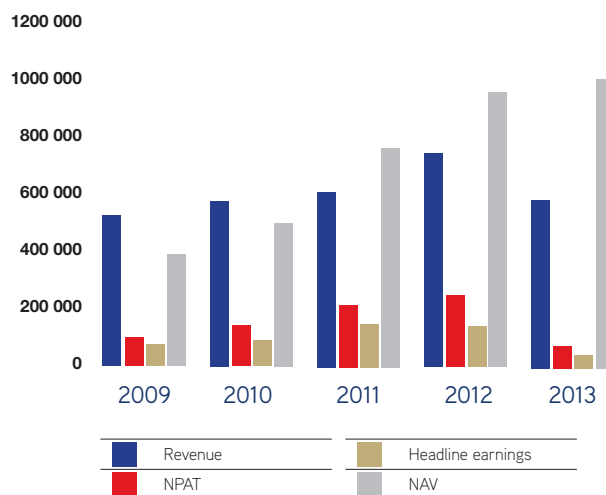
Microfinance & Education

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	15	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	11	–	(3 840)	(100)
Vendor shares	12	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	13	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	13	40 764	34 117	19.5
Current portion of other liabilities		4 516	2 622	72.2
Amounts due to related parties	15	–	1 413	(100)
Trade and other payables	14	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	For the year ended 31 Mar 2012	Change
	Notes	NAD'000	NAD'000	%
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	17	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	17	(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)
Other comprehensive income, net of tax		8 138	1 392	484.6
<i>Items that will not be subsequently reclassified to profit or loss</i>				
Revaluation of property, plant and equipment, net of deferred tax		6 269	1 392	350.4
<i>Items that may be subsequently reclassified to profit or loss</i>				
Foreign currency translation adjustment, net of deferred tax		1 869	–	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)

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.

Notes to the Audited Abridged Annual Financial Statements (continued) for the year ended 31 March 2013

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.

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 due by / (due to) 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.

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	(239.20)
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.

Notes to the Audited Abridged Annual Financial Statements (continued)

for the year ended 31 March 2013

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

Primary reporting format: Business segments

	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

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.

Notice of Annual General Meeting (continued)

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 integrated 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.

Notice of Annual General Meeting (continued)

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 J 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.

Directorate and Administration

Directors

Executive Directors

Mr Q van Rooyen (Managing Director)

Mr R McDougall (Financial Director)

Mr FJ Abrahams

Non-executive

Mr WJ Geyser

Adv. R Heathcote

Ms VC de Klerk

Mr RJ Taljaard

Mr J Mahlangu

Company Secretary

Mr DJ Steyn

Contact details

Registered office:

Namibia

Trustco House

2 Keller Street

PO Box 11363

Windhoek

Namibia

Indicators

Company registration number:

2003/058

NSX share code: TUC

JSE share code: TTO

Telephone

+264 61 275 4000

Facsimile:

+264 61 275 4090

Registered Office:

South Africa

Old Trafford 1

Isle of Houghton

11 Boundary road

Houghton Estate

Johannesburg

2198

South Africa

Website:

<http://www.tgi.na>

Auditors

Auditors: South Africa

BDO

Registered Accountants and Auditors

Chartered Accountants (Namibia)

61 Bismarck Street

Windhoek

Namibia

Corporate Partners

Transfer secretaries: Namibia

Transfer Secretaries (Pty) Ltd

4 Robert Mugabe Ave

PO Box 2401

Windhoek

Namibia

Registration Number: 93/173

Telephone:

+264 61 22 76 47

Facsimile:

+264 61 24 85 31

Sponsors: Namibia

IJG Securities(Pty) Ltd

100 Robert Mugabe Ave

PO Box 186

Windhoek

Namibia

Registration Number: 95/505

Bankers: Namibia

Bank Windhoek Limited

First National Bank of Namibia Limited

Standard Bank Namibia Ltd

Auditors: South Africa

BDO South Africa Incorporated

Registered Auditors

22 Wellington Road

Parktown, Johannesburg

South Africa

Transfer secretaries: South Africa

Computershare Investor services (Pty) Ltd

Ground Floor

70 Marshall Street

Johannesburg

2001

South Africa

Registration Number:

2004/003647/07

Telephone:

+27 11 370 7700

Facsimile:

+27 11 688 7716

Sponsors: South Africa

Sasfin Capital (a division of

Sasfin Bank Limited)

29 Scott Street

Waverly

Johannesburg, 2090

South Africa

Registration Number:

1951/002280/06

Bankers: South Africa

First National Bank of South

Africa Ltd

ABSA

Standard Bank of South Africa Ltd

