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PROVISIONAL REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TRUSTCO GROUP HOLDINGS LIMITED
FOR THE YEAR ENDED
31 MARCH 2018

TRUSTCO
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PROVISIONAL REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

COMMENTARY

NATURE OF THE BUSINESS

Trustco is a diversified dual listed financial services group that invests and operates in sustainable high growth assets in emerging markets. Trustco operates from three business segments being;

- Insurance and its investments;
- Resources and
- Banking and finance.

BUSINESS REVIEW

In the year under review the group managed to maintain its strategy to accelerate growth and development in its nascent segments, while simultaneously increasing market capitalisation by 132%. The key component to this growth, which resulted in the group's share price climbing from 404 cents at the end of the prior financial year, to 875 cents at the end of the current financial year, was the ground-breaking transaction with Riskowitz Value Fund, whereby 20% of the group's insurance segment was disposed of for NAD 1.2 billion.

This transaction enabled the group to diversify its revenue streams and operations to various geopolitical zones, reducing Trustco's exposure to adverse economic conditions. The group's net asset value increased from 323 cents to 504 cents per share translating into a substantial 56% increase. In particular, the group's operations in Sierra Leone yielded encouraging results. The new venture contributed NAD 275 million in revenue and NAD 139 million in profit.

With the group well capitalised, and management positive that the Namibian economy is poised for a recovery, the group is well positioned to take advantage of said recovery in future. With operations in Sierra Leone set to intensify, the group expects a full year of production that will see its success enabling the other segments to expand their reach into the Namibian market. Banking and finance have systems readied to enable operations as a full commercial bank, while the insurance segment is set to explore any and all synergies with its new minority partner.

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SEGMENT PERFORMANCE

Insurance and its investments

The insurance business performed well in a harsher environment and was able to sustain its margins of profit and will be pursuing new ways of leveraging off its unique position in the Namibian insurance market and grow revenue streams from a more diversified product base.

Cash generated from the realisation of property debtors increased significantly from the previous year and the group believes this trend to improve further into the 2019 financial year as the industrial land serviced during 2018 will also start to transfer during this period. A tougher trading environment affected property sales, as fewer developers purchased properties and a shift to a more sustainable first-time-buyers' market started to emerge. Most developers were affected by Bank of Namibia's decision to impose more stringent terms of lending.

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, to a large degree, compensated for the decrease in earnings during the financial period.

Trustco Construction Services has commenced the servicing of Phase IV at Elisenheim in order to continue with the steady pace of transferring serviced land to a population still hungry to own their own piece of land. Construction of the first commercial development at Elisenheim will also commence towards the end of 2018, thereby significantly enhancing the lifestyle component of Elisenheim and ultimately property prices.

Banking and Finance

The banking and finance segment made significant progress in developing its capabilities by focusing on system implementations and enhancing its electronic platform in preparation towards operating as a full commercial bank. The group also injected new capital of NAD 80 million into Trustco Bank, which was successfully applied across a spectrum of commercial and individual clients. Trustco Bank similarly increased its deposits through normal deposit raising efforts. Although no new debt funding was raised for student finance lending during the year under review, management is in final negotiations to raise funding for expanding the educational loan portfolio to cater for the enormous need for education in Namibia. The performance of the segment is reflective of the liquidity constraints in Namibia.

Resources

Positive results were recorded in this segment. Revenue increased from zero to NAD 275 million on the backdrop of the discovery of the Meya Prosperity Diamond (sold for USD 16.5 million cash). The segment sold 12 400 carats during the period under review. The segment's profit and assets increased by 1 351% and 60% respectively. The group has a contractual option to increase its shareholding in Meya Mining from 51% to 60% after the large scale mining licence has been secured from the Sierra Leone Ministry of Mineral Resources.

Shareholders are referred to the SENS announcement regarding the acquisition by Trustco Resources of 51% interest in Meya Mining, dated 23 August 2016, specifically refer to the hurdle, which means:

"Hurdle" means the results from the Work Program as at the Completion Date proving any one of two components, namely, a Resource Statement of at least 3 000 000 (three million) carats and/or a Resource Statement of at least USD 1 000 000 000 (one billion United States Dollars) valued at international market price"

Trustco received an internal preliminary exploration results and estimates report related to Meya's resource from SRK Consulting (Canada) Inc, on 29 June 2018, indicating that both the hurdle components have been achieved with the exploration work done to date.

At the time of reporting, the Huso transaction had still not been concluded as the mining licence for Northern Namibia Development Company (NNDC) was still outstanding. However, during the reporting period, the Ministry of Mines and Energy of Namibia (MME) issued a notice of preparedness to grant a mining licence to NNDC subject to a revised environmental clearance certificate from the Ministry of Environment and Tourism of Namibia (MET). A revised environmental assessment and management plan together with an application for the environmental clearance certificate for large scale mining was submitted to the MET in March 2018. Once the clearance certificate has been issued, the mining licence shall follow and the transaction will be perfected.

DISPOSAL OF 20% INTEREST IN LEGAL SHIELD HOLDINGS (PTY) LTD (LEGAL SHIELD HOLDINGS) FOR NAD 1.2 BILLION

Trustco disposed of 20% of its shareholding in Legal Shield Holdings on 29 March 2018 for NAD 1.2 billion. The transaction is in line with the group's strategy to increase liquidity and at the same time deploy financial resources across the group in order to accelerate growth in other segments. The proceeds received have been reinvested in the banking and finance and resources segments.

At the reporting date, the group had already received 70% of the purchase consideration in cash. The disposal does not constitute a change in control of Legal Shield Holdings.

TREASURY SHARES

During the period under review, the group purchased approximately 3 million treasury shares at an average price of NAD 7.58 per share. The settlement amount of NAD 22.4 million was paid in cash.

The market value of all treasury shares held by the group was NAD 400 million as at 31 March 2018.

DIVIDENDS

During the year under review, the board recommended that no dividend be declared for the financial period ended 31 March 2018.

GOING CONCERN

Management is fully aware of the need to continuously assess the going concern of the group throughout the year. Subsequent to the reporting period, Trustco Group Holdings Limited (Trustco) and its longstanding institutional investors (Lenders Group) engaged with one another to facilitate a potential consensual restructuring of the long term debt arrangement offered by the Lenders Group. Management have received correspondence from the Lenders Group reserving the rights currently in place, both in terms of the covenants set out as well as the repayment terms. During these discussions, management has assessed and reconsidered the restrictive financial covenants, as certain of these are deemed to be outdated as they were entered into as far back as ten years ago. Trustco along with the Lenders Group intend to replace the original covenants entered into with a series of updated covenants. These covenants are more aligned to Trustco's current capital structure as well as development and dynamic nature of its operating segments. Management is confident that an agreement will be entered into, but at the time of this report the parties are still in the discussion phase (Refer to note 7).

SUBSEQUENT EVENT

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS), STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

The standard is effective for years commencing on or after 1 January 2018. The standard will be adopted by the group for the financial reporting period commencing 1 April 2018. IFRS 15 requires an entity to recognise revenue in such a manner as to depict the transfer of the goods or services to customers, at an amount representing the consideration to which the entity expects to be entitled in exchange for those goods or services.

The standard has a 5-step process which is required to be applied to all contracts with customers. The standard provides guidance for identifying the contract with the customer, identification of the deliverables (performance obligations), determination of the transaction price (including the treatment of variability in the transaction price and significant financing components), how to allocate the transaction price and when to recognise revenue.

The group is in the process of assessing its significant revenue streams in line with the new standard. The group is in the process of adopting the standard.

IFRS 16 LEASES

The standard is effective for years commencing on or after 1 January 2019. The standard will be adopted by the group for the financial reporting period commencing 1 April 2019.

IFRS 16 requires a lessee to recognise a right of use asset and lease obligations for all leases except for short term leases, or leases of low value assets which may be treated similarly to operating leases under the current standard IAS 17 if the exceptions are applied.

A lessee measures its lease obligation at the present value of future lease payments, and recognises a right of use asset initially measured at the same amount as the lease obligation including costs directly related to entering into the lease. Right of use assets are subsequently treated in a similar way to other assets such as property, plant and equipment or intangible assets dependent on the nature of the underlying item.

The group has a number of property rental agreements in place. In accordance with the standard, right of use assets and lease obligations associated with these rentals would be recognised in the statement of financial position, the extent thereof is yet to be determined.

The group is still to make a decision on the transition method to be applied or the application of exceptions related to short term and low value asset leases.

IFRS 9 FINANCIAL INSTRUMENTS

The standard is effective for years commencing on or after 1 January 2018. The standard will be adopted by the group for the financial reporting period commencing 1 April 2018.
IFRS 9 provides guidance on the classification, measurement and recognition of financial assets and financial liabilities and replaces 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. Classification of financial assets into these categories is dependent on the entity's business model (which depicts its objectives with respect to the management of financial assets as a whole) and the characteristics of the contractual cash flows of the specific financial asset. There were no significant changes to the classification guidance for financial liabilities.

IFRS 9 introduces a new expected credit loss impairment model that replaces the incurred loss impairment model used in IAS 39.

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.

The group is in the process of adopting the standard.

IFRS 17 'INSURANCE CONTRACTS'

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2021. The standard will be adopted by the group for the financial reporting period commencing 1 April 2021.

IFRS 17 requires entities to identify portfolios of insurance contracts, which comprises contracts that are subject to similar risks and are managed together. Each portfolio of insurance contracts issued shall be divided into a minimum of three groups:

- A group of contracts that are onerous at initial recognition, if any;
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and
- A group of the remaining contracts in the portfolio, if any.

An entity is not permitted to include contracts issued more than one year apart in the same group. Furthermore, if a portfolio falls into different groups only because of law or regulation constraints the entity's practical ability to set a different price or level of benefits for policyholders with different characteristics, the entity may include those contracts in the same group.

The group is in the process of assessing the impact of the standard and the transitional provisions.

SALIENT FEATURES OF THE PROVISIONAL REVIEWED CONDENSED ANNUAL FINANCIAL STATEMENTS

Annual Financial Statements and Selected Notes

The reviewed condensed consolidated financial statements comprise the condensed consolidated Statements of Financial Position at 31 March 2018, the condensed consolidated Statements of Profit or Loss and Other Comprehensive income, Changes in Equity and Cash Flows and selected notes for the year then ended. When reference is made to the "group" in the accounting policies, it should be interpreted as referring to Trustco Group Holdings Ltd and/or the company, where the context requires, unless otherwise noted.

Responsibility for Annual Results

The board takes full responsibility for the preparation of this provisional report and confirms that the financial information has been correctly extracted from the reviewed underlying consolidated annual financial statements.

Basis of Preparation

The reviewed condensed consolidated financial statements for the year ended 31 March 2018 have been prepared in accordance with the group's accounting policies under the supervision of the group financial director, Floors Abrahams, BCom. The accounting policies adopted are consistent with those of annual financial statements for the year ended 31 March 2017 except for the revenue accounting policy applied for diamond sales. Revenue from diamond sales, during the exploration and evaluation period, is recognised at the fair value of the consideration received or receivable in the statement of profit or loss when significant risks and rewards of ownership have passed. The reviewed condensed consolidated financial statements comply with IAS 34 Interim Financial Reporting, the framework concepts and the recognition and measurement requirements of International Financial Reporting Standards (IFRS), SAICA Financial Reporting Guides as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited (JSE) and the Namibian Stock Exchange (NSX) and the requirements of the Namibian Companies Act (Act 28 of 2004), as amended.

The reviewed condensed financial statements of the group are prepared as a going concern on the historical basis except for certain financial instruments, property, plant and equipment and investment properties which are stated at fair value as applicable.

Accounting Policies, Estimates and Judgements

The accounting policies, inclusive of reasonable judgements and assessments, applied in the reviewed condensed consolidated financial statements, are consistent with those applied in the preparation of the audited consolidated financial statements for the year ended 31 March 2017 except for the revenue accounting policy applied for diamond sales. The accounting policies applied are consistent with the accounting policies applied by the group and comply with IFRS.

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The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of the assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Presentation Currency

The reviewed condensed financial statements are presented in Namibian Dollars (NAD), the functional currency of the group. All amounts are rounded to the nearest thousand, except where another rounding measure has been indicated in the condensed consolidated annual financial statements.

At 31 March 2018, NAD 1 was equal to ZAR 1.

New Standards and Interpretations

All new standards and interpretations that came into effect during the reporting period were assessed and adopted with no material impact on the reviewed condensed consolidated financial statements.

Comparative Figures

Unless otherwise indicated, comparative figures refer to the 12 months ended 31 March 2017.

Review Opinion

The condensed consolidated financial statements and this provisional announcement have been reviewed by the company's auditors, Moore Stephens. The review has been conducted in terms of International Standards of Review Engagements. A copy of the unmodified review report is available for inspection at the company's registered office.

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This auditors' review report does not necessarily report on all information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditors' engagement, they should obtain a copy of this auditors' review report together with the accompanying financial information from the company's registered office.

Any reference to future financial performance included in this announcement has not been reviewed nor reported on by the company's auditors.

Appreciation
With the success enjoyed by the group during the year, the board extends its gratitude for the tremendous effort from all employees in order to achieve these results. The board would also like to express its thanks to its service providers, clients, and all other stakeholders, without whom these results would not have been possible.

By order of the board

Adv Raymond Heathcote SC (Chairman)	Dr Q van Rooyen (Managing Director)

Windhoek
29 June 2018

PROVISIONAL REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in Namibia Dollar Thousand	Notes	31 March 2018 Reviewed	31 March 2017 Audited/ Restated*
Assets			
Cash and cash equivalents		68,942	46,017
Advances	1	1,754,103	1,818,811
Trade and other receivables	2	684,845	762,225
Current tax assets		6,004	7,534
Amounts due by related parties	5	528,194	-
Inventories		370,205	339,278
Property, plant and equipment	3	591,515	609,416
Investment property	4	1,476,818	1,010,812
Intangible assets		462,452	526,791
Evaluation and exploration assets**	6	278,638	52,491
Deferred tax assets		150,656	94,718
Total assets		**6,372,372**	**5,268,093**
Equity and liabilities			
Liabilities			
Bank overdraft		-	12,640
Borrowings	7	1,332,551	1,657,445
Trade and other payables		430,279	589,216
Current tax liabilities		8,938	28,018
Insurance liabilities		63,057	94,350
Amounts due to related parties		-	2,678
Other liabilities		71,760	82,609
Deferred tax liabilities		299,566	308,687
Total liabilities		**2,206,151**	**2,775,643**
Capital and reserves			
Share capital	11	190,245	177,595
Share premium	9	267,400	46,300
Deemed treasury shares		(200,804)	(178,358)
Other reserves		44,933	47,875
Retained income		3,426,491	2,399,031
		3,728,265	**2,492,443**
Non-controlling interest	12	437,956	7
Total capital and reserves		**4,166,221**	**2,492,450**
Total equity and liabilities		**6,372,372**	**5,268,093**

* The provisional accounting of the acquisition of Meya Mining was finalised in the year under review and the provisional numbers used in the 2017 financial year were restated. Goodwill and contingent consideration disclosed under intangible assets and trade and other payables respectively, were increased by NAD 111.7 million. Restatement was done within the business combinations measurement period.

** Evaluation and exploration assets were reclassified from intangible assets during the period under review to better reflect the financial position of the group.

PROVISIONAL REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in Namibia Dollar Thousand	Note	31 March 2018 Reviewed	31 March 2017 Audited
Revenue		800,939	1,246,762
Cost of sales		(274,265)	(208,896)
Gross profit		**526,674**	**1,037,866**
Investment income		480,794	225,467
Operating expenses		(542,489)	(459,895)
Insurance benefits and claims		(34,441)	(48,292)
Finance costs		(188,881)	(173,669)
Profit before tax	15	**241,657**	**581,477**
Income tax		31,971	(51,525)
Profit for the period		**273,628**	**529,952**
Other comprehensive income:			
Total items that will not be reclassified to profit or loss - Revaluation of property, plant and equipment		(5,129)	(23,904)
Total items that may be reclassified to profit or loss - Foreign currency translation adjustment		(22,281)	8,780
Total comprehensive income for the period		**246,218**	**514,828**
Profit attributable to:			
Owners of the company		178,830	529,952
Non-controlling interests		94,798	-
		273,628	**529,952**
Total comprehensive income attributable to:			
Owners of the company		160,144	514,828
Non-controlling interests		86,074	-
		246,218	**514,828**
Basic earnings per share (cents)		23.74	69.11
Diluted earnings per share (cents)		23.47	68.67

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STATEMENT OF CHANGES IN EQUITY

Figures in Namibia Dollar Thousand	Share capital	Share premium	Other reserves	Deemed treasury shares	Retained income	Non-controlling interest	Total equity
Balance at 1 April 2016	**177,595**	**46,300**	**87,282**	**-**	**1,877,887**	**-**	**2,189,064**
Profit for the year	-	-	-	-	529,952	-	529,952
Other comprehensive income	-	-	(15,124)	-	-	-	(15,124)
Total comprehensive income	**-**	**-**	**(15,124)**	**-**	**529,952**	**-**	**514,828**
Transfer between reserves	-	-	(24,283)	-	24,283	-	-
Treasury shares purchased	-	-	-	(178,358)	-	-	(178,358)
Dividends	-	-	-	-	(33,091)	-	(33,091)
Non-controlling interest	-	-	-	-	-	7	7
Balance at 1 April, 2017 (AUDITED)	**177,595**	**46,300**	**47,875**	**(178,358)**	**2,399,031**	**7**	**2,492,450**
Profit for the year	-	-	-	-	178,830	94,798	273,628
Other comprehensive income	-	-	(18,687)	-	-	(8,724)	(27,411)
Total comprehensive income	**-**	**-**	**(18,687)**	**-**	**178,830**	**86,074**	**246,217**
Issue of shares	12,650	221,100	(233,750)	-	-	-	-
Equity loan advanced (11)*	-	-	250,000	-	-	-	250,000
Transfer between reserves	-	-	(505)	-	505	-	-
Treasury shares purchased	-	-	-	(22,446)	-	-	(22,446)
Sale of shares in subsidiary	-	-	-	-	848,125	351,875	1,200,000
Balance at 31 March, 2018 (REVIEWED)	**190,245**	**267,400**	**44,933**	**(200,804)**	**3,426,491**	**437,956**	**4,166,221**

(11)* Refer to note 11

PROVISIONAL REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Figures in Namibia Dollar Thousand	31 March 2018 Reviewed	31 March 2017 Audited/ Reclassified*
Cash flows from operating activities		
Cash generated by operations before working capital changes	32,998	651,326
Changes in working capital	(53,671)	(219,286)
Interest received	9,409	432
Finance costs	(188,881)	(170,456)
Net advances repaid/(disbursed)	47,323	(642,579)
Net funding from liabilities for student advances	(128,618)	308,810
Tax paid	(36,311)	(861)
Net cash utilised in operating activities	**(317,751)**	**(72,614)**
Cash flows from investing activities		
Additions to property, plant and equipment	(26,237)	(27,790)
Proceeds from disposal of property, plant and equipment	11,710	42,729
Additions to investment property	(247)	(212)
Advances to related parties*	(180,788)	(27,690)
Additions to intangible assets	(17,896)	(53,946)
Proceeds from disposal of intangible assets	-	1,369
Acquisition of subsidiary, net of cash acquired	-	(14,146)
Additions to evaluation and exploration assets	(226,147)	-
Net cash used in investing activities	**(439,605)**	**(79,686)**
Cash flows from financing activities		
Transactions with non-controlling interests	840,000	-
Proceeds of convertible equity loan	250,000	-
Proceeds from borrowings	-	391,972
Repayment of borrowings	(196,276)	(202,636)
Repayment of other liabilities	(78,357)	(52,379)
Dividends paid	-	(33,091)
Purchase of deemed treasury shares	(22,446)	(775)
Net cash generated by financing activities	**792,921**	**103,091**
Net change in cash and cash equivalents	**35,565**	**(49,209)**
Cash and cash equivalents at the beginning of the year	33,377	82,586
Cash and cash equivalents at the end of the year	**68,942**	**33,377**

* Advances to related parties in the previous year of NAD 27.7 million were reclassified from financing activities to investing activities for more appropriate disclosure.

PROVISIONAL REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

HEADLINE EARNINGS RECONCILIATIONS

Figures in Namibia Dollar Thousand	31 March 2018 Reviewed	31 March 2017 Audited
Basic earnings per share		
Profit for the period attributable to equity holders of the parent	178,830	529,952
Headline earnings		
Profit attributable to equity holders of the parent	178,830	529,952
Adjustments:		
(Profit)/loss on disposal of property, plant and equipment	(1,832)	18,393
Impairment of property, plant and equipment	42,173	-
Fair value adjustments on investment properties*	(1,964)	80
Tax effect thereon	(12,359)	(5,908)
Headline earnings	**204,848**	**542,517**
Reconciliation of weighted average number of ordinary shares used for earnings per share to weighted average number of ordinary shares used for diluted earnings per share		
Weighted average number of ordinary shares used for basic earnings per share ('000)	753,322	766,785
Adjusted for:		
Shares issuable as a result of convertible equity loan ('000) (note 11)	3,824	-
Contingently issuable shares as a result of business combinations ('000) (note 11)	4,922	4,922
Weighted number of ordinary shares for the purposes of diluted earnings per share ('000)	**762,068**	**771,707**
Basic earnings per share (cents)	23.74	69.11
Diluted earnings per share (cents)	23.47	68.67
Headline earnings per share (cents)*	27.19	70.75
Diluted headline earnings per share (cents)	26.88	70.30

* Fair value gains on investment properties held by insurance companies are not deducted when calculating headline earnings.

PROVISIONAL REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED SEGMENTAL ANALYSIS

2018 (Reviewed)	Total segment revenue	Intersegment revenue	Revenue from external customers	Profit for the period	Depreciation and amortisation	Interest income	Interest expense	Impairment of receivables and loans	Income tax expense
	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000
Banking and finance	201,222	(49,668)	151,555	(12,218)	2,714	1,550	69,832	24,237	(24,471)
Insurance and investments	1,717,252	(1,343,276)	373,976	146,439	94,322	7,920	117,485	18,740	52,229
Resources	316,123	(40,715)	275,408	139,407	6	(60)	1,564	-	4,213
Total	**2,234,597**	**(1,433,659)**	**800,939**	**273,628**	**97,042**	**9,410**	**188,881**	**42,977**	**31,971**

2017 (Audited)	Total segment revenue	Intersegment revenue	Revenue from external customers	Profit for the period	Depreciation and amortisation	Interest income	Interest expense	Impairment of receivables and loans	Income tax expense
	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000	NAD '000
Banking and finance	226,676	(13,647)	213,029	60,593	878	636	68,690	7,408	31,426
Insurance and investments	1,220,133	(186,400)	1,033,733	480,501	53,613	(211)	101,766	-	20,099
Resources	-	-	-	(11,142)	1	4	3,213	-	-
Total	**1,446,809**	**(200,047)**	**1,246,762**	**529,952**	**54,492**	**429**	**173,669**	**7,408**	**51,525**

2018 (Reviewed)	Total assets	Total liabilities
	NAD '000	NAD '000
Banking and finance	1,924,420	463,933
Insurance and investments	3,675,251	1,387,083
Resources	772,701	355,135
Total	**6,372,372**	**2,206,151**

2017 (Audited/restated)	Total assets	Total liabilities
	NAD '000	NAD '000
Banking and finance	1,908,870	605,912
Insurance and investments	2,765,060	1,765,723
Resources	594,163	404,008
Total	**5,268,093**	**2,775,643**

Geographical information	Revenue by location of customer - 2018 (Reviewed)	Revenue by location of customer - 2017 (Audited)	Assets by location of assets - 2018 (Reviewed)	Assets by location of assets - 2017 (Audited)
	NAD '000	NAD '000	NAD '000	NAD '000
Namibia	525,494	1,238,436	5,567,986	4,538,453
Outside Namibia	275,445	8,326	804,386	729,640
Total	**800,939**	**1,246,762**	**6,372,372**	**5,268,093**

Insurance and its investments were previously identified as separate segments. During the year the group reporting was restructured due to the effect of the disposal of 20% of Legal Shield Holdings (Pty) Ltd.

Insurance and its investments have been combined into one segment and reports to the Chief Operating Decision Maker. Comparative segment disclosures have been restated as a result of this change.

PROVISIONAL REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE PROVISIONAL CONDENSED CONSOLIDATED FINANCIAL RESULTS

Figures in Namibia Dollar Thousand	31 March 2018 Reviewed	31 March 2017 Audited
1. Advances		
Gross loans advanced	1,808,753	1,859,635
Allowance for credit losses	(54,650)	(40,824)
Net advances	**1,754,103**	**1,818,811**
Current assets	272,204	561,980
Non-current assets	1,481,899	1,256,831
	1,754,103	**1,818,811**
2. Trade and other receivables		
Other receivables	57,822	39,283
Amounts due by related parties^	-	33,870
Property sales receivables	587,103	644,555
VAT	39,920	44,517
	684,845	**762,225**
Current assets	186,447	389,915
Non-current assets	498,398	372,310
	684,845	**762,225**

^Amounts due by related parties are amounts due by Next Investments (Pty) Ltd (Next). Mining equipment needs to be purchased by Northern Namibia Development Company (Pty) Ltd (NNDC) from Next. NNDC is using the mining equipment for its mining operations. In terms of the Huso transaction the group is required to maintain these assets. The assets will be transferred to the group on successful conclusion of the transaction.

3. Property, plant and equipment

Property acquired	93,745	275,041
Disposals	(9,878)	(61,122)
Impairment loss*	(42,173)	-

* The group's aircraft fair value is directly linked to the US dollar. The movement of the exchange rate of the Namibian dollar to the US dollar from NAD 13.4 to NAD 11.8 resulted in this decrease in fair value. The amount was impaired as the carrying amount of revaluation reserve was zero.

4. Investment property

Fair value gains*	465,759	194,420
Additions	247	212

* Increase is a result of the rezoning of the Lafrenz industrial township. Refer to commentary on page 3 insurance and its investments.

PROVISIONAL REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE PROVISIONAL CONDENSED CONSOLIDATED FINANCIAL RESULTS

Figures in Namibia Dollar Thousand	31 March 2018 Reviewed	31 March 2017 Audited
5. Amounts due by related parties		
Riskowitz Value Fund LP	350,084	-
Next Investments (Pty) Ltd	178,110	-
	528,194	-

Amounts due by Next includes an amount related to the Huso transaction. Mining equipment worth NAD 47.1 million needs to be purchased by NNDC from Next. NNDC is using the mining equipment for its mining operations. In terms of the Huso transaction the group is required to maintain these assets. The capitalised exploration cost of NNDC was NAD 69.5 million (2017: NAD 29.0 million) and was financed by Next. These assets will be transferred to the group on successful conclusion of the transaction which will happen when the environmental clearance certificate for large scale mining and the mining licence are obtained.

Next is entitled to charge surety and management fees to Trustco in terms of a signed management agreement between Next and Trustco. The directors of Next waived management and surety fees paid totalling NAD 61.5 million for the year under review. Next repaid NAD 20 million of the management and surety fees after year end with the balance repayable within the next 12 months.

The amount due by Riskowitz Value Fund is the outstanding balance of the 20% purchase of Legal Shield Holdings. The balance bears interest at 11.50% p.a and is repayable within the next 12 months.

6. Evaluation and exploration assets		
Additions (reclassified)	226,147	52,491
7. Borrowings		
Term loans	1,011,303	1,186,020
Listed bonds	30,564	159,057
Mortgage and other borrowings	290,684	312,368
	1,332,551	**1,657,445**
Current liabilties	790,407	444,126
Non-current liabilities	542,144	1,213,319
	1,332,551	**1,657,445**

As at the end of the financial reporting period the company was in breach of certain covenant ratios.

The loan terms had not yet been renegotiated. Negotiations however commenced subsequent to year end as described in the commentary shown under the going concern paragraph.

PROVISIONAL REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. Transaction with non-controlling interest

On 24 November 2017, Trustco entered into an agreement with the Riskowitz Value Fund LP in terms of which the Trustco sold of 20% of its interest in Legal Shield Holdings for a purchase price of NAD 1.2 billion (One Billion Two Hundred Million Namibia Dollars).

The following table summarises the details of the transaction:

Selling price	1,200,000
Net asset value 20% shareholding	(351,875)
Transaction with non-controlling interest	**848,125**

As at year end the purchase consideration was partly settled, refer to note 5 for the balance outstanding.

Figures in Namibia Dollar Thousand	31 March 2018 Reviewed	31 March 2017 Audited
9. Deemed treasury shares		
Opening balance	178,358	-
Purchase of shares	22,446	178,358
	200,804	**178,358**

On 15 February 2017, the company acquired 41 806 778 treasury shares at price of NAD 4.80. Settlement of the purchase consideration of NAD 200 672 534 was deferred to 31 January 2018 on which date the purchase consideration was settled.

The group purchased 2 959 858 treasury shares at an average price of NAD 7.58 during the year under review.

At reporting date, the market value of treasury shares was NAD 400 million.

PROVISIONAL REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE PROVISIONAL CONDENSED CONSOLIDATED FINANCIAL RESULTS

Figures in Namibia Dollar Thousand	31 March 2018 Reviewed	31 March 2017 Audited/ Restated*
10. Fair value information		
Fair value hierarchy		
Level 3		
Non-financial assets		
Investment property	1,476,818	1,010,812
Land and buildings	162,924	133,981
Aircraft	169,352	217,707
Financial assets (Loans and receivables at amortised cost)		
Cash and cash equivalents	68,942	46,017
Advances	1,754,103	1,818,811
Trade and other receivables	644,925	678,425
Related party balances	528,194	39,283
Financial liabilities (Amortised cost)		
Bank overdraft	-	(12,640)
Related party balances	-	(2,678)
Borrowings	(1,332,551)	(1,657,445)
Trade and other payables	(422,066)	(584,305)
Insurance contract liabilities	(63,057)	(94,350)
Other liabilities	(71,760)	(82,609)

Advances, trade and other receivables, trade and other payables and borrowings are measured at amortised cost using the effective interest method. The group applies market related discount rates where appropriate and hence all carrying values approximate fair value amounts owing to their short term nature.

Non-financial assets were moved out of level 2 into level 3 in the 2017 financial year as variables used to determine their fair values are not observable by the public.

There were no transfers between level 1 and level 2 in the reporting period.

The company's policy for recognising transfers between levels is to recognise the transfer at the end of reporting period.

Land and buildings, aircraft and investment property which are fair valued or revalued are valued either by independent experts or by reference to quoted similar assets. The techniques and inputs used have not changed since the prior period end. Technical provisions and policyholder liabilities under insurance contracts remain calculated on a forecast modeling and/or pre-identified factor. Settlement of the employee fund resulted in a decrease in insurance liabilities. Such factors have not been adjusted since the reporting date. Refer to note 4 for further information about increase in fair value.

11. Share capital

The company entered into a convertible equity loan agreement with Riskowitz Value Fund dated 6 July 2017. In terms of the agreement, Riskowitz Value Fund advanced the company NAD 250 000 000 to be converted into 58 823 529 ordinary shares of the company at a conversion price of NAD 4.25.

PROVISIONAL REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE PROVISIONAL CONDENSED CONSOLIDATED FINANCIAL RESULTS

Trustco issued 55 000 000 ordinary shares on 30 October 2017 to Riskowitz Value Fund. The shares were issued at par value of NAD 0.23 per share and a premium of NAD 4.02. The shares were listed on the JSE in compliance with Schedule 6 of the Listings Requirements and the issue was duly approved by the shareholders on 26 October 2017.

At the reporting date, Trustco is still to issue 3.8 million shares to Riskowitz Value Fund.

Equity instrument is any contract that evidences a residual interest in the assets of the group after deducting of its liability. Equity instruments are recognised at the proceeds received.

Figures in Namibia Dollar Thousand	31 March 2018 Reviewed	31 March 2017 Audited
12. Non-controlling interest		
Opening balance	7	-
Total comprehensive income (Meya Mining)	86,074	-
Interest from purchase of Meya Mining	-	7
Interest from sale of Legal Shield Holdings	351,875	-
	437,956	**7**

As the effective date of sale of Legal Shield Holdings was 29 March 2018, the net profit was immmaterial and no adjustment to comprehensive income was made.

Profit or loss and each component of other comprehensive income attributable to the non-controlling interests is allocated based on shareholding, even if the carrying amount of the non-controlling interests is in a deficit balance.

13. Rotation of auditors

The board on the recommendation of the audit and risk committee implemented a formal rotation policy for the independent auditors of the group.

- Moore Stephens Johannesburg replaced BDO South Africa with Ms CA Whitefield being the designated partner; and

- Ms M Nel replaced Mr JSW de Vos as the designated partner for BDO Namibia.

14. Changes to the board

Mr J Mahlangu, an independent non-executive director, resigned on 22 April 2018.

On 26 April 2018, Prof LJ Weldon and Ms KN van Niekerk were appointed as independent non-executive directors.

PROVISIONAL REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE PROVISIONAL CONDENSED CONSOLIDATED FINANCIAL RESULTS

Figures in Namibia Dollar Thousand	31 March 2018 Reviewed	31 March 2017 Audited
15. Profit before tax		
Operating profit for the year is stated after accounting for the following:		
Employee costs	179,927	151,130
Profit on foreign exchange differences	317	25,179
Auditors' remuneration - audit fees	6,539	6,408
(Profit)/loss on disposal of property, plant and equipment	(1,832)	18,393
Impairment of property, plant and equipment*	42,173	-
Impairment of loans and receivables	3,559	3,000
Increase in allowance for credit losses relating to student advances	13,826	4,831

* Refer to note 3 for further information

16. Related party transactions

Interest received from related parties		
Riskowitz Value Fund LP	6,494	-
Sales to related parties		
Next Investments (Pty) Ltd^	2,715	1,367
Northern Namibia Development Company (Pty) Ltd^	2,527	2,001
Portsmut Hunting Safaris (Pty) Ltd^	313	467
Morse Investments (Pty) Ltd^	130	5
Management fees paid to related parties		
Next Investments (Pty) Ltd^	-	(14,407)
Guarantee fee paid to related parties		
Next Investments (Pty) Ltd^	-	(21,694)

^ - Common director: Q van Rooyen.

Refer to note 5 for balances due by/to related parties.

CORPORATE INFORMATION

Trustco Group Holdings Ltd
(Incorporated in the Republic of Namibia and registered as an external company in South Africa)
Company registration number: 2003/058
External company registration:
Number 2009/002634/10
NSX Share code: TUC
JSE Share code: TTO
ISIN Number:
NA000A0R7067

Executive directors
F J Abrahams
Dr Q Van Rooyen

Non-executive directors
W Geyser
R Taljaard
Adv R Heathcote
Prof LJ Weldon (South African)
KN van Niekerk (South African)

Company secretary
Ms A Bruyns

Auditors: Namibia
BDO (Namibia)
Registered Accountants and Auditors
Chartered Accountants (Namibia)
61 Bismarck Street
Windhoek Namibia

Auditors: South Africa
Moore Stephens
50 Oxford Road
Parktown
Johannesburg 2193
South Africa

Bankers: Namibia
Bank Windhoek Ltd
First National Bank of Namibia Ltd
Standard Bank Namibia Ltd

JSE Sponsor
Sasfin Capital, a division of Sasfin Bank Ltd
(Registration Number 1951/002280/06)
29 Scott Street, Waverly, 2090
PO Box 9510, Grant Park, 2051

NSX Sponsor
Simonis Storm Securities Proprietary Ltd
(Registration number 96/421)
4 Koch Street, Klein Windhoek, Namibia
PO Box 3970 Windhoek, Namibia

Registered office: Namibia
Trustco House
2 Keller Street
P.O Box 11363
Windhoek
www.tgh.na

Registered office: South Africa
Tuscany Office Park
First Floor, Block 9
6 Coombe Place
Rivonia 2128
www.yambu.co.za

Bankers: South Africa
ABSA
First National Bank South Africa Ltd
Standard Bank South Africa Ltd

Transfer Secretaries Namibia
Transfer Secretaries (Pty) Ltd
(Reg no: 93/713)
4 Robert Mugabe Avenue, Burg Street, Windhoek, Namibia
PO Box 2401 Windhoek, Namibia

Transfer Secretaries South Africa
Computershare Investor Services (Pty) Ltd
(Reg no: 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue, Rosebank 2196
PO Box 61051, Marshalltown, 2107

Principal business
Trustco is a diversified dual listed financial services group that invests and operates in sustainable high growth assets in emerging markets. Trustco operates from three business segments being;
- Insurance and its investments (properties, air services and strategic media)
- Resources and
- Banking and finance.