



TRUSTCO^{3.0}
investing excellence

INTERIM RESULTS

TRUSTCO GROUP HOLDINGS LIMITED
UNAUDITED CONDENSED CONSOLIDATED
INTERIM RESULTS FOR THE SIX MONTHS ENDED
28 FEBRUARY 2022

INTERIM RESULTS

BUSINESS REVIEW AND OUTLOOK

Trustco Group was founded on 21 August 1992, and this year sees its 30th birthday fast approaching. From humble beginnings, the group has managed a compounded annual growth rate (CAGR) of 84% in capital and reserves from its inception, and 34.1% since its first public listing on the NSX in 2006.

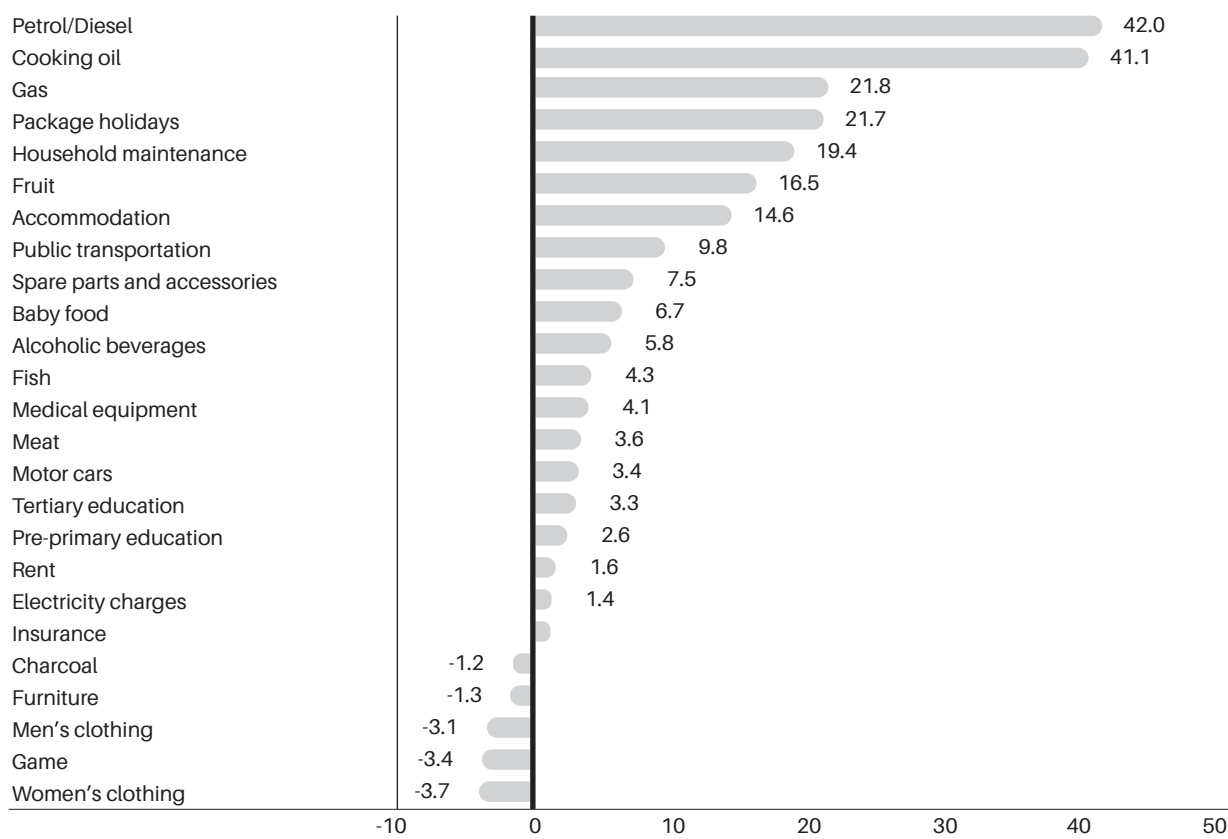
By the end of February 2022, shareholder assets under management (or Net Asset Value) had built up to NAD (Namibia Dollar) 6.5 billion, with gross assets amounting to NAD 8.5 billion. Total liabilities stood at NAD 2.0 billion or 24% of total assets. The gearing is therefore 0.31.

This exceptional growth is unfortunately not mirrored in Trustco's share price, which has since its listing in 2006, only managed a compound annual growth rate of 3.89% up to February 2022. Had the share price mirrored the growth in capital and reserves, it would have reached NAD 68.30 per

share by the end of the reporting period. This is an issue that needs to be addressed by the board as soon as possible. From Trustco's headquarters in Windhoek, Namibia, this investment entity manages investments in a financial services portfolio, which covers investments in banking and financing, insurance, education and real estate, as well as its resources portfolio, with its high-profile international investment being the Meya mine in Sierra Leone. Both portfolios make use of support services provided by the group's shared services subsidiaries.

Substantial growth in the Namibian economy is still lacking, although high profile prospects like a significant oil reserve discovery and green hydrogen projects, hint at growth prospects returning. At the time of reporting, however, the negative situation in Europe had escalated, with many knock-on effects to the local economy. As a result, inflation has increased with monetary policy contractions already experienced and expected to become worse.

ANNUAL PRICE INCREASES PER SELECTED CATEGORY (%) - MAY 2022



SOURCE: NSA/SS

INTERIM RESULTS

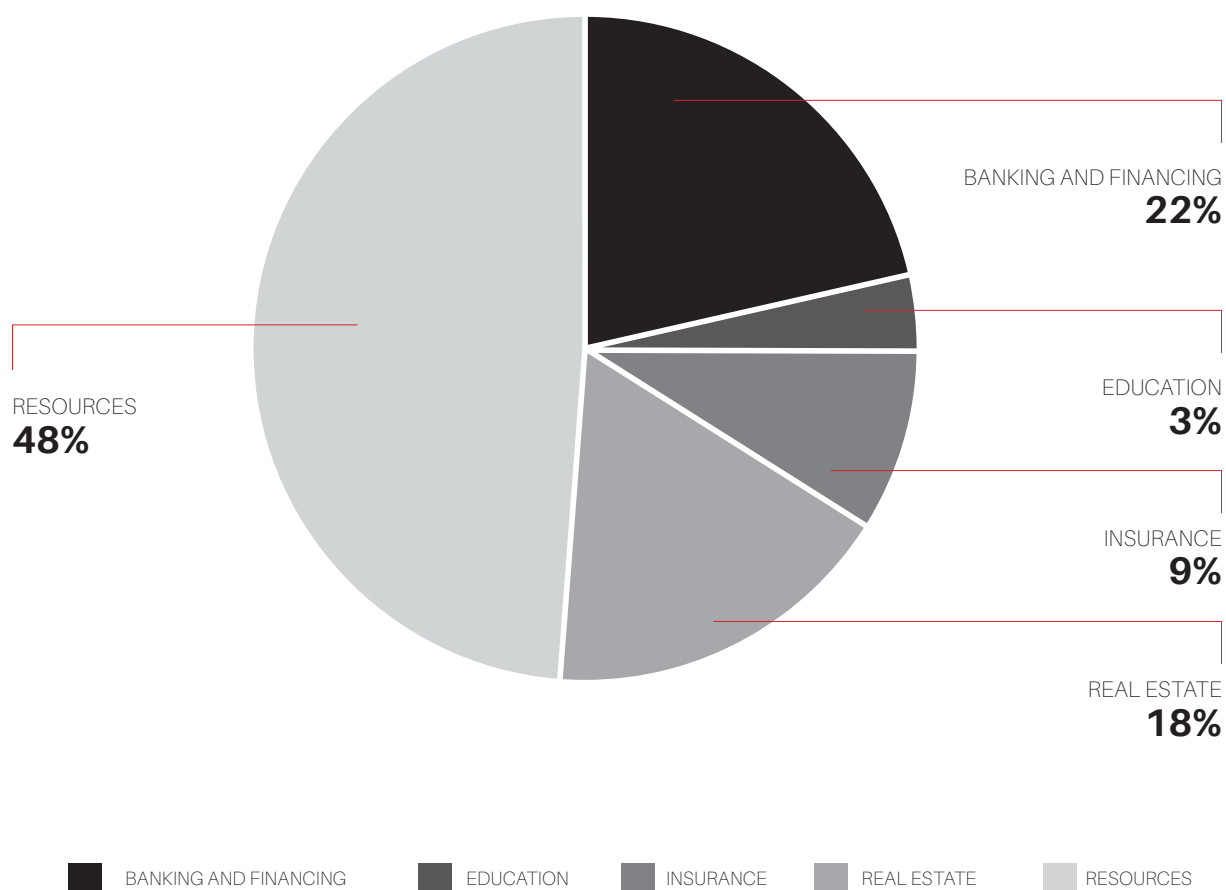
With effect from 1 September 2021, Trustco Group, in consultation with its professional advisors, concluded that it had to comply with the exception to IFRS 10 (International Financial Reporting Standards), whereby investment entities are exempted from consolidation.

Trustco commenced with this transition in 2017 already, when it first sold a minority stake in part of its financial services portfolio. As a result, the group transitioned from only managing fully-owned and operated businesses, to evaluating each business portfolio for its investment returns to shareholders instead. During the COVID-19 pandemic, this process accelerated, as each portfolio was assessed in terms of its returns, as well as when the group should exit each investment to maximise shareholder value.

This has resulted in Trustco Group as an entity having to value its portfolio of investments in terms of IFRS 13. Valuations were done via the income approach, with differing discount rates relative to the portfolio companies' activities, all applied from a market participants' perspective. However, Trustco continues to consolidate its shared services subsidiaries. These entities provide investment related services to Trustco's investment portfolios.

Trustco Group reported a profit for the six months ended 28 February 2022 of NAD 579 million, basic earnings of 36.63c per share, headline earnings of 1.70c per share and Net Asset Value (NAV) of NAD 4.13 per share.

TOTAL INVESTMENT



INTERIM RESULTS

RESOURCES (MINING) PORTFOLIO

The resources portfolio is valued using the income approach and discounted by its weighted average cost of capital, which saw a marked increase during the period under review. Lending rates, market risk as well as equity risk premiums saw increases during the six-month period, but these increases were offset by a devaluation of the US/NAD dollar exchange rate. As such, while its equity value decreased by USD 1.7 million in US Dollar terms to USD 398.5 million, its value increased by NAD 204 million in Namibia Dollar terms during the reporting period. Trustco Resources holds a 65% shareholding in the Meya mine, which was acquired in 2016. Trustco also provided a loan facility to Meya of circa USD 43 million.

The other resources investee in the north west of Namibia is still under care and maintenance.

FINANCIAL SERVICES PORTFOLIO

The financial services portfolio companies are also valued using the income approach, with financial services entities discounted by cost of equity, while other investments in the portfolio, such as education and property developments are discounted at a weighted average cost of capital, all of which saw an increase during the period under review due to volatility in market conditions.

In the banking and financing, insurance and education investees of financial services however, this increase was counteracted by higher interest rate margins on its underlying cash flow forecasts, as interest rate expectations soared.

EDUCATION INVESTEE

The education investee operates the largest private distance learning institution in Namibia with more than 61 000 students since establishment. Since its acquisition in 2005 for an amount of NAD 11 million, alongside the student lending investee, it has employed technology to radically improve its performance. The investee has over the years transformed and strategically repositioned itself to the largest fully-fledged online institution of higher learning in Namibia.

The capital invested in systems development has allowed it to adapt to the evolving educational environment and currently the education investee has a fair value of NAD 283 million.

BANKING AND FINANCING INVESTEE

The banking and financing investee consists of its classical banking business investee, as well as the lending investee that *inter alia* provides financing on educational courses offered by the education investee. The lending investee has the aim of better meeting the needs of Namibian consumers and at the end of the reporting period had a fair value of NAD 1.6 billion.

The classical banking business investee was acquired in 2014 for NAD 7 million and remains one of only two Namibian owned banks in the country. It was recently promoted from its incubator stage to receive additional funding and expand its service offerings. This investee uses digital technology to broaden its service offerings enabling a cost-effective route to market whilst growing the investee, which had a fair value of NAD 13 million at the end of the reporting period, less than 1% of the group's total investment portfolio.

Recently the group approached its primary banking regulator to inject capital of up to NAD 1.1 billion into the commercial bank. At the time of this report, the matter was under deliberation by the Bank, the Bank of Namibia and Trustco Group.

INSURANCE INVESTEE

The insurance investee holds both long- and short-term insurance licences. The short-term insurer primarily provides its members with access to high quality legal cover for those who otherwise would not be able to afford legal services thereby protecting their constitutional rights. The long-term insurer provides life products, as well as policy benefits that not only encourage a savings culture and promote the financial health of members, but also provides the average person access to private health facilities. Developing innovative products remain its primary trademark.

True to this innovative approach, the long-term insurer developed an investment program offering investors various investment options with above market related returns, while also providing the investor with flexible terms for the payment of returns. The insurance investee, with an insured member base in excess of 200 000 and a total acquisition cost of NAD 87 million since its inception in 2001, ended the reporting period with a fair value of NAD 665 million. Trustco retains an 80% shareholding in the insurance investee.

REAL ESTATE INVESTEE

The real estate investee has proven its resilience and adaptability, maintaining its status as one of the largest private property development companies in Namibia. The company's flagship project, the Eisenheim Lifestyle Estate, is regarded as one of the most unique and successful privately developed lifestyle estates in Namibia.

The real estate investee, however was impacted by increased inflation on the cost side of its valuation cash flow forecasts, which resulted in decreased margins, as sales prices have not yet adjusted for these effects. The fair value of the investee at the end of the reporting period was NAD 1.3 billion, recognising that Trustco holds an 80% shareholding in the investee. Even though the Namibian economy remains constrained because of the pandemic, the serviced-land market has shown resilience and seems to be stabilising to pre-COVID-19 levels. With a lack of supply of housing countrywide, the real estate market is expected to show growth in the near term.

INTERIM RESULTS

SUBSEQUENT EVENTS

As of the reporting date, the previous management agreement between Trustco Group and Next Capital lapsed. The group is currently preparing a circular for a new management agreement with Next Capital for formal approval by minority shareholders. A summary of the new management agreement terms are disclosed in note 23 of the 2021 Integrated Report. At the time of this report the required minority shareholders have, by irrevocable undertaking, indicated that they will vote in favour of the new management agreement.

During the AGM conducted on 17 March 2022, the motion to approve the general authority to repurchase shares was passed. The view of the board is that the recent share price remains significantly below the group's intrinsic value as reported.



DR Q VAN ROOYEN
GROUP MANAGING DIRECTOR AND CEO

WINDHOEK
29 JUNE 2022

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

DIVIDENDS

The board of directors has decided to defer the declaration of any 2022 interim dividend.

FUTURE OUTLOOK

The board remains cautiously optimistic about the group's future growth prospects, as its resources portfolio transitions into escalating positive operating cash flow generation while providing an adequate exchange rate hedge and its financial services portfolio benefits from increased interest rate margins.



FJ ABRAHAMS
GROUP FINANCIAL DIRECTOR

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FIGURES IN NAMIBIA DOLLAR THOUSAND

		28 FEBRUARY 2022 UNAUDITED	31 AUGUST* 2021 AUDITED
	NOTES		
ASSETS			
CASH AND CASH EQUIVALENTS		38 347	23 460
ADVANCES	1	-	489 470
TRADE AND OTHER RECEIVABLES		137 301	162 889
AMOUNT DUE BY INVESTEE ENTITY	2	623 806	-
CURRENT TAX ASSETS		1 113	2 473
INVENTORIES		99	237 103
PROPERTY PLANT AND EQUIPMENT	3	21 756	314 783
INVESTMENT PROPERTY	4	-	2 246 470
INTANGIBLE ASSETS		35 190	362 326
EVALUATION AND EXPLORATION ASSETS		-	415 567
MINING PROPERTIES		-	670 924
INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS	5	7 634 825	-
DEFERRED TAX ASSETS		22 877	66 490
TOTAL ASSETS		8 515 314	4 991 955
EQUITY AND LIABILITIES			
LIABILITIES			
BANK OVERDRAFT		-	7 595
BORROWINGS	6	595 219	1 657 910
TRADE AND OTHER PAYABLES		212 735	672 354
CURRENT TAX LIABILITIES		-	26 168
INSURANCE CONTRACT LIABILITIES		-	50 618
AMOUNTS DUE TO INVESTEE ENTITIES	7	1 074 818	-
AMOUNTS DUE TO RELATED PARTIES	8	140 102	163 262
LEASE LIABILITIES		5 593	57 608
DEFERRED TAX LIABILITIES		9 493	29 287
TOTAL LIABILITIES		2 037 960	2 664 802
CAPITAL AND RESERVES			
SHARE CAPITAL	9	371 691	371 691
SHARE PREMIUM		3 094 401	3 094 401
TREASURY SHARES	10	(20 600)	(231 343)
OTHER RESERVES		14 976	(3 104 698)
RETAINED EARNINGS		3 016 886	1 897 058
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT		6 477 354	2 027 109
NON-CONTROLLING INTERESTS		-	300 044
TOTAL CAPITAL AND RESERVES		6 477 354	2 327 153
TOTAL EQUITY AND LIABILITIES		8 515 314	4 991 955

*In the previous reporting period the group's financial year end was changed from 30 September to 31 August.

CONDENSED CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FIGURES IN NAMIBIA DOLLAR THOUSAND

		6 MONTHS ENDED 28 FEBRUARY 2022	6 MONTHS ENDED 28 FEBRUARY 2021	12 MONTHS ENDED 28 FEBRUARY 2021
	NOTES	UNAUDITED	UNAUDITED	UNAUDITED
REVENUE	11	51 601	213 363	449 704
COST OF SALES		(1 221)	(38 500)	(46 570)
GROSS PROFIT		50 380	174 863	403 134
INVESTMENT INCOME AND OTHER INCOME / (EXPENSE)		103 527	144 661	(73 676)
GAIN UPON DEEMED DISPOSAL AND REACQUISITION OF SUBSIDIARIES	12	551 286	-	-
OPERATING EXPENSES		(79 676)	(509 351)	(883 949)
INSURANCE BENEFITS AND CLAIMS		-	(14 156)	(27 324)
FINANCE COSTS		(46 892)	(87 399)	(231 697)
PROFIT/(LOSS) BEFORE TAXATION	13	578 625	(291 382)	(813 512)
INCOME TAX EXPENSE		-	(155)	(16 315)
PROFIT/(LOSS) FOR THE PERIOD		578 625	(291 537)	(829 827)
OTHER COMPREHENSIVE INCOME :				
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS:				
EXCHANGE DIFFERENCES ON TRANSLATING FOREIGN OPERATIONS NET OF TAXATION		-	172 612	60 015
FOREIGN CURRENCY EXCHANGE RESERVE RECLASSIFIED TO PROFIT OR LOSS		(38 099)	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		540 526	(118 925)	(769 812)
PROFIT/(LOSS) ATTRIBUTABLE TO:				
OWNERS OF THE PARENT		578 625	(265 392)	(743 958)
NON-CONTROLLING INTEREST		-	(26 145)	(85 869)
		578 625	(291 537)	(829 827)
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:				
OWNERS OF THE PARENT		540 526	(134 014)	(727 940)
NON-CONTROLLING INTEREST		-	15 089	(41 872)
		540 526	(118 925)	(769 812)
EARNINGS/(LOSS) PER SHARE				
BASIC EARNINGS/(LOSS) PER SHARE (CENTS)	14	36.63	(16.89)	(47.36)
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS)	14	36.51	(16.84)	(47.21)

CONDENSED CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

FIGURES IN NAMIBIA DOLLAR THOUSAND	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	OTHER RESERVES	RETAINED EARNINGS	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT	NON CONTROLLING INTEREST	TOTAL EQUITY
6 MONTHS ENDED 28 FEBRUARY 2022 UNAUDITED								
BALANCE AT 1 SEPTEMBER 2021	371 691	3 094 401	(231 343)	(3 104 698)	1 897 058	2 027 109	300 044	2 327 153
PROFIT FOR THE PERIOD	-	-	-	-	578 625	578 625	-	578 625
FOREIGN CURRENCY EXCHANGE RESERVE RECLASSIFIED TO PROFIT OR LOSS	-	-	-	(38 099)	-	(38 099)	-	(38 099)
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE PERIOD	-	-	-	(38 099)	578 625	540 526	-	540 526
CHANGE IN STATUS TO AN INVESTMENT ENTITY*	-	-	192 143	3 157 773	541 203	3 891 119	(300 044)	3 591 075
TRANSFER OF STAFF SCHEME BONUS SHARES	-	-	18 600	-	-	18 600	-	18 600
BALANCE AT 28 FEBRUARY 2022	371 691	3 094 401	(20 600)	14 976	3 016 886	6 477 354	-	6 477 354
12 MONTHS ENDED 28 FEBRUARY 2021 UNAUDITED								
BALANCE AT 1 MARCH 2020	368 710	3 062 382	(197 959)	(3 159 316)	3 688 527	3 762 344	474 287	4 236 631
LOSS FOR THE PERIOD	-	-	-	-	(743 958)	(743 958)	(85 869)	(829 827)
OTHER COMPREHENSIVE INCOME	-	-	-	16 018	-	16 018	43 997	60 015
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	-	-	-	16 018	(743 958)	(727 940)	(41 872)	(769 812)
ISSUE OF STAFF SCHEME BONUS SHARES	2 981	32 019	(30 721)	-	-	4 279	-	4 279
TRANSFER BETWEEN RESERVES	-	-	-	(532)	532	-	-	-
TRANSACTION WITH NON-CONTROLLING INTEREST	-	-	-	-	67 348	67 348	14 040	81 388
BALANCE AT 28 FEBRUARY 2021	371 691	3 094 401	(228 680)	(3 143 830)	3 012 449	3 106 031	446 455	3 552 486

*Refer to note 10 for detail of the movement in treasury shares.

CONDENSED CONSOLIDATED STATEMENT OF **CASH FLOWS**

FIGURES IN NAMIBIA DOLLAR THOUSAND

	6 MONTHS ENDED 28 FEBRUARY 2022 UNAUDITED	12 MONTHS ENDED 28 FEBRUARY 2021 UNAUDITED
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH USED IN OPERATIONS	(39 012)	(14 184)
INTEREST RECEIVED	147	532
FINANCE COSTS	(89)	(3 567)
GROSS ADVANCES DISBURSED*	-	(55 907)
GROSS RECEIPTS FROM REPAYMENT OF ADVANCES*	-	23 588
PROCEEDS FROM FUNDING LIABILITIES FOR ADVANCES*	-	118 960
NET CASH (UTILISED IN)/GENERATED FROM OPERATING ACTIVITIES	(38 954)	69 422
CASH FLOWS FROM INVESTING ACTIVITIES		
ADDITIONS TO PROPERTY PLANT AND EQUIPMENT	(960)	(3 443)
PROCEEDS FROM DISPOSAL OF PROPERTY PLANT AND EQUIPMENT	2 181	3 573
ADDITIONS TO INTANGIBLE ASSETS	-	(11 516)
PROCEEDS FROM DISPOSAL OF INTANGIBLE ASSETS	619	-
CASH AND CASH EQUIVALENTS DECONSOLIDATED UPON CHANGE IN STATUS TO THAT OF AN INVESTMENT ENTITY	(14 052)	-
ADDITIONS TO MINING ASSETS*	-	(66 863)
NET CASH UTILISED IN INVESTING ACTIVITIES	(12 212)	(78 249)
CASH FLOWS FROM FINANCING ACTIVITIES		
REPAYMENT OF BORROWINGS	(712)	(3 057)
REPAYMENT OF LEASE LIABILITIES	(5 281)	(10 251)
PROCEEDS FROM RELATED PARTIES BALANCES	111 342	-
REPAYMENT OF RELATED PARTY BALANCES	(31 701)	(15 420)
TRANSACTION WITH NON-CONTROLLING INTEREST	-	81 388
NET CASH FROM FINANCING ACTIVITIES	73 648	52 660
NET CHANGE IN CASH AND CASH EQUIVALENTS	22 482	43 833
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	15 865	27 917
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	38 347	71 750

*Significant cash flow movements from the previous period caused by the deconsolidation of subsidiaries.

CONDENSED PORTFOLIO ANALYSIS

Sum of the parts analysis (SOTP) is used by the group to measure the group's performance pursuant to its objective of shareholders' value creation through capital appreciation. In determining SOTP value, the group's unlisted assets and liabilities are valued internally using appropriate valuation methods. The SOTP will not necessarily correspond with the values per the consolidated statement of financial position of the previous financial period, since they were measured using the accounting standards that included the historical cost convention. However, following the group's change in status to that of an Investment Entity, consolidated earnings are no longer presented to or evaluated by the chief operating decision-maker (Executive Investment Committee "IC") and therefore are no longer presented as part of the group's portfolio report.

In the prior reporting period, the group was classified into three reportable portfolios namely: insurance and its investments, banking and finance and resources. In the current financial period the group merged the insurance and its investments and banking portfolios to form the financial services portfolio. As a result, the group now has two reportable portfolios (Financial Services and Resources). The financial services portfolio earns income from insurance premiums, property sales, rental income, investment property activities, banking and finance activities, interest, fees and commissions from customers as well as tuition income. The financial services portfolio primarily conducts its operations in Namibia. The resources portfolio primarily conducts mining operations in Namibia and Sierra Leone. The executive investment committee evaluated the following information to assess the performance of its investee companies:

FIGURES IN NAMIBIA DOLLAR THOUSAND

	CARRYING AMOUNT	NET GAIN/(LOSS) ON DISPOSAL AND REACQUISITION	FAIR VALUE	FAIR VALUE GAIN /(LOSS)	FAIR VALUE
	31 AUGUST 2021	1 SEPTEMBER 2021	1 SEPTEMBER 2021	28 FEBRUARY 2022	28 FEBRUARY 2022
BANKING AND FINANCING	1 462 764	200 427	1 663 191	(17 032)	1 646 159
EDUCATION	208 500	89 459	297 959	(14 864)	283 095
INSURANCE	288 138	327 814	615 952	49 545	665 497
REAL ESTATE	2 094 891	(610 581)	1 484 310	(145 455)	1 338 855
MINING	2 964 997	506 068	3 471 065	230 154	3 701 219
VALUE OF PORTFOLIOS	7 019 290	513 187	7 532 477	102 348	7 634 825

VALUATION PER GEOGRAPHICAL REGION

NAMIBIA	4 054 293	138 939	4 193 232	(127 806)	4 065 426
SIERRA LEONE	2 964 997	374 248	3 339 245	230 154	3 569 399
	7 019 290	513 187	7 532 477	102 348	7 634 825

NOTES TO THE CONDENSED INTERIM RESULTS

FIGURES IN NAMIBIA DOLLAR THOUSAND

	6 MONTHS ENDED 28 FEBRUARY 2022 UNAUDITED	11 MONTHS ENDED 31 AUGUST 2021 AUDITED
1 ADVANCES		
PROPERTY ADVANCES	-	34 916
STUDENT ADVANCES	-	430 720
OTHER ADVANCES	-	23 834
	-	489 470

RECONCILIATION OF ADVANCES

ADVANCES AT THE BEGINNING OF THE PERIOD	489 470	921 859
ADVANCES DECONSOLIDATED UPON CHANGE IN STATUS TO THAT OF AN INVESTMENT ENTITY	(489 470)	-
LOANS ADVANCED	-	117 618
PAYMENTS RECEIVED	-	(32 947)
PROPERTY ADVANCES ACQUIRED IN LIEU OF SETTLEMENT OF DEBT	-	(464 214)
INCREASE IN LOSS ALLOWANCE	-	(71 017)
IMPAIRED ADVANCES WRITTEN OFF	-	(615)
INTEREST CAPITALISED	-	18 786
	-	489 470

RECONCILIATION OF LOSS ALLOWANCE

OPENING BALANCE	235 357	853 018
LOSS ALLOWANCE DECONSOLIDATED UPON CHANGE IN STATUS TO THAT OF AN INVESTMENT ENTITY	(235 357)	-
SUBSEQUENT CHANGES IN LOSS ALLOWANCE	-	24 438
LOSS ALLOWANCE ON NEW EXPOSURE RAISED	-	27 793
SUBSEQUENT CHANGES IN LOSS ALLOWANCE ON PROPERTY ADVANCES SETTLED IN LIEU OF DEBT	-	18 786
DERECOGNITION OF LOSS ALLOWANCE ON DEBT SETTLED	-	(688 678)
	-	235 357

2 AMOUNT DUE BY INVESTEE ENTITY

TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	623 806	-
---	---------	---

The amount due by the investee bears interest at LIBOR plus 3.5% and is repayable in the next 36 months. The maximum exposure to credit risk at the reporting date is the fair value of the amount due. The group does not hold any direct collateral as security.

Amounts due by investee entity is a financial asset held at amortised cost, and is accounted as per group's policy on financial instruments. Refer to accounting policy 1.10 (b) of the 2021 Integrated Annual Report for further information.

The carrying amount approximates the fair value owing to variable rate that reprice as interest rates changes.

3 PROPERTY PLANT AND EQUIPMENT

PROPERTY ACQUIRED	927	8 006
DISPOSALS	(2 325)	(18 591)
DECONSOLIDATED UPON CHANGE IN STATUS TO THAT OF AN INVESTMENT ENTITY	(287 749)	-
CAPITAL COMMITMENTS	14 086	1 275 000

NOTES TO THE CONDENSED INTERIM RESULTS

FIGURES IN NAMIBIA DOLLAR THOUSAND

6 MONTHS ENDED 28 FEBRUARY 2022 UNAUDITED	11 MONTHS ENDED 31 AUGUST 2021 AUDITED
--	---

4 INVESTMENT PROPERTY

ADDITIONS	-	6 000
ADDITIONS THROUGH DERECOGNITION OF PROPERTY LOANS	-	398 541
FAIR VALUE ADJUSTMENTS	-	(281 818)
DECONSOLIDATED UPON CHANGE IN STATUS TO THAT OF AN INVESTMENT ENTITY	(2 246 470)	-

5 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

International Financial Reporting Standards (IFRS) require that an entity reassess whether it is an Investment Entity if facts or circumstances indicate changes to one or more of the elements making up the definition of an Investment Entity or the typical characteristics of an Investment Entity.

An Investment Entity is typically an entity that:

- i) obtains funds from one or more investors for the purpose of providing such investor(s) with investment management services;
- ii) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- iii) measures and evaluates the performance of substantially all of its investments on a fair value basis.

Whilst Trustco's focus on value creation for its shareholders has not changed, following a strategic review of the investments held across the group, the directors determined that the most appropriate manner to deliver value to shareholders would be a refocus of group management's view towards optimising returns through capital appreciation and

investment income from investments held and to be held accountable on that basis by shareholders. Refer to the Condensed Portfolio Analysis for further detail of the valuation of Trustco's investees.

Where an entity's status change to that of an Investment Entity, it does not consolidate its subsidiaries, but rather measures investee subsidiaries at fair value through profit or loss. Such change in accounting is applied prospectively, with no adjustment to prior year comparatives. However, an Investment Entity continues to consolidate subsidiaries that provide services related to the Investment Entity's investment activities (i.e. those wholly-owned subsidiaries comprising Trustco's head office operations).

Pursuant to this change in Investment Entity status, Trustco's financial statements prepared in accordance with IFRS are not comparable to prior periods.

Trustco values its unlisted portfolio companies using the Income method (Discounted Cash Flow). The portfolio companies of the group are detailed below:

PORTFOLIO COMPANY	INDUSTRY CLASSIFICATION	LISTING	HOLDING
TRUSTCO MOBILE MAURITIUS [^]	SOFTWARE (SYSTEM & APPLICATION)	UNLISTED	100.0%
TRUSTCO GROUP INTERNATIONAL (PTY) LTD [*]	REAL ESTATE (OPERATIONS & SERVICES)	UNLISTED	100.0%
TBN HOLDINGS LTD	FINANCIAL SERVICES. (NON-BANKING & INSURANCE)	UNLISTED	100.0%
TRUSTCO BANK NAMIBIA LTD	BANK (MONEY CENTRE)	UNLISTED	100.0%
LEGAL SHIELD HOLDINGS LTD	PROPERTY HOLDING AND INSURANCE	UNLISTED	80.0%
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	PRECIOUS METALS	UNLISTED	100.0%

All the portfolio companies are subsidiaries of Trustco Group Holdings Ltd.

[^]Incorporated in the Republic of Mauritius

^{*}Incorporated in the Republic of South Africa

EQUITY INVESTMENTS	1 551 984	-
DEBT INVESTMENTS	6 082 841	-
	7 634 825	-

Debt investments between Trustco Group and portfolio investees are at arm's length basis and therefore the carrying amount is equivalent to their fair value.

NOTES TO THE CONDENSED INTERIM RESULTS

FAIR VALUE HIERARCHY

The portfolio companies are classified in level 3 of fair value hierarchy.

The following table presents changes in level 3 assets during the period under review:

FIGURES IN NAMIBIA DOLLAR THOUSAND

	6 MONTHS ENDED 28 FEBRUARY 2022 UNAUDITED	11 MONTHS ENDED 31 AUGUST 2021 AUDITED
OPENING BALANCE	-	-
MOVEMENT AS A RESULT OF CHANGE IN STATUS TO THAT OF AN INVESTMENT ENTITY	7 532 477	-
FAIR VALUE GAINS	102 348	-
	7 634 825	-

KEY VARIABLES

The key variables which affect the value of investments are projected cash flows at the following:

	1 SEPTEMBER 2021			28 FEBRUARY 2022		
	DISCOUNT RATE	INFLATION	GROWTH	DISCOUNT RATE	INFLATION	GROWTH
BANKING AND FINANCING	19.38%	4.50%	2.50%	20.43%	4.50%	2.50%
EDUCATION	16.83%	4.50%	2.50%	17.15%	4.50%	2.50%
INSURANCE	19.13%	4.50%	2.50%	18.38%	4.50%	2.50%
REAL ESTATE	11.85%	4.50%	2.50%	11.87%	4.50%	2.50%
MINING	17.95%	1.70%	4.80%	18.13%	2.10%	4.20%

SENSITIVITY ANALYSIS

The valuations of investments are sensitive to changes in the unobservable inputs. A 0.5% change to one of the unobservable inputs, while holding the other inputs constant, would result in the following change in the fair value of the investments and fair value adjustment in profit or loss.

	DISCOUNT RATE		INFLATION		GROWTH		EXCHANGE RATE	
	+0.5%	-0.5%	+0.5%	-0.5%	+0.5%	-0.5%	+0.5%	-0.5%
BANKING AND FINANCING	(23 033)	24 941	7 876	(7 331)	9 604	(8 885)	1 001	(1 231)
EDUCATION	(6 969)	7 475	(3 026)	2 898	2 323	(2 125)	850	(785)
INSURANCE	(20 078)	22 269	15 314	(13 601)	10 363	(9 288)	664	(552)
REAL ESTATE	(107 311)	116 554	112 990	(104 853)	5 498	(4 901)	-	-
MINING	(163 359)	175 781	195 759	(181 919)	62 402	(58 092)	17 311	(17 311)
VALUE OF PORTFOLIOS	(320 750)	347 020	328 913	(304 806)	90 190	(83 291)	19 826	(19 879)

Refer to notes 2 and 7 for balances with unconsolidated subsidiaries. No financial or other support was provided without a contractual obligation to do so during the reporting period.

As at 28 February 2022, there were no significant restrictions on the ability of the unconsolidated subsidiaries to transfer funds to Trustco in the form of dividends and repayments of advances by unconsolidated subsidiaries.

NOTES TO THE CONDENSED INTERIM RESULTS

FIGURES IN NAMIBIA DOLLAR THOUSAND

	6 MONTHS ENDED 28 FEBRUARY 2022 UNAUDITED	11 MONTHS ENDED 31 AUGUST 2021 AUDITED
6 BORROWINGS		
TERM LOANS	586 223	1 653 936
CORPORATE BONDS	8 996	-
MORTGAGE LOANS	-	3 974
	595 219	1 657 910

There were no covenants breached at the reporting date.

Refer to note 13 of the 2021 Integrated Annual Report for further information on borrowings.

7 AMOUNTS DUE TO INVESTEE ENTITIES

LEGAL SHIELD HOLDINGS LTD	473 976	-
TBN HOLDINGS LTD	576 427	-
MORSE INVESTMENTS MAURITIUS	10 627	-
TRUSTCO MOBILE MAURITIUS	13 788	-
	1 047 818	-

Amounts due to investee entities are financial liabilities held at amortised cost and is accounted as per group's policy on financial instruments. Refer to accounting policy 1.10 (k) of the 2021 Integrated Annual Report for further information.

The amounts due to the investee entities are unsecured, bear an average interest of 12.08% and are not payable within the next 12 months.

7.1 LIQUIDITY ANALYSIS

AMOUNTS DUE TO INVESTEE ENTITIES

DUE IN LESS THAN 1 YEAR	-	-
DUE IN 1 - 2 YEARS	24 415	-
DUE IN 2 - 5 YEARS	-	-
AFTER 5 YEARS	1 023 403	-
	1 047 818	-

7.2 INTEREST RATE RISK

AMOUNT DUE BY INVESTEE ENTITY (NOTE 2)	623 806	-
AMOUNTS DUE TO INVESTEE ENTITIES	(1 047 818)	-
	(424 012)	-

SENSITIVITY ANALYSIS

The sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date.

No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

At 28 February 2022, if the interest rate had been 1% per annum (2021: 1%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been NAD 4 240 120 (2021: NAD -) lower and NAD 4 240 120 (2021: NAD -) higher.

NOTES TO THE CONDENSED INTERIM RESULTS

FIGURES IN NAMIBIA DOLLAR THOUSAND

	6 MONTHS ENDED 28 FEBRUARY 2022 UNAUDITED	11 MONTHS ENDED 31 AUGUST 2021 AUDITED
8 AMOUNTS DUE TO RELATED PARTIES		
NEXT CAPITAL LTD	127 383	88 107
TRUSTCO STAFF SHARE INCENTIVE SCHEME TRUST	12 719	-
GERMINATE SL LTD	-	75 155
	140 102	163 262

The amount due to Next Capital Ltd bears interest at 12.08% per annum and is not repayable in the next 12 months. No management fees were accrued in terms of the new management agreement as announced, as approval formalities for the agreement has not yet been finalised.

The amount due to Germinate SL Ltd bears interest at LIBOR plus 4% is repayable on demand and is unsecured.

9 SHARE CAPITAL

There have been no changes to the authorised or issued share capital during the period under review.

10 TREASURY SHARES

NUMBER OF SHARES HELD ('000)	3 260	46 520
COST OF THE SHARES	20 600	231 343

The movement in treasury shares was due to deconsolidation of portfolio entities. The remaining treasury shares are held within the consolidated group.

NOTES TO THE CONDENSED INTERIM RESULTS

FIGURES IN NAMIBIA DOLLAR THOUSAND

	6 MONTHS ENDED 28 FEBRUARY 2022 UNAUDITED	6 MONTHS ENDED 28 FEBRUARY 2021 UNAUDITED	12 MONTHS ENDED 28 FEBRUARY 2021 UNAUDITED
11 REVENUE			
11.1 REVENUE STREAMS			
INSURANCE PREMIUM REVENUE	-	60 703	109 452
PROPERTY SALES	-	20 151	54 358
TUITION AND OTHER RELATED FEES	-	34 501	40 993
INTEREST EARNED ON ADVANCES	-	92 136	215 623
DIAMOND SALES	-	-	15 239
INVESTMENT RELATED SERVICES	35 593	-	-
SURETY FEES	11 282	-	-
OTHER REVENUE	4 726	5 872	14 039
	51 601	213 363	449 704
11.2 TIMING OF REVENUE RECOGNITION			
AT A POINT IN TIME	51 601	191 759	415 083
OVER TIME	-	21 604	34 621
	51 601	213 363	449 704
11.3 DISAGGREGATION OF REVENUE BY GEOGRAPHICAL REGIONS			
NAMIBIA	51 601	213 363	434 465
SIERRA LEONE	-	-	15 239
	51 601	213 363	449 704
12 GAIN UPON DEEMED DISPOSAL AND REACQUISITION OF SUBSIDIARIES			
GAIN UPON DEEMED DISPOSAL	513 187	-	-
FOREIGN CURRENCY RESERVE RECLASSIFIED TO PROFIT OR LOSS	38 099	-	-
	551 286	-	-
13 PROFIT/(LOSS) BEFORE TAXATION			
THIS IS ARRIVED AT AFTER TAKING THE FOLLOWING INTO ACCOUNT:			
LOSS ON FOREIGN EXCHANGE DIFFERENCES	12 246	173 407	95 871
SALARIES AND DIRECTORS' REMUNERATION	20 935	64 682	137 663
AMORTISATION AND DEPRECIATION	4 270	40 068	77 778
IMPAIRMENT LOSS ON ADVANCES	-	62 273	267 886
(PROFIT) / LOSS ON DISPOSAL OF PROPERTY PLANT AND EQUIPMENT	(717)	1 737	1 401
AUDITORS' REMUNERATION - AUDIT FEES	4 040	8 150	13 427
FAIR VALUE GAIN OF INVESTEE ENTITIES	102 348	-	-

NOTES TO THE CONDENSED INTERIM RESULTS

<i>FIGURES IN NAMIBIA DOLLAR THOUSAND</i>	6 MONTHS ENDED 28 FEBRUARY 2022 UNAUDITED	6 MONTHS ENDED 28 FEBRUARY 2021 UNAUDITED	12 MONTHS ENDED 28 FEBRUARY 2021 UNAUDITED
14 BASIC EARNINGS AND HEADLINE EARNINGS			
PROFIT/(LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	578 625	(265 392)	(743 958)
ADJUSTMENTS:			
(PROFIT) / LOSS ON DISPOSAL OF PROPERTY PLANT AND EQUIPMENT	(717)	1 737	4 960
GAIN ON DISPOSAL OF INVESTMENTS (NOTE 12)	(551 286)	-	-
TAX EFFECT	202	(556)	(1 587)
HEADLINE EARNINGS/(LOSS)	26 824	(264 211)	(740 585)

SHARES

THE WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED FOR BASIC EARNINGS PER SHARE ('000)

1 579 796	1 570 849	1 570 849
-----------	-----------	-----------

ADJUSTED FOR:

CONTINGENTLY ISSUABLE SHARES AS A RESULT OF BUSINESS COMBINATIONS ('000)

4 922	4 922	4 922
-------	-------	-------

WEIGHTED NUMBER OF ORDINARY SHARES FOR THE PURPOSES OF DILUTED EARNINGS PER SHARE ('000)

1 584 718	1 575 771	1 575 771
------------------	------------------	------------------

EARNINGS / (LOSS) PER SHARE

BASIC EARNINGS / (LOSS) PER SHARE (CENTS)	36.63	(16.89)	(47.36)
DILUTED EARNINGS / (LOSS) PER SHARE (CENTS)	36.51	(16.84)	(47.21)
HEADLINE EARNINGS / (LOSS) PER SHARE (CENTS)	1.70	(16.82)	(47.15)
DILUTED HEADLINE EARNINGS / (LOSS) PER SHARE (CENTS)	1.69	(16.77)	(47.00)

15 TRANSACTIONS WITH RELATED PARTIES

NEXT CAPITAL LTD*

SURETY FEES ACCRUED TO RELATED PARTY	3 919	13 735	32 183
MANAGEMENT FEES ACCRUED TO RELATED PARTY	-	8 257	12 780
INTEREST ACCRUED TO RELATED PARTY	5 612	5 613	11 225

* Common director: Dr Q van Rooyen.

RISKOWITZ VALUE FUND LLP**

DISPOSAL OF EQUITY INTEREST TO RELATED PARTY	-	-	81 388
--	---	---	--------

On 30 March 2020 the group sold a non-controlling equity stake in Trustco Resources to Riskowitz Value Fund LLP. Refer to note 22.1 of the 2021 integrated annual financial statements for further information.

** In the previous financial period Riskowitz held a non-controlling interest in Trustco Resources.

Refer to note 8 for further information on amounts due to related parties.

NOTES TO THE CONDENSED INTERIM RESULTS

FIGURES IN NAMIBIA DOLLAR THOUSAND

	6 MONTHS ENDED 28 FEBRUARY 2022 UNAUDITED	6 MONTHS ENDED 28 FEBRUARY 2021 UNAUDITED	12 MONTHS ENDED 28 FEBRUARY 2021 UNAUDITED
16 TRANSACTIONS WITH INVESTEE ENTITIES			
LEGAL SHIELD HOLDINGS LTD			
SURETY FEES ACCRUED TO INVESTEE ENTITY	297	-	-
INVESTMENT RELATED SERVICES ACCRUED TO INVESTEE ENTITY	11 183	-	-
TBN HOLDINGS LTD			
SURETY FEES ACCRUED TO INVESTEE ENTITY	10 985	-	-
INVESTMENT RELATED SERVICES ACCRUED TO INVESTEE ENTITY	16 044	-	-
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD			
INVESTMENT RELATED SERVICES ACCRUED TO INVESTEE ENTITY	3 851	-	-
TRUSTCO BANK NAMIBIA LTD			
INVESTMENT RELATED SERVICES ACCRUED TO INVESTEE ENTITY	4 515	-	-

Transactions between the group and its investee entities occur at prevailing market prices.

Refer to notes 2 and 7 for balances due by/(due to) investee entities.

17 DIRECTORS

Ms Janene van den Heever was appointed as independent non-executive director on 1 November 2021.

18 COMPARATIVES

In the previous reporting period the group's financial year end was changed from 30 September to 31 August.

19 GOING CONCERN

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the unaudited condensed consolidated interim results have been prepared on a going concern basis. The directors are satisfied that the group is in a sound financial position to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also unaware of any material non-compliance with statutory or regulatory requirements or any pending changes to legislation that may affect the group.

20 EVENTS OCCURRING AFTER THE REPORTING PERIOD

As of the reporting date, the previous management agreement between Trustco Group and Next Capital lapsed. The group is currently preparing a circular for a new management agreement with Next Capital for formal approval by minority shareholders.

A summary of the new management agreement terms are disclosed in note 23 of the 2021 Integrated Report. At the time of this report the required minority shareholders have, by irrevocable undertaking, indication that they will vote in favour of the new management agreement.

During the AGM conducted on 17 March 2022, the motion to approve the general authority to repurchase shares was passed. The view of the board is that the recent share price remains significantly below the group's intrinsic value as reported.

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

21 BASIS OF PREPARATION OF HALF-YEAR REPORT

The unaudited condensed consolidated interim results have been prepared in accordance with the framework concepts and measurement and recognition criteria of IFRS and the results are presented in accordance with the requirements of IAS 34 Interim Financial Reporting, the interpretations adopted by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited and the Namibian Stock Exchange and in the manner as required by the Companies Act of Namibia and the Companies Act of South Africa, and are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates.

NOTES TO THE CONDENSED INTERIM RESULTS

The unaudited condensed consolidated interim results of the group are prepared as a going concern on the historical basis except for certain financial instruments, investments in subsidiaries held at fair value through profit or loss and investment properties which are stated at fair value as applicable and property, plant and equipment which is stated using the revaluation model.

The preparation of the unaudited condensed consolidated interim results has been supervised by the Group Financial Director, Mr Floors Abrahams, BCom (Acc).

These interim results are unaudited and have not been reviewed by the group's external auditors.

PRESENTATION CURRENCY

The unaudited condensed consolidated interim results are prepared in thousands of Namibia Dollars ("NAD'000"). The group's functional and presentation currency is Namibia Dollars. At 28 February 2022 NAD 1 was equal to ZAR 1 (South African Rand) and the USD (United States Dollar) was equal to ZAR 15.36.

ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the adoption of the amendment detailed in note 21.1 and new accounting policies detailed in 21.3. The current and prior interim financial statements would not be compatible due change to an investment entity.

The preparation of the unaudited condensed consolidated interim results 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 the 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.

21.1 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The following amended standards became applicable for the current reporting period.

Standards which did not have a material effect on the group's financial statements;

- IFRS 9 Financial Instruments - Interest Rate Benchmark Reform Phase 2

The group did not change its accounting policies or make retrospective adjustments as a result of adopting this amended standard.

21.2 IMPACT OF STANDARDS ISSUED BUT NOT YET APPLIED BY THE ENTITY

The group has chosen not to early adopt the following standards which has been published and is mandatory for the group's accounting periods beginning on or after 28 February 2022;

- ** IFRS 9 Financial Instruments - Annual Improvements to IFRS Standards 2018-2020 (effective for annual periods beginning on or after 1 January 2022)
- IAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023)
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023)
- IAS 16 Property, Plant and Equipment - Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

** This amendment clarifies that – for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The amendments are the same as what is disclosed for the IFRS annual improvements.

Management has assessed the impact of these new and revised standards on the group and concluded that they have no material impact.

21.3 NEW ACCOUNTING POLICY

CHANGE TO AN INVESTMENT ENTITY

Management concluded and the board approved that, from 1 September 2021, Trustco meets the criteria to be classified as an investment entity. Refer to note 4 for further details.

ACCOUNTING FOR AN INVESTMENT ENTITY

The entity does not consolidate its investments. The portfolios are measured at fair value through profit or loss (FVTPL).

The investments at the date of change in status are deemed to be disposed and reacquired at the fair values with a gain recognised in profit or loss. Subsequently, the portfolio companies are measured at FVTPL. The change to an investment entity was accounted prospectively from date of change.

However, the group is required to consolidate subsidiaries that provide services related to Trustco's investment activities.

NOTES TO THE CONDENSED INTERIM RESULTS

ACCOUNTING FOR SURETY FEES AND INVESTMENT RELATED SERVICES

Revenue is recognised as services are rendered with reference to the completion of the specific transaction. Revenue recognition is determined on a transaction-by-transaction basis.

Revenue is measured based on the consideration specified in contracts with customers, excluding amounts collected on behalf of third parties and including an assessment of any variable consideration dependent on the achievement of agreed key performance indicators. Such amounts are only included based on the expected value or most likely outcome method, and only to the extent that it is highly probable that no significant revenue reversal will occur. In assessing whether a significant reversal will occur, the group considers both the likelihood and the magnitude of the potential revenue reversal.

22 PENDING LEGAL CASES

22.1 HELIOS ORYX LIMITED V TRUSTCO GROUP HOLDINGS LIMITED

Helios Oryx Limited (Helios) issued a summons in the High Court of Justice (Business and Property Courts of England and Wales Commercial Court). The summons relates to a facility agreement entered into between the parties.

This action is being defended by Trustco Group Holdings Ltd (TGH). Helios declared all amounts outstanding under the facility agreement due and demanded payment totalling USD 19.6 million. On 20 January 2021, the High Court of Justice of England and Wales granted summary judgement in favour of Helios against TGH in the sum of USD 21.4 million together with costs and struck the TGH counterclaim.

On 15 March 2022, Trustco emailed the court with an application for permission to appeal to the Supreme Court against the dismissal of its counterclaim. The application to seek permission to appeal was refused on 23 March 2022.

On 29 March 2022, TGH filed an application to obtain leave to appeal against the dismissal of the TGH counterclaim from the Supreme Court. The application is being opposed by Helios and Trustco awaits a final ruling from the court.

TGH's total exposure in respect of the Helios claim (inclusive of capital interest and costs) is provided for in full in the annual financial statements. Helios also instituted an action in Windhoek, Namibia, against Elisenheim Property Development Company Limited (EPDC), in its capacity as the security provider for the obligations of TGH, in respect of the abovementioned facility agreement. EPDC instituted a counterclaim against Helios. The matter is still pending.

22.2 JOHANNESBURG STOCK EXCHANGE LIMITED

The Johannesburg Stock Exchange Limited (JSE) selected Trustco as part of their proactive monitoring review process wherein they reviewed Trustco's financial statements for the twelve months ended 31 March 2019 and its unaudited interim results for the six months ended 30 September 2019. Following the conclusion of the proactive monitoring process, the JSE informed Trustco that Trustco's financial statements for the 12 months ended March 2019 and unaudited interim results for the six months ended

September 2019, as referred to above, were not fully compliant with IFRS with respect to the three matters as listed below, and consequently instructed Trustco to effect certain restatements to the 31 March 2019 and 30 September 2019 results.

These three matters were:

1. Treatment of reclassification of inventory to investment property;
2. Recognition of revenue from the sale of unserviced erven (real estate inventory); and
3. Treatment of loan waivers.

These matters were correctly identified by Trustco at inception thereof as complex and non-routine in nature and as such the company sought expert IFRS advice on these matters from its JSE accredited expert IFRS advisors to determine the appropriate accounting treatment thereof. The transactions were considered quantitatively and qualitatively material and noted as significant matters by the current and previous auditors and were therefore the subject of detailed technical assessment.

Following reconsideration, including consultation with the current auditors, Trustco agreed to effect a restatement to the 2018 and 2019 financial years with regards to matter 2 as disclosed in note 44 of the September 2020 financial results. Trustco disagreed with the JSE with respect to matters 1 and 3 hence no adjustments have been made to the August 2021, September 2020, September 2019 and March 2019 financial statements regarding these matters. Trustco is pursuing the relevant channels available to obtain a confirmation of the appropriateness of its accounting treatment and a rescission of the decisions of the JSE.

Trustco lodged an objection to the JSE's findings concerning matters 1 and 3 with the Financial Services Tribunal during January 2021 and its decision to direct Trustco to apply particular accounting as allowed for in terms of Section 230 of the Financial Sector Regulations Act 2017. On 2 November 2021 the Financial Services Tribunal heard virtual representation from both Trustco and the JSE's legal representatives to consider the instruction issued by the JSE to restate the historic results related to matters 1 and 3.

On 22 November 2021 the Financial Services Tribunal dismissed the application for reconsideration sought by Trustco. The board, who ultimately remains responsible and accountable to stakeholders for the preparation of the financial statements and their compliance with IFRS, together with their legal representatives and IFRS advisors reviewed the Financial Services Tribunal ruling and are not in agreement with the ruling.

Responding to the ruling of the Financial Services Tribunal, Trustco brought an application in the High Court in South Africa, in terms of the Promotion of Administrative Justice Act No.3 of 2000, to review the ruling of the Financial Services Tribunal, as Trustco believes the ruling did not consider pertinent representation by affected parties related to the substance of the various transactions at the time they were entered into and recorded.

Simultaneously, Trustco also launched an application to the Financial Services Tribunal to suspend the decision of the JSE to suspend the trading of Trustco's shares pending the outcome of the High Court action. Trustco awaits the ruling of the application to the Financial Services Tribunal.

See note 39 of the 2021 Annual Financial Statements for more information on the treatment of these transactions.

CORPORATE INFORMATION

BUSINESS ADDRESS AND REGISTERED OFFICES

TRUSTCO GROUP HOLDINGS LTD

Trustco House
2 Keller Street
Windhoek
Namibia

POSTAL ADDRESS

P O Box 11363
Windhoek
Namibia

HEAD OFFICE SWITCH BOARD

Tel: +264 61 275 4000
Fax: +264 61 275 4090
Web: www.tgh.na
E-Mail: info@tgh.na

REGIONAL OFFICES

ONGWEDIVA

Main Road
Ongwediva
Tel: +264 65 233 300

SOUTH AFRICAN OFFICE

CAPE TOWN

303-305 Oakmond
Somerset Links Business Park
De Beers Avenue
Somerset West 7130
Tel: +27 21 852 0851

INTERNATIONAL OFFICES

SIERRA LEONE

38 Wilkinson Road
Freetown
Sierra Leone
Tel: +232 767 50984

MAURITIUS (NON-MINING OPERATIONS)

OCORIAN (MAURITIUS) LTD

6th Floor Tower A
1 Cybercity 72201
Ebene
Mauritius

MAURITIUS (MINING OPERATIONS)

MONDIAL MANAGEMENT SERVICES LTD

Unit 2I 2nd Floor Standard Chartered Tower
19 Cybercity
Ebène
Mauritius

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

OTCQX Share Code: TSCHY

ISIN Number: NA000A0RF067

EXECUTIVE DIRECTORS

F J Abrahams
Dr Q van Rooyen

NON-EXECUTIVE DIRECTORS

W Geysler
R Taljaard
Adv R Heathcote Sc
R Marney
J van den Heever

COMPANY SECRETARY

Komada Holdings (Pty) Ltd

AUDITORS: SOUTH AFRICA

Nexia SAB&T
50 Oxford Road Parktown
Johannesburg 2193
South Africa

BANKERS: NAMIBIA

Trustco Bank Namibia Ltd
Bank Windhoek Ltd
First National Bank of Namibia Ltd
Standard Bank Namibia Ltd

BANKERS: SOUTH AFRICA

Absa Group Ltd
First National Bank South Africa Ltd
Standard Bank South Africa Ltd

JSE EQUITY SPONSOR

Vunani Ltd through Vunani Corporate Finance
Vunani House Vunani Office Park
151 Katherine Street Sandown
Sandton

JSE DEBT SPONSOR

Merchantec (Pty) Ltd
(Merchantec Capital)
13th Floor Illovo Point
68 Melville Road
Illovo Sandton
Po Box 41480 Craighall 2024

FIND US ON



Feedback

We welcome the views of our stakeholders on the interim results.

Kindly contact us at annualreport@tgh.na with your feedback