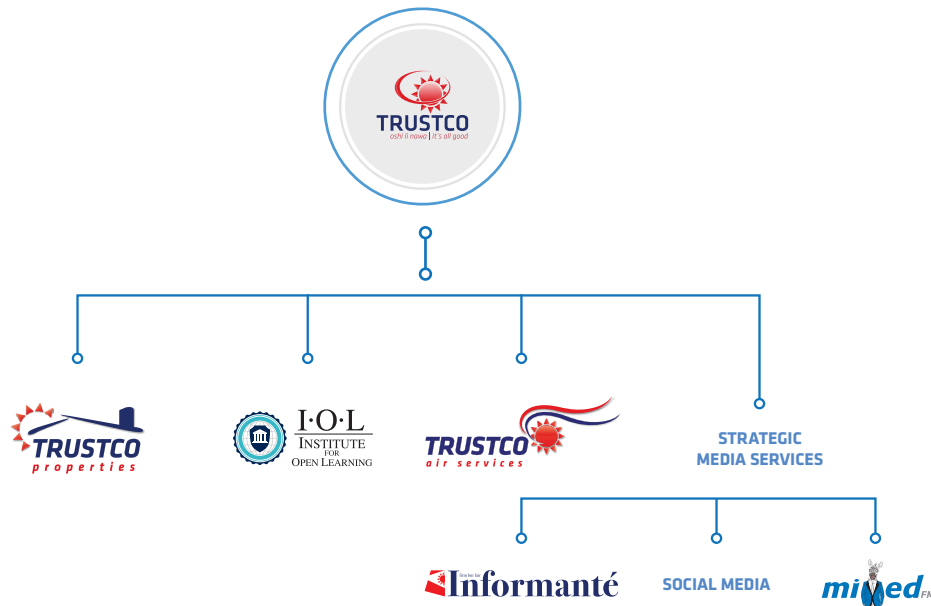




INVESTMENTS



PROPERTIES

Trustco Properties remains active in mixed-use land development and has engaged actively over the past 20 (twenty) years to deliver serviced land to Namibians from all walks of life. The property portfolio contributes meaningfully to the high public demand for serviced land and is therefore in line with the governments' drive for Vision 2030; to provide housing to all Namibians and to realise their life long dream of owning a home.

The acute shortage of serviced land in the country remains a priority to all and the most profound constraint is the mismatch between the supply of developed land and the demand therefor. Assisting to alleviate this constraint, the focus of the segment remains on the property portfolio. As one of the key business drivers, it requires:

- capital input, which is essential to guarantee implementation of planned bulk services and building activities

- knowledge of the specific market demands at specific times in the property cycle
- effective systems and appropriate processes which also play an integral part in the smooth execution of strategy
- the maintenance of sound relationships with regulators and stakeholders is of utmost importance to ensure required approvals are obtained and land is developed in accordance with zoning ordinances and regulations
- project execution support by financial institutions, suppliers and subcontractors is essential for the sustainable success of various developments and
- vertical integration between group subsidiaries to ensure maximum value addition for shareholders.



Elisenheim Lifestyle Estate



Trustco Construction Services

Over the past 12 months Trustco Construction Services (Pty) Ltd (TCS), formerly known as Watermeyer Mining and Construction (Pty) Ltd (WMC), transformed from an independent third party contractor to an integrated and fully operational part of the properties division. The property division now also services land, spearheaded by TCS who specialise in installation of services, thus creating value by meeting market requirements on demand. TCS has secured contracts for the developments in the group, for the new financial year, ensuring even more potential prospects and opportunities, allowing the segment to boost their revenue, asset base and profitability.

Land bank

The land bank currently consists of four developments known as: the Elisenheim Property Development Company (EPDC), Lafrenz Industrial Park (Lafrenz), Northern Industrial Estates (Ondangwa) and Farm Herboth.

The Elisenheim Property Development Company (Pty) Ltd (EPDC) (Windhoek)

EPDC originally comprised of 1 186 hectares earmarked to include:

- ±6 000 single residential erven
- ±75 general residential erven (with a density ranging between 1:180 and 1:250)
- ±5 institutional erven
- ±3 erven for educational development and
- ±16 hectares for commercial and business use, including shopping centres and office space.

Included in the 1 186 hectares is 558 hectares known as the "Nature Estate" which will be developed in future.

Of the remaining 628 hectares, there are 204 hectares of sellable land available for future development and sales.

Elisenheim is developed in phases and is estimated to provide housing to 44 000 individuals with a target market of young professionals and first time home owners in the medium income group, as well as a 5% market focus on the higher income group.

Erven can now be purchased either as vacant land or with a plot and plan option.

Lafrenz Industrial Park (Lafrenz) (Windhoek)

Extension 2 and 3 consisting of 116 industrial erven have been sold to a developer. There remains 173 hectares of industrial land in the Lafrenz development available for future development.

Northern Industrial Estates (Ondangwa)

Northern Industrial Estates, better known as the "Ondangwa development" comprises of: Extension 11 with ± 13.01 hectares:

- 56 single residential erven
- 7 general residential erven
- 8 business erven and
- 9 light industrial erven.

Bulk services and construction on extension 11 commenced during the year under review.

Extension 12 comprising of ± 29.42 hectares:

- 51 industrial erven.

Farm Herboth (Windhoek)

The Farm Herboth development consists of approximately 2 766 hectares of virgin land for future development.

SECURITY

The in house security department of the segment provides quality, efficient, around the clock and cost effective security services. The handpicked, trained security personnel ensure that all properties, assets and employees are safeguarded.

LOOKING FORWARD

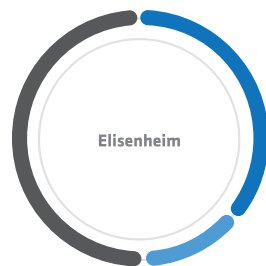
To date only 5.4% of the land bank has been developed. The total available sellable land in the land bank is currently 2 464 hectares and the estimation is that Trustco Properties will remain in the position to contribute meaningfully to sustainable revenue growth for at least another 15 to 25 years.

The segment will remain focused on acquiring land for future development of residential, commercial and retail areas in the short and long term. The real estate sector in the country is expected to continue to perform as the shortage of serviced erven perpetuates the demand therefor.

The property division operates in line with the group's strategy and not only focuses on growth through corporate acquisitions, but also by creating synergetic relationships with the other segments in the group. Trustco Bank, Trustco Insurance and Trustco Life assist property clients with mortgage financing and underwriting credit and life insurance products.

DEVELOPMENTS	GROSS SELLING PRICE PER SQM AT CURRENT PRICES (NAD)	DEVELOPMENT COST PER SQM AT CURRENT PRICES (NAD)	EXPECTED GROSS REVENUE FOR THE SALE OF THE DEVELOPABLE LAND AT CURRENT PRICES (NAD BILLION)	COMMENTS
Elisenheim	1 750	466	3,6	All municipal approvals for township development have been obtained
Elisenheim Nature Estate	1 750	466	6,8	All municipal approvals for township development have been obtained
Ondangwa	626	279	0,2	All municipal approvals for township development have been obtained
Lafrenz	2 375	415	4,4	Municipal approvals have been obtained for township development for ext 1, 2 and 3 of five extensions
Farm Herboth's	1 750	466	29,0	Did not apply for any approvals
Total			44,0	

DEVELOPMENTS



Original area of land in hectares
628

Roads, public open spaces and
land sold in hectares
424

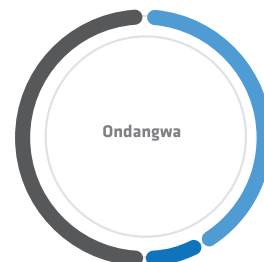
Developable land available for
sale in hectares
204



Original area of land in hectares
558

Roads, public open spaces and
land sold in hectares
167

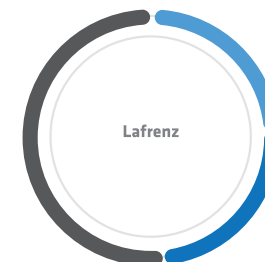
Developable land available for
sale in hectares
391



Original area of land in hectares
42

Roads, public open spaces and
land sold in hectares
6

Developable land available for
sale in hectares
36



Original area of land in hectares
373

Roads, public open spaces and
land sold in hectares
200

Developable land available for
sale in hectares
173



Original area of land in hectares
2 766

Roads, public open spaces and
land sold in hectares
1 106

Developable land available for
sale in hectares
1 660



EDUCATION

Institute for Open Learning (IOL)

VISION

IOL maintains its position as the leading distance learning institution in Namibia, commits itself to excellent and recognised educational programmes, involvement with community education activities and introducing new educational programmes where there is a need.

MISSION

IOL aims to achieve this vision by:

- Contributing to the educational, economic and social advancement of all Namibians;
- Being responsive to the educational needs of all its students in the workplace;
- Preparing its students for participation as responsible citizens at local, national and international levels;
- Encouraging changes that lead to the development of innovative educational programmes and services;
- Fostering acceptable collaborative working relationships with other stakeholders in education in order to improve the quality of life of all Namibians.

NAMIBIA'S LARGEST DISTANCE LEARNING INSTITUTION

The current growth figures reflect the demographics and exhibit a student base of over 57 000 students that are studying towards 755 tertiary, Vocational Training, Information Communication Technology (ICT) and Soft Skill (online courses) qualifications, as well as the Namibia Senior Secondary Certificate (NSSC) subjects for which IOL is registered with the Ministry of Education.

IOL VOCATIONAL TRAINING CENTRE (VTC)

In an effort to complement the group's market share expansion strategy, IOL identified the need for Technical, Vocational Education and Training (TVET) and established the IOL VTC. This decision is guided by research findings, which also motivated and led to the Harambee Prosperity Plan (HPP), and aim to address the training needs of unemployed out of school youth and adults. This further addresses the mismatch between skills supply and labour force demand as well as the higher level skills need of industries in Namibia, as determined by the Namibian Training Authority (NTA) through industry intelligence and consultation.

The establishment of the IOL VTC is primarily aligned to the institution's mission to avert possible undesirable socio economic consequences in Namibia, by contributing to the educational, economic and social advancement of all Namibians. Secondly, the segment's move towards TVET highlights the group's mission to provide affordable access to relevant and related services as a means of increasing market share.

The efficiency and anticipated effectiveness of the introduction of the VTC is further complemented by the long standing collaboration between IOL and Trustco Finance. Trustco Finance provides 100% financing to candidates wishing to pursue a qualification through IOL.



International Computer Driving Licence (ICDL) Centre in Windhoek.

As per the prerequisite of the NTA registration and the Namibia Qualifications Authority (NQA) accreditation process, an advisory board was established and terms of reference for the advisory board members were approved. The first advisory board meeting was held in the reporting period.

Vocational training will be offered at the IOL VTC facilities situated in the Brakwater industrial area in Windhoek. The centre's facility currently has an entry level multipurpose workshop to facilitate level 1 and 2 training in the following trades;

- Bricklaying and Plastering as well as
- Plumbing and Pipefitting.



The IOL VTC in Windhoek in Brakwater

The training centre consists of by a fully fledged administration block, ablution facilities, a central store and supported by qualified and experienced staff.

At the time of reporting, IOL was anticipating response from the NTA on the outcome of its submission for registration of its level 1 and 2 trade training offerings.

CORE BUSINESS

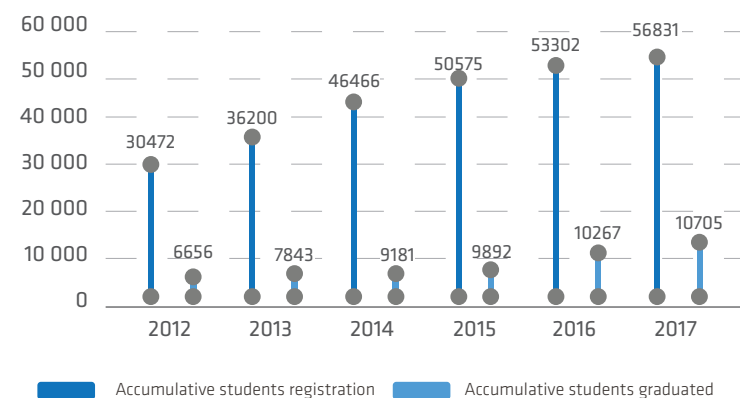
IOL's core business of teaching, learning, research and innovation remains solid and provides a firm base on which to expand from for future growth. Following the development of the Diploma in Education (DE) and the Diploma in Secondary Education (DES), which were submitted to the NQA for accreditation in September 2016, a new subject combination strategy, as a means of increased quality assurance and cost saving, was approved.

In a strategic move to enhance the individual and collective profitability of the group's various segments and execution of its medium to long term plans, IOL entered into a synergetic relationship with Trustco Properties, to implement the first phase of building a pre-primary, primary and secondary school, targeting early childhood development and pre-primary phases in the next financial year. The school will be constructed by Trustco Properties on its Elisenheim Estate. This development provides abundant opportunities for the institution to further expand its course offerings by introducing a Diploma in Early Childhood Development (DECD).

IOL reviews qualifications according to the current market needs and the latest national school curriculum changes. This led to the phasing out of the Diploma in Pre-Primary Education (DPPE) and the implementation of the Diploma in Junior Primary Education (DJPE). IOL plans to review the Advanced Certificate in Senior Primary Education (ACPE) and the Bachelor of Education: Senior Primary (BESP) in the next financial year. IOL further commits to continue using industry needs as well as issues relating to graduate employability and mobility as a basis to develop more qualifications.

IOL expanded its geographical footprint by providing fully equipped resource centres in seven regions of the country, an information centre in Gobabis and launched another information centre in Mariental. IOL intends to expand to all 14 regions in Namibia with Opuwo and Lüderitz being medium to longer term strategy.

ACCUMULATIVE STUDENT REGISTRATIONS AND GRADUATIONS





The institution's core operations continued to perform well during the reporting period with the student head count increasing to almost 57 000, an increase of 7% compared to the previous financial year. The graduation rate amongst students enrolled for one to two year qualifications rose to 64% and three year degrees to a staggering 90%. Similarly, the ICT completion rate increased by 11.3% compared to the previous financial year. For the period 2016/17, IOL graduated its first cohort of students for the DPPE and its first Bachelor of Education Honours (BEDHONS) student.



IOL: Head of education – Ms Ilana Calitz



IOL examiner, Mr Petrus van Vuuren, honouring an IOL student who graduated with a Diploma in Junior Primary Education

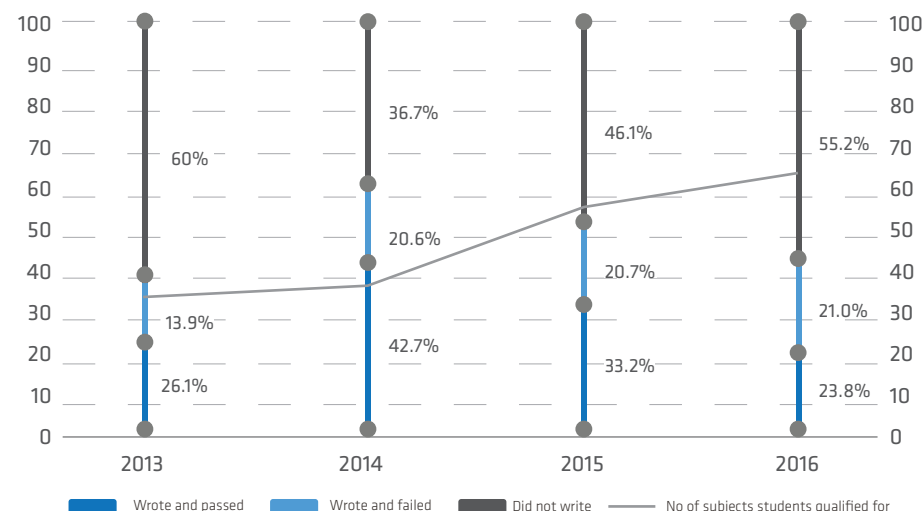
The increase in graduation rates can be attributed to the introduction of IOL's own proprietary qualifications designed and developed since 2011. IOL proudly congratulates all the graduates of these unique accredited Namibian programmes. Prior to this, the bulk of IOL's qualifications were from other universities, thus graduate numbers were credited to the university owning the qualification.

An overall growth during the reporting period is recorded in examination progress. The number of subjects for which students qualified to write examinations for were recorded at 66 101 against the previous year's 55 569, which indicates an increase of 19%.

There was a 4.1% decrease in the number of students who actually wrote the examination and as a result the number of students who passed their examinations declined. These students however will be able to write examinations in the next examination period.

NUMBER OF SUBJECTS STUDENTS QUALIFIED FOR ('000)

STUDENTS EXAMINATIONS SUBJECT PERFORMANCE (percentage)



SUSTAINABLE DEVELOPMENT

IOL's success is attributed to the accreditation of the institution and its qualifications. For the reporting period, IOL directed its focus to sustainability in student retention through continuous maintenance of the quality of its qualifications and interactive engagement with its primary market. This and the synergies with its sister companies, Trustco Finance, Trustco Life and Trustco Insurance ensured sustainable growth. While Trustco Finance provides educational loans to IOL students, Trustco Life and Trustco Insurance underwrite the insurance policies, which protect both the student and Trustco Finance against events, which may result in non payment of the loans.

The institution's stakeholder engagement efforts provide all inclusive communication platforms that incorporate the latest trends in technology to keep up with innovations in distance learning. IOL introduced the provision of free Office 365 software packages with every enrolment which allows a time efficient collaboration and querying platform between students and tutors. This development is in line with IOL's vision to be dynamic, value driven and conscious of the physical environment in which it operates.

This similarly translates to IOL's objective to maintain relevance and to encourage and educate its students to adopt new technologies as a means of addressing its various socio economic circumstances and needs.

In addition to significant cost saving, the e-learning basis for IOL's qualifications continues to ensure fast learning material delivery, environmental sustainability and increased ease of studying with learning material on the Kindle. New qualifications will also be based on the e-learning model. Designing more proprietary e-book materials instead of using external hard copy text books, will achieve further cost saving and facilitate comprehensive e-learning initiatives.

In all its operational activities, IOL strives towards sustainable development by paying particular attention to community engagement and product quality assurance. IOL made a combined contribution of NAD 297 000 in acknowledgement of its responsibility towards all its stakeholders.

The sponsorships were in the form of educational tools to the value of NAD 27 000 towards the Khomas Regional Council's Directorate of Education, Arts and Culture's teachers awards 2017. IOL also sponsored the Junior Secondary Certificate (JSC), NSSC ordinary and higher certificate categories for best overall performing teachers. IOL further contributed NAD 100 000 worth of equipment and text books to the Ministry of Education, Arts and Culture. The sponsorship was distributed to the Erongo region, the Onyaanya circuit in the Oshikoto region, St Boniface College in the Kavango east region and Negumbo senior secondary school in the Omusati region.

IOL pursues its goals with integrity and with the intention of a positive impact upon the people it interacts with and the environment it operates in.



Ms Ilana Calitz, IOL head of education, with the winners of the first prize in the JSC, NSSCO and NSSCH ordinary and higher level categories. Representative teachers received tablets for their hard work and dedication.



IOL strives

towards sustainable development by paying particular attention to community engagement and product reliability

Friday morning games at the Trustco headquarters



TRUSTCO AIR SERVICES

With its base situated in the heart of Windhoek, Namibia's capital, Trustco Air Services (TAS) is a unique private charter company which specialises in flexible, luxury charter flights catering for both business and leisure travellers to their destination of choice. It is distinguished from other charter businesses by being the most diversified and exclusive in the Namibian charter market. TAS ensures that the journeys of its customers to their destinations are in luxurious comfort, safe and a memorable flight experience.

The group's sustainable growth and expansion strategy is echoed in the strategy of TAS, which operated more than 200 charter flights to its customer base during the financial period. Ensuring flexible travelling schedules, TAS aims to transform executive travel time into effective and productive periods for business executives to strategise.

TAS operates a modern and diverse fleet that comprises of two Pilatus PC 12 NG aircrafts, an Airbus H125 helicopter, a Learjet 31A and an exquisite Learjet 45XR. TAS offers customers an exceptional experience in world class VIP charter travel by providing on board catering services, which includes delectable cuisine to satisfy the most diverse palate, a fully stocked bar and plush business class seating in pressurised cabins with climate control. All aircraft of the TAS fleet provide generous legroom, reclining seats and bespoke itineraries created to suit the needs of its customers. Streamlined check in and expedited boarding procedures are designed to offer a relaxed experience as well as saving hours in travelling time. State of the art navigation equipment, industry best safety practices and quality control, along with highly qualified and experienced pilots, prove the company's dedication to safe and luxurious travel.

The fleet of modern aircraft, supported by dedicated and professional employees, will also allow the company to expand its current market share in the travel tourism industry by offering various flexible and personalised luxury safaris to any destination of choice.



It is distinguished

from other charter businesses by being the most diversified, modern and exclusive in the Namibian charter market

Trustco Air Services fleet

STRATEGIC MEDIA SERVICES

The media services division encompasses a newspaper publication, a fully fledged television department and a brand new radio station. These services not only provide strategic support to the operating segments within the group, it simultaneously aids the group in the attainment of its strategic objectives.

Newspaper

The *Informanté* newspaper solidified its position as the leading media platform in Namibia, integrating social media development with print innovation which sets it apart from the rest of the media industry in Namibia. Increasingly, *Informanté* is strengthening its influence through credible and timeous news dissemination and boasts close to 250 000 Facebook followers, which makes it the biggest news platform in Namibia.

Increasing advertising revenue outside of the group segments, which in the past formed the backbone of advertising income, was recorded for this reporting period. In a landmark decision for media in Namibia, the newspaper scored a victory for media freedom by being triumphant in a libel case that was lodged by an influential priest and educationalist in the country.

The completion of the unique numbering of the newspaper, which was a first in Africa, and the combination of a better quality paper used in the same edition, added durability and even more prestige to the *Informanté*.

In a deliberate strategy from the group, information access to *Informanté* and its platforms remain free, as it is clear that consumers of news increasingly rely on free media platforms as their source for news. *Informanté* has gained significant credibility from its readership and the broader Namibian public as a newspaper of record. This has been strengthened to the advantage of the group and all its segments through the addition of a radio channel in the media stall, which will increase control of information and news disseminated.

Television

The television department consists of a multi skilled team that continuously strives to deliver television productions *par excellence* for the group. Apart from filming daily in house events and documenting Trustco's history on video, they contribute, in co-operation with the marketing department, to keeping the Trustco brand visual via social media platforms and television. The department is currently upgrading its facilities to keep up with an increasing demand for visual marketing content by the operating segments of the group.

Radio

The newest addition to the segment comprises a brand new radio station which is known as Mixed FM. The radio channel is a nationwide commercial radio station and production studio that encompasses a comprehensive approach when it comes to brand development, promotion, advertising and entertainment. The station has a broad media approach, offering an all inclusive service with a fully integrated marketing and media department.

The *Informanté* newspaper and the group's in house television service allows for media house synergies that very few organisations in Namibia can boast. The channel broadcasts 24 hours a day, 7 days a week with its interactive programming comprising of a 60% communication and 40% music format. Mixed FM also offers additional extended services which include, but are not limited to, radio recordings, advertising, outside broadcasting, special events broadcasting, studio music recordings, television recordings, local music artist development and cooperative videos. Mixed FM is licensed to broadcast to Keetmanshoop, Mariental, Otjiwarongo and Oshakati currently and applications for Windhoek, the coast and Rundu have been submitted to the Communications Regulatory Authority of Namibia (CRAN) for approval.



Mixed FM broadcasting studio