

2017

INTEGRATED ANNUAL REPORT



TRUSTCO
oshi li nawa | it's all good



SEE THINGS FROM A DIFFERENT PERSPECTIVE

2017

1 INTEGRATED ANNUAL REPORT 2017

TRUSTCO GROUP

HIGHLIGHTS



Winner of the large size category of Deloitte's annual "Best Company To Work For" survey in Namibia in 2016 for the second year running.

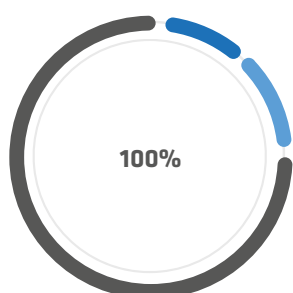


For the second year running, Trustco placed in the top ten of the Sunday Times Top 100 companies of the JSE.



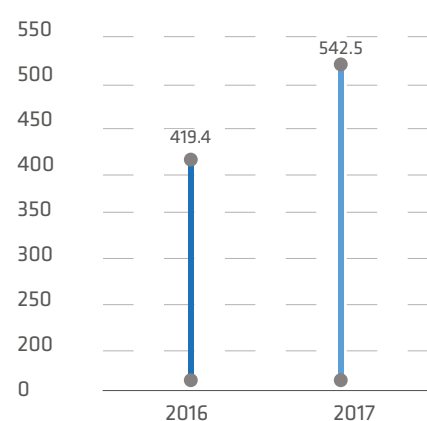
1st Place winner: 2017 PMR diamond arrow award – Leaders and achievers category, awarded to companies demonstrating exceptional managerial and corporate governance qualities.

2017 REVENUE CONTRIBUTION (percentage)

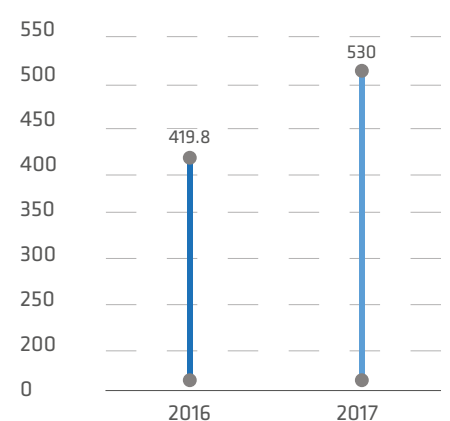


Insurance - 13
Investments - 70
Banking and Finance - 17
Resources - 0

HEADLINE EARNINGS (NAD million)



BASIC EARNINGS (NAD million)



Headline earnings per share	28% ↑	70.75 cents
Basic earnings per share	25% ↑	69.11 cents
Net asset value per share	14% ↑	323 cents

CSI spend

5.7 million

WHAT WE DO

Trustco is a diversified dual listed financial services group that invests and operates in sustainable high growth assets in emerging markets.

GROUP STRUCTURE

THE GROUP HAS FOUR OPERATING SEGMENTS



NAVIGATION TOOLS

	GROUP PROFILE		RESOURCES		ADDITIONAL INFORMATION
	FINANCIAL PERFORMANCE		SHARED SERVICES		INCREASE
	INSURANCE		STAKEHOLDERS		DECREASE
	INVESTMENTS		CORPORATE GOVERNANCE		REMAINS THE SAME
	BANKING AND FINANCE		SHAREHOLDERS		GO ONLINE

ABOUT THIS REPORT

SCOPE AND BOUNDARY

The 2017 integrated annual report is addressed to Trustco's shareholders and aims to present the group's business performance, ambitions and strategy in a balanced and logical description. This report includes the sustainability report and an accurate account of the group's financial and operational performance for the period 1 April 2016 to 31 March 2017.

This integrated annual report is prepared under the guidance of the International Integrated Reporting Framework which has been adopted by the board. In addition, it conforms to other international and local statutory and reporting frameworks, including the Listings Requirements (LR) of the JSE Limited (JSE).

The audited annual financial statements (presented separately) were prepared in terms of the International Financial Reporting Standards (IFRS). It also complies with the South African Institute of Chartered Accountants (SAICA) financial reporting guides as issued by the Accounting Practices Committee, financial reporting pronouncements as issued by the Financial Reporting Standards Council and in the manner as required by the Companies Act of Namibia.

All of these reports are available on the group's website at www.tgh.na

In an effort to support the global drive to preserve the environment, only a limited number of reports will be made available in print version.

The full report is available online as a pdf at www.tgh.na

MATERIALITY

Trustco defines materiality as to what it considers to be of material interest to current and prospective investors and to any other stakeholder who wishes to make an informed assessment of the ability of the group to generate value over the short, medium and long term. Any informative and material information after 31 March 2017 has been included and is identified in the report where applicable.

EXTERNAL ASSURANCES AND APPROVAL

It is the responsibility of the board of directors to ensure the integrity of the integrated annual report. The board, assisted by the audit and risk committee, approved this report and have taken steps to ensure the integrity of its content.

Trustco has adopted a combined assurance framework with the aim of optimising, co-ordinating and integrating assurance, provided by both internal and external assurance providers on risk areas facing the group. Combined assurance from internal assurance providers include executive and senior management oversight and monitoring as well as the internal audit function. External assurance providers include oversight from the board and the relevant board committees, the external auditors, the JSE and NSX sponsors.

Trustco also appointed external auditors to assist with the internal audit function in the group. PwC was appointed in respect of the banking and finance segment and EY in respect of the rest of the group.

The annual financial statements were audited and signed by the external auditors, BDO. Apart from the group auditors, additional external audit firms provided external assurance to the board, being BDO Mauritius in respect of the Mauritian business, Moore Stephens International in respect of the Sierra Leone business and Deloitte in respect of the banking and finance segment.

Statement of the board of directors of Trustco Group Holdings Limited

The board, supported by the relevant board committees, acknowledges its responsibility to ensure the integrity of the contents of the integrated annual report. The board has applied its collective mind to the integrated annual report and is of the opinion that the report addresses all material issues and matters and fairly presents the group's integrated performance. The board unanimously approved this report and authorised its release.

Adv R Heathcote SC
Chairman and
non-executive director

Dr Q van Rooyen
Group managing director
and CEO

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 @trustco_group

www.tgh.na

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DR QUINTON VAN ROOYEN



Celebrating perspective.

There is a fine balance between youthful rebellion and wisdom that comes with age. Life is our teacher and experience, our graduation. Many of us stop asking why and become content with our lives.

We stop seeing the world as we would like it to be and accept the world as it is. At Trustco we seek out those who never stop questioning. We employ those who envision a better tomorrow and empower those who have the courage to stand for what they believe in.

Seeing things from a different perspective is a power. Trusting those who see things differently, is the reward.

You know, Trustco-like.



"To change the world, we must first become part of it."

*Dr Quinton van Rooyen
Group MD of Trustco*

DIRECTORATE 01

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CHAIRMAN’S REPORT

I WAS AGAIN AFFORDED THE OPPORTUNITY TO CHAIR THE BOARD OF DIRECTORS DURING THIS YEAR, OBSERVING HOW MANAGEMENT AND MY FELLOW BOARD MEMBERS WORKED TIRELESSLY TO STEER TRUSTCO INTO NEW TERRITORIES, UNCHARTERED WATERS AS DAUNTLESS AS THE NAVIGATORS OF OLD.

This year felt much like a real live game of chess. Chess has long been considered one of the most strategic games in history, and just like each player begins the game with 16 pieces; one king, one queen, two rooks, two knights, two bishops and eight pawns, so too it was with Trustco. Its opponents were also not just one piece, but sixteen sounds about right. As each of the chess piece types move differently, the most important being the king and the least powerful the pawn, so too Trustco’s opponents and threats differ. The biggest threat must have been the devastating effect leadership (or the lack thereof) had on the South African economy and the knock-on effect it had on Trustco. The other opponents can be ascribed to various factors like the weakening rand (to which our Namibian currency is linked), junk status of our neighbour, the pressure from existing investors, stabilisation in the Namibian property market and challenges in the Namibian economy to name but a few.

With chess, the objective is to “checkmate” the opponent’s king by placing it under an inescapable threat of capture. The biggest challenge is, of course, to prevent being placed in checkmate yourself, while pursuing the opponent and not losing sight of your own strategy. A player’s pieces are used as a team to attack and capture the opponent’s pieces, whilst supporting each other and that is what made the difference this year for Trustco. Teamwork. I witnessed how management and the board worked together with fervor to overcome the potential threat of capture, to find new and creative ways to circumvent obstacles to succeed, never backing down. In the face of all this, Trustco not only embraced the implementation of the King IV, but aligned itself accordingly as well.

ETHICAL CULTURE

“Ethical culture,” according to the Ethics Resource Centre, is about teaching employees by example, “how things are done around here”. It begins with written standards of conduct that are well conceived, carefully crafted and finally, effectively implemented. But, to be meaningful, we require more than mere lip service to enforce ethical values.



When the board and management clearly uphold and endorse ethical values and standards, they are setting an ethical “tone at the top.” In addition to becoming strong ethical role models, management also needs to identify and remove the barriers that may prevent their employees from behaving ethically at all times. The advantages of a strong ethical culture are manifold.

Studies repeatedly show that businesses with strong ethical cultures tend to have employees who are more engaged and committed. Employees also feel less pressure to compromise company standards (and if they do observe misconduct, they are more likely to feel comfortable reporting it).

At Trustco unethical behaviour is not tolerated and management leads by example, every day, when no one is watching, and that is what makes the difference.

GOOD PERFORMANCE

One can determine how well a company is performing by comparing the results of initiatives to previously set objectives and evaluating to what extent targets were met. Independently of that process, one can use financial indicators to evaluate the company’s business performance and compare it to that of other companies in a similar field. Both methods are valuable for evaluating company performance in an objective way and be in a position to identify opportunities and set new targets for achievement.

The chess player Emanuel Lasker said, “When you see a good move, look for a better one”. This classic quote encapsulates one of the most important lessons every new player struggles to learn. Finding a move that seems adequate – or even good – does not mean you’re ready to play it. Instead, you must search for the best move for a reasonable amount of time. (What that means is largely dependent on the time limits you’re playing with). Only then can you settle for the best move you’ve found so far.

Trustco’s results of initiatives and objectives are clear from the contents of this integrated annual report. The group achieved all the targets they set out to meet in the previous year. The financial targets are the easiest to use as a point of reference. For Trustco, just performing well, is not good enough. A higher standard is always set to be achieved.

EFFECTIVE CONTROL

Trustco’s management, employees and board worked tirelessly to achieve the positive outcome reflected in this report. This goes beyond an internal focus on effectiveness and efficiency, but creates sustainable value for all shareholders. As a result management and the board might disagree from time to time, but in our differences lies our strength.

The chess player, Francois Andre Danican Philidor, once said: “The pawns are the soul of chess”. He was the first player to acknowledge the overwhelming importance of pawns in a well played chess game, where pawn structure and small material edges are more likely to determine the winner, than major blunders.

Like in chess, at Trustco every piece has its part to play and the directors, management and staff work together to ensure Trustco generates competitive sustainable value for all its stakeholders.

LEGITIMACY

Legitimacy comes from the Latin verb *legitimare*, which means lawful. *Legitimacy*, then, refers to something that is legal, because it meets the specific requirements of the law. It also refers to a state of being, its right to be here and its authenticity.

Trustco’s undisputed credibility in the Namibian market and its contribution to the country’s GDP, marks its right to be and be seen even more profound.

Bobby Fischer, a famous chess player, described it so well when he explained that all have heard that chess is almost entirely about tactics, especially at the lower levels of the game. It’s true that for amateurs, nearly every game will be decided by a tactical error. But, he reminds us, that the likelihood of making such an error is based only on tactical skills; to really show tactical prowess, we must first reach good positions where the tactics are likely to favour us– and make finding the correct paths more difficult for our opponents.

And so it will continue for Trustco, we will play each game with all our hearts, we will strategise, we will use tactics and we will be ready, planning for the next move.

MANAGING DIRECTOR’S REPORT

“SEND ME 300 FRANCS; THAT SUM WILL ENABLE ME TO GO TO PARIS. THERE, AT LEAST, ONE CAN CUT A FIGURE AND SURMOUNT OBSTACLES. EVERYTHING TELLS ME I SHALL SUCCEED. WILL YOU PREVENT ME FROM DOING SO FOR THE WANT OF 100 CROWNS?”

This was the letter penned by a young Napoleon Bonaparte to his uncle, Joseph Fesch in June 1791, just before that young man from a small island off the coast of France, changed the course of not only Europe, but also of the world.

Just like Napoleon started his rise on the minimum of stipends, so did Trustco 25 years ago off a small investment of a mere NAD 100. I'd always thought Napoleon would have enjoyed the board game *Risk*, as its combination of diplomacy, conflict and conquest mirrored the ways in which he built his empire. Even though the world has changed since Napoleon's days, much still remains the same – but not the battlefields. In business, we still depend on diplomacy and conflict to achieve the necessary conquests on an economic stage.

As such, it remained my pleasure to apply my own brand of diplomacy and judicious conflict management, to ensure Trustco achieved its strategic goals conquests during the past year.

“All diplomacy is a continuation of war by other means.”

Diplomacy starts at home – and in Trustco's case, this means with our staff. Trustco once again won the large size category of Deloitte's annual “Best Company To Work For” survey in Namibia. A survey, I might add, that is conducted amongst staff anonymously and without management's input, and thus reflects the actual morale of the team that has led Trustco to where we are today.

I do believe however, that a team can only remain the best if they continuously improve and re-invent. To that effect, the remuneration committee on the recommendation of management, extended our flagship Top 40 employee programme to include a benefit that compels these exemplary employees to attend international seminars and courses. To broaden horizons and to bring that knowledge back to Namibia.



DR QUINTON VAN ROOYEN
GROUP MANAGING DIRECTOR

Diplomacy, however, only starts at home – but then it must reach outwards to be effective. Our new resources segment flexed its muscles and worked towards setting up the Meya mine in Sierra Leone. With positive drilling results, we expect this project to generate significant returns for shareholders in the future.

The larger part of value creation will be realised via the diamond cutting and polishing factory that forms part of the Huso transaction. As a result, we renegotiated the payment terms of the aforementioned transaction to ensure optimal wealth creation for all shareholders.

It was not only the resources segment that tested our negotiation skills – with our drive to establish Trustco Bank as a fully operational commercial bank, we also secured international funding for its operations via the European Investment Bank, while funding was secured to expand our Elisenheim property development via Helios Credit Partners.

“Difficulties are meant to rouse, not discourage. The human spirit is to grow strong by conflict.”

Not everything can be solved via diplomacy. External forces massed against Trustco's goal of sustainable wealth creation, in the form of political and economic turmoil in our southern neighbour and lacklustre economic performance at home.

At home, Namibia experienced a technical recession, and the country's growth sunk to the lowest levels in this decade. Our insurance segment was hit hardest by this recession, but they fought back valiantly to at least maintain the wealth creation Trustco expects from that segment. Namibia's recession, however, is not something that can or should be countered by government – the Namibian government is doing its best to follow guidelines as set out by the IMF with regards to fiscal consolidation. It is my firm belief that the private sector, in concert with government – and the Namibian entrepreneurial spirit - will reignite our economy. There is an undying will to do just that.

With that in mind, I've continued with my entrepreneurial sessions across the country to inspire and guide Namibians by what I've learned over the past 25 years in building Trustco. I encourage the youth to look differently at any situation, see where opportunities lie, and if there are none, create them.

“A peace is of the nature of a conquest; for then both parties nobly are subdued, and neither party loser.”

In Trustco's conquests, there are no losers – we aim to create wealth for all our stakeholders, and this year was no exception. Despite the economic climate, Trustco once again managed to deliver the numbers we, as a group, are known for.

From our properties division, which is delivering on Namibia's land provision shortage, to our banking and finance segment that managed exceptional growth during these trying times, Trustco excelled once again.

“Risk is our business - and we exercise courage in taking risks and capturing opportunities.”

Fortunately, a leader is only as good as his or her troops, and I am lucky to have exemplary troops in my service. From our elected board, without whose guidance and experience our achievements would have been much more difficult, to my executive team that guided and executed our strategic plan, down to those stalwarts of industry, my faithful employees, who toiled hard to deliver performance during a difficult year, I thank you all. You've made it much easier to play the game this year.

To those, who loyally join us on our mission of wealth creation – our stakeholders, customers, friends and investors, I salute you. None of our successes would be possible without your unwavering support.

I have often said that trying times offer the best opportunities, and this year, Trustco was ideally placed to capitalise on them. Our groundwork has been laid, and my troops stand ready. The best of Trustco is yet to come.

CHAIRMAN OF THE AUDIT AND RISK COMMITTEE'S REPORT

THE AUDIT AND RISK COMMITTEE (ARC) IS TASKED WITH TWO BASIC FUNCTIONS – TO OVERSEE THE AUDIT FUNCTION AND TO ENSURE PROPER RISK GOVERNANCE OF THE GROUP.

In essence, auditing the group is an assessment of the group's current position – what assets are in hand and what we've experienced during the past year. Risk governance is an assessment of the unknown – what can we place on the table to ensure our continued success.

As such, it reminds one of a game of poker. On the one hand, you need to know your current position – what cards you have in hand, what assets you have available to bet, what plays were made by other players and how they affect your performance. Only by properly auditing your current position, can one move forward with confidence. You need to make sure proper controls are in place to prevent chips from falling off the board. You must understand the strength and weaknesses of the cards in hand – know what assets to be deployed against strategies you've seen in the game – or in the market. But, that is only one half of the game.

Now that you know what you've got, you must decide what you can place on the table – what to bet, without placing your continued presence in the game. Even sure bets and the best cards can be dealt a bad hand, and to stay in the game, those risks must be mitigated. It is a game of probabilities, much like risk governance. Yet, without a certain amount of risk, there can be no return – and that is the ARC's primary function. What can we risk in the group to ensure sustainable above average wealth creation for all stakeholders?

Risk in itself is not bad, except when risk is mismanaged, misunderstood or mispriced. We are entrusted to ensure bets are correctly placed, bets that might affect the future of the group. The board of directors determines the risk tolerance for the group and the ARC is constantly testing, monitoring and implementing safety measures to ensure that the risk tolerance of the group is not enthused. As such, the risk tolerance of the group is clearly identified and defined. To assist management to identify risk indicators, the ARC is informed of the risks and exposures which the company may face. The ARC is also updated regularly on the company's strategic objectives, procedures and evaluations.



WINTON GEYSER
CHAIRMAN OF THE AUDIT
AND RISK COMMITTEE

Risk is not only measured in monetary value, but reputational risk is also of great importance. Are we a responsible player in this game and in the market? How the group's actions are perceived by others in the market adds another layer of responsibility to being a good corporate citizen. The environment in which a company operates, the social impact it has, the economic impact and overall influence are all factors that must be considered when measuring risk.

To be a good corporate citizen might be attainable, or even achievable through regulatory enforcement, but being a good corporate citizen is not good enough. Trustco holds itself to a higher standard, where good is not good enough, but aims for better.

All the discussions of risk are for naught if we do not know that we have a solid base of assets to operate from – to execute our betting strategies. Know thyself, the saying goes, and Trustco, a company with an integrated structure, encourages transparency, cooperation and integration between the external and the internal audit function. This enables the ARC to get a clear understanding of the strengths and weaknesses of the group's internal control management systems. Any identified weaknesses are dealt with immediately.

To ensure our risk assessments are current, the ARC maintains an ongoing responsibility to assess and maintain the effectiveness of the control framework, and therefore gathers information from management and also from the external and internal audit as part of its assessment process. This leads to the ARC challenging and testing management as well as the external and internal auditors on any assessment they may have made. Without this critical

process, we could be betting blind! We are constantly briefed on how management is embedding a culture of good governance and ethical behaviour. Although embedding such a culture does not guarantee that the group will achieve its goals, the lack of such culture provides greater opportunity for error or improprieties to occur.

Trustco is not a company that engages in a "box-ticking" exercise to ensure compliance, but rather sees compliance as a means to enhance shareholder return. As chairman of the ARC, I can congratulate the company for actively pursuing good governance principles, cultivating a culture of excellence, and at all times being transparent.

I would like to use this opportunity, to thank all members of the committee for their considerable effort and the devotion with which they have executed their duties during the year. The management of internal audit, risk and compliance does not always have an easy task. They often experience challenging views and opinions from management, but their dedication and resilience is truly commendable.



BOARD OF DIRECTORS



DR QUINTON VAN ROOYEN



WINTON GEYSER



RENIER TALJAARD



FLOORS ABRAHAMS



QUINTON Z VAN ROOYEN



ADV RAYMOND HEATHCOTE SC



JABU MAHLANGU



BOARD OF DIRECTORS

ADV R HEATHCOTE SC (52)

INDEPENDENT, NON-EXECUTIVE DIRECTOR

Namibian Citizen

APPOINTED 29 September 2010

QUALIFICATIONS

BA

LLB

ROLE AT THE COMPANY

- Chairman of the board of directors of Trustco Group Holdings Ltd
- Chairman of the nomination committee of Trustco Group Holdings Ltd

EXPERTISE AND EXPERIENCE

Adv Heathcote is an admitted attorney of the High Court of Namibia and was an acting judge of the High Court of Namibia in 2005, 2007, 2009 and 2011. Several of his judgments have been reported in both the Namibian and South African Law Reports. Adv Heathcote is a member of the Society of Advocates and was honoured by being appointed as senior counsel in 2009. Adv Heathcote served as the president of the Society of Advocates.



WJ GEYSER (57)

INDEPENDENT, NON-EXECUTIVE DIRECTOR

Namibian Citizen

APPOINTED 29 September 2010

QUALIFICATIONS

BCompt

BCompt (Hons)

CA (SA)

ROLE AT THE COMPANY

- Member of the board of directors of Trustco Group Holdings Ltd
- Chairman of the audit and risk committee of Trustco Group Holdings Ltd
- Member of the remuneration and nomination committee of Trustco Group Holdings Ltd
- Chairman of the board of directors of Trustco Life Ltd
- Member of the audit and risk committee of Trustco Life Ltd
- Chairman of the remuneration and nomination committee of Trustco Life Ltd
- Chairman of the board of directors of Trustco Insurance Ltd
- Member of the audit and risk committee of Trustco Insurance Ltd
- Chairman of the remuneration and nomination committee of Trustco Insurance Ltd

EXPERTISE AND EXPERIENCE

Mr Geyser is a member of the South African Institute of Chartered Accountants. He held the position of assistant manager at the audit firm Deloitte, Haskins and 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 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.



R TALJAARD (57)

INDEPENDENT, NON-EXECUTIVE DIRECTOR

Namibian Citizen

APPOINTED 5 July 2012

QUALIFICATIONS

BEcon

FCII

FIISA

ROLE AT THE COMPANY

- Member of the board of directors of Trustco Group Holdings Ltd
- Member of the audit and risk committee of Trustco Group Holdings Ltd
- Chairman of the remuneration committee of Trustco Group Holdings Ltd
- Member of the board of directors of Trustco Life Ltd
- Chairman of the audit and risk committee of Trustco Life Ltd
- Member of the remuneration and nomination committee of Trustco Life Ltd
- Member of the board of directors of Trustco Insurance Ltd
- Chairman of the audit and risk committee of Trustco Insurance Ltd
- Member of the remuneration and nomination committee of Trustco Insurance Ltd

EXPERTISE AND EXPERIENCE

Mr Taljaard has vast experience, of more than 27 years, in both the short and long term insurance industries. After completing his FCII studies, Mr Taljaard was allowed as a fellow member of the Insurance Institute of South Africa and Namibia. He held various senior positions within the industry including managing director at Swabou Insurance, Nasria, Harvest Reinsurance Company, Trustco Insurance and Trustco Life. He served on the board of Trustco Insurance from 2000 to 2006, was appointed to the board of Trustco Group Holdings in 2012 and to the board of Trustco Insurance and Trustco Life as an independent non-executive director in 2013.



BOARD OF DIRECTORS

J MAHLANGU (49)

INDEPENDENT, NON-EXECUTIVE DIRECTOR

South African Citizen

APPOINTED 4 February 2013

QUALIFICATIONS

BCom (Acc)

BCompt (Hons)

CTA and CA (SA)

ROLE AT THE COMPANY

- Member of the board of directors of Trustco Group Holdings Ltd
- Member of the audit and risk committee of Trustco Group Holdings Ltd

EXPERTISE AND EXPERIENCE

Mr Mahlangu completed his articles with PricewaterhouseCoopers (PwC) in 1996. He joined the Office for Serious Economic Offences in 1998 and in 2000 returned to PwC where he was appointed as head of the PwC Forensic Services practice in Gauteng and was later admitted as 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.



DR Q VAN ROOYEN (52)

GROUP MANAGING DIRECTOR AND CEO

Namibian Citizen

APPOINTED Acquired Trustco in 1992

QUALIFICATIONS

Bluris

LLB

DBL (Honoris Causa)

Business Leadership and Entrepreneurship (IUM)

AWARDS

- 2003: Voted "Business Communicator of the Year"
- 2007: Voted second "Most Admired Business Personality of the Year"
- 2012: Voted Top 10 "Most influential individuals in Namibia" – The Villager newspaper
- 2014: Inducted into the prestigious Namibian Business Hall of Fame, under the auspices of Junior Achievement Namibia and the Namibian Chamber of Commerce and Industry
- 2015: NMA Newsmakers Awards - winner of the entrepreneurs category
- 2016: PMR Africa - diamond arrow award for outstanding service and contribution to economic growth and development of Namibia

EXPERTISE AND EXPERIENCE

Dr van Rooyen's business acumen, skill and leadership are the determining factors that transformed the group into a successful dual listed entity. His creative approach to life makes the mundane extraordinary. He has a fearless attitude towards challenges that makes him an easy leader to follow. His talent and passion is to create products and services that are sustainable, socially responsible and that will yield extraordinary wealth for stakeholders by harnessing opportunities in Namibia and throughout Africa. Dr van Rooyen whole-heartedly believes that the full potential of Africa is yet to be realised and that change is the spice of life.



FJ ABRAHAMS (42)

EXECUTIVE DIRECTOR AND

GROUP FINANCIAL DIRECTOR

Namibian Citizen

APPOINTED 22 August 2006

QUALIFICATION

BCom

EXPERTISE AND EXPERIENCE

Mr Abrahams completed his articles in 1999. During this period he accumulated experience in the financial sector and serviced various client audits. Mr Abrahams was appointed as group financial manager of Trustco in 2000 and subsequently group financial director in 2004. Mr Abrahams assumed the role of group treasurer in 2013. He was re-appointed as group financial director in 2017.



QZ VAN ROOYEN (31)

ALTERNATE DIRECTOR TO THE

GROUP MANAGING DIRECTOR

Namibian Citizen

APPOINTED 16 March 2016

QUALIFICATIONS

BCom (Law)

LLB

AWARDS

- 2014: Ranked the "Fittest Man in Africa" at the CrossFit Games held in South Africa
- 2014: Ranked 42nd in the international Reebok CrossFit Games "Fittest on Earth"
- 2014: Inducted into the prestigious Namibian Business Hall of Fame, under the auspices of Junior Achievement Namibia and the Namibian Chamber of Commerce and Industry

EXPERTISE AND EXPERIENCE

Mr van Rooyen joined Trustco in 2010 after the completion of his studies with the main purpose to gain experience in the company. Showing a natural flair for business he soon thereafter took up a position within the finance and education segment in 2011. He specialised in the determination and execution of strategy, including focusing on and developing acquisitions within the segment. Mr van Rooyen was appointed as head of the Namibian operations in 2013 and subsequently appointed to serve on various boards of subsidiaries within Trustco. In November 2014 he took charge of the insurance and investments segment and following his success therein was appointed as head of group business in October 2015. He currently holds the position of deputy CEO of the group in addition to his role as group head of the investments segment.



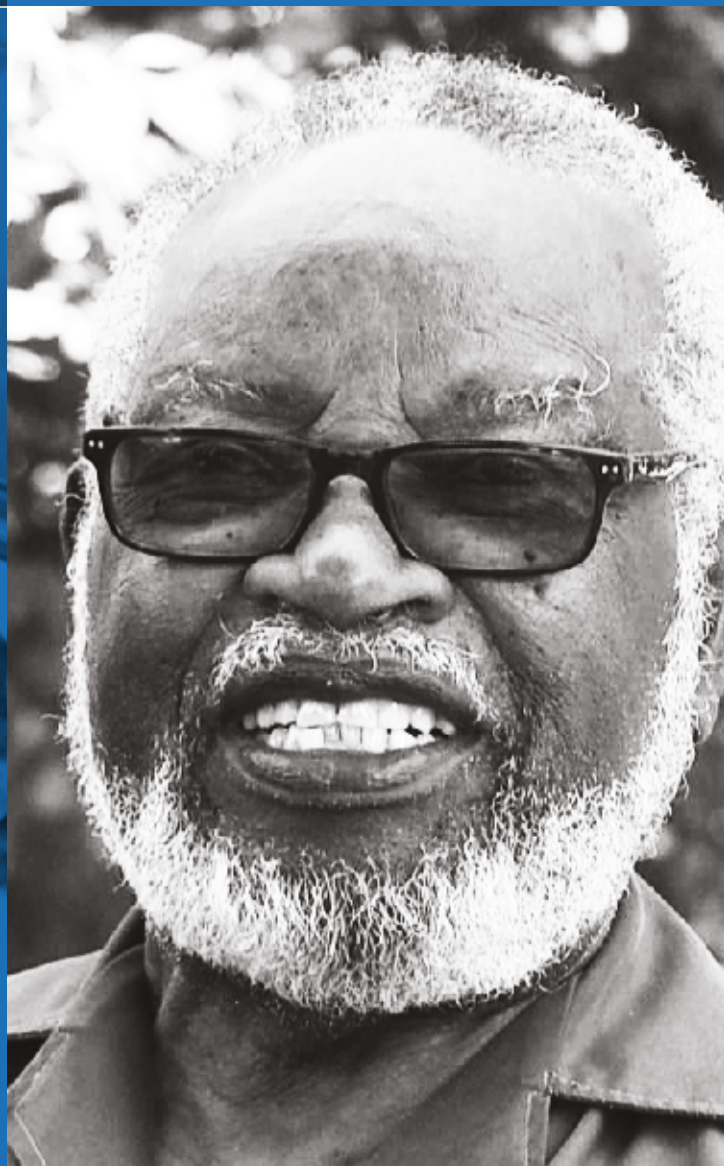
DR SAM NUJOMA

“

I might have retired from public office, but I will never retire from serving Namibia. My duties do not allow me the luxury of sitting around waiting for flights. Charter flights allow me the freedom to schedule my day and I have the opportunity to discuss business on the flight without being interrupted. Security is also a lot easier for my team to deal with.

I would like to thank the team at Trustco Air Services for their professional service and for making my flight to Lüderitz so memorable.

”



“My duties do not allow me the luxury of sitting around waiting for flights.”

Dr Sam Nujoma

GROUP PROFILE 02

VISION AND MISSION
GROUP STRUCTURE
GROUP STRATEGY
BUSINESS MODEL
OUR FOOTPRINT
OUR HISTORY

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VISION AND MISSION

OUR VISION

With our roots firmly in Namibia and our reach extended into the rest of Africa and the emerging markets beyond, we seek to generate above average growth over time to create wealth for our shareholders, customers and employees while impacting positively on society and our planet.

OUR MISSION

We provide efficient and dynamic 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 segments. 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 STRUCTURE

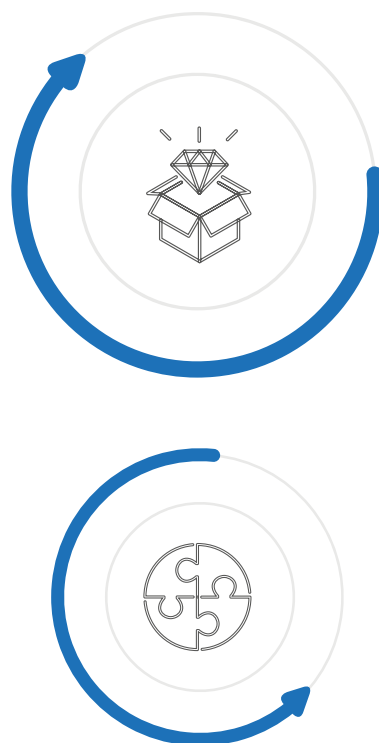
THE GROUP HAS FOUR OPERATING SEGMENTS



GROUP STRATEGY

CORPORATE ACQUISITIONS

The group spends a fair amount of time and effort identifying new opportunities through integrated thinking. Businesses that are capable of a positive incremental increase to earnings per share are considered with a view to potential synergetic relationships within the group. Corporate acquisitions remain part of our DNA and a proven strategy for growth



PRODUCT AND BUSINESS SYNERGIES

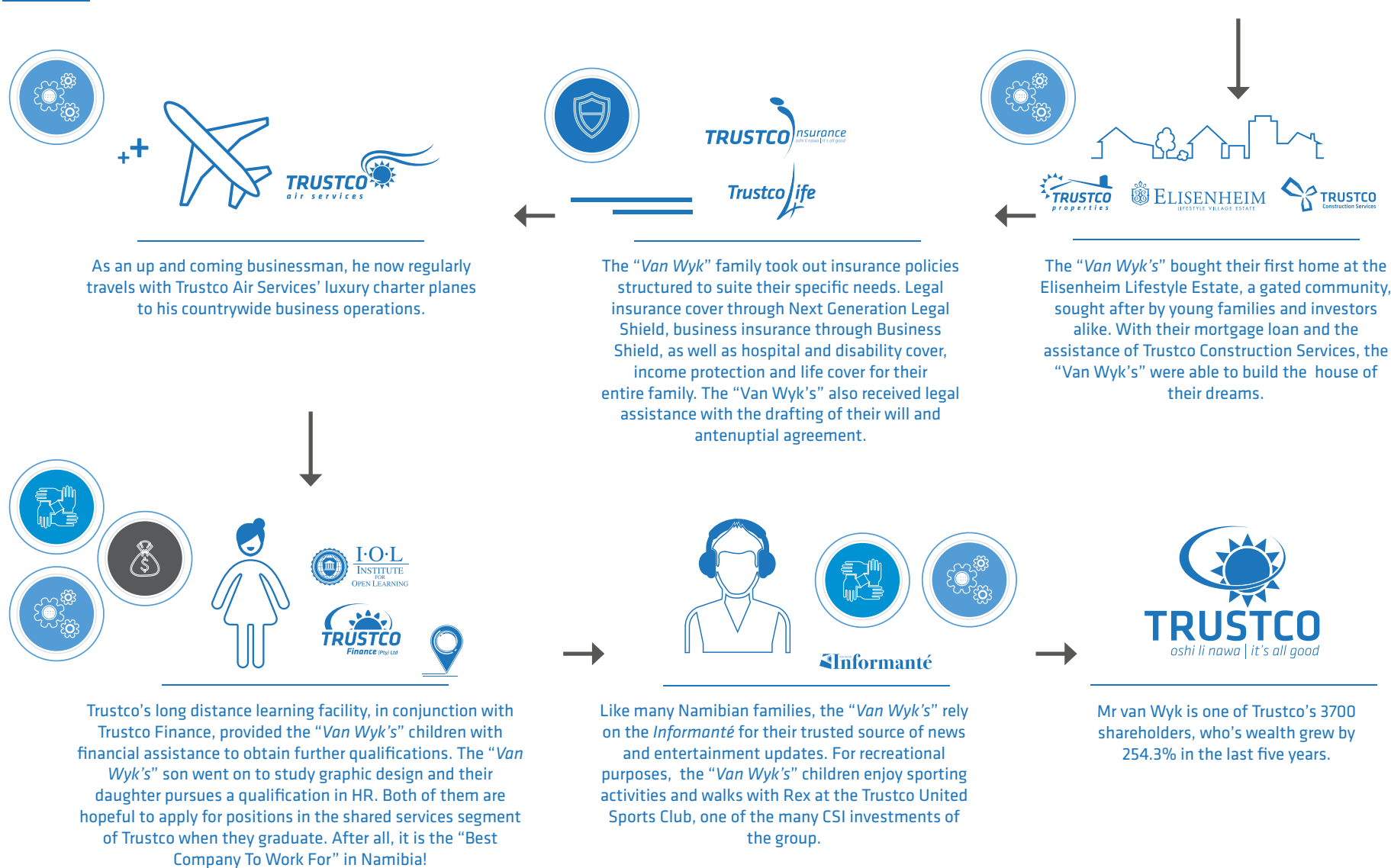
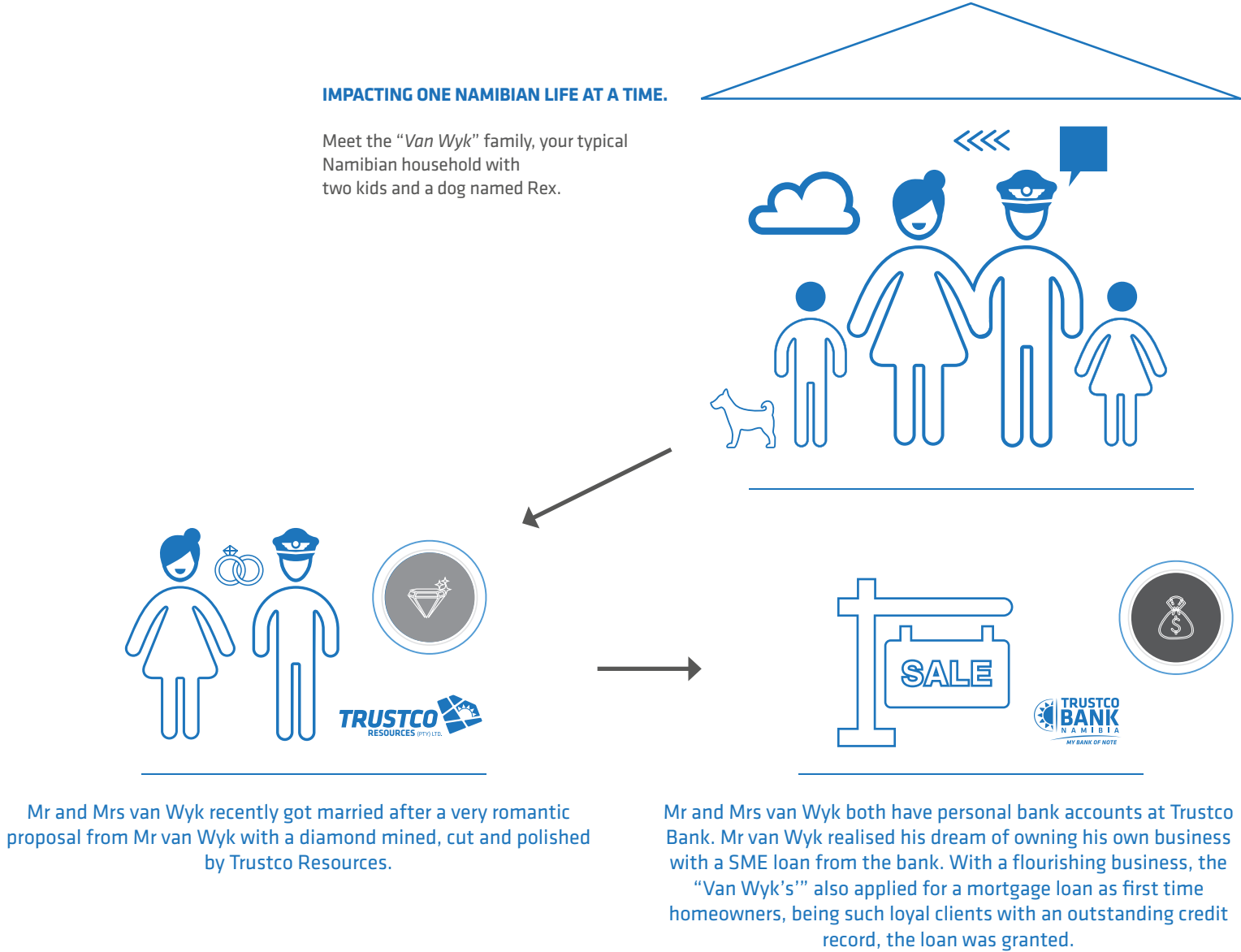
In isolation each business contributes incrementally to profitability, but in concert, opportunities abound

INCREASING MARKET SHARE WITH INNOVATION AND DIGITALISATION

Efficiency, accessibility and customer service drive speed and impact when looking to access the market whilst ensuring optimal outcomes of performance for all stakeholders, including employees and society at large. Management is constantly looking at reviewing the efficiency and sustainability of existing businesses in the group



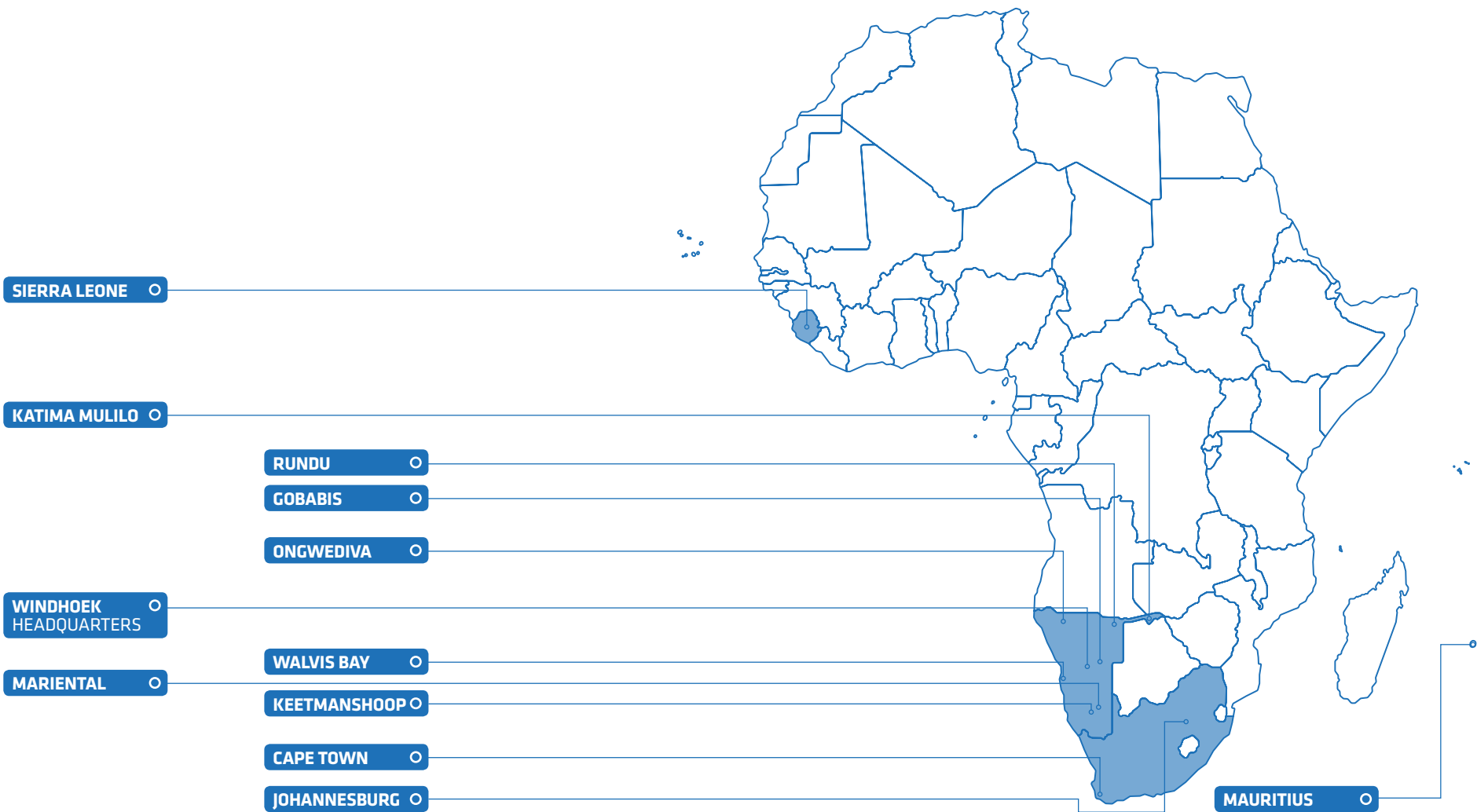
BUSINESS MODEL



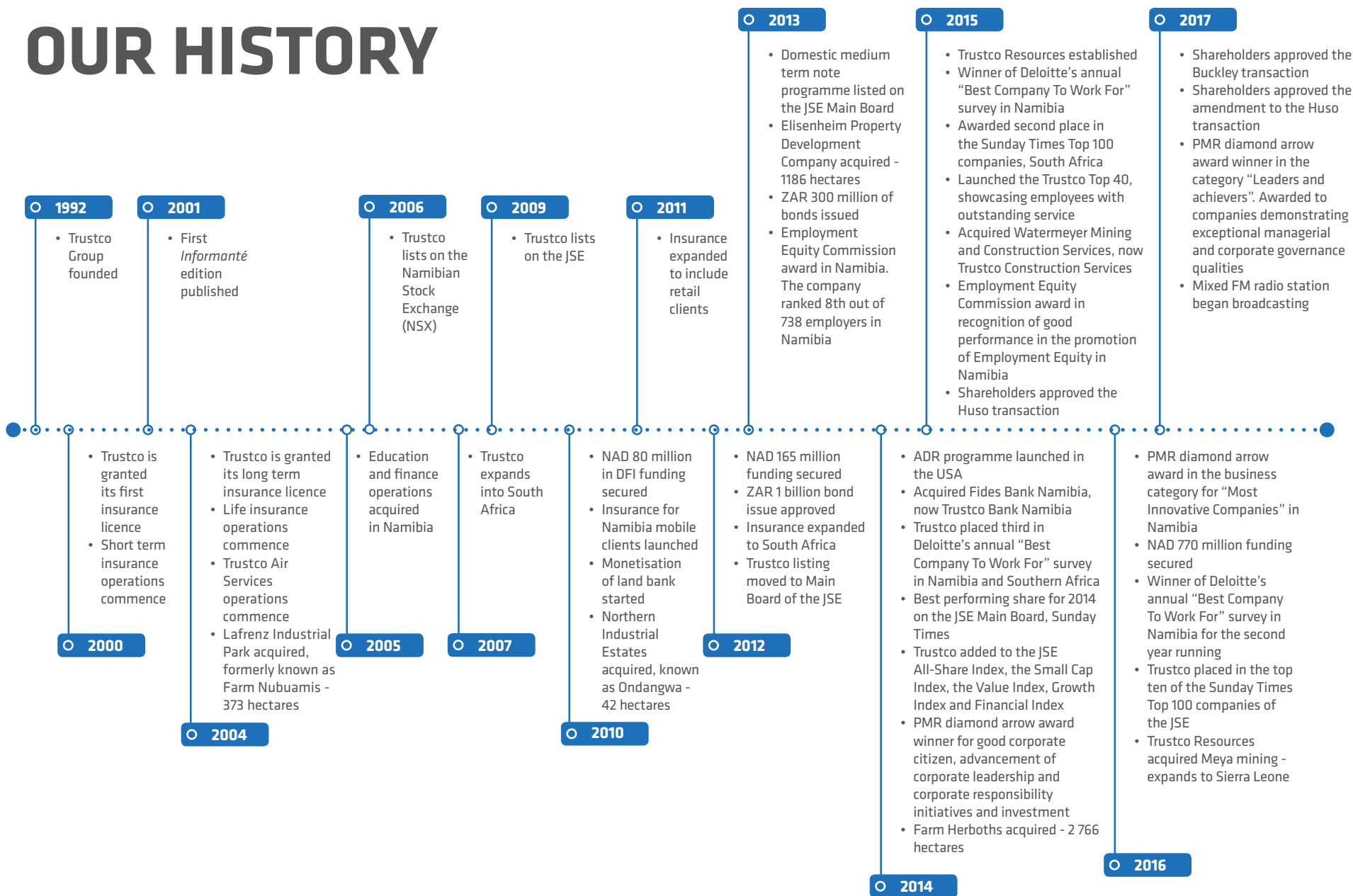
*The interaction of the segments to create the Trustco story.



OUR FOOTPRINT



OUR HISTORY



OLIVER MUHAU

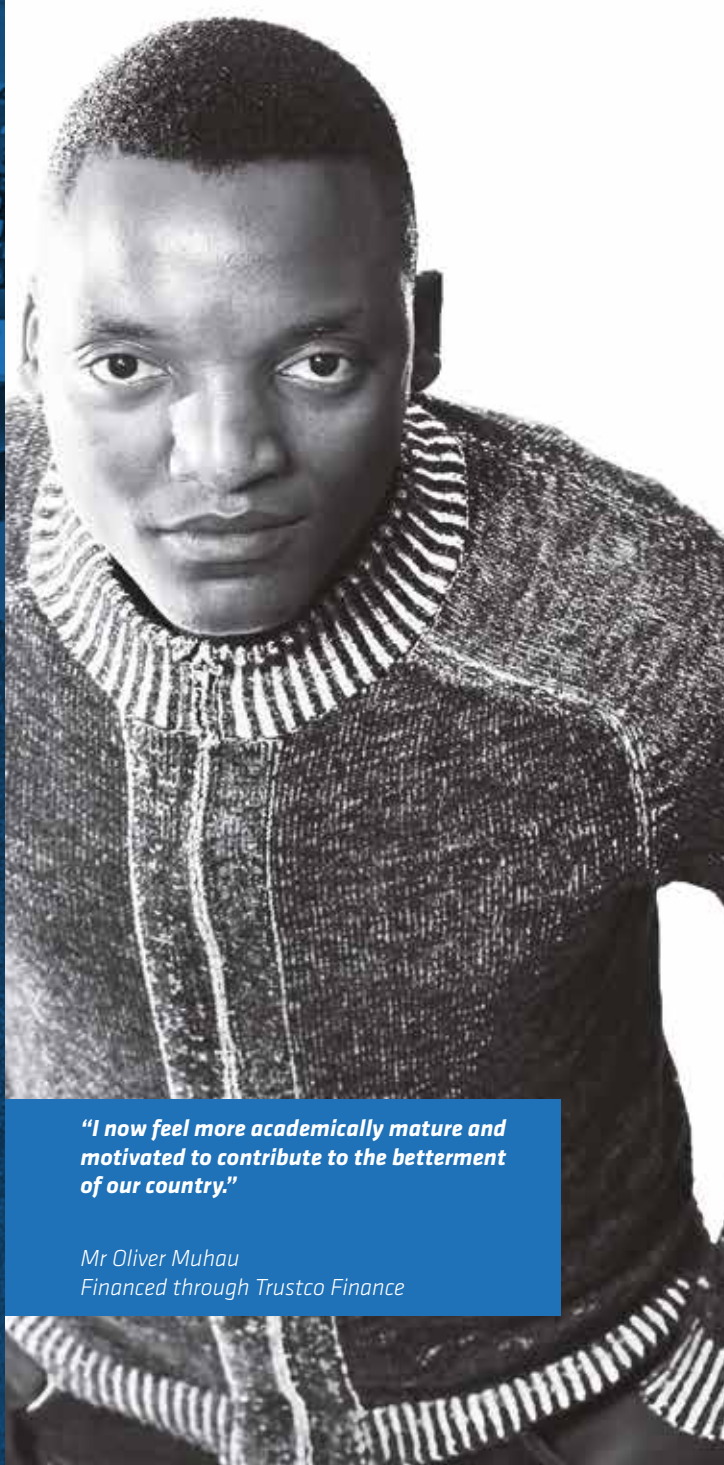
“

When I learned about the 100% financing scheme with easy and flexible payment plans when one studies through IOL, I registered without hesitation for an Advanced Certificate in Secondary Education, majoring in Biology and History for Grades 11 and 12 through one of IOL's marketers (David).

Through hard work and hands-on assistance from the IOL staff, I completed the Advanced Certificate and graduated in 2014 and soon after registered for a Bachelor of Education Honours (BED Honours) Degree (I was one of the first intakes). It was not easy, but I never lost focus. I completed the course in September 2016 and graduated this year, 2017. I am very proud to be the first student to graduate with a BED Honours from IOL.

I now feel more academically mature and motivated to contribute to the betterment of our country. Thank you IOL for the changes you brought into my life, your courses are so rewarding.

”



“I now feel more academically mature and motivated to contribute to the betterment of our country.”

Mr Oliver Muhau
Financed through Trustco Finance

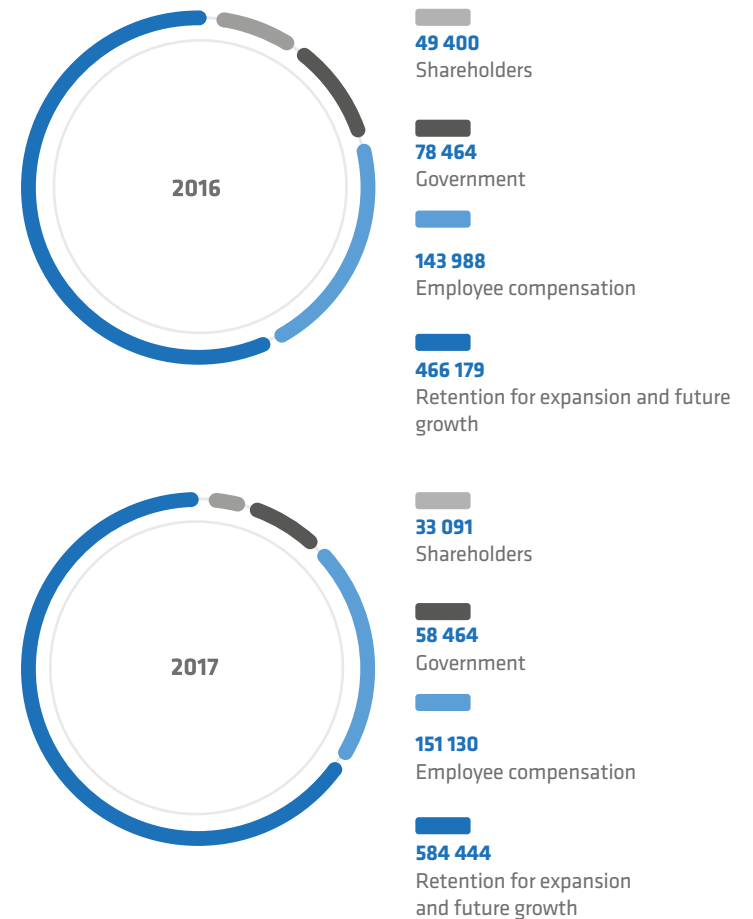
FINANCIAL PERFORMANCE 03

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VALUE ADDED STATEMENT

for the year ended 31 March	2017 NAD '000	%	2016 NAD '000	%
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	1 472 229		1 303 453	
Purchases and other direct costs of services	(645 100)		(565 422)	
Wealth created	827 129		738 031	
DISTRIBUTION OF WEALTH CREATED BY TRUSTCO GROUP OF COMPANIES				
Employee compensation				
Salaries, wages and other benefits	151 130	18.3	143 988	19.5
Shareholders				
Dividends	33 091	4.0	49 400	6.7
Government				
Taxation (PAYE, income tax, VAT, withholding tax, transfer duties, customs duties)	58 464	7.1	78 464	10.6
Retention for expansion and future growth	584 444	70.6	466 179	63.2
Net profit for the year	529 952		419 798	
Depreciation and amortisation	54 492		46 381	
Distribution of wealth created	827 129	100.0	738 031	100.0

DISTRIBUTION OF WEALTH
(NAD million)



GROUP FINANCIAL DIRECTOR'S REPORT

PERFORMANCE OVERVIEW

Trustco's operations continue to demonstrate resilience in performance, coupled with stable growth in the face of adverse financial conditions in the Southern African region.

Namibian inflation was recorded at 7% for the year to 31 March 2017. Namibia has experienced four consecutive quarters of negative growth in its GDP. The contraction in GDP was recorded at 2.7% in the first quarter of this calendar year.

The group delivered overall business operating profit before tax of NAD 581 million, an increase of NAD 132 million or 29%. Revenue increased by 8% to NAD 1 247 million. Real estate in the investments segment achieved a strong result whilst maintaining its focus on priority markets and extracting value from its core business. Investment income continued its positive momentum mainly from investment property capital gains and currency exchange gains.

Earnings per share increased to 69 cents from 55 cents, a 25% growth whilst headline earnings per share grew by 28% from 55 cents to 71 cents.

GROUP PERFORMANCE

	2017 NAD'000	2016 NAD'000	2015 NAD'000	2014 NAD'000	2013 NAD'000
Revenue	1 246 762	1 150 286	1 017 073	843 554	595 239
NPAT	529 952	419 798	303 238	252 672	39 384
Headline earnings	542 517	419 432	275 744	141 522	33 863
EPS (c)	69.1	55.4	43.6	33.6	5.4
HEPS (c)	70.8	55.3	39.6	18.8	4.7
NAV/Share (c)	323	284	201	162	133
Share price (c)	404	310	300	119	116



EARNINGS

25% GROWTH IN EARNINGS PER SHARE



VALUE

14% GROWTH IN NET ASSET VALUE



BALANCE SHEET

28% GROWTH IN ASSETS



CUSTOMERS

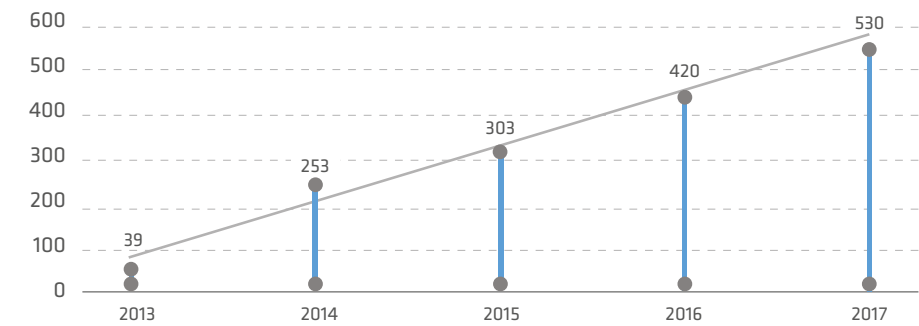
8% GROWTH IN REVENUE FROM CUSTOMERS



FLOORS ABRAHAMS
GROUP FINANCIAL DIRECTOR

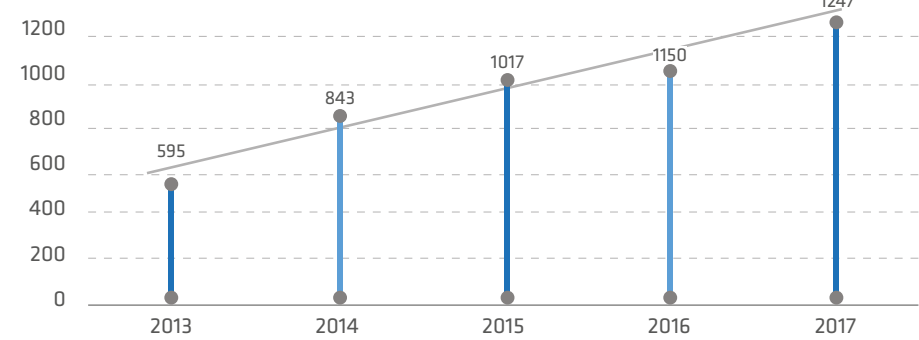
GROUP FINANCIAL DIRECTOR'S REPORT (CONTINUED)

NET PROFIT AFTER TAX (NAD million)

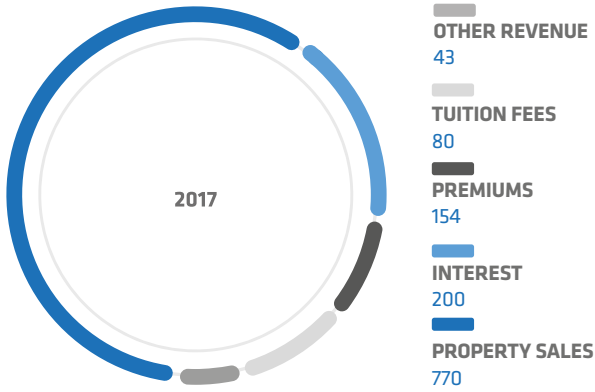


Net profit after tax of NAD 530 million for the year, increased by NAD 110 million from the prior year.

REVENUE (NAD million)



GROUP REVENUE BY TYPE (NAD million)



Revenue increased by 8% to NAD 1 247 million (FY2016: NAD 1 150 million).

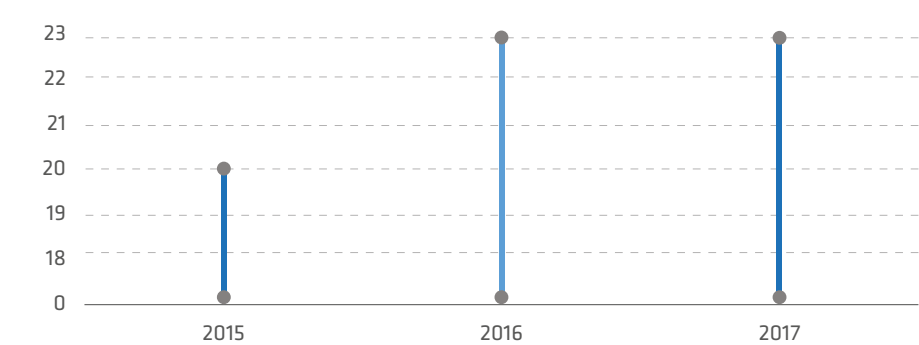
CONVERTIBLE LOAN AGREEMENT

The company (Trustco Group Holdings Ltd) has entered into a convertible loan agreement with Riskowitz Value Fund LP (the Fund) dated 6 July 2017. In terms of the agreement, the Fund will lend the group NAD 250 000 000 (two hundred and fifty million). The loan will be converted into 58 823 529 ordinary shares of the company at a conversion price of NAD 4.25, subject to obtaining all requisite regulatory approvals and activation of the trigger events (reference is made to the Huso transaction and the Buckley transaction) as disclosed in the agreement. This agreement does not constitute a change in control. Dr Q van Rooyen, the majority shareholder has signed an irrevocable undertaking to vote in favour of the agreement. The conversion price represents a 3.16% premium to NAD 4.12 being the company's 30-day volume weighted average price on the exchange operated by the JSE Limited (JSE) up to and including 5 July 2017, being the date immediately prior to the signature date of the agreement.

RETURN ON EQUITY

The group achieved a return on equity (ROE) of 23% (FY2016: 23%). ROE is a measure of ordinary shareholders return based on book value rather than a market based return.

ROE (percentage)



SEGMENTAL PERFORMANCE

Insurance

The insurance segment's net profit after tax decreased to NAD 40 million (FY2016: NAD 45 million) due to a slow down in the local economic climate.

Banking and finance

During the year under review the banking segment secured new funding of NAD 410 million from various funders. The funding was used for the growth of the advances book. Total advances increased by 54% to NAD 1 818 million (FY2016: NAD 1 184 million).

Investments

The investments segment's net profit after tax grew by NAD 123 million representing a 39% increase to NAD 440 million (FY2016: NAD 317 million). The solid performance is attributed to the monetisation of the real estate inventory held by the group and a strong demand within the local economy. The group disposed of 54.4 hectares during the year and at the same time property debtors worth NAD 71.9 million were realised. The property debtors cycle is approximately 24 months.

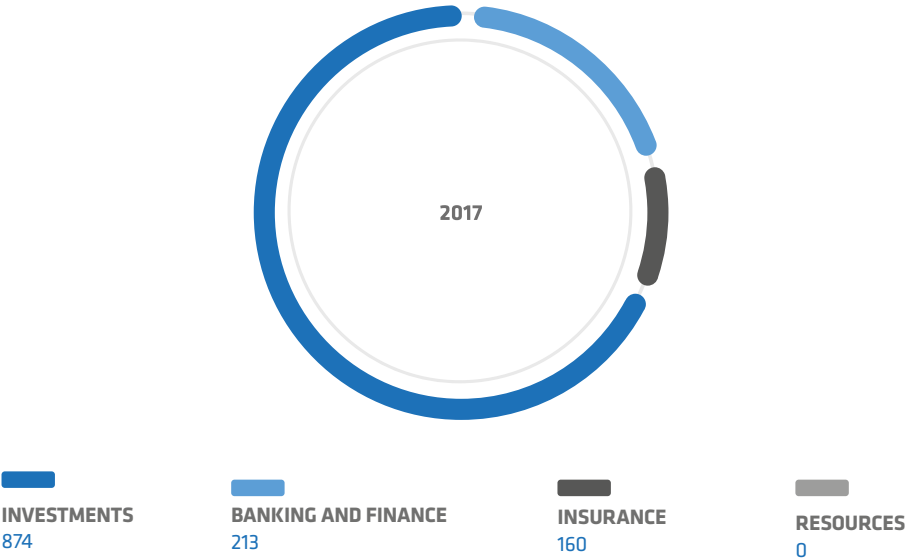
Resources

The reporting year saw the establishment of a new segment; namely "Resources", through the acquisition of Meya mining. The acquisition of the mining venture represents a natural progression of the group strategy. The acquisition offers a best fit strategic opportunity to diversify the revenue stream of the group and at the same time earn foreign currency.

With positive drilling results and early indications, it is expected that this project will generate significant returns for shareholders in the future.

A large part of value creation will be realised via the diamond cutting and polishing factory that forms part of the Huso transaction. As a result, the payment terms of the aforementioned transaction were renegotiated to ensure optimal wealth creation for all shareholders. Refer to the Huso amendment circular issued on the 11th of May 2017.

SEGMENT REVENUE CONTRIBUTION (NAD million)

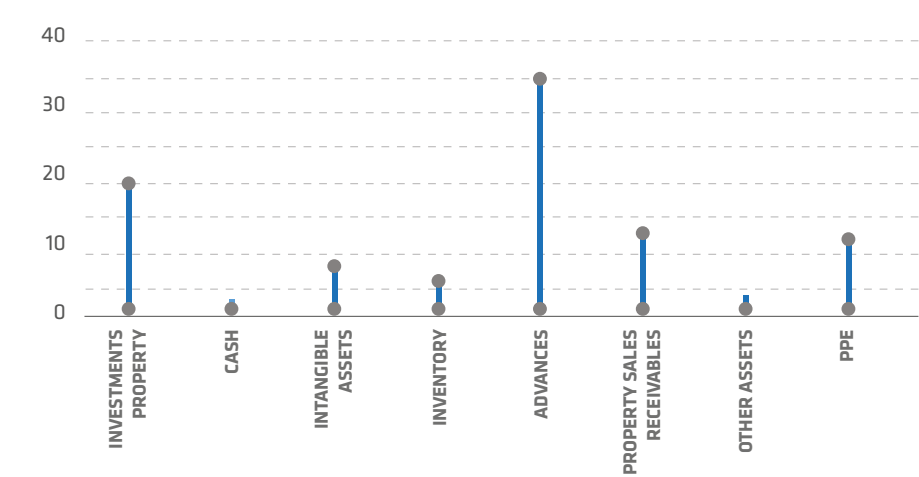


GROUP FINANCIAL DIRECTOR'S REPORT (CONTINUED)

BALANCE SHEET

The growth areas on the asset side of the balance sheet are advances (up 54% from 2016), investment property (up 24% from 2016), intangibles (up 123% from 2016) and PPE (up 33% from 2016).

BALANCE SHEET CONSTRUCTION (percentage)

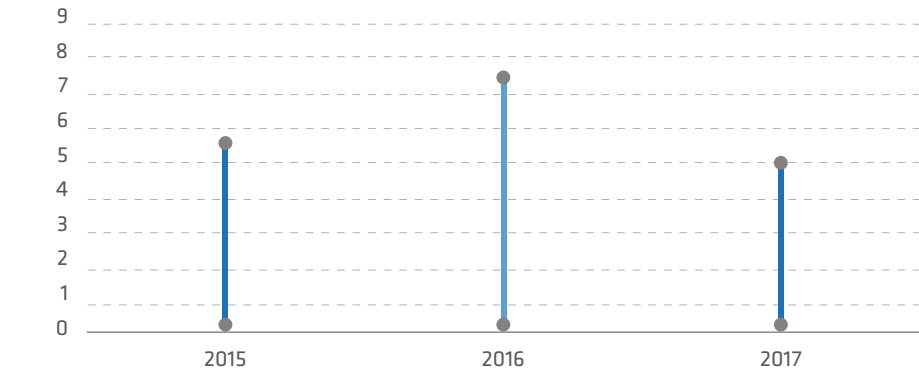


DIVIDENDS

Dividend paid in the current financial year amounted to 5.0 cents per share (2016 FY: 7.4 cents per share).

During the year under review, the board recommended that no dividend be declared for the financial period ended 31 March 2017. The main reasons for the decision are that the board members believe that Trustco would significantly increase its value by reinvesting its earnings, more specifically to capitalise the banking and finance segment and to further invest in the resources segment. The company will also continue its share buy-back programme during the next reporting period.

DIVIDENDS PER SHARE (cents)



CREATING SUSTAINABLE FINANCIAL LEVERAGE

The group's borrowings increased from NAD 1.1 billion to NAD 1.7 billion during the financial year. The growth in the borrowings in the fiscal year mirrors the 54% growth achieved in advances.

CAPITAL ADEQUACY

As at 31 March, the regulated entities in the group traded off the below capital and performance metrics. The group ensures that the entities operate at a prudent buffer. Trustco Finance maintains a capital adequacy in excess of 25% to ensure compliance with funders' covenants.

	2017		2016		2015	
	Actual %	Required %	Actual %	Required %	Actual %	Required %
Bank capital adequacy	110	15	51	15	56	15
Long term insurer capital adequacy	1 813	20	2 090	20	7 441	20
Trustco Finance capital adequacy	36	25	34	25	30	25

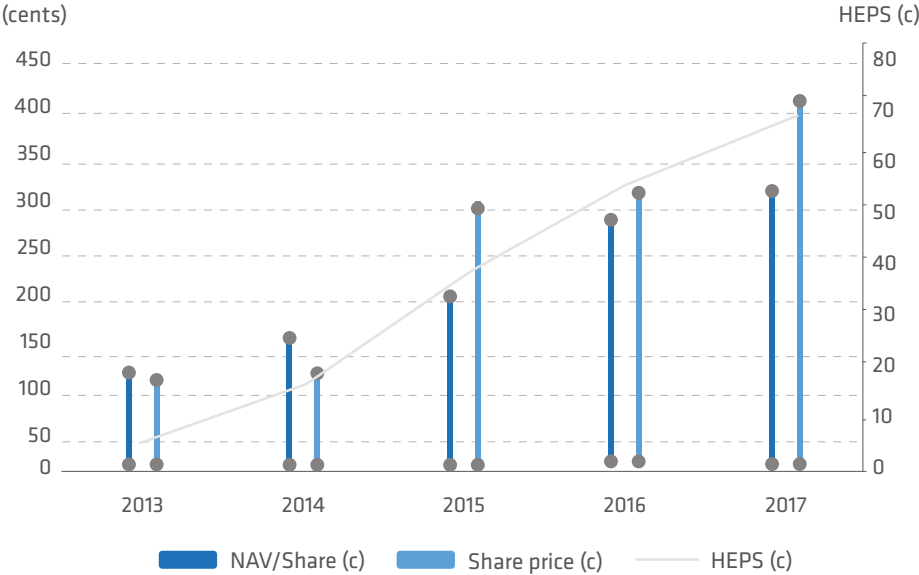
ACQUISITIONS

On 11 November 2016 the group acquired 51% of the voting equity and economic interest of Meya mining which resulted in the group obtaining control over Meya mining. Meya mining is incorporated in Mauritius and is the holder of Exploration Licence No. EL 07/2015 granted under the provision of the Mines and Minerals Act 2009, of the Republic of Sierra Leone. Meya mining commenced with a resource evaluation programme in November 2016, with the aim of verifying the geo-economic potential within the exploration licence area. Based on the preliminary drilling results, the group estimates an economic resource of more than USD 2 billion.

CAPITAL MANAGEMENT

As at 31 March, NAD391 million (2016: NAD217 million) of borrowing facilities not yet fully utilised remain undrawn.

At the time of reporting, the group is in negotiations with its funders to amend repayment terms of its current facilities whilst maintaining interest payments as part of its ongoing capital raising strategies.



LOOKING TO THE FUTURE

The group is excited about the future contributions from the resources segment as initial drilling results of the mining venture are encouraging. The group foresees a positive contribution by the resources segment to the profitability of the group supplementing further growth from the banking and finance segment as the real estate inventory is monetised.

FLOORS ABRAHAMS

Group financial director

SUMMARISED GROUP RESULTS

SUMMARISED CONSOLIDATED BALANCE SHEET

	31 March 2017 NAD '000	31 March 2016 NAD '000	
ASSETS			
Cash and cash equivalents	46 017	99 835	
Advances	1 818 811	1 184 063	< New loans advanced amounted to NAD 942 million (2016: NAD 678 million) with a non-performing loan ratio of 4% (2016: 3%).
Trade and other receivables	762 225	765 949	
Current income tax assets	7 534	7 496	
Inventories	339 278	327 619	
Property, plant and equipment	609 416	459 335	< Increase of 33% is due mostly to expansion in the resources segment. The group is currently developing a diamond mine and a processing plant in Sierra Leone.
Investment property	1 010 812	816 180	
Intangible assets	467 579	209 849	< The acquisition of Meya mining resulted in recognition of goodwill of NAD 206 million.
Deferred income tax assets	94 718	143 675	
Total assets	5 156 390	4 014 001	
EQUITY AND LIABILITIES			
Liabilities			
Bank overdraft	12 640	17 249	
Borrowings	1 657 445	1 104 695	< During the year under review the group received additional funding earmarked for growing advances.
Trade and other payables	477 513	215 806	< Trade payables grew by 121% due to deferred settlement of treasury shares and contingent consideration for the acquisition of Meya mining.
Current income tax liabilities	28 018	10 257	
Other liabilities	85 287	72 406	
Deferred income tax liabilities	308 687	329 159	
Insurance provisions	94 350	75 365	
Total liabilities	2 663 940	1 824 937	

	31 March 2017 NAD '000	31 March 2016 NAD '000	
Capital and reserves			
Share capital	177 595	177 595	< The group received a convertible loan of NAD 250 million after yearend. Loan is convertible to 58.8 million ordinary shares.
Share premium	46 300	46 300	< The group repurchased 42 million shares during the year under review.
Deemed treasury shares	(178 358)	-	
Other reserves	47 875	87 282	
Retained earnings	2 399 031	1 877 887	
Non-controlling interest	7	-	
Total capital and reserves	2 492 450	2 189 064	
Total equity and liabilities	5 156 390	4 014 001	

SUMMARISED CONSOLIDATED INCOME STATEMENT

	For the year ended 31 March 2017 NAD '000	For the year ended 31 March 2016 NAD '000	
Revenue	1 246 762	1 150 286	< Increase of 25% in property sales from NAD 620 million to NAD 770 million.
Investment income	225 467	153 167	
Income from operations	1 472 229	1 303 453	
Insurance benefits and claims	(48 292)	(45 895)	
Operating expenses	(668 791)	(673 405)	
Finance costs	(173 669)	(134 279)	< 29% growth in interest expense is in line with the growth of group borrowings.
Profit before taxation	581 477	449 874	
Taxation	(51 525)	(30 076)	
Profit for the year	529 952	419 798	

HEADLINE EARNINGS RECONCILIATION

Profit attributable to ordinary shareholders	529 952	419 798
Adjustments:	12 565	(366)
Loss/(profit) on disposals of property, plant and equipment	18 393	(221)
Fair value adjustments on investment properties	80	(300)
Tax effect	(5 908)	155
Headline earnings	542 517	419 432

PER SHARE INFORMATION

	For the year ended 31 March 2017 (cents)	For the year ended 31 March 2016 (cents)
Earnings per share	69.11	55.37
Diluted earnings per share	68.67	55.02
Headline earnings per share	70.75	55.32
Diluted headline earnings per share	70.30	54.97
Dividends paid per share	5.00	7.40



WANOS 767 million (2016:758 million)
diluted WANOS 772 million.

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Deemed trea- sury shares	Other reserves	Non- controlling interest	Distributable reserves	Total
	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000
Balance at 1 April 2015	177 595	46 300	(57 043)	63 373	-	1 319 941	1 550 166
Transfer between reserves	-	-	-	(206)	-	206	-
Deemed treasury shares sold	-	-	57 043	-	-	187 342	244 385
Total comprehensive income for the period	-	-	-	24 115	-	419 798	443 913
Dividends for the period	-	-	-	-	-	(49 400)	(49 400)
Balance at 31 March 2016	177 595	46 300	-	87 282	-	1 877 887	2 189 064
Balance at 1 April 2016	177 595	46 300	-	87 282	-	1 877 887	2 189 064
Transfer between reserves	-	-	-	(24 283)	-	24 283	-
Deemed treasury shares purchased	-	-	(178 358)	-	-	-	(178 358)
Total comprehensive income for the period	-	-	-	(15 124)	-	529 952	514 828
Minority interest	-	-	-	-	7	-	7
Dividends for the period	-	-	-	-	-	(33 091)	(33 091)
Balance at 31 March 2017	177 595	46 300	(178 358)	47 875	7	2 399 031	2 492 450

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the year ended 31 March 2017 NAD '000	For the year ended 31 March 2016 NAD '000
Cash flow from operating activities		
Cash generated by operations	432 040	442 465
Interest received	432	3 717
Finance costs	(170 456)	(134 279)
Net loans advanced	(642 579)	(375 622)
Net funding from liabilities for student advances	308 810	76 252
Taxation paid	(861)	(7 810)
Net cash flow from operating activities	(72 614)	4 723
Cash flow from investing activities		
Net cash flow from investing activities	(51 996)	(140 733)
Cash flow from financing activities		
(Purchase)/sale of deemed treasury shares	(775)	244 384
Net movement of borrowings and related parties	109 267	(80 068)
Dividends paid	(33 091)	(49 400)
Net cash flow from financing activities	75 401	114 916
Net change in cash and cash equivalents	(49 209)	(21 094)
Cash and cash equivalents at beginning of year	82 586	103 680
Cash and cash equivalents at end of year	33 377	82 586



More than NAD 400 million raised in debt to
fund growth.



Dividend paid of 5 cents (2016: 74 cents). No interim
dividend was declared and paid (2016: 34 cents).

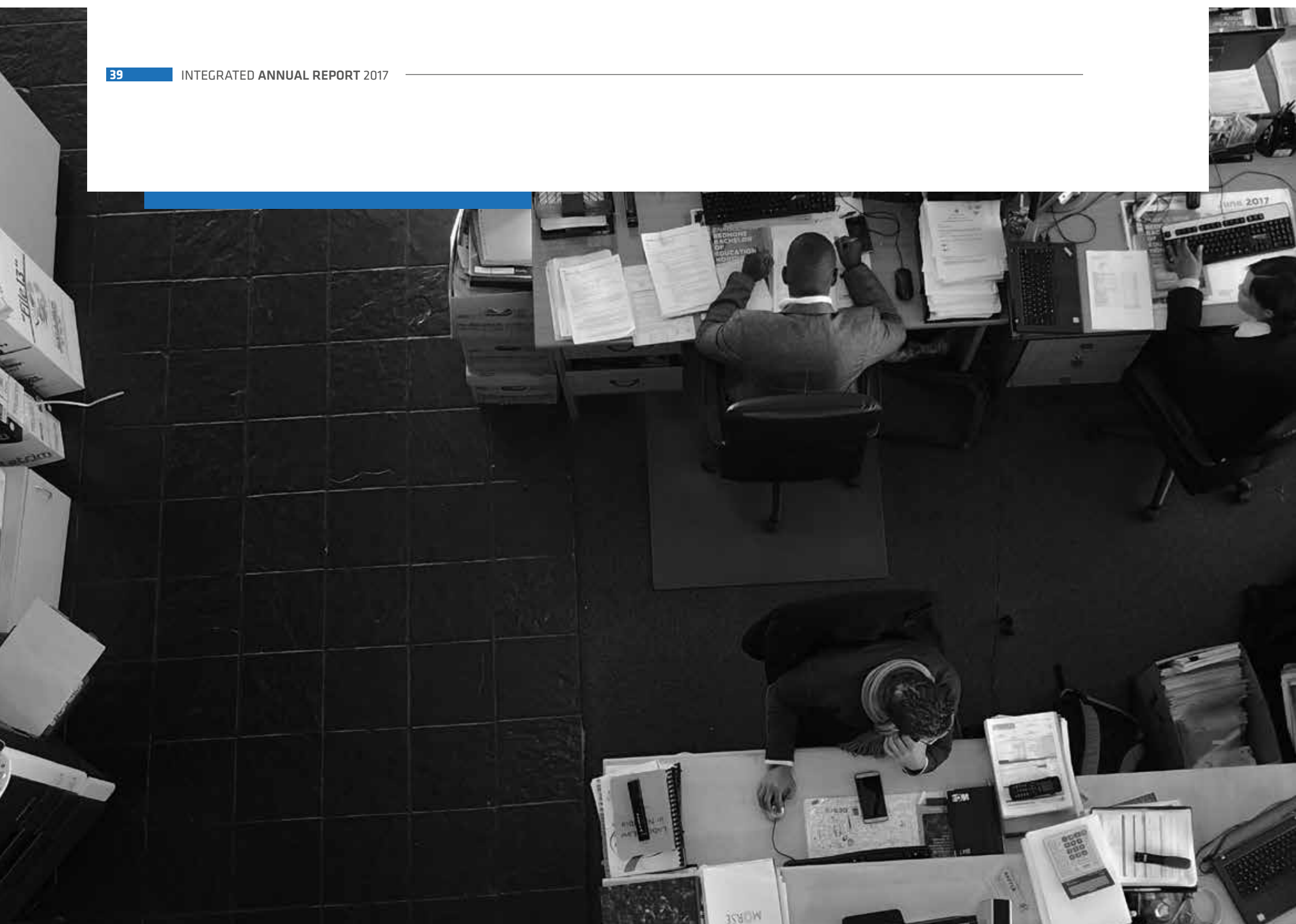
CONDENSED SEGMENTAL ANALYSIS

	Total segment revenue	Inter-segment revenue	Revenue from external customers	Profit for the period	Depreciation and amortisation	Interest income	Interest expense	Impairment of receivables and loans	Taxation	Total assets	Total liabilities
2017 (NAD '000)											
Insurance	184 344	(24 658)	159 686	40 370	20 418	396	383	-	3 602	210 432	114 571
Banking and finance	226 676	(13 647)	213 029	60 593	878	636	68 690	7 408	31 426	1 908 870	605 912
Investments	1 035 789	(161 742)	874 047	440 131	33 195	(607)	101 383	-	16 497	2 554 628	1 651 152
Resources	-	-	-	(11 142)	1	4	3 213	-	-	482 460	292 305
Total	1 446 809	(200 047)	1 246 762	529 952	54 492	429	173 669	7 408	51 525	5 156 390	2 663 940

	Total segment revenue	Inter-segment revenue	Revenue from external customers	Profit for the period	Depreciation and amortisation	Interest income	Interest expense	Impairment of receivables and loans	Taxation	Total assets	Total liabilities
2016 (NAD '000)											
Insurance	203 866	(2 580)	201 286	45 033	18 064	1 540	81	-	4 192	325 639	148 914
Banking and finance	231 157	(9 664)	221 493	57 326	471	937	52 910	(8 921)	16 772	1 507 636	561 563
Investments	846 242	(118 735)	727 507	317 439	27 846	1 240	81 288	-	9 112	2 180 726	1 114 460
Total	1 281 265	(130 979)	1 150 286	419 798	46 381	3 717	134 279	(8 921)	30 076	4 014 001	1 824 937

These summarised financial statements do not contain all the information and disclosures required by IFRS in the annual financial statements. Accounting policies used in the summarised group financial statements are the same as those used to prepare the group

annual financial statements and consistent with the prior year. The annual financial statements are available online as a pdf at www.tgh.na



CAROLINE A MUTWANAG

“

I, Caroline A Mutwanag, herewith just want to note down my appreciation for the very excellent client service I received as a Legal Shield member.

I had a divorce matter, filed in October 2016 and was given a lawyer, Ms T de Waal of Rix & Company Legal Practitioners. I have been assisted wonderfully and my divorce was granted on 16 January 2017. I am forever indebted to Legal Shield for this.

I joined Legal Shield in April 2001 and I can today state that I don't ever regret having joined. Indeed my divorce was done professionally, the lawyer is absolutely and highly recommendable (especially after several changes in lawyers). I am grateful for Ms Busi Yawa who assisted me in this regard.

Thanking you once again.
Loyally still a Legal Shield client,
Caroline A Mutwanag

”

SEGMENT OPERATIONAL REVIEWS 04



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SHARED SERVICES

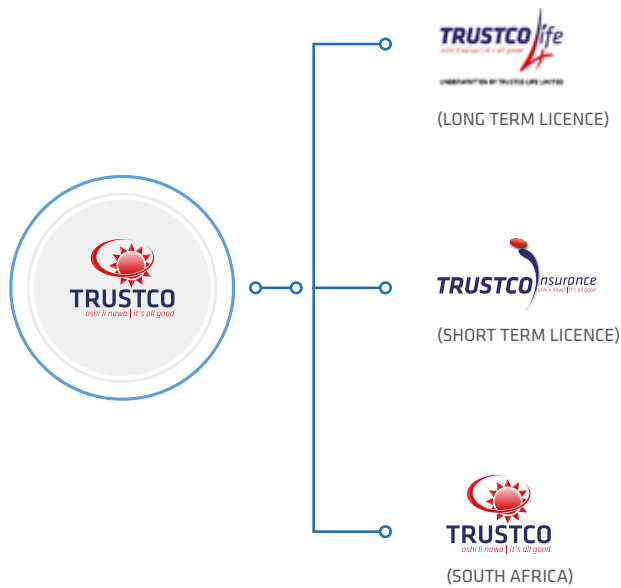
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“Indeed my divorce was done professionally, the lawyer is absolutely and highly recommendable.”

Mrs Caroline A Mutwanag
Legal Shield member



INSURANCE



NAMIBIA

Since its inception in 2000 the short term insurer of the insurance segment continues to be the leader in providing legal insurance to a very large portion of the middle to low income groups in Namibia. This feat has been accomplished by unique brand awareness campaigns over the years, such as the well known “Rather Have It” campaign.

HIGHLIGHTS

The highlights of this reporting period resulted from a team effort by the employees and management who strategised extensively to determine how product offerings can be

optimised to meet customer needs. The first ideas were not always the best ideas, but the final ideas resulted in the following highlights;

The successful launch of the “Next Generation” Legal Shield product which offers quality legal insurance to customers, with added benefits that suit the individual customer’s insurance needs. Add-on benefits are underwritten by Trustco Life, the long term insurance company of the segment, and include funeral benefits, dread disease cover, health insurance and income protection cover.

The most innovative benefit option on the Trustco 4 Life Plus, a whole life product, available since June 2016, being that a customer may claim all premium contributions back after 15 claim free years. A first in Namibia!

SOCIAL RESPONSIBILITY

As a financial services provider, it is also the duty of the segment to educate and promote the financial wellbeing of its customers. Not only are affordable insurance products offered to customers, but now they also have the opportunity to save on a monthly basis. Existing customers can save from as little as NAD 100 per month, for a period of 5 (five) years, and in the process earn an astounding 10.5% interest per annum. This is an unprecedented rate of return for investments of this nature. This interest rate is made possible through strategic investments in other segments within the group. At financial yearend, an excess of 1 000 savings policies were issued with an average savings amount of NAD 250 per month.

FUTURE

Looking into the future, both short and long term insurers will continue to develop and enhance insurance products to suit the needs and pocket of the man on the street. The segment’s underwriting expertise and the fact that it holds both short and long term licences ensure that risks in other segments within the group are covered. It also provides for opportunities to increase revenue within the group and strengthen the symbiotic relationships between these segments.

PRODUCT OFFERINGS

TRUSTCO INSURANCE PRODUCTS

Next Generation Legal Shield Policy



A short term insurance policy which covers the main member (single option) and family (family option) against legal fees relating to criminal, civil, labour, matrimonial and administrative matters up to NAD 300 000 per case. Conveyancing costs of residential property are also covered on the family option. A free funeral benefit is also included for the main member and spouse

Business Shield Policy



A short term insurance policy that covers a business against legal costs incurred due to labour related matters. A free funeral benefit is also included for every employee

Credit insurance on student loans granted by Trustco Finance which provides cover against abscondment

BENEFITS UNDERWRITTEN BY TRUSTCO LIFE

Hospital benefit

Hospital cover which pays out NAD 1 250 per adult and NAD 750 per child per day in the event of hospitalisation for 7 (seven) days or longer

Income protector benefit

Insures the main member and spouse against the loss of salary income due to illness

Dread disease benefit

A lump sum payment of NAD 50 000 if the insured is diagnosed with any of the following serious illnesses; heart attack, stroke, cancer, paraplegia, kidney failure, total blindness, organ transplant or motor neuron disease

TRUSTCO LIFE PRODUCTS

Funeral Shield Policy (single option)



Cover against the cost of a funeral. Single and family options are available, including or excluding HIV cover. Under the family option the main member, spouse and up to 5 (five) children will enjoy cover, as well as one extended family member can also be added to the policy. The main member and spouse are covered for NAD 30 000 while children and extended family members are covered for NAD 15 000. Cover is doubled in the event that the cause of death was an accident

KMC POLICY



An insurance product that covers the costs of medical consultations in the event that the insured does not have a personal medical aid. The product offers members access to 15 private doctor’s consultations and the costs of acute medicine. A free funeral benefit is also included for all members

YAMBU LIFE POLICY



A term life product with an option to add dread disease and disability cover

TRUSTCO 4 LIFE PLUS POLICY



A whole life product with various premium and benefit options. Dread disease and disability cover are optional. An option for the insured to get all premiums back after 15 (fifteen) claim free years

Credit Life Protection

Cover against death, disability and retrenchment on student loans granted by Trustco Finance

Investment / Savings Policy

A 5 (five) year term investment policy

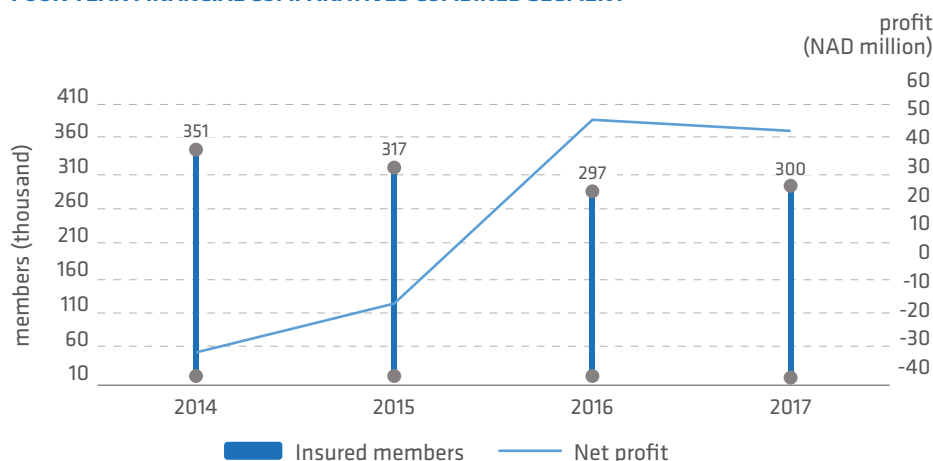


SOUTH AFRICA

The South African entities predominantly operate as registered financial services providers, offering comprehensive intermediary services to customers benefitting from its own unique bouquet of insurance products through binder arrangements with registered insurers. Short term insurance policies are marketed and administered within a cell captive held at Guardrisk Insurance Company Limited and long term insurance policies are underwritten by Constantia Life and Health Assurance Company Limited. Expected new legislative changes in South Africa, especially in relation to insurance and commission structures, will present new opportunities for expansion of the Trustco brand in the South African market. Enhanced regulatory oversight within the financial services sector reduces competition. Although the South African insurance market is highly competitive, insurance products were created under the Yambu brand that cater for specific customer needs within defined parameters, previously not optimally explored by competitors. This offers the crisp opportunity of presenting unique and affordable insurance products and to capitalise on growth within the middle to lower income customer market.

Ultimately the insurance segment aims to create sustainable value from the product range offering. By ensuring that the product offering remains affordable, yet provides excellent value and the human capital provides exceptional service, the objective is attainable.

FOUR YEAR FINANCIAL COMPARATIVES COMBINED SEGMENT



A decrease was seen in the number of insured members during 2015 as a result of a more efficient and condensed product offering.

COMBINED SEGMENT RATIO

(Total expenses plus claims divided by net premium)

73.20 %

Continuous consideration is given to the development of further products, and when opportune, further initiatives will be executed in capturing increased market share. In line with the group strategy, the entrepreneurial approach of the South African business is aimed at the creation of wealth for all stakeholders, ranging from customers to shareholders. This is the very reason why the Yambu brand and product range have been developed, to enhance the wellness of customers. With the coverage of business risks faced by employers, both the employer and employee benefit.

Opportunity only graces the prepared mind. Customers who were previously neglected, or where the market failed to heed customer's demands, are the focus areas of the segment to meeting those needs.

The unique approach in veering off the beaten track offers endless opportunities for its business. It remains imperative to stay fully compliant with all regulatory requirements and to ensure customer confidence.

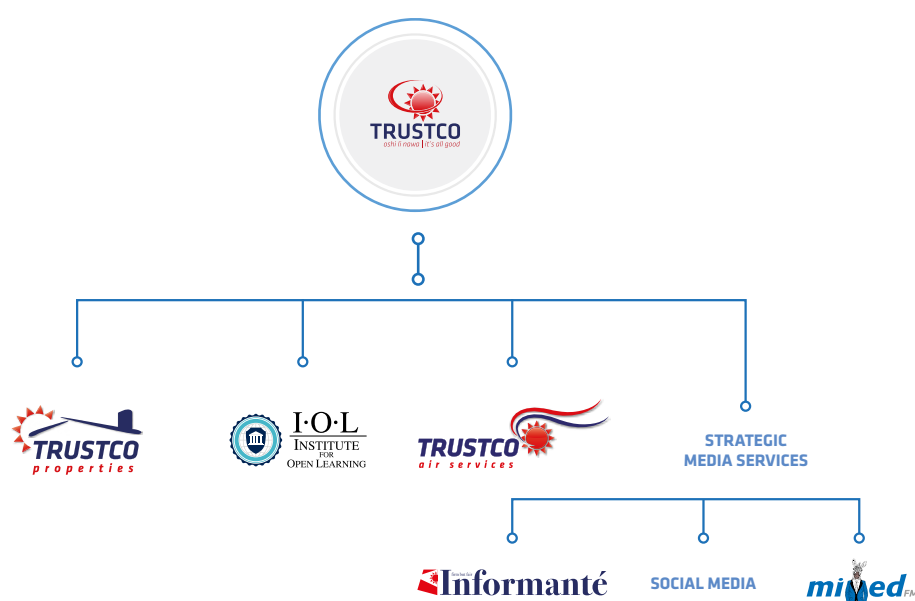


Johannesburg, South Africa

Return on equity (ROE)
42.10 %



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 Herboths.

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 Herboths (Windhoek)

The Farm Herboths 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

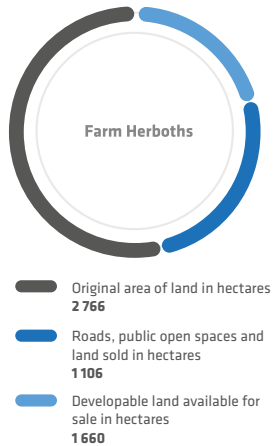
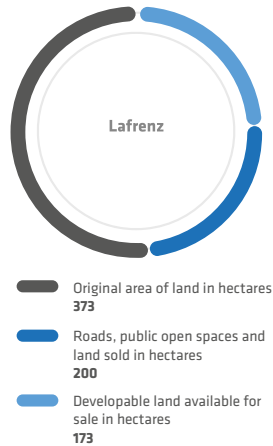
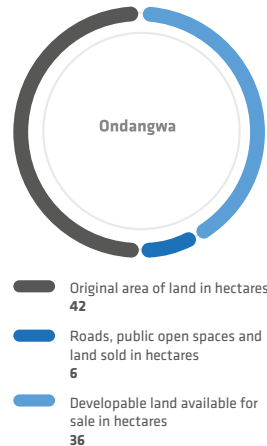
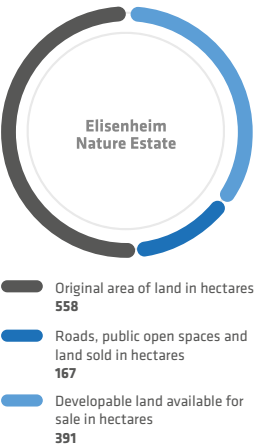
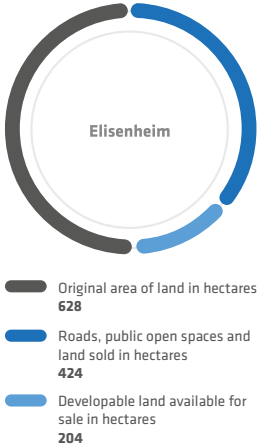
To date only 5.4% of the land bank has been developed. The total available sellable land in the land bank is currently 2 464 hectares and the estimation is that Trustco Properties will remain in the position to contribute meaningfully to sustainable revenue growth for at least another 15 to 25 years.

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 Herboths	1 750	466	29,0	Did not apply for any approvals
Total			44,0	

DEVELOPMENTS





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 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

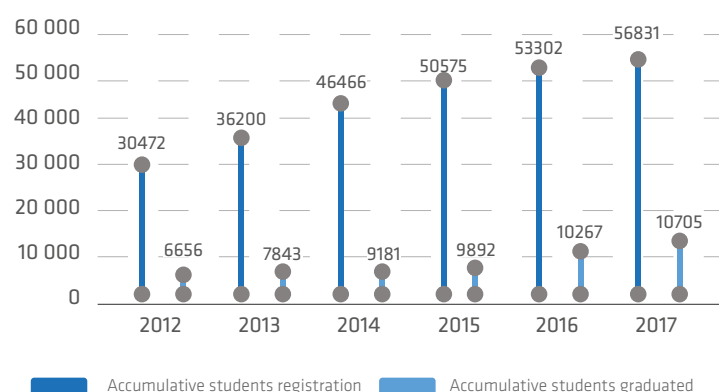
IOL's core business of teaching, learning, research and innovation remains solid and provides a firm base on which to expand from for future growth. Following the development of the Diploma in Education (DE) and the Diploma in Secondary Education (DES), which were submitted to the NQA for accreditation 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

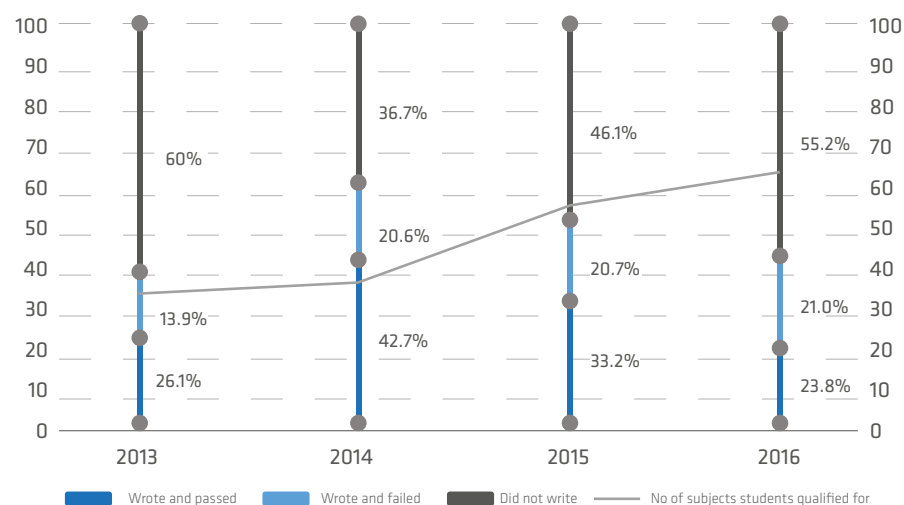
The increase in graduation rates can be attributed to the introduction of IOL's own proprietary qualifications designed and developed since 2011. IOL proudly congratulates all the graduates of these unique accredited Namibian programmes. Prior to this, the bulk of IOL's qualifications were from other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

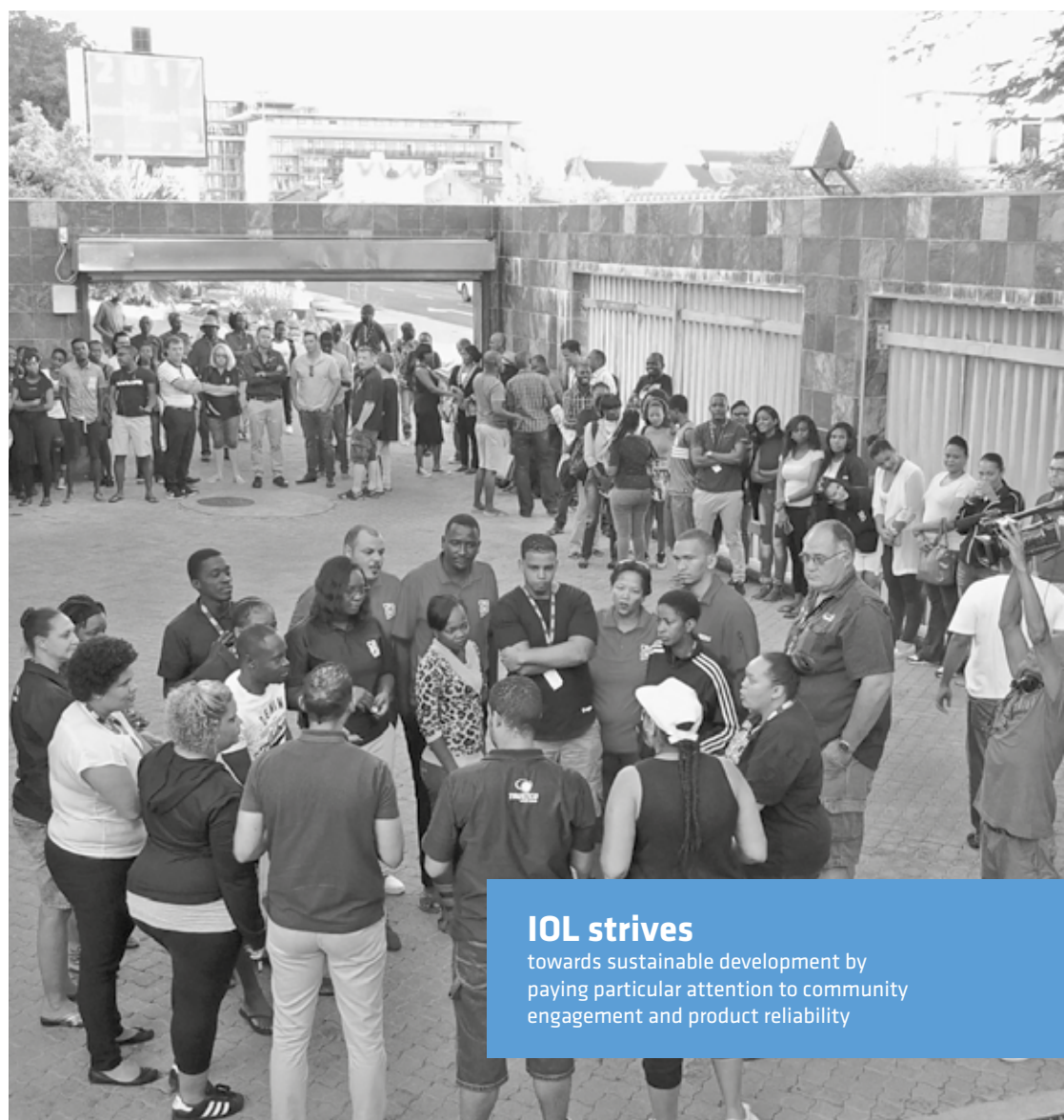
In all its operational activities, IOL strives towards sustainable development by paying particular attention to community engagement and product quality assurance. IOL made a combined contribution of NAD 297 000 in acknowledgement of its responsibility towards all its stakeholders.

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



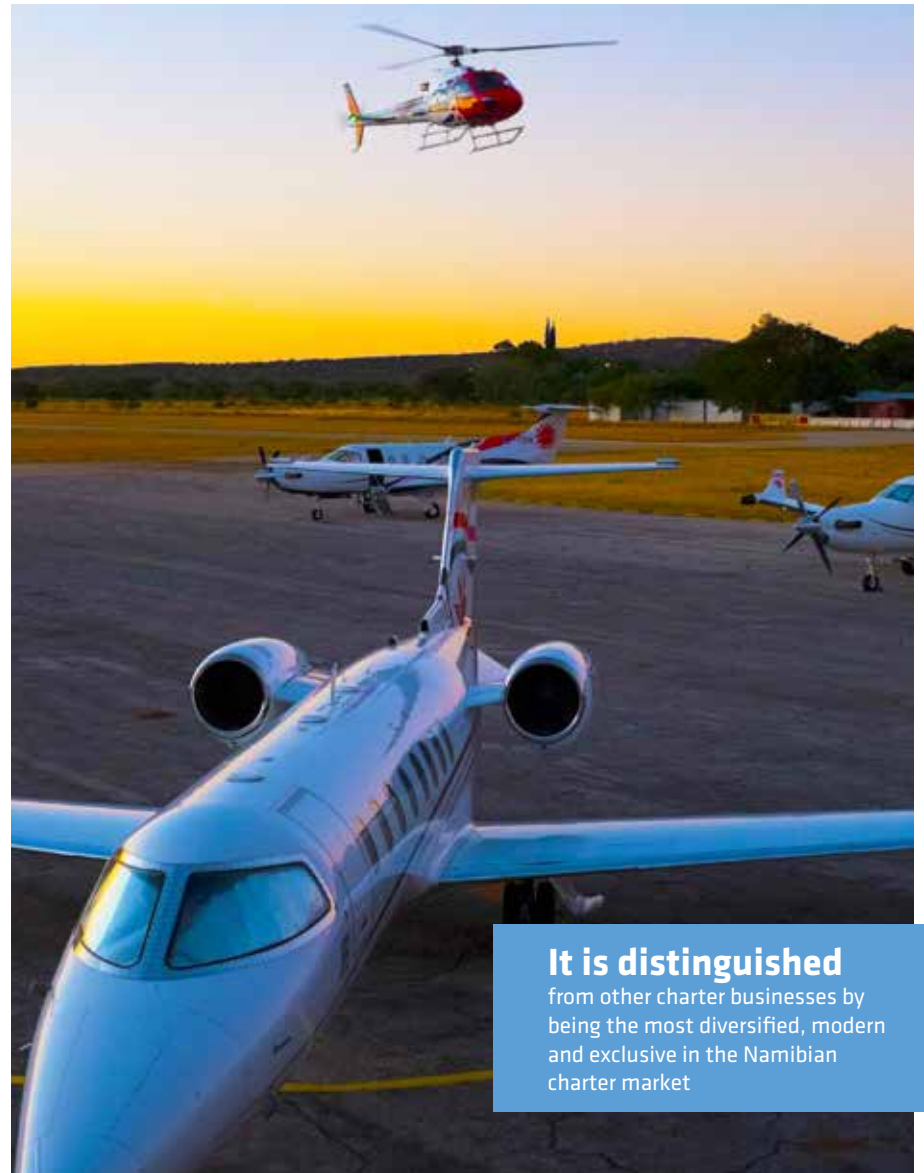
TRUSTCO AIR SERVICES

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.

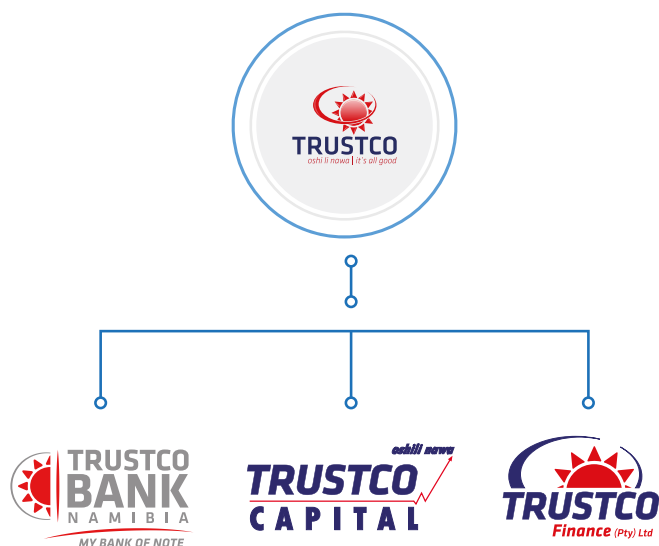
The *Informanté* newspaper and the group's in house television service allows for media house synergies that very few organisations in Namibia can boast. The channel broadcasts 24 hours a day, 7 days a week with its interactive programming comprising of a 60% communication and 40% music format. Mixed 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



BANKING AND FINANCE



TRUSTCO BANK NAMIBIA LTD

OVERVIEW

Trustco Bank's mission, to provide state of the art banking services to all spectrums of the Namibian society, is tightly aligned with the vision of the group, which is to generate above average growth and to create wealth for its stakeholders while impacting positively on society and the planet. The bank continues to concentrate on inclusivity in the financial sector by being of service to the broader Namibian public and the previously unbanked.

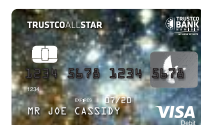
PRODUCTS

During the reporting period the product range and services offered by the bank has undergone a meticulous review, which resulted in the creation of several exciting new product offerings and services as well as customising existing products to ensure that these products are suitable and meet the expectations of the current existing client base as well as the target market.

Bank accounts

Trustco Bank offers an array of bank accounts for both the transactional and investment requirements of its clients.

Transactional accounts



Basic bank account

- ideal for the lower income group or previously unbanked



Sapphire account

- suitable for the middle income group



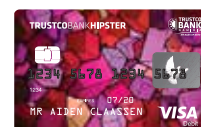
Emerald account

- aimed at the middle to higher income group



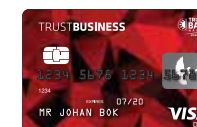
Diamond account

- targeted at the higher income group



Youth account

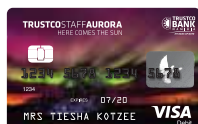
- introduced for the younger generation



Business account

- earmarked for businesses

Investment accounts



Group savings scheme

- a savings option to encourage employees of companies to save and invest on a monthly basis

SME account

- developed for the smaller entrepreneur

Savings

- developed for clients who want to save at any time and will have immediate access to their funds

Call deposit

- established for clients saving funds for an indefinite period, but require access to their funds on demand

Notice deposit

- introduced for clients saving their funds for a specific fixed period of time

Fixed deposit

- aimed at the clients who save funds for a longer period of time

Trustco Bank embarked on an extensive marketing campaign during the financial year to create awareness amongst the broader public for all its products and services. In addition to this campaign, the bank has also commenced with an investment column, which supplies investment advice to the broad readership of the *Informanté* newspaper and the Namibian populace in general. During the year under review the bank raised a combination of retail and wholesale deposits to the value of NAD 29.5 million. Trustco Bank has a net interest margin of 5%.

Loans

Trustco Bank offers the following borrowing opportunities to clients which include:

- small to medium enterprise (SME) loans through individual business loans
- SME loans in the form of group loans (known as Ehangano Lyokupungula nokugandja Omikuli (ELO) loans in the local vernacular) which are similar to a stokvel, where all members participating in the loan are jointly liable for repayment of the facility and contribute collectively to settle the loan repayments and
- mortgage loans offered as a traditional home loan, primarily financing properties located in the group owned Elisenheim development, or as commercial property loans to finance properties that are mainly located in the group owned Lafrenz industrial area.

The growth in the home and commercial property markets and the resultant opportunity to grow the mortgage loan book will unlock additional synergies in the rest of the group, such as the on selling of insurance. A key opportunity for the bank is the current shortfall of formal housing experienced in Namibia and the fact that the Elisenheim development is priced to offer affordable homes.

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RISK MANAGEMENT

The release of the King IV report has seen certain changes in the corporate world and Trustco Bank is no exception. The bank adheres to King IV and its associated principles. In line with the bank's corporate governance framework, the Bank of Namibia's (BON) regulations and the NamCode, the board remains ultimately responsible for ensuring that risks are adequately identified, mitigated and that the bank's strategy is properly enforced. The bank board comprises of a balanced number of executive and non-executive directors with the majority being independent non-executive directors. The bank is acutely aware of the various risks that may impact on its performance and has implemented the necessary procedures to identify the risks and institute mitigating controls. In addition, the bank is committed to nurturing an ongoing risk awareness culture within the bank.

THE ROAD AHEAD

The banking segment strategy remains focused on the road to financial inclusiveness and to incorporate mortgage lending aimed at especially the gap market, being housing for the lower and middle income group Namibians, where most of the mortgage lending by the ten licensed commercial banks in Namibia is targeted at the upper end of the market. This is in line with the government housing initiatives which are focused on the lower income group of the population. Clients in this category are primarily individuals with a joint income of less than NAD 35 000 per month with a potential maximum loan of NAD 1 million. For SME lending, the eligible sectors include trade, production, agriculture and services. Lending to small enterprises for the purpose of general financing will also be considered and will be primarily for expansion and working capital requirements.

SYSTEMS AND TECHNOLOGY

The bank has successfully implemented D+H's "Phoenix System International", a new core banking application which will assist the bank to ensure the delivery of high quality services and products to its clients. A key component of the strategy of the segment is to expand its retail capacity in order to attract a much broader base of deposits, especially call accounts (current accounts/transactional accounts), where traditional transactional capacity is the critical element.

Trustco Bank also received full authorisation from the regulator, BON, to participate in the clearing and settlement stream as a direct participant in Namibia.

Trustco Bank will continue to implement internet and cell phone banking services in the coming financial year. The bank will also be in a position to issue electronic cards for the first time, following negotiations with service providers. The strategy of the segment is to utilise internet and cell phone banking applications to broaden its service offering, rather than broaden its branch network, thereby leveraging technology to have a cost efficient, but sustainable route to the market while the scale of the bank steadily grows.

COMPETITOR ADVANTAGE

The bank has the advantage of converting many of the existing group customers by offering bank accounts and by cross selling to the insurance segment and Trustco Finance clients within the normal regulatory framework.

GROUP SYNERGIES

Significant synergies exist between Trustco Bank and other group subsidiaries and are briefly explained as follows:

Trustco Properties

The bank provide mortgage loans to the property buyers of Elisenheim, Ondangwa and Lafrenz as well as to clients who operate as developers or contractors. Another significant market is government employees where mortgage repayments are payroll deducted at source, providing additional security. The government provides subsidies to borrowers depending on a tiered job scale of the borrower in question, and guarantees 20% of the loan amount, which decreases the risk profile of the borrowers.

Trustco Life

Trustco Bank also benefits from synergies with the group's insurance segment by selling collateral indemnity to clients whilst offering the necessary and essential protection, thereby increasing the overall premium income. The bank can also potentially initiate the provision of home and fire insurance where fire insurance is compulsory to qualify for a loan.

Institute for Open Learning (IOL)

Trustco Bank will support its SME loan business through the distance education arm and VTC. The bank will provide loans to individuals who wish to start their own small businesses and must acquire additional technology to ensure smooth operations, such as computers, subject to the appropriate vocational training being done.

TRUSTCO CAPITAL (PTY) LTD

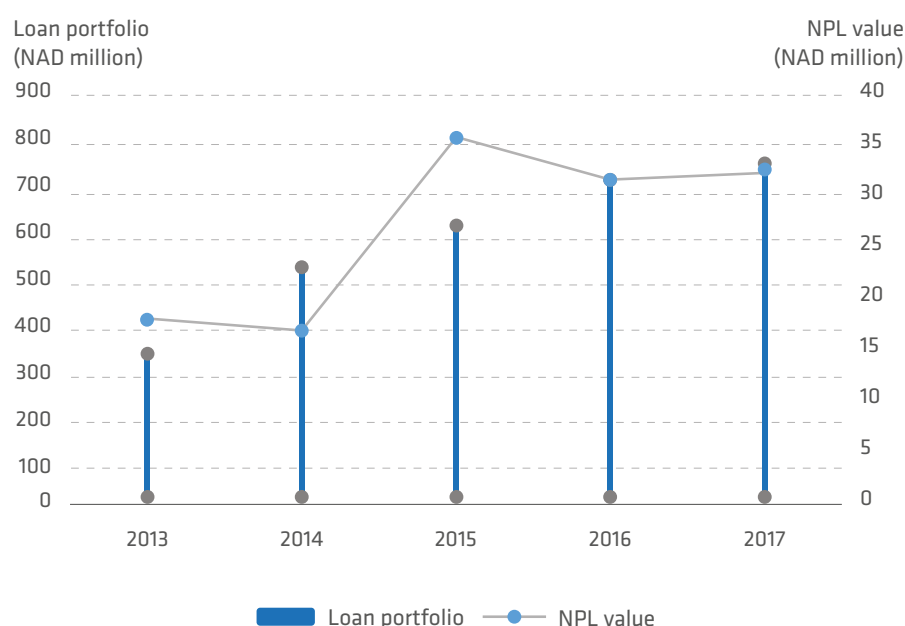
Trustco Capital provides long term finance in the form of property advances, mainly to clients who purchase property from the investments segment. During this reporting year Trustco Capital financed Elisenheim property sales amounting to NAD 618 million. In addition to the financing business, Trustco Capital also owns software intangibles which are licensed to other subsidiaries in the group.

TRUSTCO FINANCE

Trustco Finance was acquired in 2005 with an initial loan portfolio of NAD 5 million and has grown from strength to strength during the past 12 years to become the preferred student loan lender in Namibia. Trustco Finance boasts a total loan portfolio exceeding NAD 770 million with non-performing loans (NPL) at an average of less than five percent. The remarkably low bad debt ratio is attributed to a dedicated team of motivated employees who recover and rehabilitate delinquent accounts on a daily basis. Collection and legal processes are being performed in house, resulting in much quicker and more efficient collections.

Trustco Finance provides 100% financing on all courses offered by IOL, which include specially designed academic courses, the latest ICT products and courses, as well as various other short courses. It is essential for all individuals who wish to further their education, or simply want to upgrade their overall standard of living, but do not have the financial means to do so.

FIVE YEAR LOAN PORTFOLIO GROWTH STATISTICS



At present the capacity of the loan book is limited to the number of students in Namibia desirous of acquiring or improving their qualifications in the teaching, policing, business and information communication technology sectors. IOL is, however, exploring additional areas in which courses can be developed which will increase the capacity of the loan book. In the current reporting year, additional courses were developed in the vocational education and training area for bricklayers and plasterers. The loan management system has been designed and developed in house and can therefore be easily adapted and amended to cater for any changes that may be required due to different system needs, necessitated by new courses.

Trustco Finance is proving to be a force to be reckoned with in the broader Namibian finance industry. Management has strategised to increase the loan portfolio to over NAD 1 billion and to decrease the NPL percentage to 3% or less.

Trustco Finance is committed to ensure that the highest level of lending best practices are exercised and regularly reviewed. All internal processes and procedures are continuously improved to ensure compliance with all industry regulations. Trustco Finance also maintains compliance in accordance with changes effected in the micro lending industry, be it changes made by the regulatory body, NAMFISA, or any other legislative changes which may have implications should they be overlooked.

With the ever growing need for educational financing, Trustco Finance has continued to expand its regional footprint, opening two information centres during the financial year and envisions opening a further two in the coming financial year in conjunction with IOL and Trustco Insurance.

Trustco Finance is also in the process of developing a smartphone application which will make it easier for the 43 000 active account holders to communicate and interact with its customer service centre. By increasing the loan portfolio to NAD 1 billion, the overall client database will be increased to 60 000 individuals, specifically focusing on attracting more female borrowers in rural areas to further promote the education of this specific demographic.

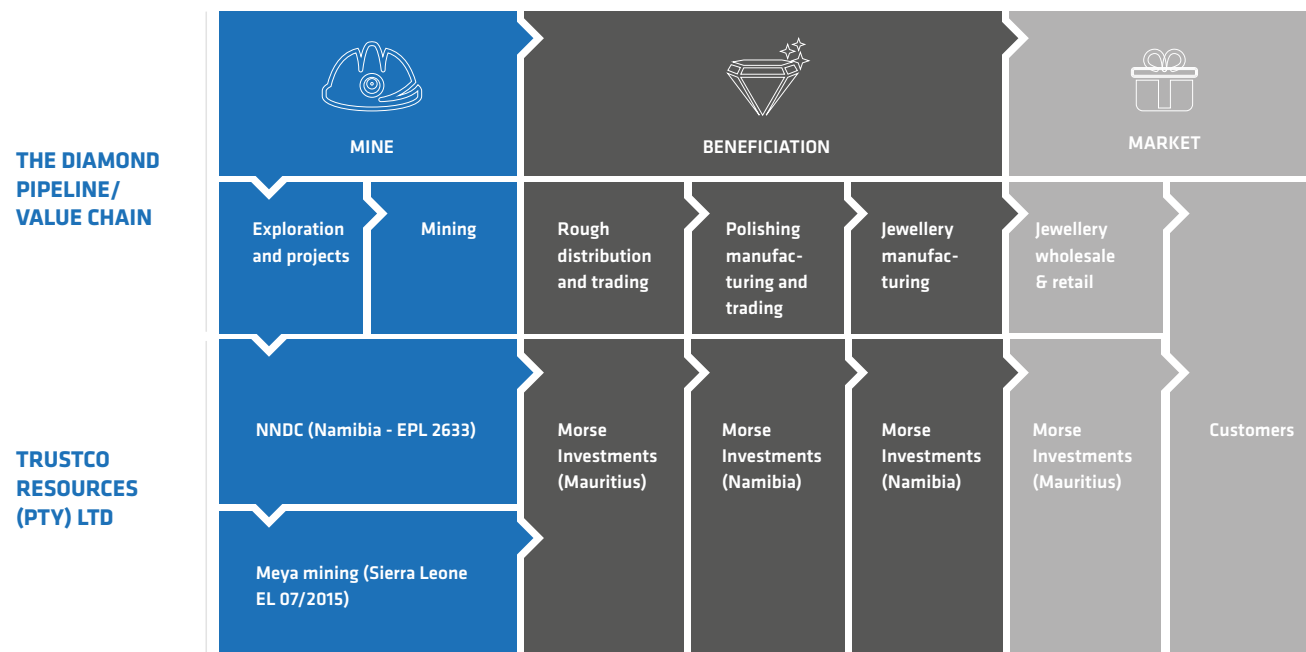
These initiatives will assist the segment to increase revenue, take customer service to new heights, and ensure overall operational growth. This in turn will assist to discover new and innovative methods to streamline daily business operations and ensure the security and sustainability of stakeholder investments.

Trustco Finance (Pty) Ltd is the first micro lender in sub-Saharan Africa that has engaged MicroFianza Rating, an international rating company, to conduct a Social Rating survey. Trustco Finance (Pty) Ltd is proud to announce that it received a B+ rating from the well-known international rating house during the recent Social Rating survey that was undertaken.

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graph LR
    Trustco[Trustco Resources Private Limited] -- 100% --> Trustco_Invest[Trustco Investments (Pty) Ltd]
    Trustco_Invest -- 100% --> Morse_Mauritius[MORSE INVESTMENTS (Mauritius)]
    Morse_Mauritius -- 51% --> MEYA[MEYA Mining (Sierra Leone)]
    Morse_Mauritius -- 49% --> Morse_Pty[MORSE INVESTMENTS (PTY) LTD]
    Morse_Pty -- 100% --> Northern[Northern Namibia Development Company (Pty) Ltd]
    Northern -- 100% --> Morse_Namibia[MORSE INVESTMENTS (Namibia)]
  
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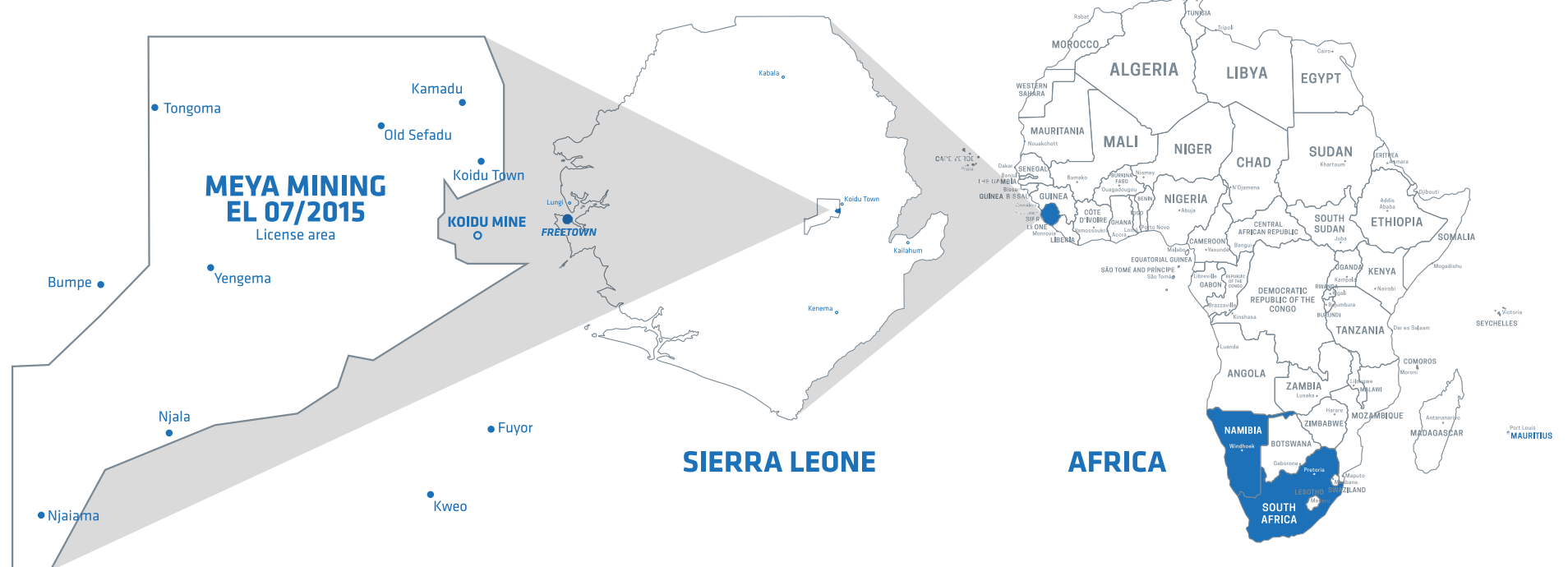
value across the diamond pipeline through an integrated business model, thus realising its “mine to market” vision, as presented in the previous reporting periods.



Meya mining – Sierra Leone

It is important to mention that relations between Namibia and Sierra Leone date back to the days of the liberation struggle. Sierra Leone was one of the West African countries that assisted SWAPO (South West Africa People's Organisation),

Whilst there is limited bilateral cooperation and trade between Namibia and Sierra Leone today, the individuals that once called both countries “home”, preserve and respect the historical bond that exists and are working together to strengthen bilateral relations. Cooperation between these two countries will gain momentum once the Namibian High Commission in the Republic of Ghana becomes fully operational and Meyra mine is in full production.





In light of the following factors, Trustco Resources is particularly bullish about this venture:

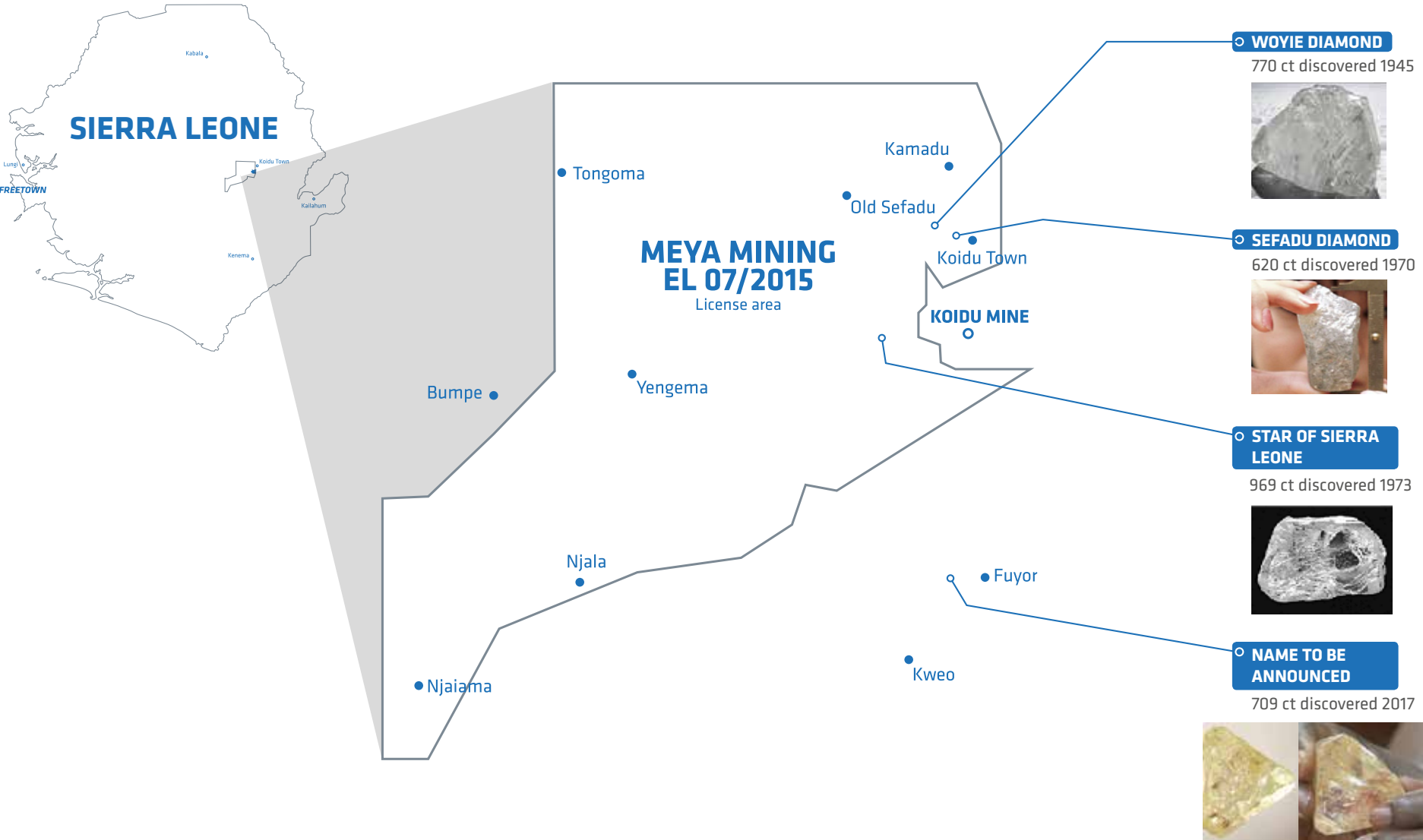
- The geo-economic indicators related to the regional geology** - The licence is directly adjacent to the Koidu mine, a high value high grade kimberlite deposit that produced more than 2 million carats over the past 15 years, from a licence area of 4.6km². Four of the sixteen kimberlite bodies that had been recorded within the licence are extensions from those found in Koidu's licence. This suggests that the geo-economic potential of these ore bodies would be similar to that of Koidu
- Country experience** - Meya mining's management team have all been involved with the development of the Koidu mine, from the initial greenfield phase up to full production, over a period of more than ten years spanning from 2002 to 2013. Two members of the senior management team have been based in the country since 1995
- Production potential** - Meya's strategy is to follow the conventional resource project development methodology i.e. exploration, conceptual study, pre-feasibility, feasibility and then mine development. Based on management's knowledge and understanding of the geo-economic potential and the related operational challenges, Trustco Resources is confident that Meya will start producing diamonds during the 2017/2018 financial year
- Historical, large diamond discoveries** - Four of the 16 largest diamonds discovered globally were recovered from the immediate area as illustrated in the table below.

OFFICIAL GLOBAL STATISTICS

RANK	CARATS	NAME	COUNTRY	MINE	DATE
1	3 106.75	Cullinan Diamond	South Africa	Premier Mine	1905
2	1 111	Lesedi La Rona	Botswana	Karowe Mine	2015
3	995.2	Excelsior Diamond	South Africa	Jagersfontein	1893
4	969	Star of Sierra Leone	Sierra Leone	Diminco Mine	1973
5	890	Incomparable Diamond	DRC	MIBA Mine	1984
6	813	The Constellation	Botswana	Karowe Mine	2015
7	777	Millennium Star	DRC	Mbuji-Mayi	1990
8	770	The Woyie River	Sierra Leone	Woyie River	1945
9	755	The Golden Jubilee	South Africa	Premier Mine	1985
10	726.6	The Vargas	Brazil	San Antonio River	1938
11	726	The Jonker	South Africa	Elandsfontein	1934
12	709	To be announced	Sierra Leone	Kweo Village (artisanal)	2017
13	650.8	The Jubilee	South Africa	Jagersfontein	1895
14	620	The Sefadu	Sierra Leone	Diminco Mine	1970
15	616	The Kimberley Octahedron	South Africa	Dutoitspan Mine	1964
16	603	The Lesotho Promise	Lesotho	Letseng Mine	2006

Four largest stones

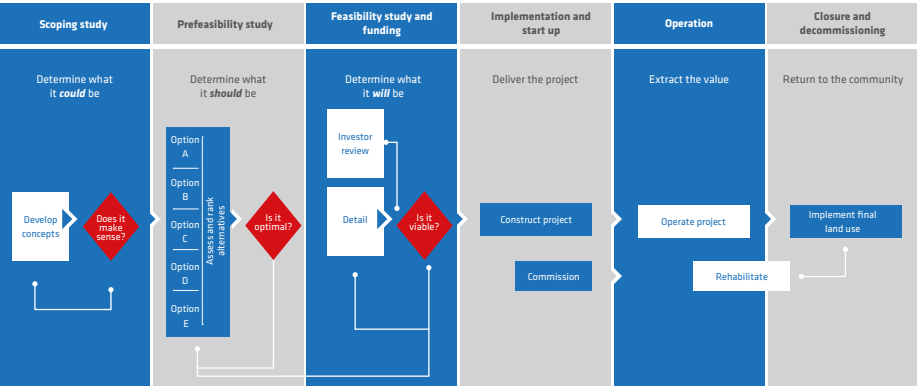
Locations of the four largest stones discovered in Sierra Leone





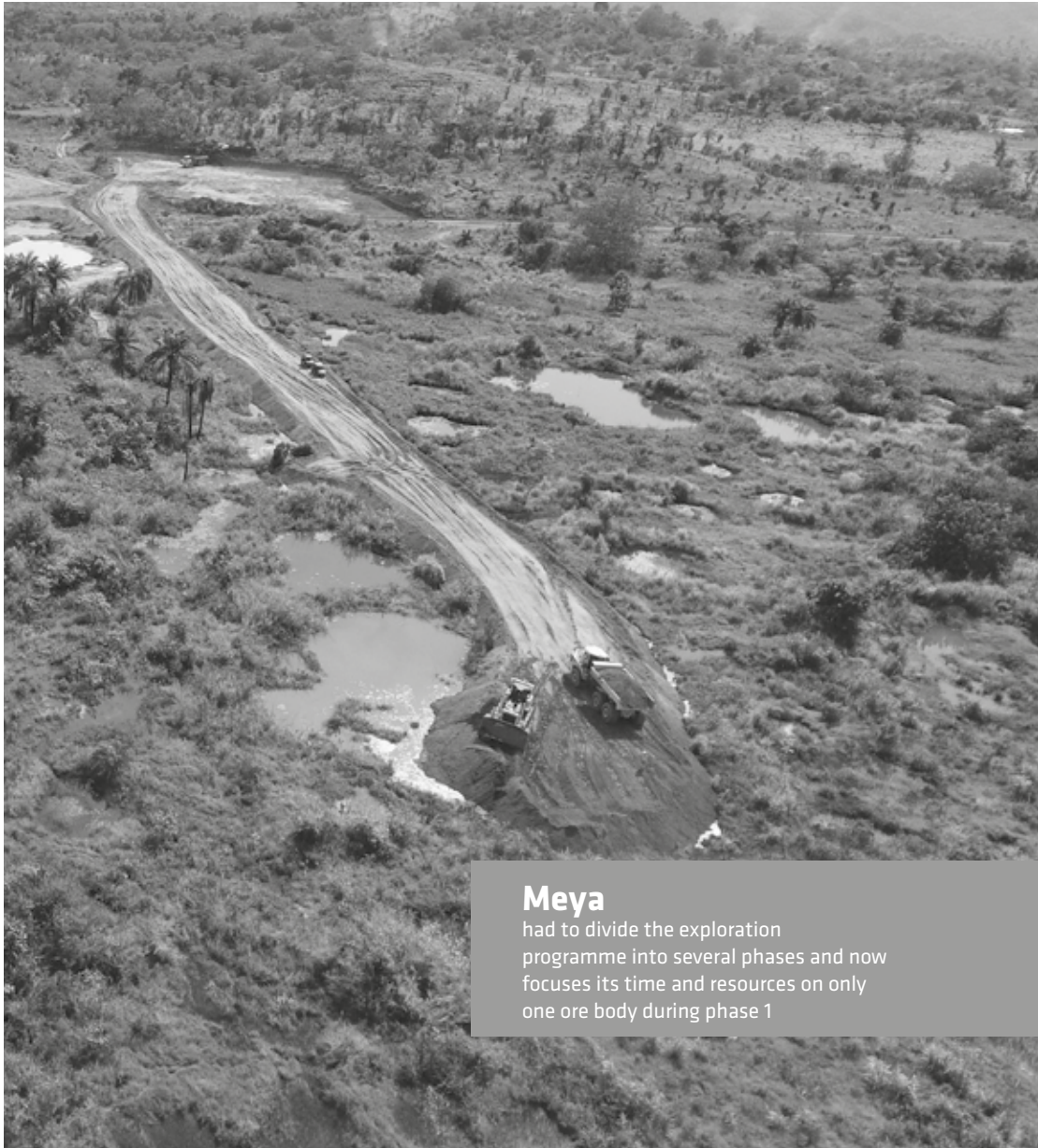
CONCEPTION TO PRODUCTION

Meya’s strategic intent is to maximise the economic potential of the licence in the long run in the interest of all its key stakeholders. The starting point is to validate and fully understand the geology, as the geo-economic potential underpins every decision going forward. To this end, Meya adopted a conventional mining project development and capital investment framework, as illustrated below.



Adapted from Mackenzie & Cusworth (2007)
The Capital Investment System (CIS)

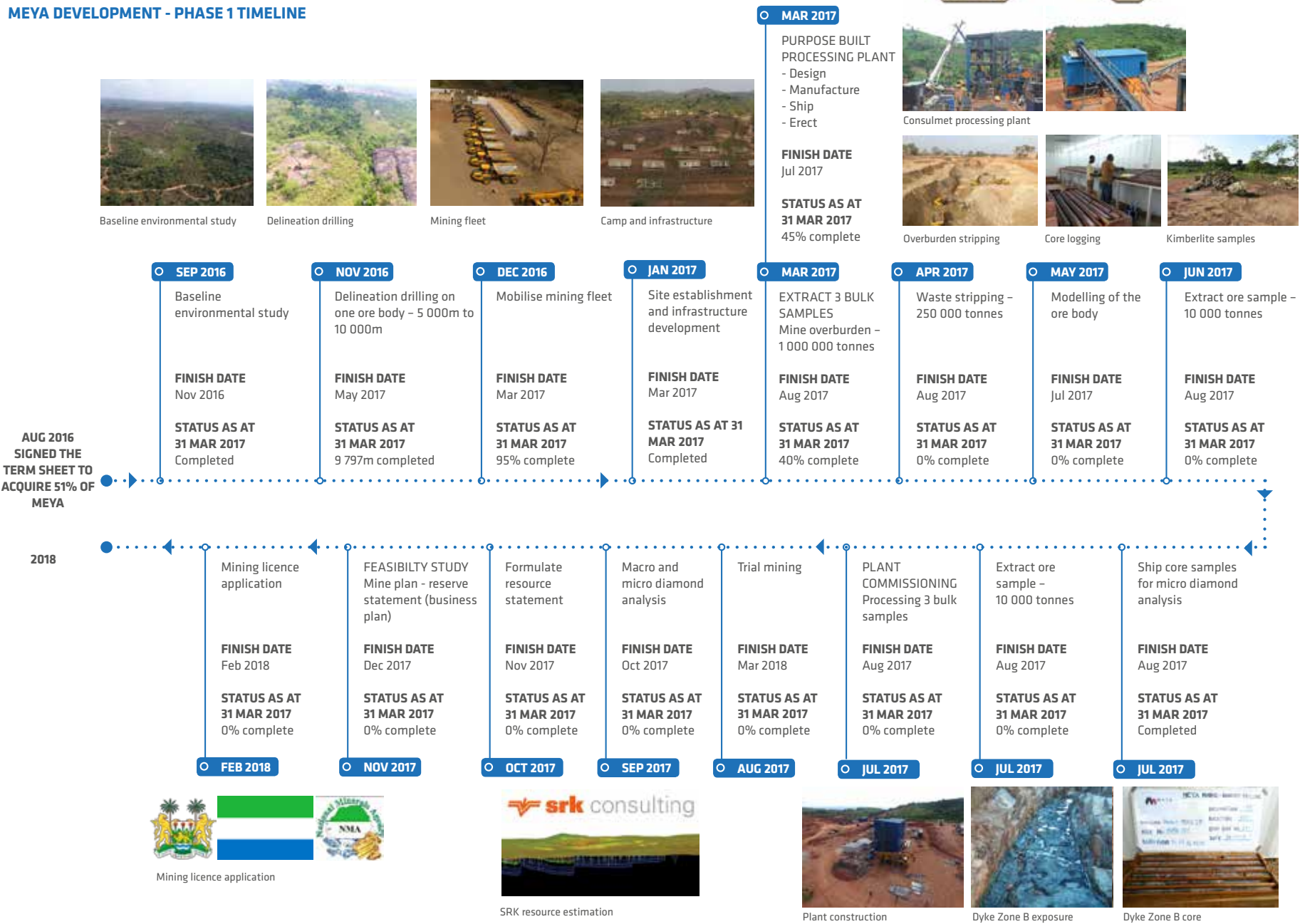
The first three (3) steps; scoping, prefeasibility and feasibility studies require a comprehensive exploration programme in order to define its potential based on the size and internal economics of the resource. Considering the size and extent of the licence area, Meya had to divide the exploration programme into several phases and focus its time and resources on the one ore body which presents the most obvious and highest probability of meeting the anticipated economic results. Phase 1 therefore focuses on the first target, Dyke Zone B, and is scheduled to be concluded within 18 (eighteen) months. The chronological steps - activities related to the phase 1 work programme are illustrated below.



Meya
had to divide the exploration programme into several phases and now focuses its time and resources on only one ore body during phase 1

Meya in Sierra Leone as at March 2017

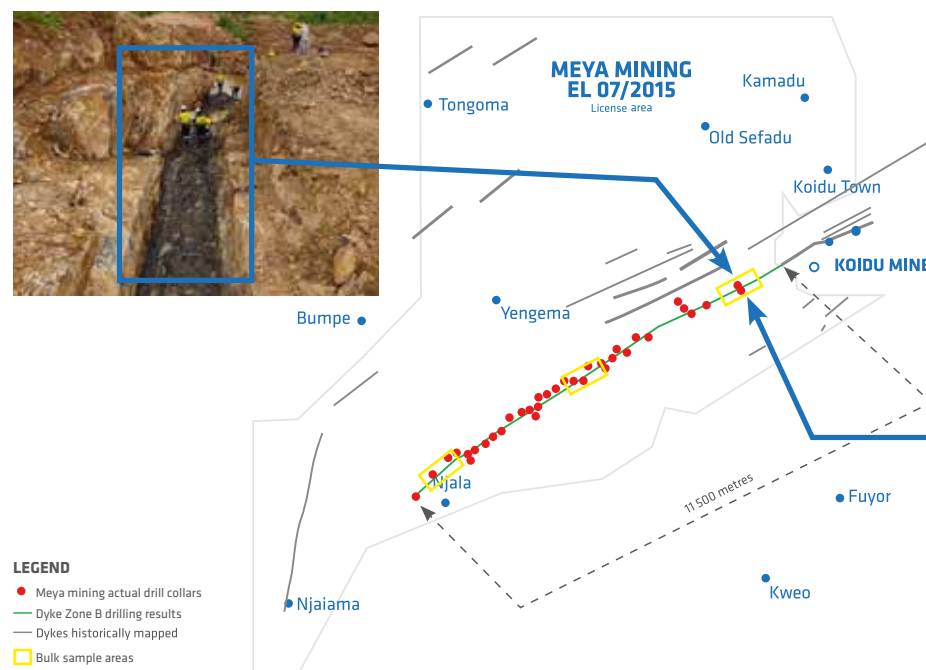
MEYA DEVELOPMENT - PHASE 1 TIMELINE





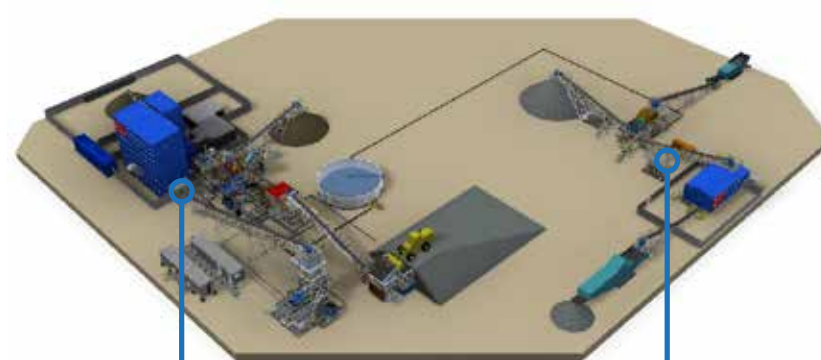
At the time of writing this report, Meya concluded 38 delineation core drill holes out of the 43 that were planned. This translates to a total of 9 797m drilled along the 11 500m strike of Dyke Zone B. Of the 38 holes, 31 holes intersected the ore body at an average vertical depth of 100m (ranging from 50m to 200m) and 5 holes intersected at an average vertical depth of 370m (ranging from 300m to 500m).

and micro diamond analysis. The holes intersected kimberlite along strike, which suggest continuity of the ore body. A preliminary estimation based on the results to date, indicates that this drilling programme alone identified a potential resource of 11 million tonne kimberlite.



The objective with the higher concentration of drill holes in the first 200m (vertical) is to achieve high enough confidence in this portion of the ore body in order for it to be classified as an indicated resource down to 250m (vertical) once the bulk sample analysis is concluded. The portion between 250m and 500m would fall in the inferred category subject to a macro

Trustco Resources is confident that once the plant is commissioned, Meya will be in a position to produce high quality diamonds on a sustainable basis for years to come. The final mine configuration and production profile will only be determined at the end of phase 1 exploration programme.



Meya processing plant
Final design signed off December 2016



**Meya processing plant
construction progress**





Northern Namibia Development Company - Namibia

Trustco's first mining transaction was the acquisition of Huso Investments (Pty) Ltd (Huso) from Dr Quinton van Rooyen (the Huso transaction). Northern Namibia Development Company (Pty) Ltd (NNDC), is a diamond exploration and mining entity in Namibia which, combined with Morse Investments (Pty) Ltd (Morse Namibia), a diamond cutting and polishing factory in Windhoek, Namibia, forms part and parcel of the Huso Transaction.

The Huso transaction received majority approval from Trustco's shareholders at the general meeting of shareholders on the 5th of October 2015, subject to eight conditions precedent (CP's) (refer the SENS announcement dated 5 October 2015).

Subsequent to shareholders' approval of the transaction, Morse Investments Mauritius (MIM), a subsidiary of Trustco Resources, secured an exclusive diamond off-take agreement with Meya mining. MIM will use only Morse Namibia to polish the diamonds. The original Huso transaction is expected to improve as a result of the additional throughput of diamonds supplied by the Meya mine. This suggests that the outlook of Morse Namibia/Huso's financial performance in terms of profitability, which underpins the original Huso transaction, is expected to have a positive effect on the group. In light of that, the Huso parties agreed to amend the payment terms of the Huso transaction.

In terms of the amendments to the Huso transaction, the parties have agreed, *inter alia*, that:

- the settlement of the purchase consideration for the Huso transaction will now be determined by meeting specific financial performance targets, rather than a portion of the consideration being settled upon the mineral resource exceeding the initial mineral resource estimate by 1.5 million carats and
- the timing for the settlement of the consideration can be accelerated, depending on the profitability.

The board of directors of Trustco is of the view that the amendments to the Huso transaction and the alignment of the settlement of the balance of the purchase consideration with financial performance targets, rather than the proving of a mineral resource, are more beneficial to all shareholders. The board has reached this conclusion because the EBITDAASA financial performance targets include the mining, beneficiation and sale of diamonds which translate into profitability for the group, notwithstanding that such profits will now be generated by diamonds mined by both NNDC and the Meya mine (an asset acquired by Trustco Resources in 2016 after the Huso transaction was concluded), while the confirmation of a mineral resource still requires the resource to be mined, beneficiated and sold.

Details of the material changes to the Huso transaction resulting in the amendments to the Huso transaction are set out below.

AMENDMENT TO THE SETTLEMENT OF THE PURCHASE CONSIDERATION FOR THE HUSO TRANSACTION

In terms of the addendum to the share purchase agreement, the total purchase consideration shall remain as NAD 3 621 149 000, payable by way of an issue of a maximum of 772.1 million shares to the seller, at an issue price of NAD 4.69 per share.

In terms of the addendum, the purchase consideration will now be settled as follows:

- an initial payment of NAD 672 077 000, payable by way of an issue of 143.3 million shares, as compensation for the transfer of Huso to Trustco, will be payable within 30 days after the closing date of the Huso transaction and
- a fixed number of shares will be payable to the seller at any time during the payment term (being not later than nine years from the closing date of the Huso transaction), upon reaching the following cumulative EBITDAASA targets:

Event	EBITDAASA target (NAD million)	Number of shares (million)
Upon reaching the first EBITDAASA target of	250	120.2
Upon reaching the second EBITDAASA target of	250	120.2
Upon reaching the third EBITDAASA target of	250	120.2
Upon reaching the fourth EBITDAASA target of	250	120.2
Upon reaching the final EBITDAASA target of	308.1	148.0
Total	1 308.1	628.8

The shares will only be issued once a specific EBITDAASA milestone is reached (at any time during the nine year period).

The addendum received the necessary majority approval by Trustco's shareholders at the general meeting of shareholders on the 13th of June 2017, subject to the final CP being concluded (refer to Trustco Group Holdings Ltd SENS dated 13 June 2017). At the time of this report, the final CP related to the transaction, "That all regulatory requirements, including but not limited to, the obtaining of licences and approvals before perfecting the share purchase agreement are met", is yet to be concluded. Once the Huso transaction is concluded, NNDC's high quality diamonds from the Skeleton coast will contribute to the group's diamond pipeline.

The production was mostly confined to the shallow gravel areas due to the treatment plant configuration and limitations. However, a diamond drilling programme and observation pits that were excavated during 2016 indicate that a substantial amount of diamond bearing gravels within the Proto Kunene paleo channel domain have been subjected to various degrees of cementation due to significant shell and gypsum.

NNDC EXPLORATION RESULTS FROM APRIL 2016 TO MARCH 2017

	Planned					Actual				
	Planned tonnes	Planned grade	Stones	Carats	Stone size (Cts/Stn)	IFS ROM tonnes	ROM grade	Stones	Carats	Stone size (Cts/Stn)
Apr-16	20 240	2.76	4 005	520.69	0.13	8 895	0.49	378	43.91	0.12
May-16	30 208	2.49	5 394	701.29	0.13	11 450	0.61	659	69.81	0.11
Jun-16	34 825	2.43	6 818	886.38	0.13	10 820	0.59	505	63.90	0.13
Jul-16	39 910	2.06	7 043	915.72	0.13	10 855	0.40	354	43.08	0.12
Aug-16	43 222	2.14	7 823	1 017.00	0.13	8 305	0.21	155	17.41	0.11
Sep-16	40 117	1.81	6 195	805.38	0.13	0	0.00	11	1.36	0.12
Oct-16	40 945	2.57	8 982	1 165.13	0.13	4 530	0.62	261	27.95	0.11
Nov-16	24 000	2.00	3 693	480.00	0.13	10 012	0.60	471	59.58	0.13
Dec-16	24 500	2.00	3 770	490.00	0.13	13 176	0.58	593	76.81	0.13
Jan-17	15 600	3.25	3 900	507.00	0.13	15 550	0.63	774	97.98	0.13
Feb-17	21 600	3.25	5 400	702.00	0.13	13 160	0.61	654	80.16	0.12
Mar-17	32 400	3.25	8 100	1 053.00	0.13	11 660	1.01	928	118.32	0.13

NNDC's operations

In anticipation of conclusion of the acquisition, Trustco Resources monitored NNDC's operational progress over the past twelve months and will continue to do so. During this period, April 2016 to March 2017, NNDC's actual performance fell short of its forecasts.

These cemented gravels form competent conglomerates which have a negative influence on in the current plant's performance as it is unable to efficiently treat the consolidated material and liberate the diamonds, resulting in poor recoveries.



Upside potential exists for the Proto Kunene domain. It contains the majority of the estimated resource that underpins the Huso transaction. To liberate diamonds from the conglomerates and treat this material efficiently and effectively, it will require modifications to the existing treatment plant. Consistent diamond recoveries during x-ray tailing audits also proved that the configuration of the x-ray machines within the final recovery are not optimal.

Considerable process additions and modifications are therefore required, mainly in terms of crushing phases, to further enhance the geo-economic potential of the exploration licence area. In light of these factors, NNDC's management formulated a plant upgrade scope of work which was submitted to Consulmet (Pty) Ltd for review and estimation. Consulmet's proposal indicated that the plant upgrade would cost approximately NAD 29 million over a period of 6 (six) months. This includes:

- integrate the infield plant with the main plant
- moving existing jaw crusher of infield plant to a new position and different gap setting
- installation of a new vibrating grizzly at the infield plant, integrated to the current feed bin
- replacing the EXTEC screen with dry double deck screen, cutting at 10mm
- new size fraction to be introduced to the main plant -80mm
- introduction of a hybrid scrubber at the main plant
- introduction of a new secondary crushing circuit, by means of a jaw crusher
- installation of a new tertiary VSI crusher, which is more suitable and robust for this particular application
- design changes in the DMS, including best practice as well as volumetric process improvements
- instrumentation process monitoring of the DMS (Density control and capturing) and
- a total new recovery layout with process improvements (mainly a vertical gravity setup) and
- improvements of the water recovery circuit by applying cyclones.

Management believes that these changes will result in a significant improvement of NNDC's operational performance.

- * The finalisation of the Huso transaction is crucial to the ultimate profitability of the resources segment. The board has no reason to believe that the mining licence should not be issued by the Ministry of Mines.
- * Further capital expenditure has been committed by the NNDC board as it has no reason to doubt the very complex geological and economic potential of the resource.
- * The diamond resources statement and the SAMVAL compliant valuation, prepared by an independent expert and competent valuator, which confirms the economic potential of the resource, was reviewed and approved by the JSE. (Refer to the circular issued on 11 May 2017 and available online at www.tgh.na)
- * An independent expert, Mr Paul Austin from Effortless Corporate Finance, was appointed to provide a fairness opinion in terms of the JSE LR on the Huso transaction and the amendment to the Huso transaction. In both instances he found the transaction to be fair. The independent expert further found that the purchase consideration of NAD 3 621 149 000 is 38.1% below the valuation of NAD 6 500 000 000, which he believes is the value of the Huso transaction.



NNDC processing plant in the Kunene domain



BENEFICIATION

Morse Investments

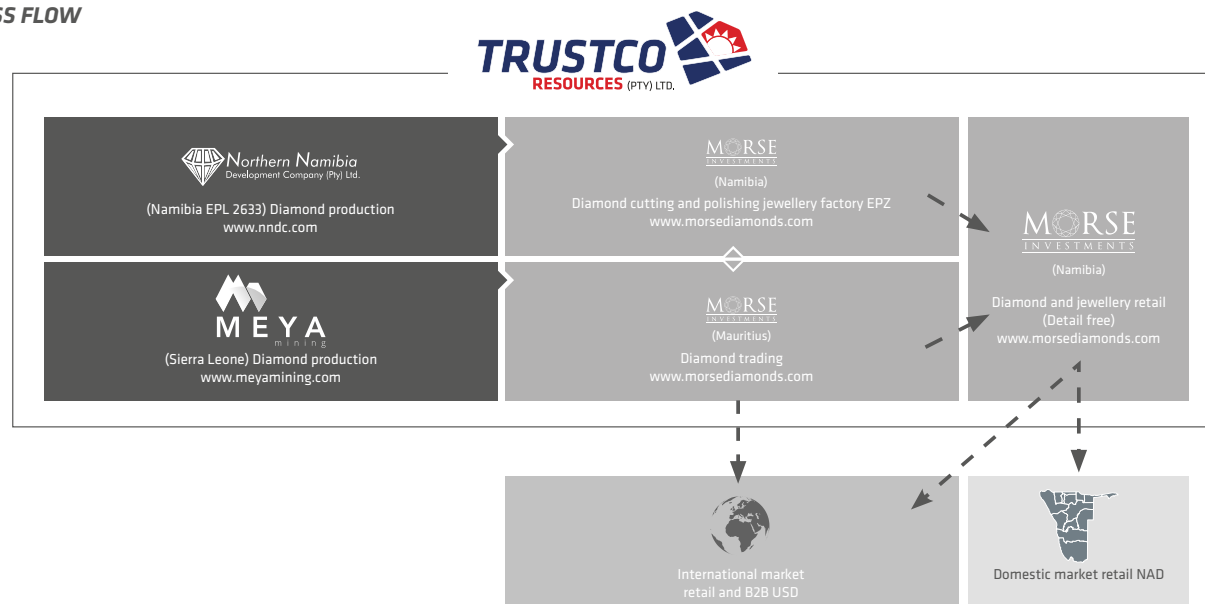
Morse Investments (Namibia) secured an exclusive diamond off-take agreement with NNDC and Morse Investments (Mauritius), secured an exclusive diamond off-take agreement with Meya, thus securing supply to its diamond cutting and polishing factory and enabling the segment to add and extract additional value along the "mine to market" value chain through the Morse marketing structures. This holistic approach is particularly important considering that the global trend is that the midstream segment of the value chain (beneficiation) is facing continuous pressure on margins and working capital challenges, especially midstream players with outdated business models.

Funders as well as customers also demand increasing transparency and value adding across the supply chain. Apart from increasing lending standards, diamond producing countries, especially in Africa, continue to look for ways to

maximise value from their diamond assets, which could potentially diminish financial inefficiency. Other issues that would impact the future of midstream participants are technology, reputation and greater integration between suppliers' and retailers' inventories.

Trustco Resources' diamond business is structured specifically to enable Morse to translate these industry challenges into opportunities for the segment as illustrated in the figure below. Rough diamond supply to Morse is secured from NNDC and Meya whilst Morse shall maintain the right mix and balance of rough (short working capital cycle) and polished (longer working capital cycle) trade to ensure sufficient liquidity in the system and that each element in the value chain is optimised and aligned with the specific market conditions. This will further ensure that value can be extracted on a sustainable basis.

DIAMOND BUSINESS FLOW





What sets Morse apart from other midstream participants are:

- traceability of diamonds and jewellery throughout the pipeline
- state of the art planning, cutting and polishing technology



- ability to manage volatility and speculation in the market i.e. a just in time approach to inventory management and
- 3D jewellery design and printing technology, enabling bespoke jewellery manufacturing.



MORSE
INVESTMENTS



MARKETING

Morse Investments (Mauritius)

THE MARKET OUTLOOK

Traditional marketing strategies are no longer good enough. The convergence of various online / mobile platforms are reshaping consumer preferences and behaviour. This also applies to diamond jewellery customers and retailers. While online sales of luxury goods are still below 10% of total e-commerce sales, the current trend is that most customers of international luxury brands prefer to do research and purchases online rather than to purchase offline.

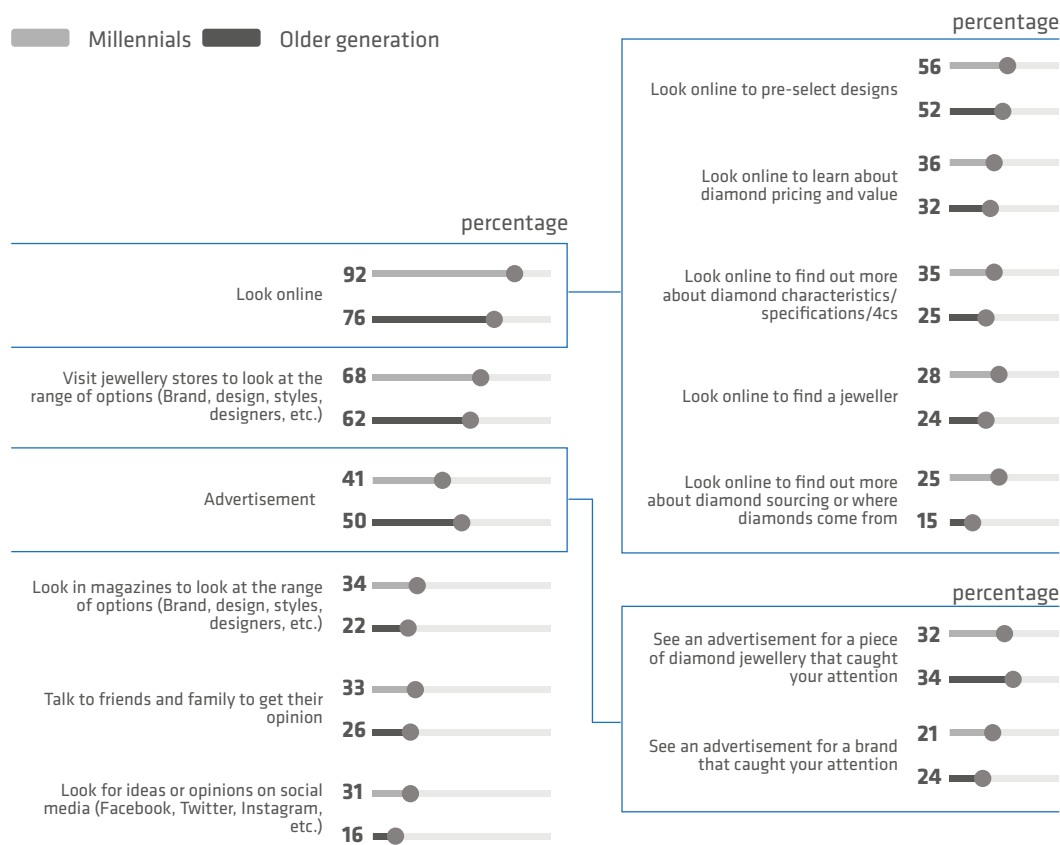
This requires a multi channel marketing approach, where consumers can have two way interaction with the brand or specific product, but also have the option to have a more personalised or customised experience in store i.e. de-commoditising the product offering. The number of jewellery stores in the largest diamond jewellery market, the USA, declined by 21% from 2004 to 2015. This could be a reflection of the millennials as a cohort in the diamond market. According to De Beers, in 2015, the millennials (the generation born between 1981 and 2000)

accounted for 39% of the diamond buying population in the top four markets namely the USA, China, India and Japan, which account for 73% of the global market in total. Industry experts agree that the millennials are already driving global demand, but more importantly will become the most important cohort over the next ten years for diamond purchases.

According to a study that was commissioned by De Beers, millennials in all four major markets rank diamonds in the top four most desirable high value gifts. As it is such a significant market, a marketing campaign must be cognisant that this generation experience high connectivity (through Facebook, Instagram, Twitter and other social networking platforms) yet value self-expression and individuality more than previous generations. The shopping trends of millennials, whereby they do online research for product information and price comparisons, then visit brick-and-mortar stores as illustrated in the next figure, are thus important factors.



US INFORMATION SOURCES USED IN PREPARATION FOR DIAMOND ACQUISITION
% OF WOMEN ACQUIRING DIAMOND JEWELLERY AND RESEARCHING THE ACQUISITION



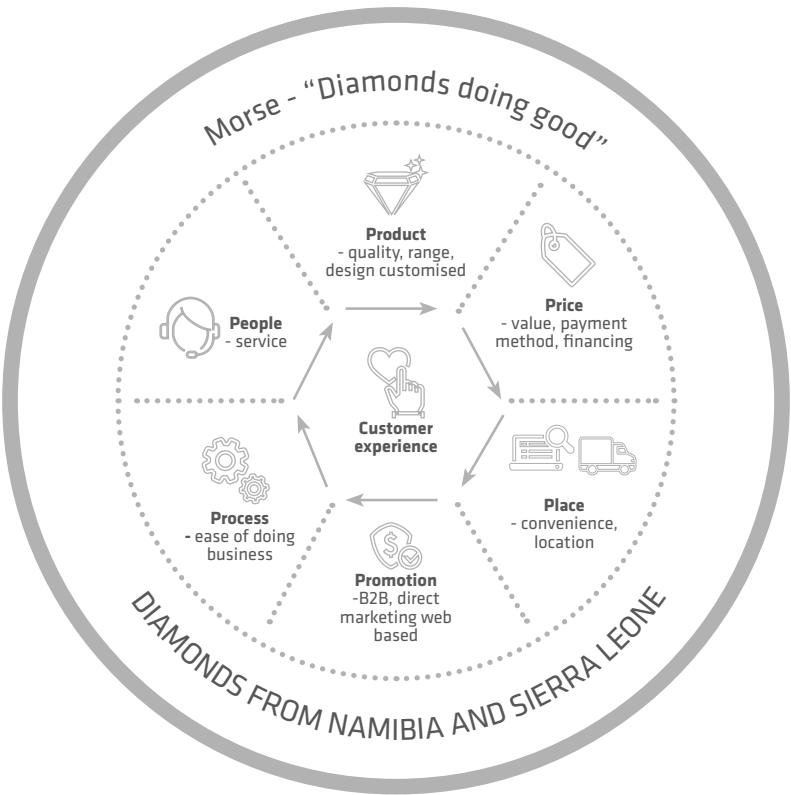
MILLENNIALS SPENT
NEARLY 26
BILLION USD
ON DIAMOND
JEWELLERY
IN THE FOUR
MAIN MARKETS
LAST YEAR,
ACQUIRING
MORE THAN ANY
OTHER GENERATION

BRUCE CLEAVER

In order to take advantage of market opportunities over the next ten years, with specific emphasis on the scale and depth of the millennials, who are still on the way to reach their top-spending capacity, Morse developed a marketing strategy that is aligned with global trends, but retains the Namibian - African heritage, therefore it's a combination of an online as well as in store (a truly Namibian experience) retail platform. Morse's value proposition goes way and beyond "a diamond is a diamond".

The high quality, high value diamonds from two of the industry's top producing countries, combined with traceability as a result of the Chain of Custody Certification (COCC) bespoke design and greater economic activity along the full value chain, which are in the interest of all key stakeholders, offer our customers a unique opportunity to participate in the ultimate expression of love, commitment and success.

MORSE RETAIL MODEL



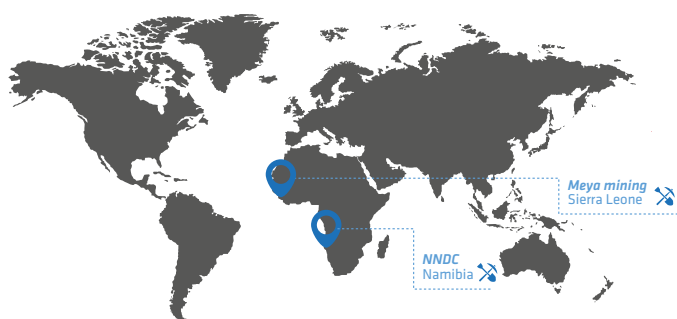


CHAIN OF CUSTODY CERTIFICATION (COCC)

1

Sources and origin:

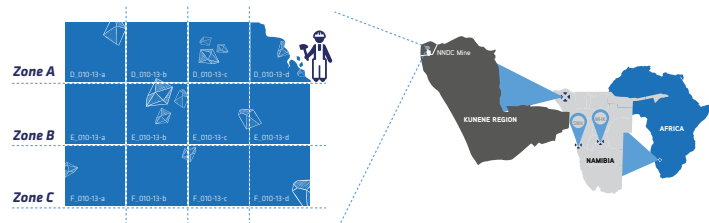
Trustco Resources' (TR) mines: NNDC in Namibia or Meya mining in Sierra Leone. Individual stone shall be traceable to the original source.



2

COP 1: NNDC mine plan

a. **Mine grid:** reference method used to pin and document exact source of material from which the individual stones are extracted/mined – recorded as **Mine Block ID**.



b. **Stockpile control:** run of mine material is extracted and stockpiled for processing – recorded as **Stockpile ID** (by date mined, geological description, survey reference and Mine Block ID).



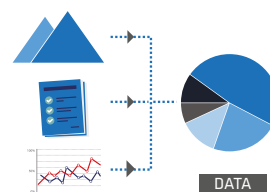
c. **Processing plant:** daily production reports are compiled documenting materials processed over a 24 hour period. **Daily Production ID** (Mine Block ID, stockpile ID, headfeed, grade.)



At this point, individual stone traceable to source - Mine Block ID – Stockpile ID

Trustco Resources' "mine to market" strategy demands stringent **chain of custody measures** throughout the production process. This requires an information system (IS) that would capture every production record in the sequence of custody i.e. from original source to the final customer, thus enabling the company to certify each diamond's origin and evolution.

d. **Final recovery:** daily final recovery reports are compiled documenting diamonds recovered over a 24-hour period. Final recovery reports refer to daily production ID. It records individual stones per category/sieve size (-1 to +23). Each sieve size will be kept in separate envelopes (**Envelope ID/Fantecy Barcode**). Total daily production into one envelope which is sealed (**Daily Recovery Report ID/Fantecy Barcode**).



e. **Safe keeping /mine inventory:** daily production/sealed envelopes are kept in the safe (**Safe ID/Fantecy Barcode**). Inventory is updated daily, inventory movements are subjected to daily recovery reports ID.



3

COP 2: Internal export (NNDC to Morse factory)

a. **Consolidation:** daily recoveries (ID's) since the last export are consolidated into an export parcel, thus all daily recoveries per sieve size rolled into the export parcel. Daily recovery report ID's consolidated into **Mine export parcel ID/Fantecy barcode**.



Export parcel ID shall include: daily recovery ID's, date of consolidation, and all other export related documents as listed in 3(b).

b. **Export from NNDC mine:** documents shall include NNDC exports report, MME export certificate/register, PRU exports certificate/register, NNDC invoice to Morse.



Export control procedures shall be in accordance with Trustco Resources' Valuables In Transit Policy (VIT).

c. **Receipt - Morse:** NNDC exports parcel delivered to Morse factory in accordance with TR VIT policies and procedures. Mine exports parcel (**ID/Fantecy barcode**), seal number and related documents are verified by Morse, PRU, customs and MME.



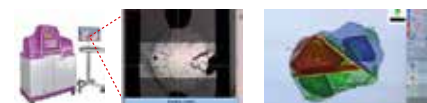
Morse signs into inventory (**Morse safe ID/Fantecy barcode**).

4

COP 3: Morse beneficiation

a. **Grading:** export parcel is separated into colour and size categories for grading. Then into individual stones which is allocated into an individual parcel, each with a **Diamond ID/Fantecy barcode**.

b. **Planning:** each individual diamond (**diamond ID**) is evaluated by the galaxy machine. Should the diamond be cut/split into several sub diamonds, each fraction shall receive a **sub diamond ID/Fantecy barcode**.



c. **Evolution:** each individual stone's evolution (sawing, windows, treatment, preparation, first brutting, bottom block, top block, second brutting, bottom brill, 8 lap, top brill, boiling, final grading) is recorded in the Fantecy records against the specific barcode.



d. **Certification:** GIA



5

COP 4: Marketing and sales

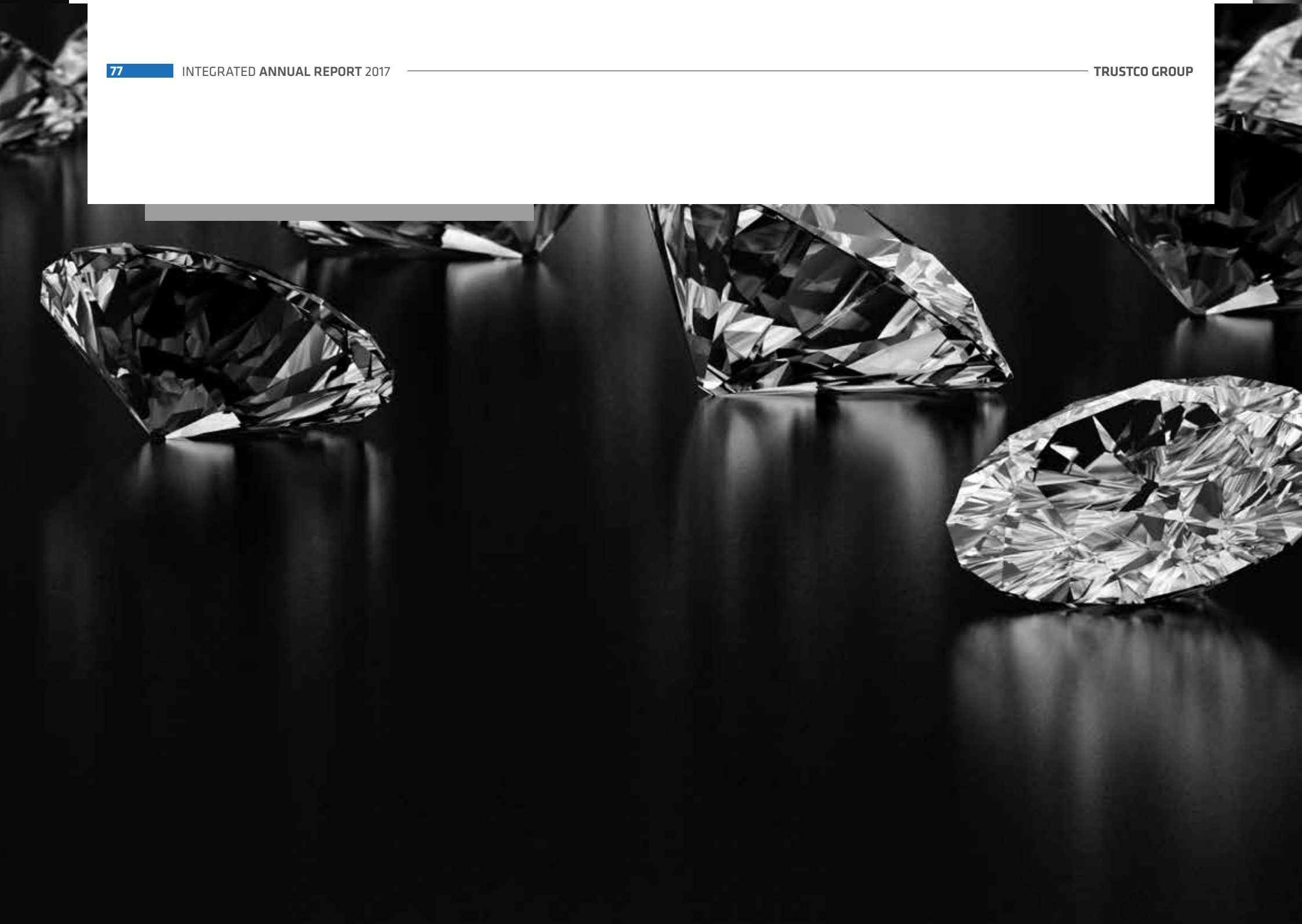
a. **Records and COCC:** records from source are carried through to Morse marketing platform by means of the Fantecy barcodes. COC certificate issued reflecting all the related barcodes as well as production and evolution of the specific stone.





KEY STAKEHOLDERS – ALIGNING INTERESTS

STAKEHOLDER GROUP	PERSPECTIVE	ALIGNMENT OF INTERESTS
Equity holders	Be the company to invest in	Healthy return Growth Enhancing reputation
Management	Be the company to work for	Remuneration, reward, retention Empower Transparency
Employees	Be the company to work for	Remuneration, reward, retention Working conditions Personal development Growth
Host countries	Be the company to host	Compliance with legislation and regulations Investment Development Capacity building Job creation
Host communities	Be the company to host	Compliance and respect for customs and traditions Employment opportunities Investment Development Skills transfer
Suppliers	Be the company to do business with	Value suppliers as an integral component of success Long term relationships with suppliers
Funders	Be the company to invest in	Transparent reporting Comply with agreed terms and conditions Adopted equator principles and comply with IFC performance standards Industry specific environment, health and safety guidelines
Customers	Be the company to buy from	Value proposition Brand equity Ease of doing business Value customers as an integral component of success Long term relationships with customers





SHARED SERVICES

INFORMATION COMMUNICATION TECHNOLOGY (ICT)

On 6 August 1991, the world changed. The World Wide Web (www) was launched, but there was still little impact to show, the effect it would have on business was an open question... While we'd like to think that businesses have always had to be innovative to succeed, all that was required then, was a proven business model to deploy, and all would be well. That was, until 6 August 1991, when the digital revolution began.

As the digital revolution began to take hold, a single fact became clear – innovation was now key to business success, and information and communication technology (ICT) was what drove innovation. It had the same impact on business that steam had during the industrial revolution. As a result, the formula for success in business changed: drive innovation with ICT.

Trustco itself opened its doors in 1992, being birthed at the start of the digital revolution, and as a result, innovation via ICT is hardcoded into its core. Trustco's ICT department has always played a crucial role in enabling the business to meet its strategic objectives and providing all stakeholders with the relevant and up-to-date information they must have to make well-informed decisions.

As such, the ICT department remains the premier solution provider to Trustco's myriad of business segments and remains one of the core support departments in the group of companies.

Hardware and infrastructure

Trustco makes use of Blade Server technology and virtualisation to take full advantage of building a green energy efficient data centre. The core services with structured data (standard database environment) is stored on clustered hardware RAID SAN storage between the primary and secondary (DR) data centres.

In addition, Trustco makes use of software RAID storage to manage unstructured data such as documents and videos, due to its ability to scale as storage needs grow. With constant growth a natural feature of Trustco, network infrastructure is constantly tested as to its efficiency to handle and ever growing load. A sustainable maintenance plan is also maintained to ensure regular upgrades of the backbone to manage the anticipated increases in capacity required.

Software development

Trustco's Software Development Life Cycle (SDLC) methodology underpins all the premier in house software solutions that power the business segments, remaining in use from the start of specific projects, through to the maintenance cycle, ensuring these solutions serve the needs of all stakeholders. Trustco's mature change control process promotes extensive business involvement and ensures that all projects, big and small, meet the needs of the specific business segment without compromising quality, security and integrity of the group's ICT resources.

ICT support management

For the ultimate in service delivery, the ICT department of the group maintains a ticket logging and tracking system within each country to support users and each deployed software solution. This ensures that no service requests are overlooked, and more importantly, that service levels can be maintained with an appropriate prioritisation process to escalate urgent items.

ICT security measures

As per industry standard, all users are required to authenticate themselves before gaining access to Trustco's network. As such, the group strives to maintain security by maintaining and enforcing password strength policies and conducting occasional password audits to ensure compliance and fair use of ICT resources. While this has been quite successful, there is some evidence of security fatigue setting in with users, and the ICT department has resolved to combat this by reviewing and adjusting its policies as recommended by global best practices to pre-emptively prevent any security fatigue from affecting the integrity of its systems.

ICT policies and procedures

The usage of ICT resources is governed by ICT policies that users must sign off and confirm as read and understood, before access is granted. All usage is monitored and random spot checks are regularly performed to ensure compliance. These policies are updated and revised regularly as required by the ICT governance charter and policies of the group.

IT corporate governance

With the release of King IV and its new requirements for ICT governance, Trustco decided to pre-emptively overhaul its ICT governance and subsequently started a process to align with both King IV and COBIT 5.

As a result of this process, the group adopted a new ICT governance charter that focuses its governance on key objectives:

- alignment – provide for strategic direction of ICT and the alignment of ICT and the business with respect to services and projects
- value delivery – confirm that the IT/business organisation is designed to drive maximum business value from IT.

As a result, the former IT steering committee was split into two new committees, the group ICT strategy committee and the group ICT steering committee.

The group ICT strategy committee is tasked with developing and maintaining a high level strategic vision for ICT in the group, which will result in the leveraging of information to sustain and enhance the organisation's intellectual capital. It will also ensure alignment of business and ICT goals by:

- creating, directing and approving group ICT policies and practices
- evaluating, prioritising and approving ICT proposals, projects and investment initiatives
- ensuring and enabling open communication between ICT and business segments to enable proper strategic planning and
- monitoring ICT performance and conformance.

As such, the new group ICT steering committee is tasked with steering the strategic vision of the group by providing management input to the ICT strategy committee, as well as overseeing and managing the implementation of ICT initiations in line with that strategic vision.

MARKETING

The Mixed marketing department functions as an in house marketing and advertising agency servicing the group and all its business segments. The department plays a vital part in achieving sustainable sales and branding objectives. Responsibilities include below and above the line marketing, events management, media liaison as well as executing social corporate investment and sponsorship projects. The group is known for its creative, innovative and unconventional way of communicating its message to stakeholders.

FLEET SERVICES

Trustco Fleet Management Services provides the business segments, management and employees with essential transport solutions and a well maintained, cost effective fleet of vehicles to ensure effective service to the group's customers across Namibia and South Africa.

HUMAN RESOURCES

The human resources department is a multifunctional department operating in Namibia and South Africa. The department provides and manages training, recruitment, payroll administration, orientation, skills development, discipline, employee assessments, occupational health and safety as well as a corporate wellness programme.

LEGAL

The group legal department provides in house legal and advisory services including statutory and regulatory compliance services, IP portfolio management, management of external legal service providers, management and mitigation of litigation.

COMPANY SECRETARIAL

This department provides company secretarial services to the board, the board committees, exco and business segments. The company secretary advises the board and its committees on the Namibian and South African Companies Acts, King IV and the JSE and NSX Listings Requirements.

AUDIT, RISK AND COMPLIANCE

The audit, risk and compliance department, in conjunction with management, assists with implementing, maintaining and strengthening the system of internal controls to enable the ongoing identification, mitigation and monitoring of an effective and sustainable risk management framework. In compliance with the requirements of the King IV report, the board on the recommendation of the ARC, appointed a Chief Audit Executive (CAE). The internal audit function which was performed in house in the past, is now co-sourced with PwC for Trustco Bank and EY for the remainder of the group. This change will enhance independence and contribute to keeping current with best practice. The internal auditors are invitees to the ARC meetings and report to the ARC.

FINANCE AND TREASURY

The group finance and treasury function assists the board of directors with their oversight function as well as manage liquidity risk, capital reserves and forex risk. Finance is also responsible for the accounting of group results that are audited by the independent auditors of the group.

HOPE ORPHANAGE SUPPORT GROUP

“

Helping Orphans Prosper Everywhere (HOPE) would like to thank Trustco for the support you have shown for such a good cause.

”



“Helping Orphans Prosper Everywhere (HOPE) would like to thank Trustco for the support you have shown for such a good cause.”

Hope Orphanage Support Group



STAKEHOLDERS 05



STAKEHOLDER ENGAGEMENT	82
CORPORATE SOCIAL INVESTMENT	84





STAKEHOLDER ENGAGEMENT

The group firmly believes that engaging its stakeholders must be an integral part of its daily operations, as opposed to a separate function. Stakeholder engagement is therefore key to achieving the triple context as it contributes to the decision making and accountability of the group in respect of economic, social and environmental matters.

Each key stakeholder group provides a form of capital that contributes to the successful execution of the group's strategy, vision and mission.

STAKEHOLDER CATEGORY	TYPE OF STAKEHOLDER	ENGAGEMENT
<div><div>Shareholders and investors</div></div> <div><div>Directors and employees</div></div>	<ul style="list-style-type: none">current shareholderspotential shareholderslenders and fundersinvestment analysts	<ul style="list-style-type: none">transparent reporting maintained at all times to shareholders through the integrated annual report, SENS announcements, group website, social media, print media and circularsenhanced communication via advertising, face-to-face engagement events and increased media coverage and exposureadditional to the aforementioned public information, regular reporting to lenders and funders on covenantsmaintain a favourable investment grade credit rating in order to provide more favourable borrowing rates and offer shareholders additional confidence in the security and sustainability of earnings
	<ul style="list-style-type: none">board membersemployees	<ul style="list-style-type: none">a competent and balanced board and executive leadershipthe board members are constantly upskilling and receiving ongoing training on various related topicsthe importance of corporate governance and a set of best practices are followed and maintained across the groupopen formal and informal communication and correspondence through management and the company secretary to the boardregular site and office visits to ensure a better understanding of operations, projects and progressfair and balanced remuneration packages and target linked incentives for employees

STAKEHOLDER CATEGORY	TYPE OF STAKEHOLDER	ENGAGEMENT
<div><div>Directors and employees</div></div> <div><div>Society</div></div>		<ul style="list-style-type: none">employees were kept abreast of the content of the integrated annual report of 2016 as well as company policies with compulsory tests in order to qualify for annual salary increments and quarterly bonuseswellness programme includes, free lunches, transport, social scheme benefits, training opportunities and, company shares as set out in the remuneration reportgroup communication to employees through various committees and forums including a company intranetopen door policy with management, daily coffee table meetings and one-on-one meetings with management and HRemployees offered both formal, informal and in house training and skills transfer to ensure they are able to fulfil their rolesquarterly self-assessments with management comments and formal annual performance evaluations
	<ul style="list-style-type: none">government and regulatory bodiescommunitycustomersmediaservice providers	<ul style="list-style-type: none">committed to the highest standard of compliance with governance principles, legislation and regulations across all segments to various regulatory bodiesopen and transparent communication with all government agencies and regulatorscharitable donations, community outreach and upliftment programmes, sport, education and culture sponsorships (Refer to the CSI report)provision and maintenance of service excellence through constant improvement of products, research of customer expectations and needs, communication via call centres, electronic mail and SMS, social media, telephone and specially designed roaming mobile officesactive web and social media interaction to increase visibility (such as Facebook, YouTube and Twitter), <i>Informanté</i> newspaper, marketing community related topics and corporate activities, media briefings and information sessionscontinuous interaction and service level agreements with service providers



CORPORATE SOCIAL INVESTMENT (CSI)

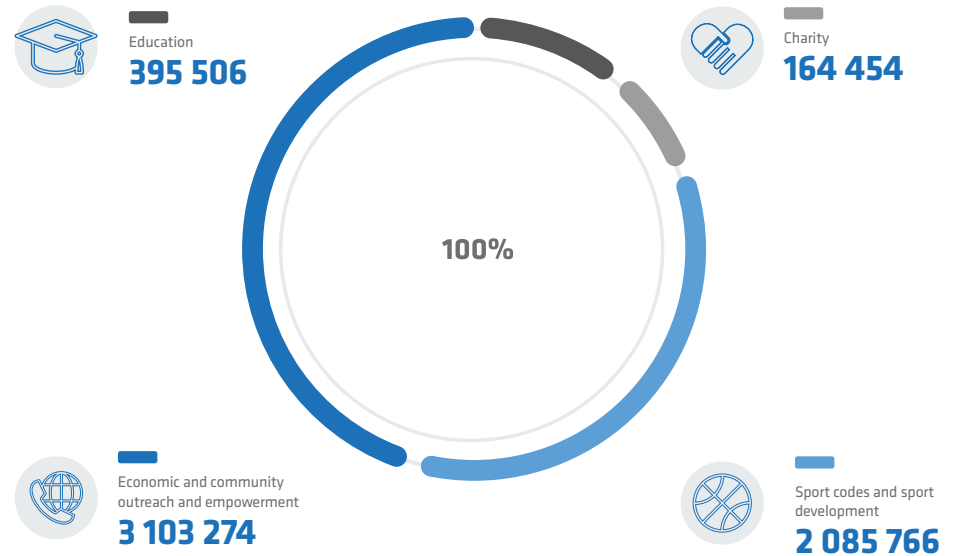
TRUSTCO GROUP AND ITS SUBSIDIARIES ARE COMMITTED TO THE ONGOING IMPLEMENTATION OF A ROBUST, MULTIFACETED SOCIAL INVESTMENT PORTFOLIO WHICH IS IMPLEMENTED AND INTEGRATED ACROSS THE GROUP.

CSI PHILOSOPHY

The group and its subsidiaries subscribe to the implementation of CSI initiatives which seek to augment and enhance the group's strategy whilst aligning the CSI portfolio to international best practices and governance principles.

The group aspires to remain at the forefront of corporate citizenry, investing in the societies in which it operates. The impact of the group's corporate investment is evidenced in its standing as an exceptional corporate citizen.

The initiatives engaged during the financial year under review encompassed the advancement of education, empowerment, community development and sport. These initiatives constitute the cornerstone of the group's CSI philosophy and augment its strategy whilst, most imperatively, giving back to the Namibian society.



TOTAL
5 749 000
NAD

CSI HIGHLIGHTS



RUGBY CLINIC

Peter de Villiers visited schools in more than 11 towns nationwide, conducting inspirational and uplifting high performance coaching clinics. The clinics amongst other objectives, aim to empower coaches and players with skills, to not only better understand and play the game, but also to build quality interpersonal relationships.



BURSARY EVENT

Trustco Insurance/Legal Shield awarded bursaries to three deserving law students to enable them to complete their law degrees at the University of Namibia (UNAM). Each student received NAD 30 000. Legal Shield is committed to support law students in an ongoing effort to alleviate the financial burden associated with the high costs of tertiary education.



IOL sponsored NAD 100 000 for equipment and school books for schools in all the regions. IOL remains dedicated to further education and learning across all regions in the country.



In continuation of a three year sponsorship agreement, Trustco supported the Namibia Tennis Association (NTA) with the ongoing development of the association's junior and junior masters tennis players tournaments.



SQUASH

The annual Trustco Doubles Squash Tournament celebrated another year with over 20 squash enthusiasts. One of the courts at the Wanderers Sports Club was rebranded by Trustco during 2016.



SPES

IOL joined the SPES (Step out of poverty through education, encouragement and support) charity outreach in Swakopmund with 23 pre-schoolers. The children were driven to the coastal town for first time visits to the beach and aquarium which filled the group with mixed emotions of excitement and wonder.



CANCER ASSOCIATION

Trustco group annually supports the Cancer Association of Namibia through various drives, including the Cancer Ball and the Shave-A-Thon. The group sponsored a total amount of NAD 24 480 during 2016.



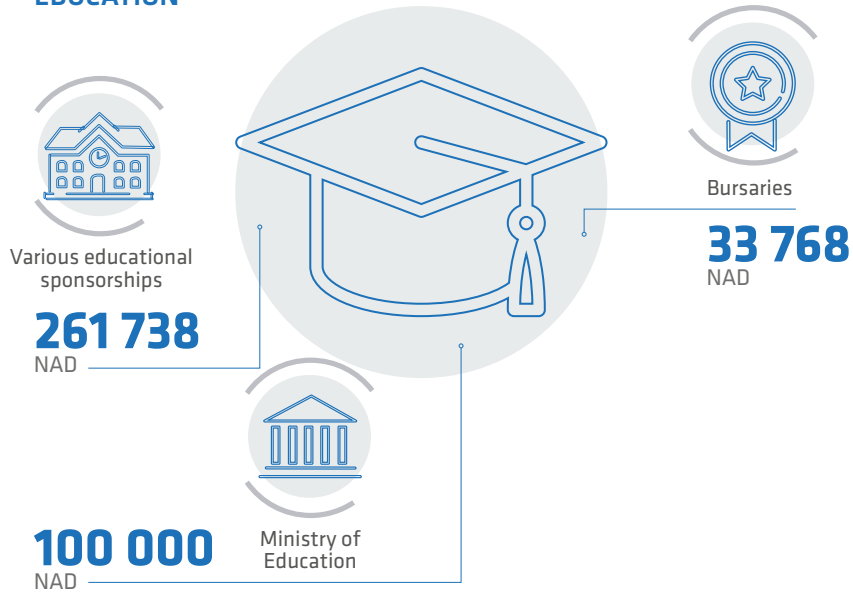
FUNKY MONKEY

Trustco hosted a Christmas party at Funky Monkey play centre for 42 children from the Illoongeni Kindergarten. The kids were treated to snacks, received Christmas presents, goodie bags and toiletries whilst playing their hearts out.

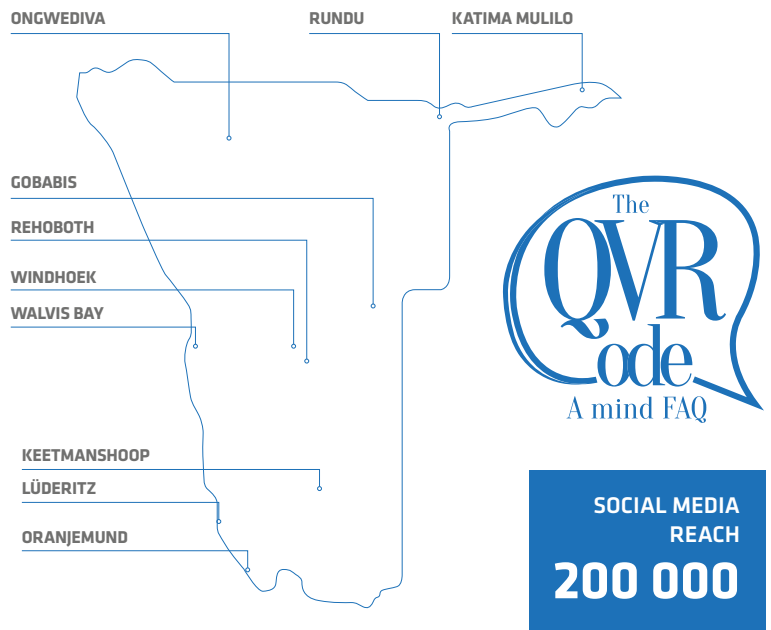


CORPORATE SOCIAL INVESTMENT OVERVIEW

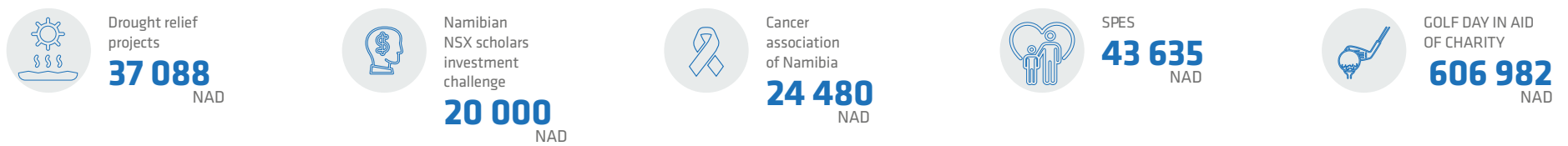
EDUCATION



QVR CODE - TOWNS/CITIES VISITED IN NAMIBIA



CHARITIES AND CHARITABLE CAUSES



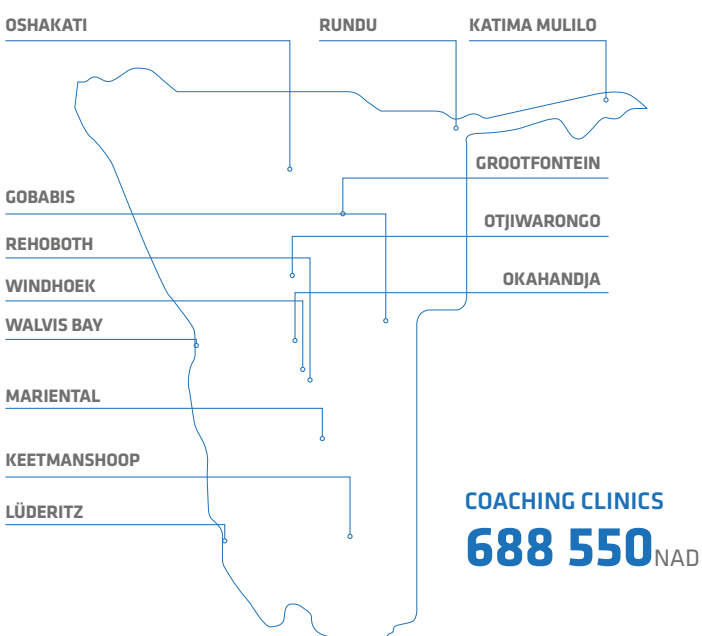
SPORTS DEVELOPMENT

Trustco partnered with renowned former Springbok coach, Peter de Villiers, to host high performance coaching clinics for coaches and athletes across the country. The objective of the coaching clinics is to promote skills transfer and develop capacity while enhancing performance and team culture.

The group prides itself of the fact that so many communities countrywide, both privileged and less privileged, benefitted equally through this project. Sporting codes ranging from soccer, hockey, cricket, rugby and athletics all benefitted from his expertise. Coaches from around the country attested as to the strength and conditioning training Peter de Villiers gave them as well as difference of perspective with regard to the importance of overall athlete readiness before they take to the field of play.

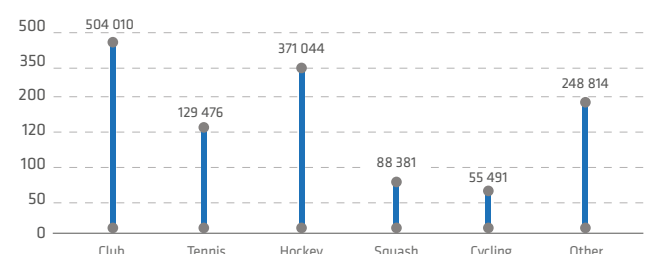


COACHING CLINICS - TOWNS/CITIES VISITED IN NAMIBIA



SPORT CLUBS AND CODES

NAD '000



"I WANT TO POSITIVELY INFLUENCE PEOPLE'S ATTITUDES TOWARDS LIFE SO THEY CAN BETTER THEMSELVES AND THEIR CIRCUMSTANCES."

PETER DE VILLIERS



GEORGE & LIZE NAGEL

“

It has always been a dream to be a first time home owner.

The whole process was very exciting, from looking at the concept, working with the architects to do amendments to the plans to suit our own personal need's.

We thank JJ builders for their superb work and Trustco Properties for handling everything so smoothly, payments, etc. I would greatly recommend the process, although it might seem daunting at first, it has been a dream come true ~ 'our own little house on the prairie.'

”



"It has always been a dream to be a first time home owner."

George & Lize Nagel
Elisenheim homeowners

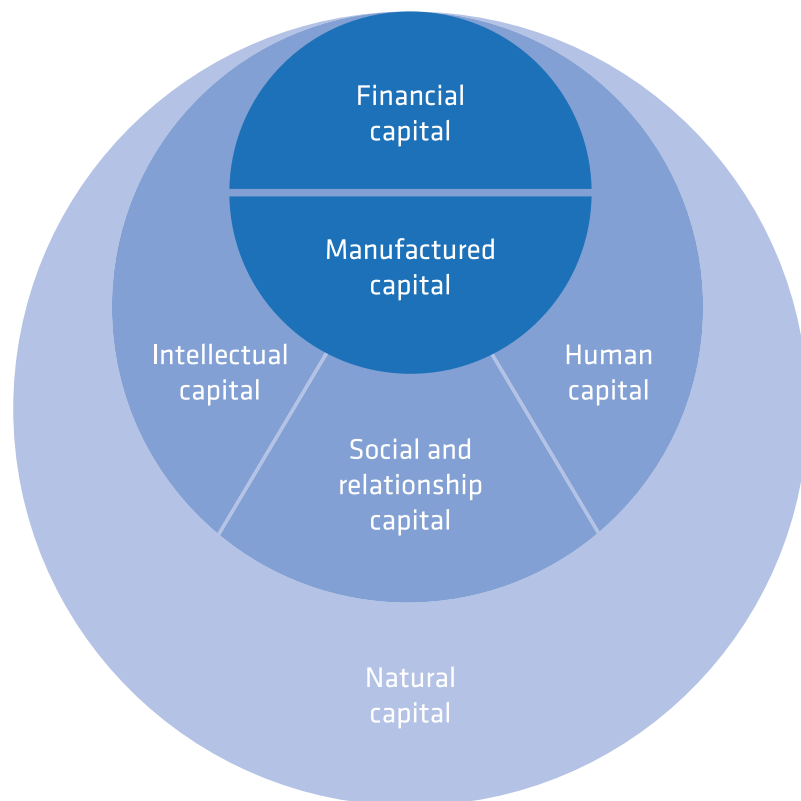
SUSTAINABILITY 06

SUSTAINABILITY REPORT

90



SUSTAINABILITY REPORT



Financial and manufactured capitals are the ones organisations most report on and takes a broader view by also considering intellectual, social, relationship, human (all of which are linked to the activities of humans) and natural capitals (which provide the environment which encompasses the other capitals).

Like all organisations, Trustco depends on the various forms of capital to ensure its success. Capitals are stores of value that are the key inputs to Trustco's business model and through the group's activities, are either enhanced, consumed or modified.

NATURAL CAPITAL

Natural capital is the underlying resource that all other capitals build upon. This not only includes those resources normally thought of as natural capital, such as water, land, minerals etc., but also broader resources, such as biodiversity and ecosystem health.

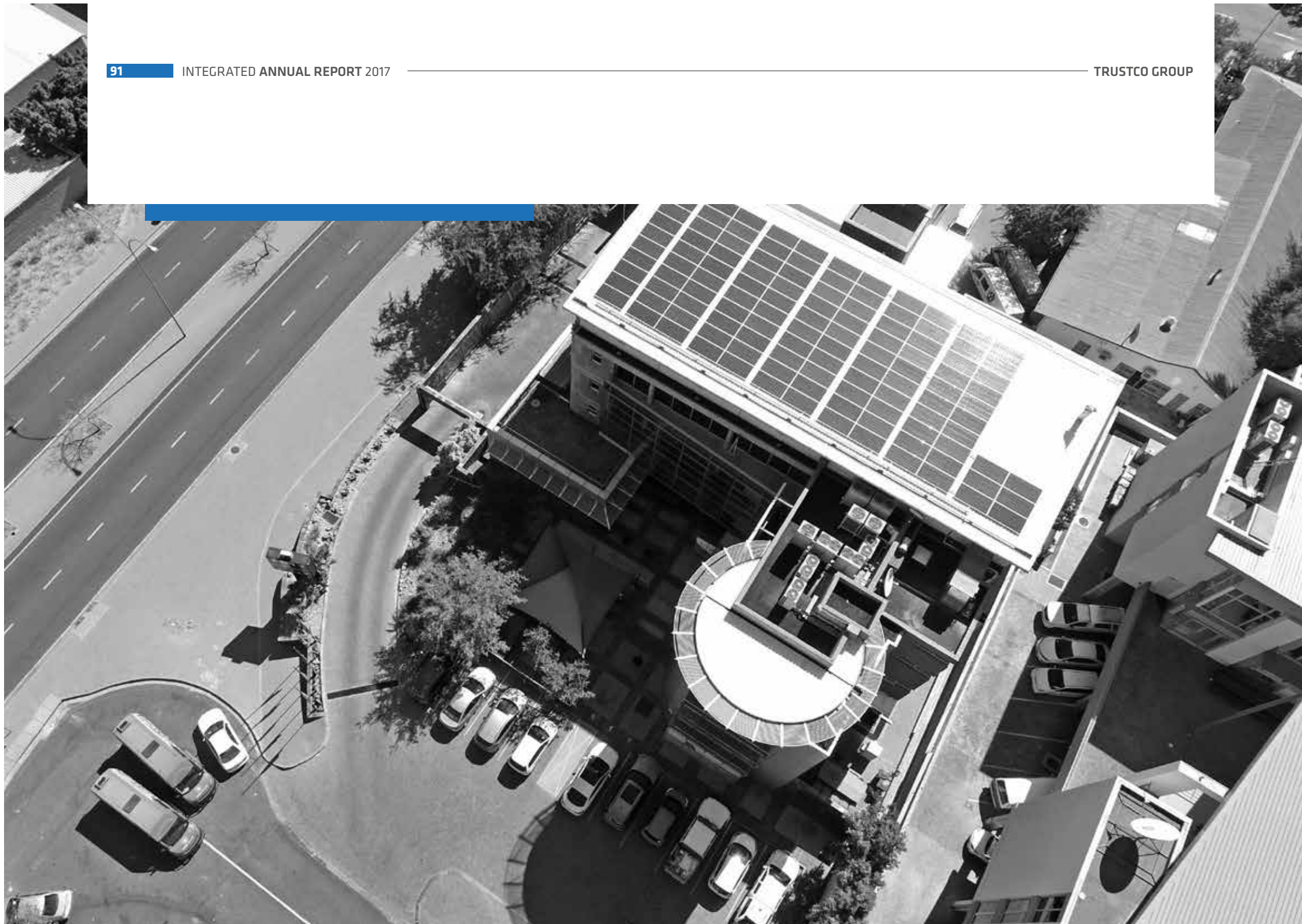
Key inputs

Natural capital is a key component of the property division of the group. Its ecological impact is closely monitored to allow for sustainable development. During the year under review, Trustco also expanded its resources segment, which concluded a deal to establish the Meya project. This has significantly increased the natural capital the group has at its disposal. Natural capital also has a significant impact on the non-resource intensive businesses of the group, as stakeholders are all dependent on natural capital. As a result, any region wide depletion of natural capital, such as the drought experienced recently, indirectly affects the natural value creation of the group.

Outcomes

Trustco's property division keeps in line with established best practices for responsible development of land, and in particular, utilises the latest techniques in order to ensure that any negative environmental impact is minimised. Similarly, the recently established mining operations utilise sustainable and green mining techniques from the onset, as they do not have existing operations that use environmental unfriendly methods for mineral extraction.

In addition, the group invested in a solar power solution for its headquarters in conjunction with SolarEff, a specialist South African renewable energy solution company. This 220 solar panels, 70kWh solution has allowed the company to reduce its carbon footprint by between 10% to 20% in total.





Sustainable development

The group remains committed to comply with international environmental and safety management standards, in particular within the property and resources segments that have the most direct impact on natural capital. The group will continue to implement, maintain and take additional measures to reduce its carbon footprint and safeguard natural resources.

HUMAN CAPITAL

Human capital is the first step up from natural capital and is embodied in the individuals that the group employs. It comprises of their collective individual capabilities, knowledge and skills – from rank-and-file employee up to board level.

Key inputs

Human capital, like the other intangible capitals, remains a core component of all segments in the group. Trustco places a strong emphasis on internal culture, skills development and identifying and retaining talent. To this effect, the group maintained its corporate wellness programme and performance incentive scheme while enhancing its performance management measures to ensure a continuous improved standard of service.

All employees are included in yearly strategic sessions where the group determines its plans going forward, ensuring everyone is aligned with and support the group's overall strategy. In addition, the Top 40 employees, as identified and elected by their peers, were issued directives to attend international seminars and conferences to improve their individual development and to diversify their worldviews of the capitals.

Outcomes

Trustco received the coveted 'Best Company to Work For' award in Namibia for the second year running. The group believes it serves as an excellent indicator that it remains on the right track with regard to employee commitment and development. Trustco also received its compliance certificates from the Employment Equity Commission for its continued commitment and compliance toward equity in employment.

Employees are encouraged to adopt Trustco's entrepreneurial spirit and this has resulted in the ongoing maintenance of a long term succession plan for the key segments in the group. This plan has been tested over the past years as Trustco employees have had the spirit to set out on their own, and while the group misses them and wishes them all the best, it has nevertheless continued its successful operations in their absence.

Sustainable development

The group always maintains its commitment to the key capital that provides the most return for all its stakeholders – human capital. As such, the commitment towards skills development and training remain undiminished. The group will continue to develop new initiatives such as the Top 40 programme to ensure its employees are rewarded and remain the best in the market.

SOCIAL CAPITAL

Social capital grows naturally from human capital. It comprises the key relationships that human capital enables. It is the level of trust that the group has accumulated over the years from stakeholders, the common values between the group and the society that it operates in and which allows it to conduct its business.

Key inputs

Social capital, the second of the intangible capitals, is an essential component of all segments in the group. The group values its relationships with not only its customers, but also its investors, suppliers, government, service providers and other business partners, and remains willing to engage with them with whatever concerns they might have. With government and regulators in particular, the group aims to maintain open communication channels and transparency, while ensuring the highest level of compliance with all relevant legislation and regulations.

The group realises that it does not do business in a vacuum, and to that effect, Trustco maintains an open and inviting atmosphere towards the public and the communities in which it operates. This is done via not only Trustco's *Informanté* newspaper, which serves to inform the community not only of news, but also of the latest developments in the group, but with an active social media presence as well, where the concerns of the community can be addressed as they are raised.

Outcomes

The various support and business departments in the group serve to keep the group abreast of any changes in regulations and legislation to ensure constant compliance, while the various segments also contribute to the CSI the group is known for in Namibia and South Africa. In particular, during the past year, the group has partnered with former South African Springbok rugby coach, Peter de Villiers, to visit and present high performance coaching clinics at schools and sport clubs for coaches and athletes across all regions in Namibia, in an effort to promote local sports development in the country.

In addition to this initiative, Trustco's group MD, Dr Quinton van Rooyen, has continued his efforts to bolster entrepreneurial spirit across the country by hosting his ever popular QvR Code sessions from border to border – Oranjemund to Katima Mulilo. These sessions are simultaneously broadcasted across social media, reaching his over 200 000 followers on various platforms.

Sustainable development

Maintaining the social links developed by Human capital is crucial in a time when economic growth has plateaued, therefore Trustco is prioritising to sustain these links to ensure that no stakeholder is left behind and to assist whenever and wherever it can. The group realises that without the society it inhabits behind it, sustainable value creation is not possible, and therefore remains resolved to assist, maintain and enhance its social capital to ensure it can continue to provide that which the community has come to depend on.

INTELLECTUAL CAPITAL

Intellectual capital is formed by the interrelation of other intangible capitals, and does not only comprise of what is termed 'intellectual property' such as patents, copyrights and licences, but encompasses much more – the collective knowledge held by the group, its systems, employees, procedures and protocols that provide it with a competitive advantage against its rivals.

Key inputs

Intellectual capital, the third of the intangible capitals, is not an obvious component of all segments in the group, but nevertheless its effects permeate throughout the group. One obvious element of intellectual capital would be the premier in house software solutions developed and expanded by the ICT team, these form part of the immense wealth of intellectual capital the group generates yearly.

The vast majority of its intellectual capital comes from its ability to examine its operating environment, assess its markets, and identify value adding opportunities for all stakeholders, and then to seize those opportunities as they present themselves. This is the effect of a dynamic management team that seeks to maximise stakeholder value and can readily identify where synergies exist that can be turned into opportunities.

Outcomes

Intellectual capital, like the other intangible capitals, does not directly result in measurable financial performance, but its effects are rather felt through complex chains of cause and effect. It draws a great deal from the other intangible capitals to create an altogether new one. Thus, while software systems and licences can enable the implementation of new products and business models, it is the quality of execution by the team that determines the ultimate financial effect it will have.

Trustco's intellectual capital is heavily invested in the successful execution and implementation of other capitals, and not necessarily represented on the balance sheet. As such, the group has taken measures to ensure there's consistent development and enhancement of management techniques. Creative development teams ensure that this portion of the capitals is not neglected. In particular, the Top 40 initiative is a tool for management development and also serves as a "think tank" for new ideas.

Sustainable development

As intellectual capital provides the impetus for the use of all other capitals, the group recognises how essential it is to not only maintain it, but to strengthen it as well. The group recognises that there is value in protecting certain forms of intellectual capital legally via registration (such as patents and copyright), but also realises that it can only be as effective as it can be implemented. The group resolved to continue to develop and maintain its unique and effective knowledge of optimal management systems and to expand it as it becomes necessary.

MANUFACTURED CAPITAL

Manufactured capital is generally distinguished from natural capital as a form of capital that is produced for the purpose of enabling a business to operate – to, produce goods and to provide services. This not only encompasses the capital as it is recorded on the balance sheets, but also of the available infrastructure provided by others in the economy the group can use to create value for stakeholders.

Key inputs

Manufactured capital has always been a part of the group – the group started as a property development company – and continues to be so. The property division contributes greatly to the creation of new manufactured capital by converting unserviced land into serviced erven. The group, however, also acquired manufactured capital in the form of aircraft during the year, which assist to provide an infrastructure service to all its stakeholders.

In addition to Trustco's own manufactured capital, the group is also privileged to operate in countries with well developed infrastructure, which not only allows for safe transportation, but perhaps more importantly, reliable telecommunication networks and data links, which enables efficient management of even remote operations, such as Meya mining in Sierra Leone and the regional offices across Namibia and in South Africa.

Outcomes

Through the development of unserviced land, Trustco's property division allowed Trustco Construction Services to greatly increase the stock of manufactured capital available, by turning 851 371 km² of unserviced land into serviced erven. The new aircraft allowed for 200 additional charter flights that were available to Namibian businesses. Yet, the majority of the group's performance was due to the utilisation of available manufactured capital.

Utilising the public and private available infrastructure, the group was able to keep in contact with all its stakeholders and allowed for client service, no matter which branch they visited. Electricity, transport and water infrastructure allowed the group to keep its human capital, its employees, well looked after with daily free lunches and transport. The ICT team in Cape Town could continue to develop Trustco's intellectual capital remotely, while the intellectual capital could be deployed simultaneously via management directives, distributed instantly across broadband links.



Sustainable development

The use of manufactured capital has a direct impact on performance and the group has strategies and plans intact to extend and maintain its stock of aforementioned capital. Besides the group's continued commitment towards property development, the Huso transaction will allow the newly acquired natural capital to be enhanced via the diamond cutting and polishing factory, extending the value that can be created. For a group dependent on manufactured capital, it is committed to the sustainable use and creation of public infrastructure, while ensuring that its creation of manufactured capital does not impair its natural capital.

FINANCIAL CAPITAL

Financial capital is defined as the pool of funds available for use in producing goods and services. This is generally obtained via debt, equity or grants externally, or reserves and cash generated from internal business operations and investments. This is the end form of capital, that into which all forms of capital are eventually converted.

Key inputs

Financial capital is a key component especially to the segments of the group operating in financial services. Since the previous reporting period it became more important to group as inputs, especially those in the process of generating natural and manufactured capital, increased. As such, it was necessitated to source debt funding while market conditions still allowed for it. The funding was utilised alongside reinvested returns from business operations to create more value for stakeholders.

During the reporting year, the group raised NAD 545 million worth of funding from a variety of funders, including the European Investment Bank in Luxembourg, Helios Credit Partners in the United Kingdom, ResponsAbility from Switzerland, DEG in Germany, Proparco in France, BlueOrchard Microfinance Fund in Luxembourg and Symbiotics SA alongside Trustco's local credit partners. This allowed the group to expand its operations and enable the construction of natural hedges against potential disruptions in sources of financial capital.

Outcomes

The group financial results are proof enough of the excellent returns enabled by financial capital, although a few difficulties occurred during the year under review which impeded the group's progress. Political and economic turmoil, specifically financial instability in Southern Africa, and the lull in commodity markets resulted in sources of debt funding reducing their risk exposure to Southern Africa and Africa during the latter half of the year. The group anticipates this situation to persist for the immediate future.

The timely application of financial capital towards the development of other forms of capital, will allow the other capitals to be developed and enhanced, which will result in the growth of group stocks and financial capital in coming years. The group is confident that its investments, although capital intensive, will deliver exceptional returns over the long term.

Sustainable development

The group has been expanding its capital base over the past few years by utilising debt financing, which allowed Trustco to leverage its above average returns into great value for all stakeholders. With the conclusion of the Huso transaction, the group will experience an expansion of its equity capital base, allowing for greater development of its overall financial capital base, as well as enhancing its internal generation of reserves via new business operations. The group is committed to ensure its financial capital is properly and optimally applied, not only to sustain revenue generating sources of capital, as evidenced by Trustco's investment in Meya mining, but also to maintain the stocks of other capital in the group.



Morse Investments (Namibia) secured an exclusive diamond off-take agreement with NNDC in the Kunene



ADRIANA LAMBERT

“

My professional career started at Trustco more than 20 years ago and I'm still here learning as well as teaching.

The most important skill I acquired during the many seasons working my way up, right from the bottom, is fostering leadership competence with the employees under my management.

As one of many female managing members, I'm privileged to know each storey of our company's tiered success, building the future levels together as a team.

”



"As one of many female managing members, I'm privileged to know each storey of our company's tiered success, building the future levels together as a team."

Mrs Adriana Lambert
Head: Trustco Finance

CORPORATE GOVERNANCE

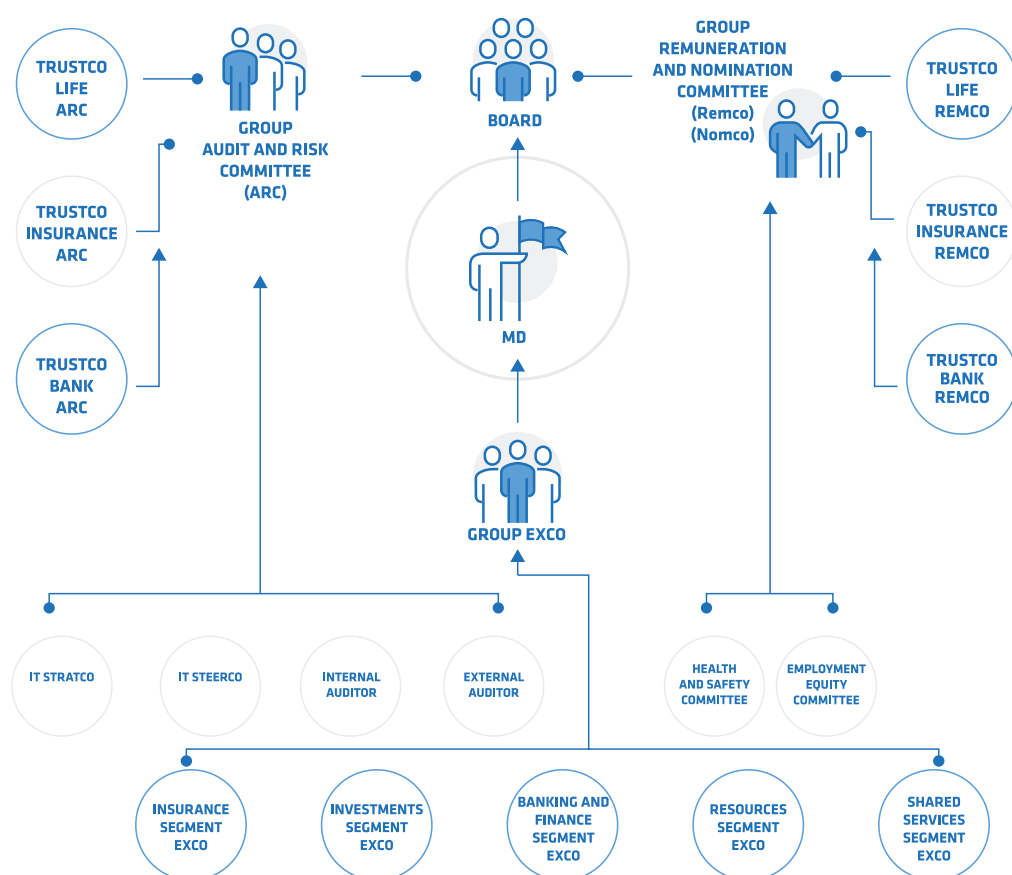
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CORPORATE GOVERNANCE

STRUCTURE OF MANAGEMENT



THE BOARD

The board's mandate is to act in good faith at all times whilst always considering the best interests of all stakeholders of the company. The role of the board is focused on exercising sound leadership and independent judgement to lead ethically beyond mere legal compliance. The board is committed to maintaining the highest standard of corporate governance and transparency as key components to achieving the vision and growth strategy of the group, as well as to ensure long term sustainability whilst protecting stakeholder value.

During the period under review the board:

- approved a revised group code of conduct which encapsulates the principles of the King IV report
- approved amendments to the group conflict of interest policy in line with King IV report which entails an even more proactive approach in disclosing and monitoring any possible conflict of interests throughout the group
- approved a revised delegation of authority policy to ensure that clear authority levels are maintained and
- revisited and amended the board charter to ensure that it remains closely aligned with the principles set out in the King IV report.

The board collectively provides sound leadership to ensure that the group is directed and managed as a responsible corporate citizen, whose performance is reflected in its triple context; creating and maintaining sustainable social, economic and environmental value to all its stakeholders.

Even though the group maintains a robust corporate governance structure, where the governance framework established subcommittees to support the board in the execution of its duties, the board remains ultimately responsible and accountable to all its stakeholders. Certain authorities have been delegated with specific authority to each subcommittee to enable effective control, while preserving the accountability of the members of the board.

The board is sensitive to balance the strong entrepreneurial spirit in the group with the interests of all other stakeholders.

BOARD ASSESSMENT

The board members conducted an informal and internal evaluation of its own performance, the performances of its committees, the chairman and individual board members. The evaluation concluded that the board is effective in all material aspects and will continue to identify areas for improvement. No remedial actions were required. The board is satisfied that the evaluation process is improving its performance and effectiveness.

DIRECTOR DEVELOPMENT

To enhance governance practices within the board and the group, ongoing training is provided to the board of directors of Trustco and its subsidiaries. In light of the implementation of the King IV report on corporate governance, Trustco initiated training for all its board members and senior management. Prof Linda de Beer, on behalf of the Institute of Directors in Southern Africa (IoDSA), facilitated training on the implementation of the King IV.

The board and senior management attended a two day workshop facilitated by Mr Dawie Roodt, from Efficient Group, on the impact and evolution of the economy in Africa. The board and management was further educated on the fiscal policy, the impact of inflation, the monetary policy and other related topics.

BOARD COMPOSITION

Directors are appointed through a formal process involving the whole board, assisted by the nomination committee. Appointments to the board are made based on the appropriate balance of knowledge, skills, experience, diversity and independence. This selection criteria ensures a competent and balanced board.

FORWARD LOOKING

During the next reporting period, the board will establish a social and ethics committee in accordance with the statutory and regulatory requirements. Up to this point, Trustco was not required to establish a social and ethics committee, although the function and principles are intertwined in the overall operations of the group. The board and management (even if the function has not been delegated to a specific committee) fulfilled all its duties and responsibilities with regard to:

- ensuring and promoting organisational ethics
- act as a responsible corporate citizen
- focus on sustainable development and
- promoting and maintaining stakeholder relationships.



Pictured above is Prof Linda de Beer, on behalf of the Institute of Directors in Southern Africa (IoDSA), who facilitated the one day training on King IV.

THE GROUP MANAGING DIRECTOR (MD)

The MD, who is also the CEO of the group, is responsible for leading the implementation and execution of approved board strategy, policies, operational planning and to act as the link between the board and management. The MD acts as the chairman of the group executive committee (exco). The functions of the chairman and the MD are clearly separated in the board charter.

During the reporting period the management agreement with the MD was extended, on the same terms and conditions, for a further period of 5 (five) years (from 1 April 2016 to 31 March 2021). The MD has no other professional commitments or membership of governing bodies outside that of the group. The succession planning is in place for the position of MD.

THE FINANCIAL DIRECTOR

During the year under review, Mr Ryan McDougall, executive director and financial director, resigned on the 31st of December 2016 when he and his family relocated to South Africa. The company appointed Ms Marizanne van Niekerk from the 1st of January 2017 in the position of financial director, however, Ms van Niekerk resigned on the 5th of April 2017 and the group re-appointed Mr Floors Abrahams in April 2017 as financial director. Mr Abrahams has been an executive director since 2006 and was also group financial director from 2006 to 2013. The audit and risk committee has assessed the performance of the group financial director, Mr Abrahams, and found his capabilities and performance satisfactory.



THE CHAIRMAN


The chairman of the board was appraised and considered to be an independent non-executive director. In light of the before mentioned, no lead independent was appointed. The chairman of the board is not a member of the audit and risk committee, but acts as the chairman of the nomination portion of the remuneration committee.

BOARD MEETINGS AND ATTENDANCE

Director	22 June 2016	9 November 2016	15 November 2016 (extra ordinary)	16 March 2017
Adv R Heathcote SC (Chairperson)	✓	✓	✓	✓
W J Geyser	✓	✓	✓	✓
R Taljaard	✓	✓	✓	✓
J Mahlangu	✓	✓	✓	✓
Dr Q van Rooyen	✓	✓	✓	✗
F J Abrahams	✓	✓	✓	✓
R McDougall (Resigned 31 Dec 2016)	✓	✓	✓	–
M van Niekerk (Resigned 5 April 2017)	–	–	–	✓

KEY ✓ Present ✗ Absent


AUDIT AND RISK COMMITTEE (ARC) MEMBERS



WJ GEYSER (57)

QUALIFICATIONS


BCompt
BCompt (Hons)
CA (SA)



J MAHLANGU (49)

QUALIFICATIONS

BCom (Acc)
BCompt (Hons)
CTA and CA (SA)



R TALJAARD (57)

QUALIFICATIONS

BEcon
FCII
FIISA

Although the board only had four formal meetings during the year, the board and management had numerous informal meeting opportunities where strategies were discussed, operational updates given and feedback provided to ensure that the board and management remained aligned.

BOARD COMMITTEES

The board appointed an audit and risk committee (ARC) and a remuneration and nomination committee (Remco) and (Nomco) to whom certain functions were delegated. The members of these standing committees are the non-executive independent members of the board, including the individual chairman of the committees.

THE AUDIT AND RISK COMMITTEE (ARC)

The ARC provides independent oversight on the effectiveness of the group's assurance function and services. The ARC focuses on combined assurance arrangements, including external assurance service providers, internal audit, the finance function and the integrity of the annual financial statements as well as other external reports issued by the group to the extent delegated by the board. The ARC also has the oversight function of risk governance. In light of the group's intrinsic business segments and various regulatory compliance requirements, the group has four different ARC's. The ARC of Trustco Life Limited (Trustco Life), Trustco Insurance Limited (Trustco Insurance) and Trustco Bank Namibia Limited (Trustco Bank) also report to the group ARC of Trustco. The ARC of Trustco Life and Trustco Insurance is a combination of independent non-executive and executive directors, the majority of which are independent non-executives. The ARC of Trustco Bank and group comprises of independent non-executive directors. The internal auditors, the external auditors, the financial manager for each segment, the CAE and senior management attend the ARC meetings.

The ARC satisfied itself that the external auditors are independent of the company. The ARC reviewed the separate and consolidated financial statements of the company and is satisfied that the statements comply with IFRS, SAICA financial reporting guidelines as issued by the

Accounting Practices Committee, financial reporting pronouncements as issued by the Financial Reporting Standards Council and in the manner as required by the Companies Act of Namibia.

The members of the ARC have the necessary financial literacy, skills and experience and have executed their functions satisfactorily.

ARC MANDATE

The duties of the ARC include those assigned to it by the board and which have been documented in its charter. ARC has, in the year under review, fulfilled its duties which include, but are not limited to:

- nominated a registered, independent external auditor for appointment and determined the fees to be paid as well as the terms of their engagement
- ensured that the appointment of the auditors complies with applicable statutory provisions relating to the appointment of the auditors
- determined, subject to applicable statutory and regulatory provisions, the nature and extent of any non-audit services to be provided, or services that the auditor must not provide to the group or a related party and pre-approved any proposed agreement for the provision of non-audit services to the group
- prepared a report, addressing the items as prescribed in the applicable statutory and regulatory provisions
- made submissions to the board, where applicable, on any matter concerning the group's accounting policies, financial controls, records and reporting
- approved the annual internal audit plan
- maintained oversight over the internal audit function and
- nominated independent internal auditors and determined the fees to be paid as well as the terms of engagements.

ARC MEETINGS AND ATTENDANCE

Director	15 June 2016	4 November 2016	15 November 2016 (extra ordinary)	9 March 2017
WJ Geyser (Chairman)	✓	✓	✓	✓
R Taljaard	✓	✓	✓	✓
J Mahlangu	✓	✓	✓	✓

KEY ✓ Present ✗ Absent

THE REMUNERATION AND NOMINATION COMMITTEE (REMCO AND NOMCO)

The remuneration and nomination committees have dual responsibilities. The remuneration portion of the committee comprises of independent non-executive directors and assists the board to set and monitor the remuneration policies and make recommendations to the board concerning succession planning and remuneration for all levels of employees within the group, also that of non-executive directors. It ensures compliance with applicable laws and codes of conduct and reviews benefits and performance incentive schemes after considering the group strategy and objectives, which is to create stakeholder value whilst maintaining incentives and retaining essential skills. The remuneration committee is satisfied that incentives are based on stretched targets that are verifiable, measurable and relevant.

REMUNERATION COMMITTEE

The remuneration committee met twice during the year under review and committee members' attendance were as follows:

Director	8 June 2016	10 October 2016
R Taljaard (Chairman)	✓	✓
WJ Geyser	✓	✓

KEY ✓ Present ✗ Absent

NOMINATION COMMITTEE

The nomination committee met twice during the year under review and committee members' attendance were as follows:

Director	22 June 2016	24 November 2016 (extra ordinary)
Adv R Heathcote (Chairman)	✓	✓
WJ Geyser	✓	✓
R Taljaard	✓	✓


KEY ✓ Present ✗ Absent



REMUNERATION AND NOMINATION COMMITTEE (REMCO AND NOMCO) MEMBERS

R TALJAARD (57)

QUALIFICATIONS
BEcon
FCII
FIISA



WJ GEYSER (57)

QUALIFICATIONS
BCompt
BCompt (Hons)
CA (SA)



ADV R HEATHCOTE SC (52)

QUALIFICATIONS
BA
LLB



COMPLIANCE STATEMENTS

Primary and secondary listing

The company's primary listing on the JSE means the company is subject to the JSE Listings Requirements (LR). The company's secondary listing on the Namibian Stock Exchange (NSX) means the company is further subject to the NSX LR. The board satisfied itself that the group has complied with the LR of the JSE and NSX.

Annual compliance certificate

The annual compliance certificate confirming the company's compliance with the JSE LR was completed.

King IV

The board has adopted the principles of King IV insofar as the application thereof was in the best interest of the group. Where it was not, the board explained why it did not and applied alternative principles or practices in line with the overarching governance principles of fairness, accountability, responsibility and transparency. A complete compliance list is available on the company's website at www.tgh.na. The board accepted and embraced the implementation of the King IV report.

Gender diversity policy

The JSE LR stipulates that the board is required to have a policy on the promotion of gender diversity at board level. The board has approved and implemented a formal policy on the promotion of gender diversity. The board strongly believes that its strength lies in its diversity and not by merely fulfilling a requirement to promote diversity of race or gender. It is the policy of the board that discrimination in any form, without being prescriptive on race or gender, is not tolerated or allowed in the group. The features of the policy include the approach to gender diversity, the criteria which will be considered with the appointment of directors as well as

reporting to shareholders thereon. A copy of the full gender diversity policy is available on the company's website at www.tgh.na

Company secretary

The company secretary is the gatekeeper and the provider of independent guidance on corporate governance to the board and its duties and responsibilities. The board is satisfied that the company secretary maintained an arm's length relationship with the board and its directors during the period under review. The company secretary is not a director of the board. The board assessed the competence of the company secretary in accordance with best practice performance and evaluation criteria and found her qualifications, experience and competence to be satisfactory.

Independent and unfettered advice

The board members are encouraged to seek independent advice, at the company's cost, to assist with the execution of their fiduciary duties and responsibilities, if so required. During the period under review independent advice was not sought by the board. The board members also have direct access to the group's external and internal auditors, the company secretary, the CAE and the MD at all times.

Board members' independence

If a director has served for a period of more than nine years, best practice requires the board to consider whether that director continues to be independent in executing fiduciary duties. None of the non-executive directors have served for longer than nine years.

The board has adopted the practice of reviewing director independence annually and has concluded that all non-executive directors are independent and met the requirements of the test of independence.

In accordance with the company's memorandum, articles of association and in terms of the Companies Act, at least one third of non-executive directors shall retire from the board, and if available, may be re-elected by the shareholders at the AGM, provided that the board has confirmed and verified the eligibility of such directors.

Dealing in securities

In alignment with the JSE LR, a revised policy was approved during the reporting period, regulating the conduct of board members, management and senior employees when dealing in the company's securities. Directors, management and senior employees must obtain prior approval for any dealings and furthermore, directors must publicly disclose their and their associates' dealings in company securities.

Sponsor

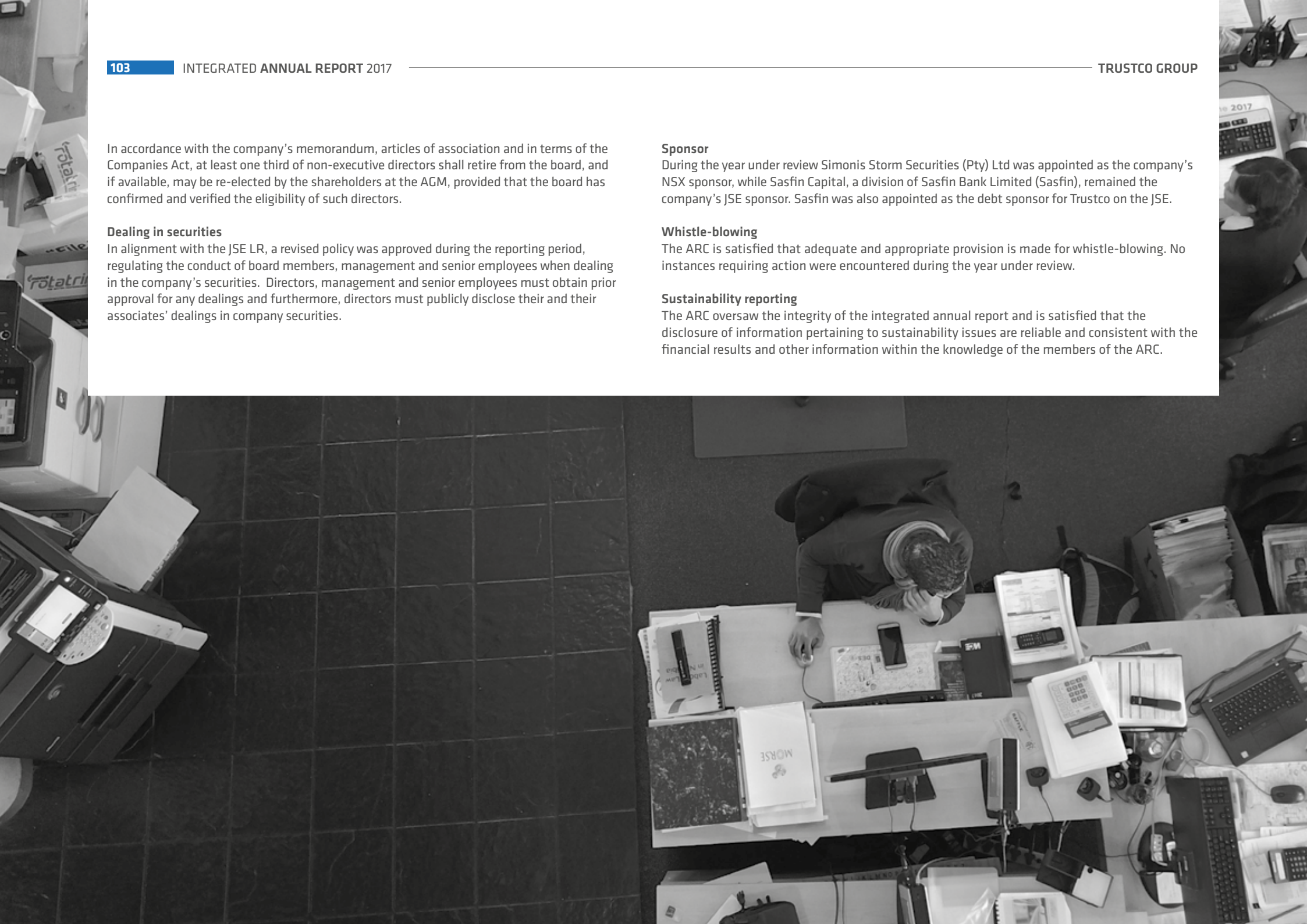
During the year under review Simonis Storm Securities (Pty) Ltd was appointed as the company's NSX sponsor, while Sasfin Capital, a division of Sasfin Bank Limited (Sasfin), remained the company's JSE sponsor. Sasfin was also appointed as the debt sponsor for Trustco on the JSE.

Whistle-blowing

The ARC 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 ARC oversaw the integrity of the integrated annual report and is satisfied that the disclosure of information pertaining to sustainability issues are reliable and consistent with the financial results and other information within the knowledge of the members of the ARC.



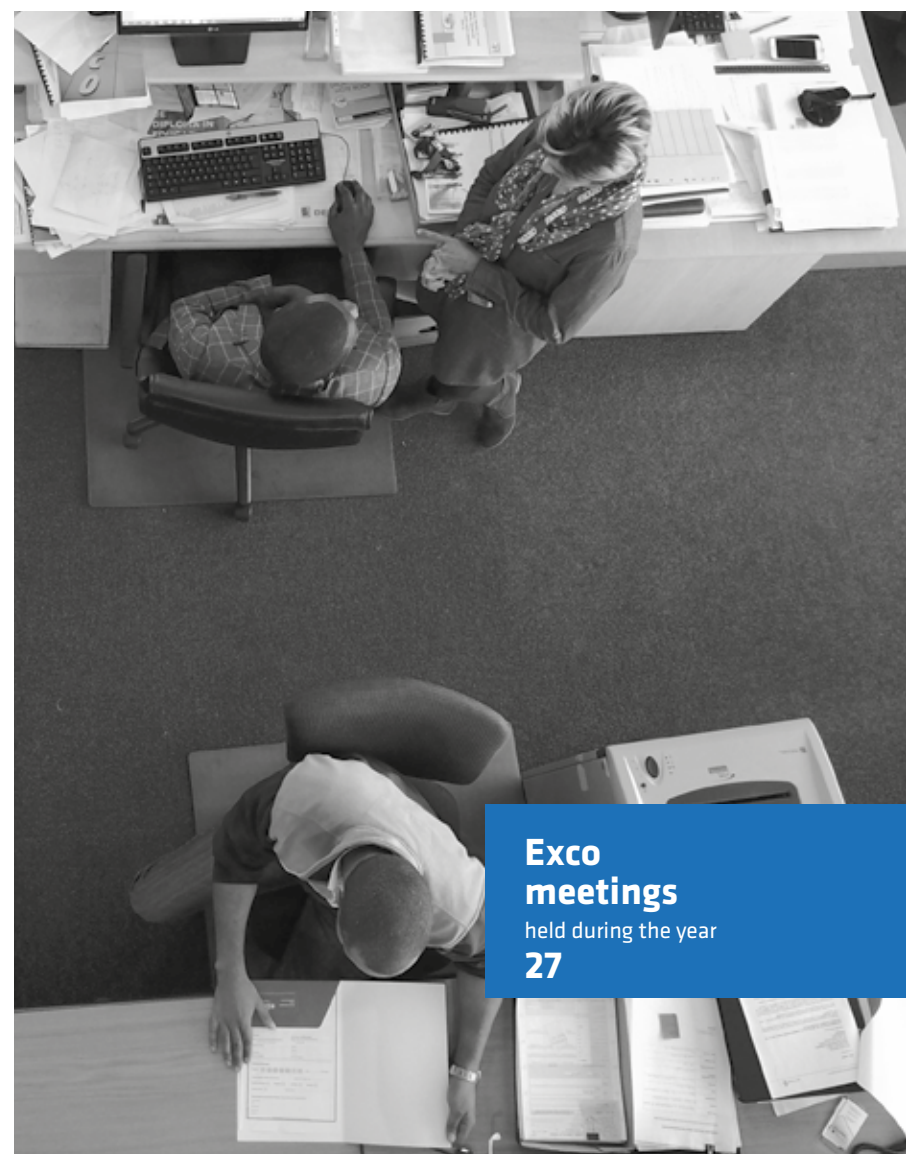
**GROUP EXECUTIVE COMMITTEE (EXCO)**

The exco is chaired by the MD and is responsible for the execution of operations in accordance with strategy approved by the board. Exco meets regularly to monitor targets and ensure that objectives and policies remain relevant. Initiatives are recommended to board for approval. The group exco is made up of selected executives heading significant business units and group functions.

The exco assists the MD to manage and direct the business activities and other operations of the group in line with statutory limits and the group delegation of authority as set by the board. The group exco normally meets once a month or more frequent when required. The meetings focus on strategy progress and operational matters which are material to sustainable growth and ongoing risk management.

**GROUP EXECUTIVE COMMITTEE MENTEEES**

Employees who are offered special guidance and support by a respected, long serving and trusted person (a mentor) on group exco with more experience in the group.



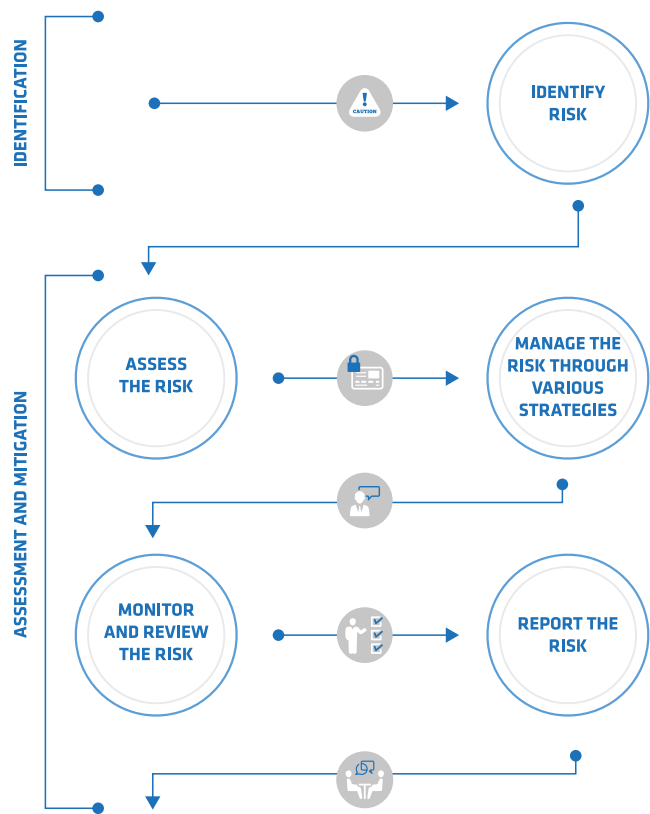
Exco meetings
held during the year
27

Trustco staff at work



RISK REVIEW

Given the innovative and fast growth nature of the group, a robust and effective risk management system is crucial to the assessment, monitoring and mitigation of risk identified within the company. The group has the following controls in place to assist with risk management to ensure the group achieves its strategic and operational goals.



INTERNAL CONTROL SYSTEMS

The board of directors is ultimately responsible for the governance of risk in the group to provide reasonable assurance that the group's business objectives and strategy will be achieved in accordance with its risk appetite. The board has oversight of the group's risk framework, policies and procedures and ensures the continued maintenance of the group's system of internal controls. The group's adherence to controls is governed by approved policies and procedures. These are also reviewed on a regular basis by management, internal and external audit.

INTERNAL AUDIT

The internal audit function was co-sourced with PwC for Trustco Bank and EY for the remainder of the group. The internal auditors provide the ARC with assurance on the effectiveness of the internal control system.

EXTERNAL ASSURANCE

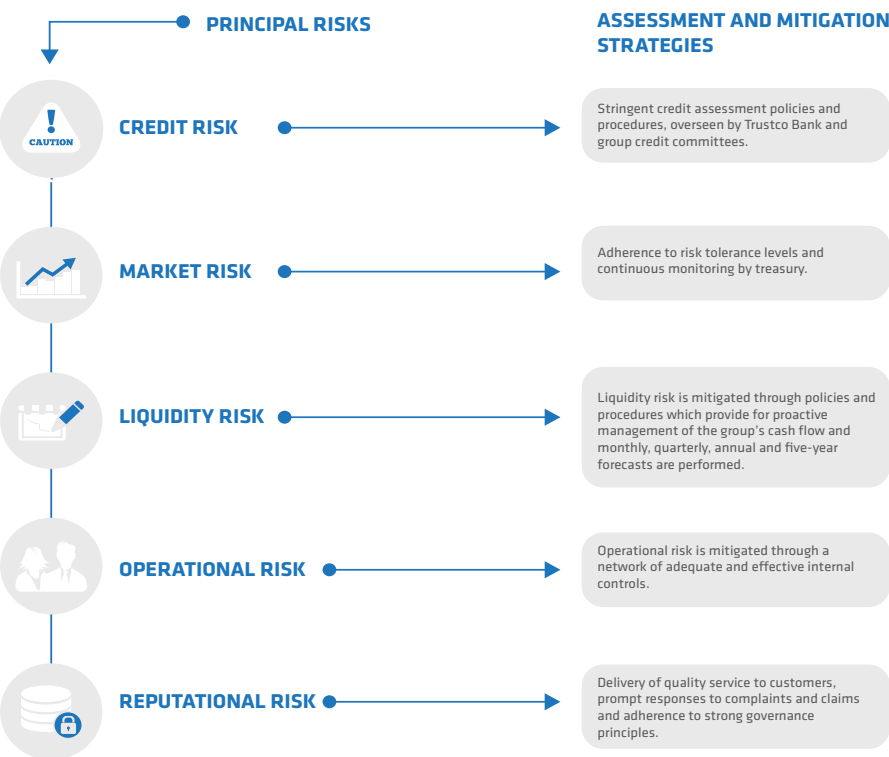
Various external parties are used to assess the adequacy and effectiveness of controls in certain instances to provide risk assurance and to ensure compliance like environmental, IT and safety audits.

COMPLIANCE

Compliance with relevant laws and regulations are managed by the company secretary and each segment's senior management with the assistance of the group CAE and group legal advisor. Any compliance issues or risks identified are monitored and reported to ARC.

RISK IDENTIFICATION

The continuous risk assessment process undertaken by the group during the financial year identified the following significant risks:



WHISTLE-BLOWING

Trustco has an established anonymous reporting facility for whistle-blowing. This facility enables employees and other stakeholders to report fraudulent, corrupt or unethical behaviour related to any of the group's activities, without fear of victimisation and retribution. There were no significant frauds or thefts reported during the period under review.

PRICE-SENSITIVE INFORMATION

No director, officer or employee may deal either directly or indirectly in the company's shares on the basis of unpublished price sensitive information regarding the company's business or affairs. In addition, no director, officer or employee in possession of price sensitive information may trade in the company's securities during closed periods.

PROHIBITED PERIODS

Closed periods are from the end of the interim and annual reporting periods to the announcement of financial results for the respective periods or while the company is under a cautionary announcement. The company has a repurchase programme in place which allows the company or its subsidiaries to acquire securities during these periods.

KATRINA BASSON

“

From my humble beginnings as a debtors clerk to being a COO... it's evident that through consistency, opportunities presented themselves, and I visibly undertook them with both hands.

Attaining more than a decade of leadership skills is my most valuable triumph that I will always treasure!!

”



“Attaining more than a decade of leadership skills is my most valuable triumph that I will always treasure!!”

Mrs Katrina Basson
COO regional offices

REMUNERATION REPORT

08

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REMUNERATION REPORT

The group strives to ensure that its reward practices are sustainable and aligned with shareholders' interests whilst it recognises the contribution of employees to the growth of the group.

The group promotes entrepreneurship and strives to optimise employee performance by providing a working environment conducive to extraordinary performance, characterised by passion and energy that results in a positive contribution to the success of the group and ultimately the economy it operates in.

The individuals the group employs are characterised by intellect, innovation and initiative, which impart the ability to adapt to an ever-changing work environment and a unique culture, all of which are crucial in the group's pursuit of excellence. This is evident in the year-on-year results of the group which reflect a skilled, committed and motivated workforce.

REMUNERATION PHILOSOPHY

The group philosophy is to ensure that employees are fairly rewarded for their individual value, merit, performance and contribution over a meaningful period to the overall operational and financial 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 rewards 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 long term rewards
- 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
- protect and promote shareholder interests and create a direct and recognisable alignment between remuneration and risk exposure
- employee growth and development through performance management that is cemented in simplicity and transparency and
- unparalleled working environment where performance is rewarded and where employees can fulfil their potential.

The group recognises that lasting growth is what ultimately builds shareholder value and therefore the remuneration philosophy is used as a management tool that, when aligned with an effective communication plan, is designed to support, reinforce and align our values, business strategy, operational and financial needs with a goal of growth, profitability and ultimately the creation of wealth for all involved in the group.

REMUNERATION MIX

The group rewards and provides a level of compensation which not only attracts and incentivises employees, but also retains and motivates existing employees to reach their full potential.

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 short, medium and long term successes and goals of the group. The group is confident that including equity in employees' compensation is the best way to align their interests with the long term success and strategy of the company.

The group participates in and makes use of several industry related salary surveys to substantiate its remuneration data. Individual salaries are benchmarked internally and externally to ensure fairness.

FIXED REMUNERATION:

- guaranteed base salary based on role, experience, qualifications, responsibilities, skills and market rates
- the group's basic minimum monthly salary was increased from NAD 3 000 to NAD 3 500 per month for a 40 hour work week, during the reporting period, across all employee levels and
- commission on sales performance for monthly sales targets.

VARIABLE REMUNERATION:

- short term cash incentives on quarterly extra ordinary sales targets
- quarterly short term cash incentives, in terms of the approved Group Performance and Retention Incentive Scheme for all segments, with set board approved financial, budget and other targets

- quarterly long term equity incentives, in terms of the approved Group Performance and Retention Incentive Scheme for all segments, with set board approved financial, budget and other targets
- long service appreciation awards at five year intervals
- company equity gift to the value of NAD 50 000 for employees with one year of service purchased on behalf of the employee, subject to a five years trading restriction
- dividend payments to employees on company shares purchased on behalf of employees
- other variable allowances are paid for additional services
- transport allowances are paid to all employees with one year of service who do not make use of company provided transport to and from work and
- cell phone benefits to specialised employees.

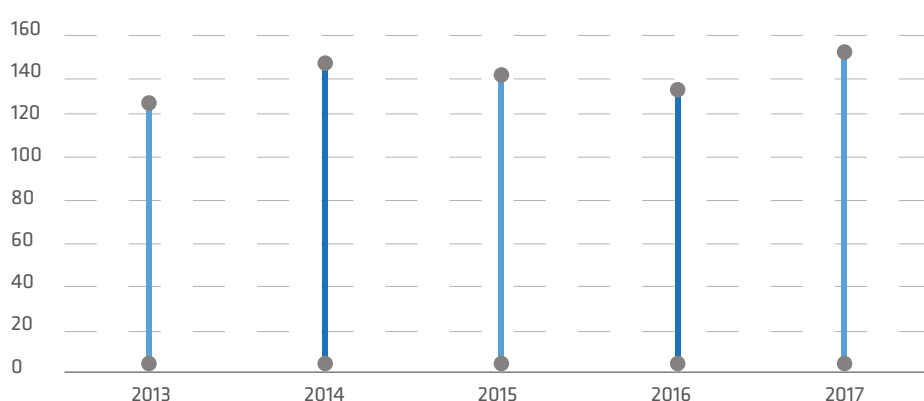
Trustco performance and retention incentive scheme

The group currently employs a 50:50 based incentive and retention scheme. 50% of this incentive is allocated in cash and paid directly to the employee and the remaining 50% is used to purchase Trustco shares for the employee. This incentive scheme aims to retain key skills and to motivate executives over the long term which is essential for sustainable business.

Benefits and awards are granted on the basis that they aid employee retention and/or provide an efficient work environment for the employee. All deferred awards are subject to continued employment. The basic salary of each employee are reviewed annually on an individual basis. Annual increases are based on personal key performance indicators, achieving set individual goals, quarterly employee self-assessments, increased skills or qualifications and market related benchmarking.

GROUP REMUNERATION COMPARATIVES FOR THE PAST 5 YEARS

(NAD million)



EMPLOYEE WELLNESS

The group remains committed to the continuous investment in the wellbeing of its valued employees.

Staff Social Scheme

The company offers a staff social scheme with equal employer and employee contributions which provides the following cover and additional benefits:

- hospital cover
- disability benefit
- dread disease cover
- life cover
- various types of additional leave i.e. paternity leave, sabbatical leave, birthday leave, afternoons off, additional sick leave and "babbalas" (hangover) leave
- a corporate wellness programme with additional benefits, including free daily staff lunches, physical exercise programmes, flu prevention injections, cancer prevention testing and various health and social awareness campaigns throughout the year and
- an employee fund with the same purpose as a savings fund to empower employees by assisting to provide for future financial security and to foster and encourage a culture of saving.

The corporate wellness programme is offered by the company to the employees and is a combination of educational, organisational, nutritional, social and environmental awareness programmes. It also includes physical fitness programmes, life coaching, health coaching and activities designed to support, enhance and promote behaviour conducive to maintaining good physical, social and mental health.

The group recognises that a regular and sound fitness regime is vital to maintain the health and wellbeing of its employees. With more stress comes an increased likelihood of becoming ill. As part of the wellness programme the company provides an annual exercise programme with external service providers. Fitness sessions are held twice a week for 3 (three) months, after which employees are encouraged to continue in their own time. The company also engages service providers which give employees access to health screenings, counselling and nurse consultations. The company also has a policy that allows middle to senior management to have extended lunch or break time for the purposes of physical fitness exercises.

The corporate wellness programme is a proven success and extremely effective to motivate, educate and improve the overall health, emotional, physical and spiritual wellbeing of each valued employee. The programme is well established, maintained and ongoing.



HEALTH AND SAFETY

The group values, provides support and protects the health and safety of its employees. The occupational health and safety management programme and system across the group and its segments is aligned with and operated and maintained according to the local regulatory and legislative requirements.

TRUSTCO TOP 40

The Trustco Top 40 Policy was implemented in the previous reporting period, to identify, recognise and reward employees that rise to and exceed the high performance standards and expectations of the group. The group aspires to motivate staff to grow, excel and be driven to perform at all times. The main objectives of the policy appointing the Trustco Top 40 are to give recognition to key employees on any level regardless of position, to motivate and inspire all employees to attain the same level of performance and to provide a platform within the group to foster talent development. The Top 40 is announced once a year after an extensive review, nomination and election process by all employees in the group.

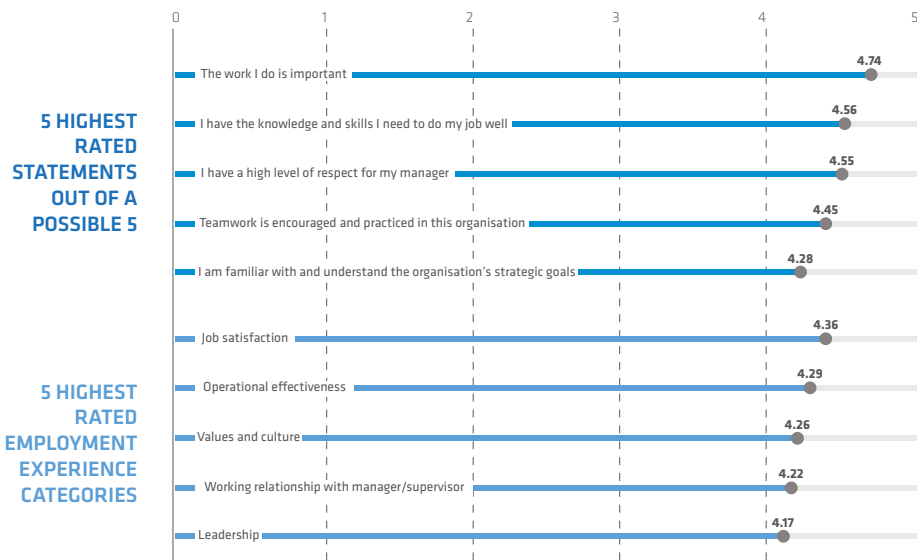
Top 40 benefits include:

- company shares to the value of NAD 40 000
- access to a company pool vehicle
- an annual allowance of NAD 40 000 per Top 40 employee for the sole purpose of international travel to attend an international conference
- additional ten (10) days annual leave to be used in conjunction with the credit card allowance for the purpose of international travel only
- any bonus paid out to a Top 40 member during the term is increased by 40%
- flexi time and
- a smart phone with a credit limit of NAD 2 000 per month.

EMPLOYEE ENGAGEMENT

In 2016 Trustco group participated for the third time in Deloitte’s annual “Best Company To Work For” survey in Namibia. The independent survey has been conducted by Deloitte since the year 2000 and audited the employees’ sentiments covering areas inclusive of *inter alia* values and culture, leadership, relationship with management, inclusion, operational effectiveness, job satisfaction, performance and recognition, remuneration, learning and development as well as fairness and equity. Based on the ratings of its employees, for the second year in a row, Trustco was awarded 1st place in Namibia as the most desirable company to work for in the large sized company category i.e. companies with more than 500 employees.

The employees (balance of workforce) participated in the survey administered by the independent company, Deloitte, to measure the degree of alignment between management and the employees. The company achieved an overall score of 4.09 out of a possible 5 in the survey. An improvement on the overall score of 3.99 in the previous reporting period.



SUMMARY OF EMPLOYEE WELLNESS

Clinic visits 1 290 	Vaccinations (Measles & Rubella) 253 Flu vaccinations 97 	Blood donations 99 297 possible lives saved
Hospital cover paid out 300 000 (NAD)	Maternity related hospital claims 200 000 (NAD) 	
114 367 meals served at a cost of 3 607 679 (NAD) 	27 sabbatical leave periods granted at a cost of 1 562 676 (NAD) 	97 employees participated in company organised exercise programmes at a cost of 77 185 (NAD)



Trustco's rival teams, the Cops and Crooks



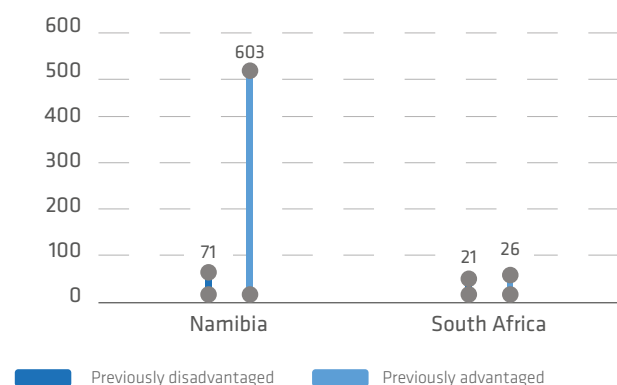
DIVERSITY AND INCLUSION

The company promotes and values diversity and strives to eliminate any employment practices and processes which may result in unfair discrimination in any form.

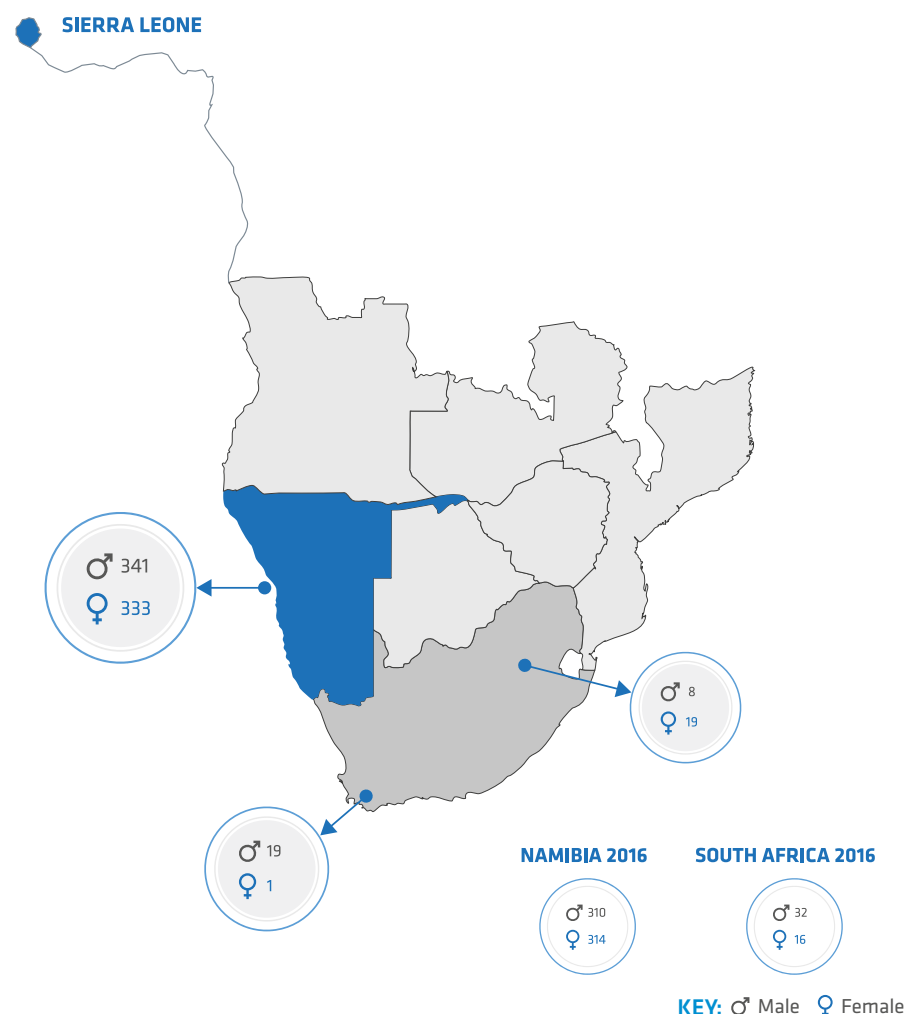
EMPLOYMENT EQUITY

Employment equity is viewed by the group as an integral component of its overall group strategy to ensure diversity in the company workforce. The group is committed to maintain a workforce that reflects country demographics in respect of race and gender. The group values its employees and recognises their intellectual value and commitment as an important component to the success of the group. The group has a goal to create and sustain an environment of diversity as its competitive advantage for the future. During the year under review the group was issued its compliance certificates from the Employment Equity Commission in Namibia and South Africa.

EMPLOYMENT EQUITY WORKFORCE PROFILE

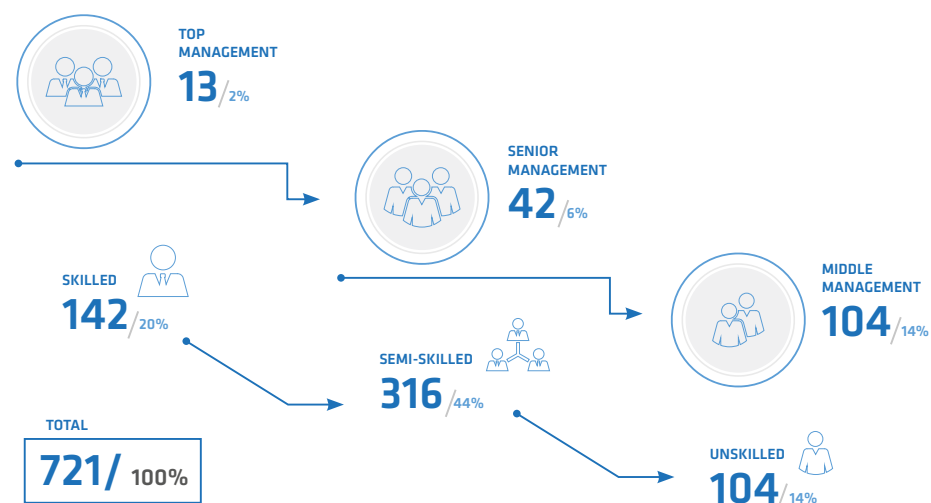


WORKFORCE STATISTICS ACCORDING TO GENDER (AS AT MARCH 2017)



Workforce statistics for Meya mining will be included in the next reporting period, effective 1 April 2017, and statistics for Huso Investments will be reported on and included as from the date the Huso transaction is perfected. The envisaged combined number of employees for the resources segment, including Meya mining and Huso, will be approximately 450 employees.

WORKFORCE PROFILE



TOP 3 SALARY EARNERS

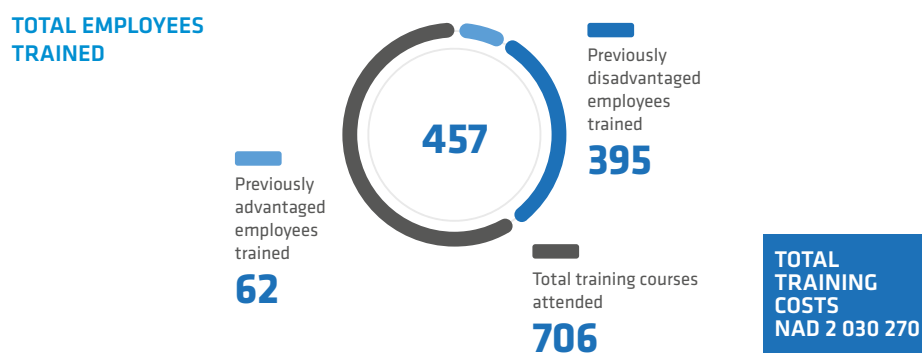
EMPLOYEE (MONTHLY EARNINGS)	2017 NAD	2016 NAD	% CHANGE
Employee 1	262 782	191 309	37
Employee 2	206 068	189 231	9
Employee 3	185 760	142 542	30

TRAINING AND DEVELOPMENT

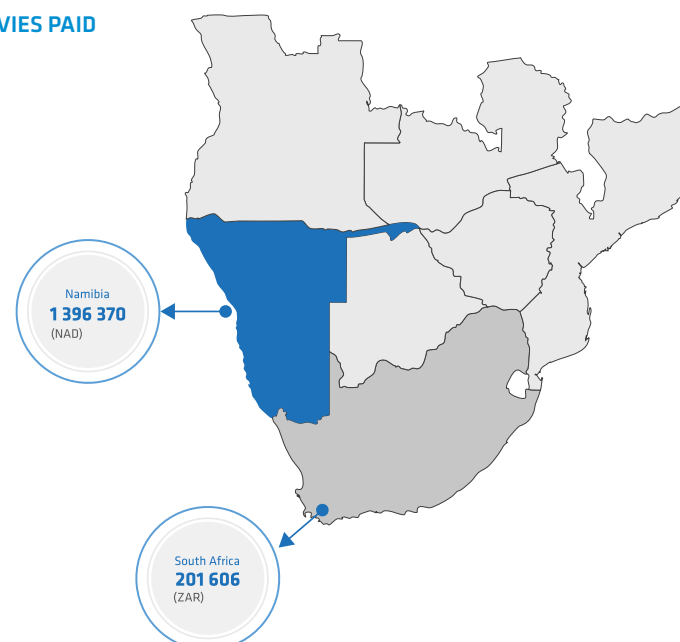
The group enforces a strong emphasis on internal culture, leadership, skills development and training. Ongoing training needs analysis and performance management measures are in place to ensure and manage sustainable performance of staff. Training needs are identified within the segments and in consultation with the human resources department and management. All employees can explore skills and career development opportunities through the performance management process.

In both Namibia and South Africa training levies are paid to the respective government institutions based on a percentage of payroll cost. These levies are designed to subsidize and provide skills training and to expand knowledge and competencies to provide a more skilled and productive workforce in each respective country.

TOTAL EMPLOYEES TRAINED



TRAINING LEVIES PAID



TOTAL TRAINING COSTS
NAD 2 030 270



The group is committed to creating opportunities and developing the skills of employees outside the scope of their normal positions within the company. To that effect the company has a policy allowing employees, either individually or as a group, to apply for additional workload resulting from a vacant position. This in effect means that the employee or employees may take up the responsibilities of a vacant position, if their workload allows it, within a department and will receive a workload allowance of up to 50% of the estimated salary of that position.

The group is also committed to ensuring that a sound balance remains between experience, which is crucial to the operations of the group, and opportunities for younger employees. The group is also takes into consideration that the average life expectancy of individuals is increasing locally and globally. It is therefore the policy of the group that the compulsory retirement age for all employees is 60 years, but may be extended beyond the age of 60 up to a maximum age of 70 years.

BOARD REMUNERATION 2016 (NAD)

	Fees	Basic	Bonus	Shares	Benefits	Total
HOLDING COMPANY DIRECTORS						
Non-executive directors						
Adv R Heathcote	529 966	-	-	-	-	529 966
R Taljaard	286 659	-	-	-	-	286 659
W Geyser	311 892	-	-	-	-	311 892
J Mahlangu	220 957	-	-	-	-	220 957
	1 349 474	-	-	-	-	1 349 474
Executive directors						
Dr Q van Rooyen *	-	-	-	-	-	-
FJ Abrahams	-	1 340 832	234 436	40 000	106 892	1 722 160
R McDougall	-	2 113 662	-	40 000	157 505	2 311 167
	3 454 494	234 436	80 000	264 397	4 033 327	
SUBSIDIARY COMPANY DIRECTORS						
Non-executive directors						
W Geyser	464 396	-	-	-	-	464 396
R Taljaard	218 351	-	-	-	-	218 351
T Newton	262 117	-	-	-	-	262 117
NJ Tshitayi	124 486	-	-	-	-	124 486
B Similo	117 716	-	-	-	-	117 716
	1 187 066	-	-	-	-	1 187 066
Executive directors						
QZ van Rooyen	-	-	-	-	-	-
J Jones (Resigned 16 March 2016)	-	1 292 684	159 936	-	105 047	1 557 666
E Janse van Rensburg	-	1 201 810	-	40 000	95 944	1 337 754
A Lambert	-	738 888	36 750	176 750	52 388	1 004 776
I Calitz	-	522 752	19 015	119 015	41 023	701 804
B Kandetu (Resigned 15 July 2015)	-	121 010	-	-	2 534	123 544
	-	3 877 144	215 701	335 765	296 936	4 725 546
TOTAL	2 536 540	7 331 638	450 137	415 765	561 333	11 295 413

* Refer to note 26 in the annual financial statements of 2016

LOOKING AHEAD

The group will:

- maintain objectives set for talent development, succession planning and organisational development to ensure sustainable growth as well as to remain the best employer to work for
- continue to identify opportunities to improve people management as well as optimise best practices to ensure employee productivity with optimum employee morale
- continue to focus on paying remuneration packages that are competitive to attract, motivate and retain top performers who deliver sustainable results
- strengthen its succession coverage and broaden the diversity of its potential successors' list and
- continue to enhance HR systems and process effectiveness to leverage HR analytics to enhance employee productivity and engagement.

BOARD REMUNERATION 2017 (NAD)

	Fees	Basic	Bonus	Shares	Benefits	Total
HOLDING COMPANY DIRECTORS						
Non-executive directors						
Adv R Heathcote	516 459	-	-	-	-	516 459
R Taljaard	273 275	-	-	-	-	273 275
W Geyser	260 667	-	-	-	-	260 667
J Mahlangu	178 743	-	-	-	-	178 743
	1 229 144	-	-	-	-	1 229 144
Executive directors						
Dr Q van Rooyen **	-	-	-	-	-	-
FJ Abrahams*	-	1 801 200	234 436	40 000	532 402	2 608 038
R McDougall (Resigned 31 December 2016)	-	1 598 716	-	-	89 835	1 688 551
M van Niekerk (Resigned 5 April 2017)	-	878 763	-	-	62 580	941 343
	-	4 278 679	234 436	40 000	684 817	5 237 932
SUBSIDIARY COMPANY DIRECTORS						
Non-executive directors						
W Geyser	525 731	-	-	-	-	525 731
R Taljaard	255 082	-	-	-	-	255 082
T Newton	260 352	-	-	-	-	260 352
NJ Tshitayi	127 541	-	-	-	-	127 541
B Similo	119 162	-	-	-	-	119 162
	1 287 868	-	-	-	-	1 287 868
Executive directors						
E Janse van Rensburg*	-	1 276 421	224 263	40 000	302 016	1 842 700
A Lambert*	-	781 948	177 778	40 000	173 410	1 173 136
I Calitz	-	721 200	-	80 000	50 952	852 152
K Fick	-	1 276 937	-	-	972	1 277 909
	-	4 056 506	402 041	160 000	527 350	5 145 897
TOTAL	2 517 012	8 335 185	636 477	200 000	1 212 167	12 900 841

* Benefits include sabbatical leave payout

** Dr Q van Rooyen is remunerated in terms of a management agreement between Trustco and Next Investments (Pty) Ltd, of which Dr Q van Rooyen, is the sole shareholder. In terms of the management agreement, a management fee is paid quarterly to Next Investments (Pty) Ltd (Next) as follows:
0.5% of the turnover of the group;
1% of the headline earnings of the group; and
1% of the basic earnings of the group.

QZ van Rooyen, the deputy CEO, is remunerated by Next.

If targets are not met, the management fee is halved, whilst, if growth exceeds inflation plus 5%, then the management charge is doubled. Inflation in Namibia was recorded at a 7% year on year growth on 31 March 2017.

Should the MD be required to pledge certain personal assets as surety for agreements entered into by the group, the company pays the MD a guarantee fee of 2% per annum on the value of assets pledged. The fee is calculated quarterly. For more information refer to note 25 of the annual financial statements of 2017.



Staff social event

WALDO RICARDO VAN WYK

“

I, Mr Waldo Ricardo Van Wyk, studied through your prestigious institution IOL. I studied through distance learning. I did the SPTED course.

I was employed as an unqualified teacher. I worked hard and finished my course and I graduated and got my diploma. This was a great deal for me, seeing that I was now a qualified teacher and I got a better salary with benefits. It was the best decision I ever made to study through your institution. Many doors opened for me since then. Through my qualification, I feel more secure seeing that I have a permanent job and a steady salary.

”



“It was the best decision I ever made to study through your institution. Many doors opened for me since then.”

Mr Waldo Ricardo van Wyk
IOL graduate



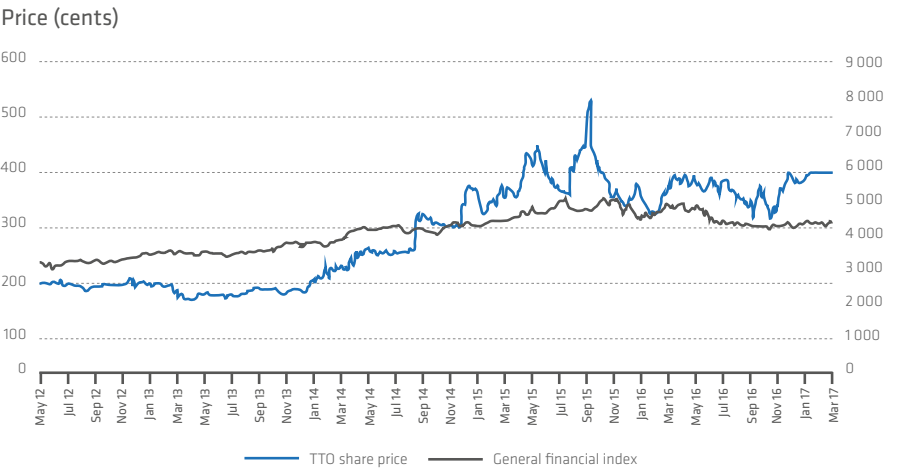
SHAREHOLDERS

09

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SHAREHOLDER INFORMATION

TTO SHARE PRICE VS FINANCIAL INDEX



ANALYSIS OF SHAREHOLDING

Shareholding	Shareholders	Shareholder %	Shares	Shareholding %
0-999	1 409	39.78	653 280	0.08
1000-1999	723	20.41	896 797	0.12
2000-2999	271	7.65	629 239	0.08
3000-3999	100	2.82	323 128	0.04
4000-4999	41	1.16	181 838	0.02
5000-5999	175	4.94	887 959	0.11
6000-6999	35	0.99	217 980	0.03
7000-7999	42	1.17	312 105	0.04
8000-8999	46	1.30	383 296	0.05
9000-9999	10	0.28	93 351	0.01
>10000	690	19.50	767 563 117	99.42
Grand total	3 542	100.00	772 142 090	100.00

Country	Shareholders	Shareholder %	Shares	Shareholding %
Namibian	2 770	78.20	426 431 134	55.23
Non-Namibian	772	21.80	345 710 956	44.77
Grand total	3 542	100.00	772 142 090	100.00

DISTRIBUTION OF SHARES

Category	Shareholders	Shareholder %	Shares	Shareholding %
Corporate	114	3.22	334 255 262	43.29
Individual	3 388	95.65	434 895 491	56.32
Trust	40	1.13	2 991 337	0.39
Grand total	3 542	100.00	772 142 090	100.00

Nature	Shareholders	Shareholder %	Shares	Shareholding %
Associate	4	0.11	164 273	0.02
Director	9	0.23	396 945 360	51.40
Employee	195	5.50	8 040 047	1.04
Employee Share Trust	1	0.02	70 425	0.01
Public	3 333	94.14	366 921 985	47.53
Grand total	3 542	100.00	772 142 090	100.00

LARGE SHAREHOLDERS

Names	Shareholding 2016	Shareholding %
Dr Quinton van Rooyen*	392 554 120	50.84
Pershing LLC**	196 860 758	25.50
Snowball Wealth Pty Ltd**	30 300 000	3.92
Citiclient Nominees No 8 Ny Gw**	26 277 185	3.40
Midbrook Lane (Pty) Ltd**	12 697 379	1.64
Chou, Leo Chih Hao**	8 002 731	1.04
Constantia Insurance Company Limited**	6 918 591	0.90
Conduit Management Services (Pty) Ltd**	6 024 323	0.78
Mr JP Prinsloo*	4 000 000	0.52
Government Employees Pension Fund**	3 389 457	0.44
Grand total	687 024 544	88.98

Names	Sum of shareholding 2017	Shareholding %	Sum of shareholding	Shareholding %
Dr Quinton van Rooyen *	392 554 120	50.84		
Pershing LLC ***	237 965 389	30.82		
Ithuba Investments LP**			130 370 673	16.88
Riskowitz Value Fund LP*****			65 787 938	8.52
Buckley Capital Partners LP and Buckley Capital Advisors LLC****			41 806 778	5.42
Snowball Wealth (Pty) Ltd**	30 600 000	3.96		
Constantia Insurance Company Limited**	14 614 050	1.89		
Midbrook Lane (Pty) Ltd**	12 710 389	1.65		
Chou, Leo Chih Hao**	8 000 000	1.04		
Morgan Stanley Smith Barney LLC**	3 600 000	0.47		
Government Employees Pension Fund**	3 389 457	0.44		
Grand total	703 433 405	91.11	237 965 389	30.82
Total number of issued shares	772 142 090			

* Namibian
** Non-Namibian
*** Pershing LLC is the custodian of record of the shares held by Riskowitz Value Fund LP, Ithuba Investments LP, Buckley Capital Partners LP and Buckley Capital Advisors LLC.
**** The shares held by Buckley Capital Partners LP and Buckley Capital Advisors LLC relate to the Buckley transaction.
***** Subsequent to financial yearend, up to the date of publication of this report, the group entered into a convertible loan agreement with Riskowitz Value Fund LP (the Fund) on 6 July 2017. In terms of the agreement, the Fund will advance NAD 250 million to the group. The loan will be converted into 58 823 529 ordinary shares of the company at a conversion price of NAD 4.25, subject to all requisite regulatory approvals and trigger events (reference is made to the Huso transaction and the Buckley transaction) as set out in the agreement. This agreement will not constitute a change in control. Refer to the SENS announcement dated 7 July 2017 for more information.

DIRECTORS INTEREST

Names	Sum of shareholding 31 March 2017	Shareholding %	Sum of shareholding 31 March 2016	Shareholding %
Abrahams, Floors Jacobus	1 416 904	0.18	1 416 904	0.18
Calitz, Ilana	141 222	0.02	141 222	0.02
Geyser, Winton John	40 116	0.01	40 116	0.01
Heathcote, Raymond	1 336 167	0.17	1 222 210	0.15
Janse van Rensburg, Elmarie	747 412	0.10	747 412	0.10
Lambert, Adriana	242 924	0.03	251 674	0.02
Slabbert, Thomas Johan (Appointed 1 April 2017)	375 800	0.05	335 800	0.04
Taljaard, Renier Jacobus	18 172	0.00	18 172	0.0
Van Rooyen, Quinton	392 554 120	50.84	392 554 120	50.84
Grand total	396 945 360	51.40	396 727 630	51.36

* As from financial yearend to the date of this report, the following directors have traded as follows:

- WJ Geyser acquired 57 799 shares
- RJ Taljaard acquired 4 630 shares
- FJ Abrahams acquired 5 822 shares
- E Janse van Rensburg acquired 52 600 shares and
- TJ Slabbert acquired 14 139 shares.



Trustco headquarters

SHAREHOLDER DIARY

Financial yearend	31 March 2017
Interim results 2016	16 November 2016
General meeting for Buckley transaction	14 February 2017
General meeting for amendment to Huso transaction	13 June 2017
Reviewed results	June 2017
Audited results	August 2017
Interim results	November 2017
Annual general meeting (AGM) 2017	19 October 2017
Last date to trade to be eligible to vote	10 October 2017
Record date to be eligible to vote	13 October 2017
Last date for lodging forms of proxy for South African shareholders	17 October 2017
Last date for lodging forms of proxy for all other shareholders	17 October 2017

NOTICE OF ANNUAL GENERAL MEETING

Trustco Group Holdings Limited
(Incorporated in the Republic of Namibia)
Registration number 2003/058

JSE share code: TTO; NSX share code: TUC
(‘Trustco Group Holdings Limited’ or ‘the company’)
ISIN NUMBER: NA000AOR7067

IMPORTANT DATES:

Shareholders are advised of the following dates:

Last date to trade to be eligible to vote:	10 October 2017
Record date to be eligible to vote:	13 October 2017
Last date for lodging forms of proxy for South African shareholders:	17 October 2017
Last date for lodging forms of proxy for all other shareholders:	17 October 2017

BUSINESS AT HAND

Notice is hereby given that the annual general meeting of shareholders of the company in respect of the year ended 31 March 2017 will be held at Trustco House, 2 Keller Street, Windhoek, on 19 October 2017 at 10H00 (the AGM or the annual general meeting), to deal with such business as may lawfully be dealt with at the AGM 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 Namibian Companies Act as amended (the Companies Act), as read with the Listings Requirements (LR) of the JSE Limited (JSE) and the provisions of the company’s articles of association.

The quorum requirement for the ordinary and special resolutions set out below is sufficient persons being present to exercise, in aggregate, at least 25% (twenty five percent) of all voting rights that are entitled to vote on the resolutions, provided that at least three shareholders of the company are present in person or by proxy at the AGM.

Save for the ordinary resolution number 6 below which must be passed by at least 75% (seventy five percent) of the voting rights exercised, the percentage of voting rights required to pass any of the remaining ordinary resolutions is more than 50% (fifty five percent) of the voting rights exercised on any such ordinary resolution. The percentage of voting rights required to pass any of the special resolutions is at least 75% (seventy five percent) of the voting rights exercised on any such special resolution.

INTEGRATED ANNUAL REPORT

The integrated annual report is available at www.tgh.na. A limited number of hard copies will be available at the meeting for discussion purposes.

PRESENTATIONS

All presentations made at the meeting will be available at www.tgh.na

AGENDA

ORDINARY DIVIDEND

To note that no dividend (interim or final) will be declared by the board of directors for the financial year ended 31 March 2017.

RESOLUTIONS

1. ORDINARY RESOLUTION NUMBER 1

Presentation of annual financial statements and reports

To receive, consider and adopt the annual financial statements (AFS) of the group for the financial year ended 31 March 2017, together with the independent auditors’ reports thereon. The abridged audited AFS, together with the reports, are contained in the company’s integrated annual report (IAR).

2. ORDINARY RESOLUTION NUMBER 2

The determination of the maximum number of directors and the re-election of non-executive directors of the company.

The company’s articles of association determines that the maximum number of directors shall be decided at every AGM.

Further to re-elect by separate resolutions, non-executive directors of the company who retire by rotation in accordance with the provisions of the JSE LR, the Companies Act and the articles of association of the company.

The following non-executive directors retire by rotation and being eligible, make themselves available for re-election.

2.1 Ordinary Resolution Number 2.1

Resolved that the company may appoint a maximum number of up to twelve directors and shall not have less than five directors.

The following non-executive directors of the company retire by rotation and being eligible, make themselves available for re-election.

2.2 Ordinary Resolution Number 2.2

‘Resolved that Mr J Mahlangu be and is hereby re-elected as a non-executive director of the company’. Mr Mahlangu completed his articles with PricewaterhouseCoopers (PwC) in 1996. He joined the Office for Serious Economic Offences in 1998 and in 2000 returned to PwC where he was appointed as head of the PwC Forensic Services practice in Gauteng and was later admitted as 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.

2.3 Ordinary Resolution Number 2.3

‘Resolved that Mr W Geyser be and is hereby re-elected as a non-executive director of the company’. Mr Geyser is a member of the South African Institute of Chartered Accountants. He held the position of assistant manager at the audit firm Deloitte, Haskins and 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 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.

3. ORDINARY RESOLUTION NUMBER 3

Re-appointment of external auditors

‘Resolved, on recommendation of the ARC, to re-appoint BDO, the partner JSW de Vos at BDO Namibia, as the group independent external auditors for the ensuing year and the partner J Schoeman at BDO South Africa as the reporting accountant from the conclusion of the AGM until conclusion of the next AGM of Trustco Group Holdings Ltd, and that the terms of engagement and fees be determined by the ARC of the company.’

4. ORDINARY RESOLUTION NUMBER 4

Non-binding advisory endorsement of the company’s remuneration policy

‘Resolved to approve, through a non-binding advisory vote, the company’s remuneration report and remuneration policy (excluding the remuneration of the non-executive directors for their services as directors and members of the board committees). Refer to the Remuneration Report of this IAR.’

5. ORDINARY RESOLUTION NUMBER 5

Remuneration of non-executive directors

The board recommended a 10% (ten percent) increase in the fees be approved for the next reporting period 1 April 2017 to 31 March 2018.

‘Resolved that the non-executive directors’ fees for their services as directors of the company for the financial year ended 2018 are hereby approved.

The schedule of proposed fees are set out below:

Remuneration 2018		31 March 2017		31 March 2018	
		Chairman NAD	Member NAD	Chairman NAD	Member NAD
Board	Monthly fee	33 260	9 310	36 586	10 241
	Fee per meeting	16 105	-	17 716	-
ARC	Annual fee	74 477	44 686	81 924	49 154
	Fee per meeting	9 310	7 448	10 241	8 192
Remco	Annual fee	44 686	29 791	49 154	32 770
	Fee per meeting	7 448	5 586	8 192	6 144
Out of office fees		11 000	11 000	12 100	12 100
* Subsidiaries board fees are 50% of the proposed fee					

6. ORDINARY RESOLUTION NUMBER 6

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 and authority of the directors of the company, subject to the provisions of the Companies Act, the articles of association of the company and the JSE and NSX LR, which provide *inter alia* that:

- The general authority be valid until the company’s next AGM 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 JSE LR 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 general issue of shares for cash under this authority may not exceed 15% (fifteen percent) of the company’s issued ordinary share capital as at the date of this notice of AGM (net of treasury shares) being 109 411 322 shares;
- The maximum discount at which ordinary shares may be issued is 10% (ten percent) of the volume 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;
- Once 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 volume 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; and
- In terms of the JSE LR, a 75% (seventy five percent) majority of the votes cast by shareholders present or represented by proxy at the general meeting is required to give effect to this resolution.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

7. SPECIAL RESOLUTION NUMBER 1

General authority to repurchase shares

‘Resolved that, subject to compliance with the articles of association of the company (or one or more of its wholly owned subsidiaries), section 89 of the Companies Act, the JSE LR and the requirements of any other stock exchange the company is listed on, the directors of the company be and are hereby authorised at their discretion to procure that the company or one of its wholly-owned subsidiaries acquire, by repurchase, on the JSE ordinary shares issued by the company provided that:

- 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;
- authorisation thereto must be given by the company’s and its subsidiaries’ articles of association;
- this general authority will be valid only until the company’s next AGM, provided that it does not extend beyond fifteen months from the date of the passing of this special resolution;
- 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 10% of the company’s issued share capital in the case of an acquisition of shares in the company by a subsidiary of the company.
- 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;
- 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;
- neither the company nor its subsidiaries will repurchase securities during a prohibited period, as defined in paragraph 3.67 of the JSE LR, 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), and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The company will instruct an independent third party, which makes its investment decisions in relation to the company’s securities independently of, and uninfluenced by the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;

- 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
- 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 AFS, 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.

Voting for special resolution

The percentage voting rights required for this special resolution to be adopted is at least 75% of the voting rights exercised on the resolution.

Disclosure in terms of section 11.26 of the JSE LR

The following additional information is provided in terms of paragraph 11.26 the JSE LR for purposes of the special resolution:

Directors’ interest

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

Names	Total		
	Direct	Indirect	31 March 2016
EXECUTIVE DIRECTORS			
Dr Quinton van Rooyen*	392 554 120	-	392 554 120
Mr FJ Abrahams	1 416 904	-	1 416 904
Mr R McDougall (Resigned 31 Dec 2016)	710 231	-	710 231
NON-EXECUTIVE DIRECTORS			
Mr W Geyser	40 116	-	40 116
Adv R Heathcote	1 222 210	-	1 222 210
Mr J Mahlangu	-	-	-
Mr R Taljaard	18 172	-	18 172

Names	Total		
	Direct	Indirect	31 March 2017
EXECUTIVE DIRECTORS			
Dr Quinton van Rooyen*	392 554 120	-	392 554 120
Mr FJ Abrahams	1 416 904	-	1 416 904
Mr R McDougall (Resigned 31 Dec 2016)	35 165	-	35 165
Ms M van Niekerk (Resigned 5 April 2017)	-	-	-
NON-EXECUTIVE DIRECTORS			
Mr W Geyser	40 116	-	40 116
Adv R Heathcote	1 336 167	-	1 336 167
Mr J Mahlangu	-	-	-
Mr R Taljaard	18 172	-	18 172

* Refer to note 25 in the annual financial statements of 2017

Large shareholders

Ten largest shareholders

Names	Sum of	Shareholding	Sum of	Shareholding
	shareholding	%	shareholding	%
Dr Quinton van Rooyen*	392 554 120	50.84	-	-
Pershing LLC***	237 965 389	30.82	-	-
Ithuba Investments LP**	-	-	130 370 673	16.88
Riskowitz Value Fund LP**	-	-	65 787 938	8.52
Buckley Capital Partners LP and Buckley Capital Advisors LLC****	-	-	-	-
Snowball Wealth (Pty) Ltd**	30 600 000	3.96	-	-
Constantia Insurance Company Limited**	14 614 050	1.89	-	-
Midbrook Lane (Pty) Ltd**	12 710 389	1.65	-	-
Chou, Leo Chih Hao**	8 000 000	1.04	-	-
Morgan Stanley Smith Barney LLC**	3 600 000	0.47	-	-
Government Employees Pension Fund**	3 389 457	0.44	-	-
Grand total	703 433 405	91.11	237 965 389	30.82
Total number of issued shares	772 142 090			

* Namibian
** Non-Namibian
*** Pershing LLC is the custodian of record of the shares held by Riskowitz Value Fund LP, Ithuba Investments LP, Buckley Capital Partners LP and Buckley Capital Advisors LLC.
**** The shares held by Buckley Capital Partners LP and Buckley Capital Advisors LLC relate to the Buckley transaction.
***** Subsequent to financial yearend, up to the date of publication of this report, the group entered into a convertible loan agreement with Riskowitz Value Fund LP (the Fund) on 6 July 2017. In terms of the agreement, the Fund will advance NAD 250 million to the group. The loan will be converted into 58 823 529 ordinary shares of the company at a conversion price of NAD 4.25, subject to all requisite regulatory approvals and trigger events (reference is made to the Huso transaction and the Buckley transaction) as set out in the agreement. This agreement will not constitute a change in control. Refer to the SENS announcement dated 7 July 2017 for more information.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

There were no changes in the authorised share capital of the group during the period under review

- The company has 1 727 857 910 unissued securities
- The company does not have a share incentive scheme
- The company repurchased 42 million shares during the year under review.

Material change

Other than the facts and developments reported on in the IAR and the AFS of 31 March 2017, there have been no material changes in the affairs or financial position of Trustco and its subsidiaries from 31 March 2017 to the date of the audit report forming part of the AFS.

Directors’ responsibility statement

The directors, whose names are recorded here, collectively and individually accept full responsibility for the accuracy of the information pertaining to the special resolution 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 paragraph 11.26 of the JSE LR pertaining thereto contain all such information required by law and the JSE LR.

Voting and proxies

A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy/proxies to attend, speak, and on a poll, vote in his/her stead. A proxy need not to be a member of the company. A form of proxy is attached for the convenience of any certified shareholder and “own name” registered dematerialised shareholder who cannot attend the AGM, but wishes to be represented thereat.

Voting will be performed 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 him or her. Equity securities held by a share trust or scheme will not have their voting at the AGM taken into account for the purposes of resolutions proposed in terms of the JSE LR.

Shares held as treasury shares are not entitled to vote.

By order of the board
A Bruyns
Company secretary
22 August 2017



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
(“Trustco Group Holdings Limited” or “the company”)

This form of proxy is for use by certificated ordinary shareholders and “own name” dematerialised ordinary shareholders of the company only at the AGM of the company’s shareholders to be held at Trustco House, 2 Keller Street, Windhoek on Thursday 19 October 2017 at 10H00 (“the annual general meeting” or “the AGM”).

Dematerialised shareholders, other than “own name” dematerialised shareholders, who wish to attend the AGM must instruct their CSDP or broker to issue them with the necessary authority to attend. Should dematerialised shareholders, other than “own name” dematerialised shareholders, be unable to attend the AGM in person, but wish to vote by proxy, they must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between them and their CSDP or broker.

Shareholders who have dematerialised their shares, other than “own name” dematerialised shareholders, must inform their CSDP or broker of their intention to attend the AGM and request their CSDP or broker to issue them with the necessary letter of representations to attend or provide their CSDP or broker with their voting instruction should they not wish to attend the company’s AGM in person. Such shareholders must not return this form of proxy to the transfer secretaries.

General Resolutions

1. Approval of AFS and reports for financial year ended 31 March 2017
2. 2.1 To determine that the company may appoint a maximum number of twelve directors
2.2 To re-appoint Mr J Mahlanju as a non-executive director
2.3 To re-appoint Mr W Geyser as a non-executive director
3. To re-appoint BDO as independent group external auditors
4. Non-binding advisory endorsement of the company’s remuneration policy
5. To approve the remuneration of non-executive directors
6. To approve the general authority to issue shares for cash

Special Resolution

7. To approve the general authority to repurchase shares

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I/We
Being member/s of Trustco Group Holdings Limited and holding shares entitled me/us to votes
(I 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 AGM as my proxy to vote for me/us on my/our behalf at the AGM.

Signed at on this day of 2017.

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 AGM may appoint one or more proxies to attend, speak, and on a poll, vote in his/her stead. A proxy need not to be a member of the company. Kindly complete and return the form to the Transfer Secretaries (Pty) Ltd, at 4 Robert Mugabe Avenue by 10H00 on 17 October 2017. South African shareholders must kindly complete and return the form to the Transfer Secretary, Computershare Investor Services (Pty) Ltd Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, by 10H00 on 17 October 2017.

FORM OF PROXY (CONTINUED)

NOTES

1. All shareholders are entitled to attend, be represented and vote at the company's AGM. Each shareholder present in person or represented by proxy at the AGM shall be entitled, on a show of hands, to one vote irrespective of the number of shares he/she holds or represents, provided that a proxy shall, irrespective of the number of shareholders he/she represents, have only one vote. On a poll, at the AGM, a shareholder who is present in person or represented by proxy shall be entitled to one vote for each share held or represented.

2. Shareholders who have dematerialised their ordinary shares through a CSDP or broker, other than "own name" registered dematerialised shareholders and who wish to attend the AGM must request their CSDP or broker to issue them with a letter of representation. Alternatively, dematerialised shareholders other than own name registered dematerialised shareholders, who wish to be represented, must provide their CSDP or broker with their voting instructions in terms of the custody agreement between them and their CSDP or broker in the manner and by timeframe stipulated.

3. A shareholder may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the AGM". If a deletion is made such deletion must be initiated by the shareholder. The person whose name appears first on the form of proxy and who is present at the company's AGM will be entitled to act as proxy to the exclusion of those names that follow.

4. A shareholder's instructions to the proxy as to whether to vote for, against or abstain from voting, and in respect of the relevant number of shares to vote in such a manner, shall, in respect of the resolution, be indicated as follows:

a) by the insertion of an "X" in the appropriate box provided to indicate whether to vote for, against, or abstain from voting. Such insertion, without the insertion of the relevant number of shares as contemplated in paragraph (b) below, shall require the proxy to vote or abstain from voting at the company's AGM as indicated by the "X" in respect of all (and not some) of the shareholder's votes exercisable thereof.

b) by the insertion of the relevant number of shares held by the shareholder in the company to indicate the number of shares to be voted for, against or abstain from voting (which will indicate the number of votes exercisable by the proxy on behalf of the shareholder on a poll). In the appropriate box provided, Such an insertion, with or without the insertion of an "X", shall require the proxy to vote or abstain from voting at the company's a AGM as indicated by the number so inserted in respect of such inserted number (and not a portion) of shares.

c) by failure to insert anything in the appropriate box, such failure will be deemed to authorise the chairman of the AGM, if he is the proxy, to vote in favour and any other proxy to vote or abstain from voting at the company's AGM as he/she deems fit in respect of all (or a portion) of the shareholder's votes exercisable thereof.

5. A shareholder is not obliged to use all the votes exercisable by the shareholders, but the total of the votes cast, and in respect of which abstention is recorded, whether by the shareholder of the proxy, may not exceed the total of the votes exercisable by the shareholder.

6. A duly completed form of proxy must be lodged with or posted to the Transfer Secretaries' who must receive the proxy's for all Namibian and South African shareholders, no later than 10h00 on 17 October 2017

Transfer secretary: Namibia	Transfer secretary: South Africa
Transfer Secretaries (Pty) Ltd	Computershare Investor Services (Pty) Ltd
4 Robert Mugabe Ave	Rosebank Towers
Windhoek	15 Biermann Ave
Namibia	Rosebank, 2196
or PO Box 2401	or PO Box 61051,
Windhoek, Namibia	Marshaltown 2107,
	South Africa

7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person at the exclusion of any proxy appointed in terms thereof.

8. Documentary evidence establishing the authority of a person signing this form of proxy, in a representative or other legal capacity, must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the AGM, as the case may be.

9. Any alteration or correction made to this form of proxy must be initiated by the signatory/ies.

10. The chairman of the AGM may reject or accept any form of proxy, which is completed and/or received, other than in compliance with the notes.

11. In respect of joint holders, any such person may vote at the company's AGM in respect of such joint shares as if he were solely entitled thereto, but if more than one of such joint holders are present or represented at the company's AGM, the person whose name appears first in the register in respect of such shares or his proxy as the case may be, is alone entitled to vote in respect thereof.

12. Equity securities held by a share trust or scheme will not have their votes at the AGM meeting taken into account for the purposes of resolutions proposed in terms of the JSE LR.

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

DANRIC AUTO

“

Danric Auto and BMW thank Trustco for the opportunity to be of service to this successful enterprise over a long period of time in a country filled with so many choices. We greatly value your trust, confidence and above all the transparency in the value chain.

We sincerely appreciate your loyalty to the BMW Brand and the difference this does to our business. QVR and team, we thank you.

”



“We greatly value your trust, confidence and above all the transparency in the value chain. We sincerely appreciate your loyalty to the BMW Brand and the difference this does to our business.”

Danric Auto

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ADDITIONAL INFORMATION

DIRECTORATE OF KEY SUBSIDIARIES

Trustco Bank Namibia Limited

Mr Thomas Newton	Independent	Non-executive	Director and chairman	Namibian Citizen
Ms Ndapandula Tshitayi	Independent	Non-executive	Director	Namibian Citizen
Mr Stanley Similo	Independent	Non-executive	Director	Namibian Citizen
Dr Quinton van Rooyen		Executive	Director	Namibian Citizen
Mr Ryan McDougall		Executive	Director	South African Citizen (Namibian Domicile) (Resigned 31 December 2016)
Ms Marizanne van Niekerk		Executive	Director	Namibian Citizen (Resigned 5 April 2017)
Mr Floors Abrahams		Executive	Director	Namibian Citizen (Appointed 5 April 2017)

Trustco Life Limited

Mr Winton Geyser	Independent	Non-executive	Director and chairman	Namibian Citizen
Mr Renier Taljaard	Independent	Non-executive	Director	Namibian Citizen
Dr Quinton van Rooyen		Executive	Director	Namibian Citizen

Trustco Insurance Limited

Mr Winton Geyser	Independent	Non-executive	Director and chairman	Namibian Citizen
Mr Renier Taljaard	Independent	Non-executive	Director	Namibian Citizen
Dr Quinton van Rooyen		Executive	Director	Namibian Citizen

Elisenheim Property Development Company (Pty) Limited

Mr Floors Abrahams		Executive	Director	Namibian Citizen
Mr Quinton Zandre van Rooyen		Executive	Director	Namibian Citizen
Mr Ryan McDougall		Executive	Director	South African Citizen (Namibian Domicile) (Resigned 31 December 2016)
Ms Marizanne van Niekerk		Executive	Director	Namibian Citizen (Resigned 5 April 2017)

Trustco Finance (Pty) Limited

Mr Quinton Zandre van Rooyen	Executive	Director	Namibian Citizen
Ms Adriana Lambert	Executive	Director	Namibian Citizen (Resigned 1 April 2017)
Mr Floors Abrahams	Executive	Director	Namibian Citizen
Mr Ryan McDougall	Executive	Director	South African Citizen (Namibian Domicile) (Resigned 31 December 2016)
Ms Marizanne van Niekerk	Executive	Director	Namibian Citizen (Resigned 5 April 2017)
Mr Thomas Slabbert	Executive	Director	Namibian Citizen (Appointed 1 April 2017)

Trustco Group International (Pty) Limited

Mr Quinton Zandre van Rooyen	Executive	Director	Namibian Citizen
Ms Elmarie Janse van Rensburg	Executive	Director	Namibian Citizen (Resigned 1 April 2017)
Mr Floors Abrahams	Executive	Director	Namibian Citizen
Mr Ryan McDougall	Executive	Director	South African Citizen (Namibian Domicile) (Resigned 31 December 2016)
Ms Marizanne van Niekerk	Executive	Director	Namibian Citizen (Resigned 5 April 2017)

CREDIT RATINGS

Global Credit Rating Company (GCR)	Short term	Long term	Outlook
Trustco Jul 16	A2 (NA)	BBB+ (NA)	Stable
Trustco Jul 15	A2 (NA)	BBB (NA)	Positive
Trustco Jul 14	A3 (NA)	BBB- (NA)	Stable
Trustco Jul 13	A3 (NA)	BBB- (NA)	Stable

FINANCIAL AND OTHER DEFINITIONS AND EXPLANATIONS

A	
AA	Affirmative action
ACPE	Advanced Certificate in Primary Education
AfDB	African Development Bank
ADR	American Depository Receipt
AFS	Annual financial statements
AGM	Annual general meeting of Trustco
ALCO	Assets and liability committee of Trustco Bank
ARC	Audit and risk committee of Trustco
ASSA	Actuarial Society of South Africa

**B**

Basel II	Banking regulations set by the Basel commission on banking supervision
Basic earnings per share (EPS)	Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue
BDO	BDO Namibia and BDO South Africa
BEDHONS	Bachelor of Education Honours
BESP	Bachelor of Education Senior Primary
Board	The board of directors of Trustco
BoN	Bank of Namibia
BRIC	Brazil, Russia, India and China
Buckley transaction	The specific share repurchase transaction as approved by shareholders on 14 February 2017
B2B	Business to business

C

CAE	Chief Audit Executive
Capital adequacy ratio	Capital as a percentage of risk-weighted assets
CAR	Capital Adequacy Ratio
CIO	Chief Information Officer
CIPC	Companies and Intellectual Property Commission
CIS	Capital investment system
COCC	Chain of custody certification
COP	Code of practice
Companies Act	The Namibian Companies Act, Act 28 of 2004
COP	Certificate of Proficiency
Corporate income tax	Any tax on the business calculated on the basis of taxable
Cost-to-income ratio	Operating expenses as a percentage of total income, after revenue sharing agreements with discontinued operations, but before credit impairments, including share of profit/loss from associates and JV's and profit/losses from disposal of subsidiaries
CP	Conditions precedent
Cts/Stn	Carats per stone
CPI	An index of prices used to measure the change in the cost of basic goods and services in South Africa
CRAN	Communications Regulatory Authority of Namibia
Credit loss ratio	Total impairment charges on loans and advances per income statement as a percentage of gross loans and advances
CSI	Corporate social investment

D

DE	Diploma in Education
DECD	Diploma in Early Childhood Development
DEG	Deutsche Investitions- und Entwicklungsgesellschaft
DES	Diploma in Education Secondary
DFI	Developmental funding institution
DJPE	Diploma in Junior Primary Education
Dividend cover	Headline earnings per share divided by dividend per share before taxation
Dividend per share	Total dividends to ordinary shareholders in respect of the year, expressed in cents
DPPE	Diploma in pre-primary education
DR	Disaster Recovery
D+H	An information and technology service provider of Trustco Bank

E

EBITDAASA	Earnings before interest, tax, depreciation, amortisation and stock adjustments
Effective tax rate	Direct taxation as a percentage of income before taxation
Elisenheim or EPDC	The residential development known as Elisenheim and registered in Elisenheim Property Development Company (Pty) Ltd
Employee payroll taxes	Comprises payroll taxes and social security tax withheld from employee remuneration inclusive of social security and levies
Employer payroll taxes	Comprises payroll taxes payable as a result of a company's capacity as an employer inclusive of social security levies
EPL	Exclusive prospecting licence
EPS	Earnings per share
EPZ	Export processing zone
ESIA	Environmental and Social Impact Assessment
Exco	Group executive committee members of Trustco
Exco mentees	Group executive committee of Trustco under mentorship
EY	Ernst and Young

F

Farm Herboth's	The proposed residential development known as Farm Herboth's and registered in Farm Herboth's (Pty) Ltd
Fides Bank	Fides Bank Namibia Ltd
FSB	Financial Services Board
FY	Financial year

G

GCR	Global Credit Rating Co
GCX	Global Carbon Exchange
GDP	Gross domestic product
GIA	Gemological institute of America
GRI	Global Reporting Initiative
Gross specific impairment	Balance sheet impairments for non-performing, specifically coverage ratio impaired, loans as a percentage of specifically impaired loans



Group	Trustco group of companies or "Trustco"
H	
Harambee	All pulling together in the same direction
Headline earnings	Determined, in terms of the circular issued by the South African Institute of Chartered Accountants at the request of JSE, by excluding from reported earnings specific separately identifiable remeasurement net of related tax and non-controlling interests
Headline earnings per ordinary shares	Headline earnings divided by the weighted average number of ordinary shares in issue
HEPS	Headline earnings per share
Herboths	Portion 3 and remainder of Farm Herboths No 485
HPP	Harambee Prosperity Plan: Namibian government's action plan towards prosperity for all
HR	Human resources
Huso	Huso Investments (Pty) Ltd
Huso transaction	The transaction approved by shareholders on 5 October 2015 with regards to the acquisition by Trustco, through Trustco Resources, of the entire shareholding in Huso of which Morse and NNDC are wholly-owned subsidiaries
I	
ICB	Institute of Certified Bookkeepers
ICDL	International Computer Driving Licence
ICT	Information and communication technology
ID	Identification Document
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
<i>Informanté</i>	Informanté newspaper
IoDSA	Institute of Directors in Southern Africa
IOL	Institute for Open Learning (Pty) Ltd
IMF	International Monetary Fund
IRS ROM	Infield screening run of mine
IT	Information technology
ITSC or IT steerco	Information technology steering committee
IT Stratco	Information technology strategy committee
J	
JSC	Junior Secondary Certificate
JSE	JSE Limited, a company duly registered and incorporated under the laws of South Africa, licensed as an exchange
K	
Khomas Medical Centre	Khomas Medical Centre situated on the corner of Florence Nightingale and Allies Street Khomasdal, Windhoek, Namibia
King III	The King Code of Corporate Governance III (2009)
King IV	The King Code of Corporate Governance IV (2016)
KPI	Key Performance Indicator

L	
Lafrenz	Industrial development in Windhoek, owned by TGI
Land bank	The holding of undeveloped property by Trustco
LR	Listings Requirements
LSM	Living Standards Measure
M	
MD	Managing director of Trustco
Meya	Meya mining
MIM	Morse Investments Mauritius
MME	Ministry of Mines and Energy
Morse	Morse Investments (Pty) Ltd
N	
NAD	Namibian dollar
Namfisa	Namibia Financial Institutions Supervisory Authority
NANTU	Namibian National Teacher's Union
NAV	Net asset value
NCHE	National Council for Higher Education
NCPI	An index of prices used to measure the change in the cost of basic goods and services in Namibia
Net asset value	Equity attributable to ordinary shareholders
Net asset value per share	Net asset value divided by the number of ordinary shares in issue at yearend
Net interest margin	Net interest income as a percentage of total assets, excluding trading derivative assets
Next	Next Investments (Pty) Ltd
NGO's	Non-governmental organisations
NNDC	Northern Namibia Development Company (Pty) Ltd
Nomco	Nomination portion of the REMCO committee of Trustco
NPAT	Net profit after tax
NPL	Non-performing loans
NQA	Namibia Qualifications Authority
NQF	National Qualifications Framework
NSX	Namibia Stock Exchange
NSSU	Namibia Schools Sport Union
NSSC	Namibia Senior Secondary Certificate
NTA	Namibia Training Authority

**O**

Ondangwa	Proposed mixed-use land development in Ondangwa, owned by Northern Industrial Estates (Pty) Ltd
Oshi li Nawa	It's all good
OTC	Over the counter

P

PAYE	Pay as You Earn
PMR	Professional Management Review Africa
PMR Awards	PMR Namibia Country Survey Business Excellence
PPE	Property, Plant and Equipment
Profit for the year	Income statement profit attributable to ordinary shareholders
PwC	PricewaterhouseCoopers
PRU	Protective resource unit

Q

QVR Code	Empowerment initiative for aspiring young entrepreneurs and businessmen and women throughout Namibia
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R

Real People	Real People (Pty) Ltd
Reinsurance	Insurance or investment risk that is ceded to another insurer in return for premiums
Remco	Remuneration committee of Trustco
Return on equity	Headline earnings as a percentage of monthly average ordinary shareholders' funds (expressed as percentage)
Risk appetite	An expression of the maximum level of residual risk that the group is prepared to accept in order to achieve its business objectives
ROE	Return on equity
ROM	Run of mine
Rt	Right Honourable

S

SADC	Southern African Development Community
SAICA	The South Africa Institute of Chartered Accountants
SDLC	Software Development Life Cycle
SENS	Stock Exchange News Service
Shares in issue	Number of ordinary shares in issue as listed on the exchange operated by the JSE
SME	Small and medium enterprises
SPES	Step out of poverty through education, encouragement and support
SWAPO	South West Africa People's Organisation

T

TAS	Trustco Air Services (Pty) Ltd
TCS	Trustco Construction Services (Pty) Ltd formerly known as WMC
TFS	Trustco Financial Services (Pty) Ltd
TGI	Trustco Group International (Pty) Ltd
TGH	Trustco Group Holdings Ltd
Trustco	Trustco Group Holdings Ltd
Trustco Bank	Trustco Bank Namibia Ltd
Trustco Capital	Trustco Capital (Pty) Ltd
Trustco Finance	Trustco Finance (Pty) Ltd
Trustco Fleet	Trustco Fleet Management Services (Pty) Ltd
Trustco Insurance	Trustco Insurance Ltd
Trustco Life	Trustco Life Ltd
Trustco Properties	Trustco Property Holdings (Pty) Ltd
Trustco Resources	Trustco Resources (Pty) Ltd
TTO	Trustco JSE share code
TUC	Trustco NSX share code
TVET	Technical Vocational Education and Training

U

UNAM	University of Namibia
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V

VIT	Valuables in transit
VSI	Vertical shaft impactors
VTC	Vocational Training Centre
VWAP	Volume weighted average price

W

WANOS	Weighted average number of ordinary shares
Watermeyer or WMC	Watermeyer Mining and Construction (Pty) Ltd
Weighted average number of ordinary shares	The weighted average number of ordinary shares in issue during the year as listed on the JSE



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Forward-looking statements:

This integrated report may contain certain forward-looking statements that, unless otherwise indicated, reflect the group's expectations as at financial yearend. These forward-looking statements are not statements of fact or guarantee of future performance and by their nature involve risk and uncertainty as they relate to future events and circumstances which are difficult to predict and are beyond the group's control. The group's actual future performance, results, strategies and objectives may differ materially from the plans, goals and expectations expressed or implied in future-statements. As such, readers are cautioned not to place undue reliance on these forward-looking statements and the group disclaims any intention and assumes no obligations to update or revise any forward-looking statement. The group does not assume responsibility for any loss or damage arising as a result of the reliance by any party thereon.

Feedback:

We welcome the views of our stakeholders on the integrated annual report. Please contact us at annualreport@tgh.na with your feedback.