



TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia and registered as an external company in South Africa

(Registration number 2003/058)

(External registration number 2009/002634/10)

NSX share code: TUC

JSE share code: TTO

ISIN Number: NA000AORF067

("Trustco" or "the Group")

TRADING STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

Trustco shareholders ("**Shareholders**") are advised that the Group is finalising its annual financial statements ("**AFS**") for the year ended 31 March 2018.

The Group expects to report the following for the year ended 31 March 2018:

- A decrease in revenue of between 30% and 40%, being revenue of between NAD 0.748 billion and NAD 0.873 billion, compared to the financial year ended 31 March 2017 ("prior year"). The prior year's revenue was NAD 1.247 billion;
- A decrease in headline earnings per share of between 55% and 65%, being headline earnings per share of between 24.76 cents and 31.84 cents compared to the prior year. The prior year's headline earnings per share was 70.75 cents; and
- A decrease in basic earnings per share of between 60% and 70%, being basic earnings per share of between 20.73 cents and 27.64 cents compared to the prior year. The prior year's basic earnings per share was 69.11 cents.

The group's results were impacted by the following key factors in the 2018 financial period:

- The Namibian economy is still in a technical recession, having experienced average quarterly contractions of 0.7% over the reporting period. This negatively impacted the liquidity of the market and the purchasing power of consumers in Namibia.



- As part of a convertible loan agreement concluded during the financial period, an additional 55 million shares were issued, which affected basic earnings and headline earnings per share.
- The investment division of the insurance segment reported a decrease in revenue in comparison to the prior year, specifically in its property investments, as the Group did not enter into any large property transactions with developers for the year under review. However, the property investments increased its collections on its receivables. Additionally the City of Windhoek Municipality approved the establishment of a new industrial township for Windhoek, the capital city of Namibia (refer to Lafrenz Update SENS of 16 February 2018). The increase in fair value of the Lafrenz Township thus compensated for the decrease in earnings during the financial period.
- The Group also disposed of 20% of its shareholding in the insurance segment on 29 March 2018 for an amount of NAD 1.2 billion. The disposal does not constitute a change in control in either the Group or Legal Shield Holdings (Pty) Ltd. The proceeds received was used to strengthen the capital base of the Group.
- The banking and finance segment experienced an increase in non-performing loans which albeit an increase are still below industry norm. Another contributing factor for slower growth was as a result of increases in the cost of funding. The banking and finance segment experienced a decrease in the interest earned on advances. The Group injected new capital of NAD 80 million during the reporting period to build capacity in this segment.
- The resources segment achieved operational readiness at the Meya Mine in Sierra Leone during the reporting period, and its first revenue was recorded for the 5 months of operations. This includes the sale of the 476.89 carat Meya Prosperity Diamond, the 30th largest diamond in history discovered on the eve of 10 November 2017, and subsequently sold for USD 16.5 million in cash.

Further details will be provided in the Group results, for the year ended 31 March 2018, which will be released on or about 29 June 2018.



The financial information on which this trading statement is based has not been reviewed or reported on by the Group's auditors.

Windhoek, Namibia

27 June 2018

Amanda Bruyns

Company Secretary: Trustco Group Holdings Limited

JSE Sponsor: Sasfin Capital (A division of Sasfin Bank Limited)

NSX Sponsor: Simonis Storm Securities (Pty) Ltd