



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
("Trustco", or "the Company")

Announcement regarding recent developments in the Company's Banking and Finance Segment

1. Establishment of the Trustco Unit Trust Scheme and registration of Trustco Unit Trust Management Company Limited ("Manco") as the management company and Trustco Investment Management Company ("Investco") as the investment manager.

Trustco shareholders ("**Shareholders**") are advised that in line with the Company's strategy to provide diversified financial services and products to its clients in the Banking and Finance Segment, the group has recently established the Trustco Unit Trust Scheme ("**Scheme**"). The Scheme might initially provide investors with the opportunity to invest in an unlisted Namibian Property Fund. Other Funds might be established in future.

Further to the establishment of the Scheme, the Company has also established Manco and Investco which are wholly owned subsidiaries of the Group. Approval has recently been obtained from the relevant regulators for Manco to act as management company and for Investco to act as investment manager to the Scheme in terms of the relevant legislation governing the Scheme.

The businesses are currently housed in the Trustco Incubator and the Bank of Namibia and Namibian Financial Institutions Supervisory Authority ("Namfisa") will be approached to move the entities into the Banking and Finance Segments.

2. Further equity investment in wholly owned subsidiary Trustco Bank Namibia Limited ("TBN")

Shareholders are further advised that Trustco has recently made a further equity investment of NAD 80 000 000 (1 Rand is equal to 1 Namibia Dollar) into TBN. The Company has, therefore, invested NAD 100 000 000 in TBN's



equity in the past twelve months, growing TBN's issued share capital to NAD 200 000 000. Trustco intends to invest further capital in TBN should the need arise.

3. Adoption of IFRS 9 in Trustco's annual financial statements

IFRS 9 provides guidance on the classification, measurement and recognition of financial assets and financial liabilities and replaces IAS 39. IFRS 9 introduces a new expected credit loss impairment model that replaces the incurred loss impairment model used in IAS 39.

The standard establishes three measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit and loss.

The standard is effective for years commencing on or after 1 January 2018 and will be adopted by the group for the financial reporting period commencing 1 April 2018.

The group will have to adjust its impairment models to incorporate new principles such as 12 months expected credit loss, lifetime expected credit loss, forward looking information and time value of money in order to comply with expected credit loss impairments under IFRS 9 and is expected to have an effect on the results reported by the Banking and Finance Segment for the year ending 31 March 2019.

Management adopted a prudent approach at the start of the current Namibian recession and the non performing loans ("NPL") are in line with the reported figures of the previous years.

Amanda Bruyns
Company Secretary

Windhoek
Namibia
13 February 2018

JSE Sponsor: Sasfin Capital (a member of the Sasfin group)

NSX Sponsor: Simonis Storm Securities Proprietary Limited.