



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

Unaudited Condensed Consolidated Interim Results for the 6 months ended 30 September 2013 and Interim Dividend declaration

NATURE OF THE BUSINESS

The Group operates subsidiaries in three main sectors across Africa:

- I) Micro insurance;
- II) Microfinance; and
- III) Property.

The Group's core operational revenues are derived from the above businesses in Namibia but its insurance products and innovative delivery methods enable Trustco to offer micro-financial services across the African continent in a variety of ways.

FINANCIAL SUMMARY

The first six months of Trustco's 2014 financial year show a favourable financial improvement and cement the Group's resolve to achieve both a meaningful contribution to bottom line and to further social development on the continent through innovative financial offerings.

Trustco grew net profit after tax by 29% to record NAD 65 million for the six months ended 30 September 2013, compared to NAD 50 million for the six months ended 30 September 2012.

Headline earnings of NAD 23 million for the six months ended 30 September 2013, compared to NAD 50 million against the comparative six months, represents a decrease of 54%. This decrease in earnings is a function of the cyclical behaviour of the property segment wherein property sales are captured in headline earnings, but revaluations of the remaining property, albeit profitable from an accounting perspective, are excluded from the headline earnings metric.

Group revenue for the first six months, in relation to the comparative period, has increased by 6% from NAD 297 million to NAD 315 million. This increase is supported by excellent growth in the micro insurance sectors' insurance revenue, although partially offset by a decrease in other revenue due to the scaling down of the legacy business in South Africa.

REVIEW OF OPERATIONS

Micro insurance (Namibia)

The micro insurance segment in Namibia showed stellar growth in both revenues and profit for the period. In line with management expectations revenue grew from NAD 70 million to NAD 123 million, an increase of 75%. This also translated to an increase in net profit after tax of 80%.

Since the previous interims were announced, Trustco has launched a mobile product offering with a retail chain in Namibia, a legal protection product in South Africa (Yambu Legal) and a new term life product in Namibia (Yambu Life). These new offerings have noticeably improved the profitability of the segment and opened new opportunities for ordinary citizens to benefit from insurance cover.

Microfinance

Gross educational loans grew by 80%, demonstrating that the appetite and demand for these loans in the region remains high. The Group, remaining firmly committed to growing this loan book in the future, and to that end was able to raise NAD 145 million from external funders during the last six months in order to continue the positive trend.

Revenue has grown to NAD 156 million from NAD 64 million, a comparative increase of 142%. Gross educational loans of NAD 507 million (30 September 2012: NAD 282 million) is offset by a provision for bad and doubtful debts of NAD 21 million which

represents an impairment ratio of 4.2% (30 September 2012: 5.3%).

Net profit after tax increased by 57% from NAD 14 million to NAD 22 million, mainly due to increase in net interest margin and the sales of educational courses and technology products to students in Namibia.

Property

The demand remains high for serviced land in Namibia, particularly in the Windhoek Basin. Net profit after tax in this segment increased from NAD 8 million to NAD 47 million, mainly due to the pre-tax fair value gains of NAD 45 million on investment property. Phase 1 of Trustco's "Land Bank" development in Namibia was completed during the 2013 financial year with Phase 2 of the development expected to begin selling erven during the 2014 calendar year.

Rest of Africa

The South African insurance and rest of Africa insurance operations were combined into a single reportable segment during the first half of the 2014 financial year. Operations in Zimbabwe have ceased; and the financial services back-office insurance administration business previously operated in South Africa was completely wound down during the current period, resulting in a sizeable reduction in revenues.

Revenues declined 76% from NAD 129 million to NAD 31 million, whilst losses due to the on-going effort by the Group to establish a firm insurance presence in South Africa and in the rest of Africa ended the period as a net loss after tax of NAD 49 million compared to a net profit after tax of NAD 3 million for the six months ended 30 September 2012.

An impairment loss of NAD 3.8 million was recognised in the South African insurance operations on the downward adjustment of forecast licensing fees receivable from agents utilising the software systems of the Group.

PROSPECTS

Rest of Africa

The African continent's demand for micro insurance products has not been exhausted. Demand remains high and the current low penetration rates should provide further future growth in this segment. Trustco continues to pursue various

opportunities to roll out innovative products and delivery mechanisms to these markets.

Effort to raise sufficient capital to continually grow the educational loan book culminated with the approval and subsequent issue of a Domestic Medium Term Note programme on the JSE, in doing so, Trustco became the first private Namibian entity to raise financing through a JSE approved debt programme. A bond of ZAR 200 million was subscribed to by the International Finance Corporation ('IFC') during the period under review, with prospects that the remaining ZAR 800 million will be issued and the proceeds thereof deployed into the business in the medium term.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL RESULTS

Trustco Group Holdings Ltd issued 35 000 000 ordinary shares on 29 August 2013 to the IFC. The shares were issued at par value of NAD 0.23 cents per share and a premium of NAD 0.62 cents. The shares were listed on the JSE Limited (and the Namibian Stock Exchange) in compliance with Schedule 6 of the JSE listing requirements and were issued in terms of the general authority of the directors of the company for cash.

The Group managing director, Quinton van Rooyen contracts his services to the Group under a management agreement with Next Investments (Pty) Ltd ('Next'). During the 2013 financial year due to a penalty clause on failure to achieve financial targets, the management agreement required that some of the amounts already paid to Mr van Rooyen were to be repaid to the Group. This resulted in a receivable from Next of NAD 8.4 million. This amount is contractually required to be settled during the current financial year.

On 20 September 2013, Dex Group's appeal was dismissed by the Supreme Court of Appeal in South Africa. The process for collection of amounts due is on-going. No penalty interest on overdue funds has been raised. The total amount of shares to be issued upon payment of the NAD 19.4 million (plus other costs and interest), is 4.922 million shares. These amounts are recorded separately in the statement of financial position under other receivables and vendor shares, respectively.

Tranche 1, Series 1 of a private bond placement with the IFC was transacted before the end of the financial period, with settlement occurring in October 2013. An amount of NAD 100 million was therefore recognised as a financial liability in the separate financial statements of Trustco Group Holdings Ltd as the issuer of the bond.

Property, plant and equipment of NAD 13 million (2012: NAD 9 million) was acquired, and NAD 0.7 million (2012: NAD 2.5 million) was disposed of during the current period.

BASIS OF PREPARATION AND PRESENTATION

Statement of compliance

The unaudited interim results have been prepared in accordance with framework concepts and measurement and recognition criteria of International Financial Reporting Standards ('IFRS') and comply with IAS 34 Interim Financial Reporting and are in accordance with the SAICA Financial Reporting Guides as issued by the Financial Reporting Standards Council, the Namibian Companies Act, No 28 of 2004 (as amended) and the Listings Requirements of the JSE Limited and the NSX.

Basis of preparation

The unaudited condensed consolidated financial statements are prepared in thousands of Namibian Dollars ("NAD`000"). The Group`s functional and presentation currency is Namibian Dollars. At 30 September 2013, NAD 1 was equal to ZAR 1.

These interim results are unaudited and have not been reviewed by the auditors. The accounting policies applied are in accordance with IFRS and are consistent with those of the previous annual financial statements.

The preparation of the interim results has been supervised by the Financial Director, Ryan McDougall CA (SA), CA (Namibia).

DIVIDENDS

The Directors of Trustco ("the Board") are pleased to announce that the Board has passed a resolution on 31 October 2013 to pay an interim dividend of 2 cents per share for the 6 months ended 30 September 2013.

The following information is provided to shareholders in respect of the new applicable Dividend Tax:

- The dividend has been declared from income reserves;
- Shareholders are advised that Namibian non-resident shareholders' tax of 15% on the declared dividend will be applicable to all shareholders with addresses outside Namibia.

- The dividend withholding tax ("DWT") rate for South Africa is 15% resulting in a net dividend (whether they are exempt from the DWT or not) of 1.7 cents per share; and

- Trustco Group Holdings Limited's Namibian Income Tax Reference Number is 3356338011.

The salient dates for the payment of this dividend are set out below:

Last day to trade cum-dividend Friday, 22 November 2013.

Trading exdividend commences Monday, 25 November 2013.

Record Date Friday, 29 November 2013.

Payment Date Monday, 9 December 2013.

Share certificates may not be dematerialised or rematerialised between Monday, 25 November 2013 and Friday, 29 November 2013 both days included. The dividend is declared in Namibia Dollars and payable in the currencies of the Republics of South Africa and Namibia which is pegged 1:1.

ACKNOWLEDGMENTS

The board of directors of Trustco (the "Board") acknowledge with gratitude the efforts and commitment from stakeholders and staff.

UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
		Unaudited 6 months ended 30 September	Unaudited 6 months ended 30 September	Audited year ended 31 March
NAD '000	Change	2013	2012	2013
	%			
Insurance premium revenue	75%	116 950	66 786	150 710
Revenue	(14%)	197 611	230 144	444 529
Total revenue	6%	314 561	296 930	595 239
Cost of sales	35%	(75 597)	(116 614)	(240 194)
Gross profit	33%	238 964	180 316	355 045
Investment income	(85%)	321	2 096	3 849
Fair value gains and losses	100%	45 330	-	26 304

Other income	674%	3 784	489	14 080
Insurance benefits and claims	(75%)	(19 142)	(10 929)	(26 717)
Transfer to policyholder liabilities	(363%)	(7 579)	(1 638)	(5 903)
Change in unearned premium provision	(8%)	(681)	(629)	(981)
Administrative expenses	(64%)	(173 151)	(105 343)	(294 167)
Finance costs	(49%)	(19 439)	(13 053)	(27 814)
Profit before taxation	33%	68 407	51 309	43 696
Taxation	(275%)	(3 364)	(898)	(4 312)
Profit for the period	29%	65 043	50 411	39 384
Other comprehensive income, net of tax	593%	3 234	467	8 138
Items that will not be subsequently reclassified to profit or loss				
Revaluation of property, plant and equipment	428%	2 468	467	6 269
Items that may be subsequently reclassified to profit or loss				
Foreign currency translation adjustment	100%	766	-	1 869

Total comprehensive income for the period	34%	68 277	50 878	47 522
Earnings per shares:				
Basic earnings per share (cents)	20%	8.59	7.17	5.41
Diluted earnings per share (cents)	20%	8.53	7.12	5.38
Dividends per share (cents)	(100%)	-	2.25	4.15
RECONCILIATION OF EARNINGS & HEADLINE EARNINGS PER SHARE				
	%	Unaudited 6 months ended 30 September	Unaudited 6 months ended 30 September	Audited year ended 31 March
NAD '000	Change	2013	2012	2013
Profit attributable to ordinary shareholders	29%	65 043	50 411	39 384
Adjustments:	(20092%)	(42 201)	(209)	(5 521)
Loss/(Profit on disposal of property, plant & equipment	285%	585	(316)	774
Profit on disposal of investment property	-	-	-	(180)
Fair value adjustments on investment properties	(100%)	(45 330)	-	(26 304)
Impairment of	100%	3 801	-	28 406

intangible assets				
Tax effect	(1275%)	(1 257)	107	(8 217)
				-
Headline earnings	(54%)	22 842	50 202	33 863
Total number of ordinary shares ('000) in issue	5%	772 142	737 142	737 142
Weighted number of ordinary shares for basic earnings per share	8%	757 559	702 756	727 652
Contingently issuable shares as a result of business acquisition	3%	4 922	4 789	4 789
Weighted number of ordinary shares for diluted earnings per share	8%	762 481	707 545	732 441
For the period				
Basic earnings per share (cents)	20%	8.59	7.17	5.41
Diluted earnings per share (cents)	20%	8.53	7.12	5.38
Headline earnings per share (cents)	(58%)	3.02	7.14	4.65
Diluted headline earnings per share (cents)	(58%)	3.00	7.10	4.62
Dividends per share (cents)	(100%)	-	2.25	4.15

SEGMENTAL ANALYSIS				
		Unaudited 6 months ended 30 September	Unaudited 6 months ended 30 September	Audited year ended 31 March
NAD '000	Change	2013	2012	2013
Total Revenue	6%	314 561	296 930	595 239
Micro insurance (Namibia)	75%	122 805	70 074	150 013
Micro finance	142%	156 052	64 430	141 642
Property	(85%)	4 868	33 002	126 671
Rest of Africa	(76%)	30 836	129 424	176 913
Net profit after tax	29%	65 043	50 411	39 384
Micro insurance (Namibia)	80%	45 771	25 435	66 998
Micro finance	57%	21 639	13 816	27 778
Property	455%	46 745	8 423	18 691
Rest of Africa	(1894%)	(49 112)	2 737	(74 083)
Total assets	15%	1 780 647	1 552 148	1 532 927
Micro insurance (Namibia)	38%	248 000	179 762	170 559
Micro finance	85%	705 287	380 225	455 649
Property	(25%)	528 578	701 373	675 102
Rest of Africa	3%	298 782	290 788	231 617
Total liabilities	26%	715 496	566 657	564 797

Micro insurance (Namibia)	39%	165 584	118 927	106 809
Micro finance	98%	416 739	210 170	307 898
Property	(34%)	93 700	142 398	137 178
Rest of Africa	(59%)	39 473	95 162	12 912

CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
		Unaudited 6 months ended 30 September	Unaudited 6 months ended 30 September	Audited year ended 31 March
NAD `000	%	2013	2012	2013
ASSETS				
Non-current assets				
Property, plant and equipment	16%	189 220	163 419	179 266
Investment properties	5%	337 255	320 793	344 247
Intangible assets	(16%)	227 875	270 625	232 650
Deferred income tax assets	6%	85 895	81 080	78 183
Mortgage loans advanced	100%	30 602	-	20 070
Educational loans advanced	114%	334 073	156 261	204 426
Other loans advanced	(82%)	4 691	25 584	5 692
Total non-current assets	19%	1 209 611	1 017 762	1 064 534

Current assets				
Short-term portion of mortgage loan book	100%	1 377	-	1 377
Short-term portion of educational micro loans advanced	37%	152 165	111 301	127 988
Short-term portion of other loans advanced	44%	1 160	804	1 160
Short-term portion of finance lease receivable	(100%)	-	457	-
Amounts due by related parties	100%	8 482	-	8 482
Inventories	283%	62 956	16 440	10 420
Trade and other receivables	(41%)	212 196	357 198	271 182
Current income tax assets	8%	1 079	996	860
Cash and cash equivalents	179%	131 621	47 190	46 924
Total current assets	7%	571 036	534 386	468 393
Total assets	15%	1 780 647	1 552 148	1 532 927
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	5%	177 595	169 545	169 545
Share premium	88%	46 300	24 600	24 600
Put options	-	(52 832)	(52 832)	(52 832)
Deemed treasury shares	(100%)	(1 006)	-	-

Vendor shares	-	14 976	14 976	14 976
Contingency reserve	55%	4 610	2 970	4 610
Revaluation reserves	40%	24 265	17 273	21 797
Foreign currency translation reserve	100%	2 635	-	1 869
Distributable reserves	5%	848 608	808 959	783 565
Attributable to equity holders of the parent	8%	1 065 151	985 491	968 130
		-		
Non-current liabilities				
Long-term liabilities	90%	433 958	228 771	288 717
Other liabilities	(49%)	1 046	2 042	1 590
Deferred income tax liabilities	(9%)	31 951	35 114	33 231
Policy holders' liability under insurance contracts	96%	24 166	12 322	16 587
Total non-current liabilities	77%	491 121	278 249	340 125
Current liabilities				
Current portion of long-term liabilities	(8%)	38 819	42 161	40 764
Current portion of other liabilities	(5%)	2 500	2 622	4 516
Trade and other payables	(32%)	120 598	178 082	129 154
Technical provisions	12%	21 966	19 600	20 558
Current income tax	19%	40 492	34 156	29 116

liabilities				
Amounts due to related parties	(100%)	-	33	-
Bank overdraft	(100%)	-	11 754	564
Total current liabilities	(22%)	224 375	288 408	224 672
Total equity and liabilities	16%	1 780 647	1 552 148	1 532 927

CONSOLIDATED STATEMENT OF CASH FLOWS				
		Unaudited 6 months ended 30 September	Unaudited 6 months ended 30 September	Audited year ended 31 March
	%			
NAD '000	Change	2013	2012	2013
Cash flow from operating activities				
Cash generated by operations before working capital changes	(11%)	60 501	68 357	96 917
Changes in working capital	147%	58 160	(123 420)	(76 332)
Interest received	(85%)	321	2 096	3 849
Finance costs	(49%)	(19 439)	(13 053)	(27 814)
Finance lease assets	-	-	-	457
Other loans advance	-	-	-	(346)
Mortgage loans advance	(100%)	(12 376)	-	(6 008)
Mortgage loans repaid	100%	1 844	-	2 097
Educational loans	(215%)	(246 381)	(78 166)	(212 861)

advanced				
Educational loans repaid	41%	87 814	62 112	129 222
Taxation paid	(34155%)	(3 768)	(11)	(13 600)
Net cash flow from operating activities	11%	(73 324)	(82 085)	(104 419)
				-
Cash flow from investing activities				-
Additions to property, plant and equipment	(54%)	(13 247)	(8 620)	(23 250)
Additions to investment properties	82%	(478)	(2 586)	(3 364)
Additions to intangible assets	55%	(4 935)	(11 051)	(10 326)
Proceeds on sale of investment property	-	-	-	1 600
Proceeds on sale of property, plant and equipment	(98%)	56	2 312	6 917
Proceeds on sale of intangible assets	100%	130	-	-
Net cash flow from investing activities	7%	(18 474)	(19 945)	(28 423)
Cash flow from financing activities				
Proceeds of share issue	(6%)	29 750	31 500	31 500
Purchase of treasury shares	(100%)	(1 006)	-	-
Proceeds on the sale of deemed treasury	(100%)	-	5 719	5 719

shares				
Proceeds from long term liabilities	476%	143 296	24 884	83 433
Repayment of other liabilities	(243%)	(2 560)	1 785	3 227
Repayment of related party loans	100%	-	(1 380)	(9 895)
Dividends paid	100%	-	(15 911)	(29 916)
Increase in policy holder under insurance contracts	363%	7 579	1 638	5 903
Net cash flow from financing activities	267%	177 059	48 235	89 971
Net change in cash and cash equivalents	258%	85 261	(53 795)	(42 871)
Cash and cash equivalents at beginning of period	(48%)	46 360	89 231	89 231
Cash and cash equivalents at end of period	271%	131 621	35 436	46 360

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY				
		Unaudited 6 months ended 30 September	Unaudited 6 months ended 30 September	Audited year ended 31 March
	%			

NAD '000	Change	2013	2012	2013
Balance at the beginning of the period	6%	968 130	913 305	913 305
Issue of shares	(6%)	29 750	31 500	31 500
Sale of deemed treasury shares	(100%)	-	5 719	5 719
Deemed treasury shares purchased	(100%)	(1 006)	-	-
Dividends for the period	100%	-	(15 911)	(29 916)
Total comprehensive income for the period	34%	68 277	50 878	47 522
Balance at the end of the period	8%	1 065 151	985 491	968 130
Comprising of:				
Share capital	5%	177 595	169 545	169 545
Share premium	88%	46 300	24 600	24 600
Deemed treasury shares	(100%)	(1 006)	-	-
Put options	-	(52 832)	(52 832)	(52 832)
Vendor shares	-	14 976	14 976	14 976
Contingency reserve	55%	4 610	2 970	4 610
Foreign currency translation reserve	100%	2 635	-	1 869
Revaluation reserve	40%	24 265	17 273	21 797
Retained earnings	5%	848 608	808 959	783 565
	8%	1 065 151	985 491	968 130

By order of the board
D J Steyn
Company Secretary

4 November 2013

JSE Sponsor
Sasfin Capital (a division of Sasfin Bank Ltd)

NSX Sponsor
IJG Securities (Pty) Ltd