

INTEGRATED ANNUAL REPORT

AND AUDITED FINANCIAL STATEMENTS

2023



TRUSTCO_{3.0}
investing excellence

ABOUT THIS REPORT

SCOPE AND BOUNDARY

The 2023 integrated annual report addresses Trustco's stakeholders and presents the performance of its investments, goals and investment strategy in a balanced and objective way. In addition, it conforms to other international and local statutory and reporting frameworks, including the Listings Requirements (LR) of the JSE Limited (JSE) and the Namibian Stock Exchange (NSX).

The audited annual financial statements (presented elsewhere in this report) were prepared in terms of the International Financial Reporting Standards (IFRS) and comply with the South African Institute of Chartered Accountants (SAICA) financial reporting guides as issued by the Accounting Practices Committee, financial reporting pronouncements as issued by the Financial Reporting Standards Council and in the manner as required by the Companies Act of Namibia and the Companies Act of South Africa, as amended, as far as applicable. This report is available online on the group's website at www.tgh.na in portable document format (pdf).

MATERIALITY

Trustco defines materiality as both financial and non-financial information, which it considers to be of significant interest to current and prospective investors and any other stakeholders who wish to make an informed assessment of the ability of the group to generate capital appreciation and investment

income over the short-, medium- and long-term. The report has been prepared for the 12 month period from 1 September 2022 to 31 August 2023. Any informative and material information after 31 August 2023 has been included and is identified in the report where applicable.

ASSURANCES AND APPROVAL

It is the responsibility of the board of directors to ensure the integrity of the integrated annual report. The board, assisted by the audit and risk committee, approved this report and has taken steps to ensure the integrity of its content.

Combined assurance oversight and monitoring from internal assurance providers includes the board and the relevant board committees, executive and senior management and the internal audit function.

External assurance providers include oversight from the external auditors and the sponsors of the JSE. The annual financial statements were audited and signed by the group JSE accredited external auditors, Nexia SAB&T. The board acknowledges that save for the disclosures set out in this report and to the best of their knowledge the company is in compliance with the Companies Act and relevant laws of establishment specifically relating to its incorporation. The company operates in conformity with its memorandum and articles of association.

STATEMENT OF THE BOARD OF DIRECTORS OF TRUSTCO GROUP HOLDINGS LIMITED

The board, supported by the relevant board committees, acknowledges its responsibility to ensure the integrity of the contents of the integrated annual report. The board has applied its collective mind to the integrated annual report and is of the opinion that the report addresses all material issues and matters and fairly presents the group's integrated performance. The board of directors is the ultimate custodian of shareholders' investments with a responsibility to invest these funds appropriately in order to create value for investors. The board unanimously approved this report and authorised its release.

ADV RAYMOND HEATHCOTE SC
CHAIRMAN AND INDEPENDENT
NON-EXECUTIVE DIRECTOR

DR QUINTON VAN ROOYEN
GROUP MANAGING DIRECTOR AND CEO
EXECUTIVE DIRECTOR

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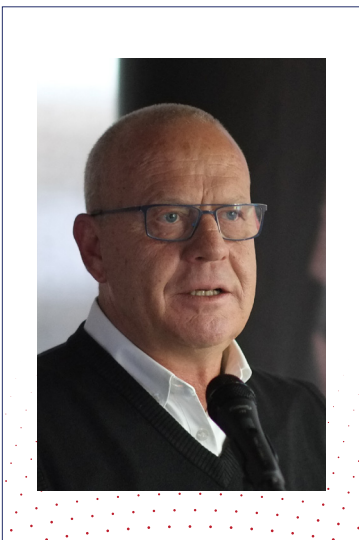
CHAPTER

LETTERS TO SHAREHOLDERS

CHAIRMAN'S LETTER
GROUP MANAGING DIRECTOR'S LETTER

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CHAIRMAN'S LETTER



Heathcote

ADV RAYMOND HEATHCOTE SC
CHAIRMAN AND INDEPENDENT
NON-EXECUTIVE DIRECTOR

6
AT TRUSTCO,
ETHICAL
CONDUCT IS NOT
NEGOTIABLE; IT
IS INGRAINED IN
OUR CORPORATE
DNA. OUR
COMMITMENT
TO ETHICAL
PRACTICES
EXTENDS BEYOND
REGULATORY
COMPLIANCE.

DEAR SHAREHOLDERS,

We are grateful to present Trustco Group Holdings Limited's annual report for 2023. Within the following pages, we probe into the essence of Trustco's past year, encapsulating our achievements, challenges and future aspirations. This report serves as a reflective account of our journey and a guiding blueprint for the road ahead. Together, we explore the purpose, values and accomplishments that underscore Trustco's commitment to sustainable innovation and the equitable creation of wealth for all shareholders. In this report, I aim to provide context to Trustco's ongoing litigation. Before delving into the specifics, I want to emphasise the following key points:

- Whenever the company, through its board members, executive team or management, errs, we take full responsibility, rectify the issue and accept the consequences.
- Until now, neither any court nor regulator has identified any malice or wrongdoing by Trustco, its board members, or its executive team. Quite contrary, multiple instances have seen the JSE, Financial Services Tribunal, and the High Court of South Africa confirm the absence of malice from Trustco, its board members, or its executive team.

What are the reasons behind Trustco's involvement in litigation? Martin Luther King said: "Injustice anywhere is a threat to justice everywhere".

THE JSE

Trustco and the JSE have been engaged due to proactive monitoring by the JSE, resulting in a directive for Trustco to restate its annual financial statements. This has led to a legal dispute, with all related court documents available on the company's website. During the previous reporting period, Trustco complied under protest with the JSE's directive, although this matter remains under appeal and Trustco was granted leave to appeal against the judgement, delivered by the High Court of South Africa, by the Supreme Court of Appeal in Bloemfontein. Trustco prioritises adherence to rule of law.

The core disagreement between the JSE and Trustco centres on two primary points: Firstly, in instances where there's a difference in opinion regarding the accounting treatment of a financial transaction, Trustco believes that the board, responsible and accountable for the accuracy of these statements, should be afforded significant "deference". However, the Court ruled in favour of the JSE and provided deference to the JSE's opinion as a regulator, suggesting that a regulator's judgement holds precedence over the company's board of directors who is acting on the advice of its independent expert advisors and auditors. This grants the JSE authority to determine the appropriateness of a company's financial statements, regardless of the fact that the board of directors consulted with and acted on the advice of various expert opinions, which is significant, particularly in a listed environment across various jurisdictions.

Trustco is actively working to merid its relationship with the JSE. Nonetheless, we advocate for the Highest Court of Law to intervene,

emphasising the importance of clarifying and upholding the rule of law in circumstances that I personally believe will become untenable for board members to operate in, if any regulator can, years later, instruct that financial statements must be changed.

THE NAMIBIAN REVENUE AGENCY (NAMRA)

Trustco took legal action, filing an urgent review application and constitutional challenge against NamRA following NamRA's directive to freeze both Trustco's and its investees' bank accounts. Subsequently, NamRA retracted the issued notices to freeze the accounts. The constitutional challenge pertains to NamRA's authority to unilaterally "sweep" funds from an entity's bank account without due legal process, instructing the transfer of funds without notice until the last cent, similarly to *parate executie*.

In this context, NamRA's amnesty program, designed to waive penalties and interest upon full payment of outstanding capital amounts, encountered discrepancies. Trustco and NamRA's executives are actively collaborating to rectify these payment allocations and resolve discrepancies.

Nevertheless, we firmly believe that no entity or government should wield authority without due process, seeing it as an infringement upon the constitutional rights that have been hard-won in our country. We echo the sentiment expressed by Benjamin Franklin: "Justice will not be served until those who are unaffected are as outraged as those who are."

TRUSTCO, ELISENHEIM PROPERTY DEVELOPMENT COMPANY AND HELIOS

Helios and Trustco have a dispute over a facility agreement. Helios demanded payment of an outstanding amount and Trustco counterclaimed for *mala fide* misrepresentation.

TRUSTCO BANK NAMIBIA AND BANK OF NAMIBIA (BON)

Trustco initiated a review application against BoN and the Government of the Republic of Namibia, specifically challenging certain legislation granting BoN unchecked authority to issue directives without due process. In response, BoN countered with a liquidation application against Trustco Bank and sought suspension of Trustco Bank's banking license. Commercial banking represents but 0.1% of the total investment portfolio of Trustco. Subsequently, BoN amended the Banking Institutions Act in 2023, rectifying various of the issues raised by Trustco in its review application launched against BoN. While Trustco is actively pursuing a commercial resolution,

it advocates for all forms of authority to be governed by due process and independent oversight that is exercised in a just, fair and reasonable manner with a purpose to stimulate economic growth for all citizens of the Republic of Namibia.

As James Baldwin asserted, "It is certain, in any case, that ignorance, allied with power, is the most ferocious enemy justice can have." There exists a delicate equilibrium between advocating for justice and safeguarding shareholders' value. Throughout this reporting period, the share price remained stable, a consideration deeply deliberated by the board. Acknowledging this, we are committed to addressing this matter in our future.

At the heart of Trustco's journey lies a resolute dedication to a guiding vision and a mission that defines our purpose. Our vision, deeply rooted in Namibia while reaching into broader African and emerging markets, aims for sustained growth, fostering wealth for our shareholders, investors and employees. This aspiration is not solitary but a collective pursuit to effect positive change in society and the environment.

Upholding the highest standards of corporate governance stands as a fundamental pillar of Trustco's success. Our governance framework stands on pillars of transparency, accountability and integrity. We diligently adhere to regulatory standards and international best practices, ensuring that our operations maintain the utmost integrity. At Trustco, ethical conduct is non-negotiable; it forms the core of our corporate ethos. Our commitment to ethical practices goes beyond mere compliance. It steers every decision and shapes interactions with all stakeholders. Trust and credibility take precedence in all our endeavours, recognising their role as the foundation of enduring relationships.

While the road ahead may present challenges and uncertainties, guided by our core values, we remain confident in our ability to emerge stronger and more resilient. Collaborating with stakeholders and partners, we aim to forge and sustain a future that is prosperous, sustainable and firmly rooted in ethical principles.

In conclusion, I extend my sincere appreciation to my fellow board members, our dedicated shareholders, investors, executive team, employees, partners and the broader supporting communities. Your unwavering trust and steadfast support serve as the cornerstones of our success. Together, we will continue shaping a brighter future.

MANAGING DIRECTOR'S LETTER



DR QUINTON VAN ROOYEN
GROUP MANAGING DIRECTOR
AND CEO

DEAR SHAREHOLDERS,

In the spirit of Trustco's enduring uniqueness and commitment to innovation, this report will set out the investment case for both Namibia and Trustco. Trustco Group will remain at the forefront of pioneering investment initiatives and this report is no exception. As we delve into the intertwined uniqueness of Namibia and Trustco Group, I invite you to explore with me, why this partnership is so successful, particularly for our investors with whom we coinvest for the long-term.

CHOOSE YOUR 10 REASONS TO INVEST IN TRUSTCO AND NAMIBIA

- **ESTABLISHED LEGACY:** Trustco's roots since its founding in 1992, post independence, have fostered over 30 years of expertise in Namibia and the African investment landscape, embodying sustainable performance and adaptability as demonstrated by its proven track record.
- **NATURAL BOUNTY:** Namibia's treasure trove of natural resources—diamonds, copper, gold and now also oil and green hydrogen—serves as a lucrative revenue source and attracts and will attract substantial foreign investments in the near future.
- **DIVERSE PORTFOLIO:** Trustco's dynamic portfolio spans commercial banking, micro-finance, education, insurance, real estate and mining, mitigating risk through diversification of revenue streams and currency.
- **THRIVING ECONOMY:** With robust GDP growth expected going forward, Namibia's expected economic expansion offers an encouraging landscape for businesses and entrepreneurs seeking opportunities for superior growth and advancement.
- **FINANCIAL PROWESS:** Trustco's remarkable growth, with a stellar NAV CAGR of 69% since inception and a robust 18.1% post-listing, showcases consistent investment excellence.
- **STABLE POLITICAL LANDSCAPE:** Enjoying uninterrupted political stability since independence in 1990, Namibia's conducive democratic environment has been a beacon for foreign investment, fostering a secure space for businesses.

- **STRONG CORPORATE GOVERNANCE:** Trustco's exceptional corporate governance framework safeguards the interests of stakeholders and shareholders, ensuring accountability and transparency.
- **SKILLED WORKFORCE:** With an impressive literacy rate exceeding 85%, Namibia beckons businesses requiring proficient labour, boasting a well-educated workforce vital for diverse industries.
- **INNOVATIVE CULTURE:** Trustco's ethos fosters innovation, driving pioneering solutions and transformative technologies across its diverse portfolio.
- **STRATEGIC GEOGRAPHICAL ADVANTAGE:** Nestled in southern Africa, Namibia's strategic location and the port in Walvis Bay offers unrivalled access to major regional markets, a gateway for businesses eyeing broader African expansions.
- **RESPECTED BRAND:** Trustco's corporate leadership developed a strong multiple award winning brand identity, resonating with innovation, reliability and excellence in Namibia.
- **INFRASTRUCTURE DEVELOPMENT:** Extensive investment in roads, railways and ports reflects Namibia's commitment to ever enhancing infrastructure, smoothing business operations and attracting investments.
- **CAPITAL STRENGTH:** Trustco is a well capitalised group, underscored by a robust balance sheet, which reflects financial stability and resilience.
- **GOVERNMENT SUPPORT:** Namibia's business friendly policies, such as tax incentives, economic zones and investment promotion programs, highlight a supportive landscape for business growth.
- **ENVIRONMENTAL STEWARDSHIP:** Trustco's commitment to sustainable practices echoes its dedication to environmental preservation.
- **BOOMING TOURISM:** Witnessing one of Africa's fastest-growing tourism sectors, Namibia's surging tourist numbers open new avenues for hospitality, transportation and retail ventures.
- **STRATEGIC VISION FOR GROWTH:** Trustco's well-defined growth objectives promise superior value creation, navigating economic

cycles with a focused long-term growth strategy and tenacity.

- **RENEWABLE ENERGY PROSPECTS:** Namibia's vast potential in solar and wind power attracts investments, sparking job creation and economic prospects in the renewable energy sector.
- **EXPERIENCED LEADERSHIP:** Trustco's seasoned management team brings proven success and expertise to the Namibian market, inspiring confidence and direction.
- **TENACITY IN ADVERSITY:** Despite facing numerous challenges during the last 30 years, Trustco exhibited remarkable tenacity, persevering through adversity and emerging stronger than ever.
- **EMBRACING SUSTAINABILITY:** The Namibian government's firm commitment to sustainable development fosters opportunities for businesses adopting eco-friendly technologies and practices.
- **UPSIDE POTENTIAL:** Trustco's share price, which pre-Covid peaked at NAD 16 per share, suggests remarkable upside potential, indicating considerable room for growth that presents a compelling opportunity.

With the investment case for both now self-evident, I extend my sincere gratitude to all who have contributed to the pillars of our success. Additionally, I extend my gratitude to our vast network of coinvestors in our diverse product offering, who have placed their trust in Trustco. Your support fuels our endeavours and we remain committed to delivering on our promises of long-term superior value creation and pursuing your best interests. Your steadfast dedication, support and shared commitment have been pivotal in Trustco's vision.

I wish to convey my appreciation to the board, our management team, our foreign and local stakeholders as well as the incredible people of Namibia for their trust and collaborative efforts in weaving a tale of success and potential. Your invaluable contributions have consistently charted the course toward a brighter future. Thank you for being an integral part of the Trustco family. True to the Trustconian spirit, we are determined to honour your trust by delivering the exceptional returns you rightfully deserve.

Thank you for joining us on this remarkable journey and here's to the path ahead.

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INVESTMENT PROFILE

ABOUT US

WHO WE ARE

Trustco Group Holdings Ltd is an investment entity headquartered in Windhoek, Namibia, that manages a diverse portfolio of investments spanning the insurance, real estate, commercial banking, micro-finance, education and mining sectors.

Decisions are biased towards long-term investment performance and short-term hurdles are viewed as catalysts for future growth.

Historically, Trustco's investment portfolio has delivered exceptional returns, with a well-balanced asset mix, which has maintained an average weighting of 34% in US Dollar based assets, while the remaining 66% is invested in Namibian Dollar based assets.

VISION

With our roots firmly in Namibia and our reach extended into the rest of Africa and the emerging markets beyond, we seek to generate above average growth over time to create wealth for our shareholders, investors and employees while impacting positively on society and our planet.

MISSION

We build wealth by our unique approach of coinvesting alongside our investors and stakeholders. We capitalise on growth opportunities in Namibia and beyond for long-term value creation and superior returns. Through our extensive experience, expertise and our commitment to sustainable growth, we strive to drive economic and social development of the communities in which we invest.



OVER 15 YEARS

EQUITY GROWTH

10.4%

GROWTH IN TOTAL ASSETS

12.7%

GROWTH IN NET ASSET VALUE PER SHARE

6.8%

AVERAGE RETURN ON ASSETS

5.4%

AVERAGE PRICE EARNINGS RATIO

5.4

AS AT 31 AUGUST 2023

INVESTORS

NAMIBIAN
3 610

FOREIGN
1 443

INSTITUTIONAL
94

AS AT 31 AUGUST 2023

INTRINSIC NET ASSET VALUE PER SHARE

117c

TRUSTCO SHARE PRICE

56c

INVESTMENT CASE AND VALUE CREATION SUMMARY

Trustco Group, a family-centric investment entity, operates with a steadfast commitment to fostering sustainable, long-term growth and value for all its investors. The group boasts a global presence with listings on the Namibian and Johannesburg Stock Exchanges, along with a presence on the OTCQX in New York.

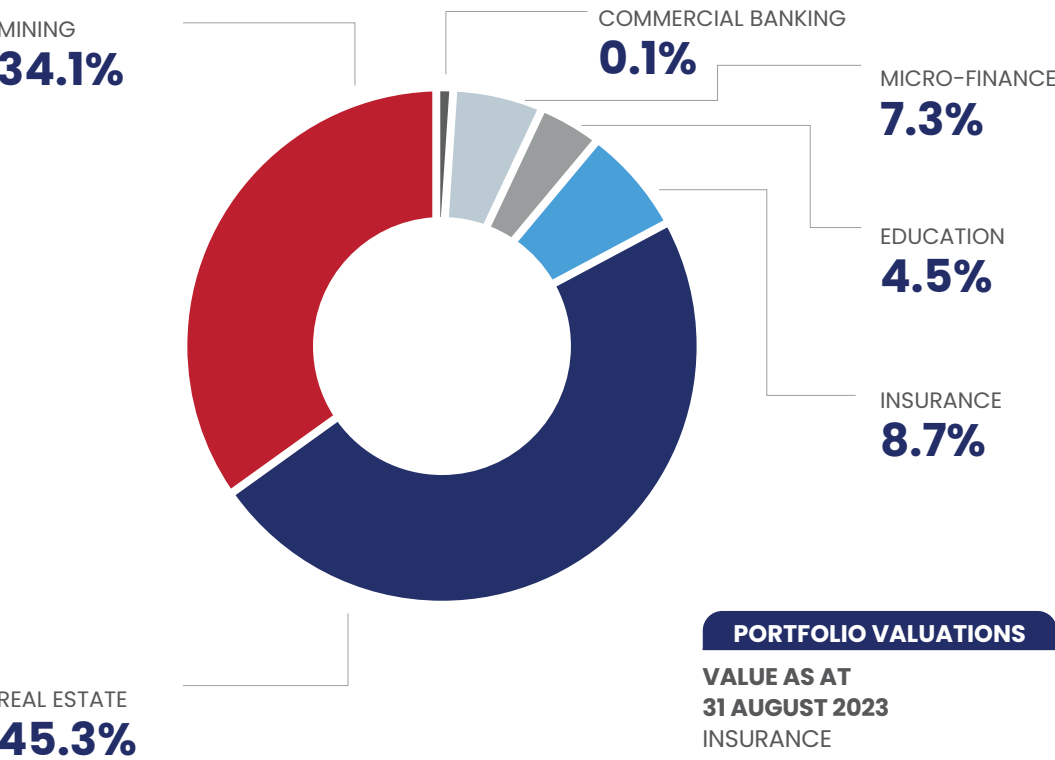
For over three decades, Trustco has strategically invested in a diverse portfolio of Namibian enterprises that have played pivotal roles in the nation's economic landscape. These investments have cultivated an extensive customer base, creating synergies that unlock enhanced returns by seamlessly connecting various investee companies within

its investment portfolios. The group's local decision-making structure expedites execution, enabling swift capitalisation on emerging investment opportunities. This proactive approach extends across Trustco's diverse investment portfolios, amplifying the potential for value creation. As such, Trustco represents an exceptional investment opportunity currently trading at a substantial discount to its Net Asset Value.

INVESTMENT STRATEGY

Trustco's investment strategy centres on the identification of companies poised for long-term value appreciation and superior returns. Leveraging its extensive expertise, the group engages with the management teams of its investee companies, supporting them in attaining their objectives, growth strategies and delivering optimal returns for investors.

COMPOSITION OF TRUSTCO'S INVESTMENT PORTFOLIO



PORTFOLIO VALUATIONS

VALUE AS AT 31 AUGUST 2023	IN MILLION NAD
INSURANCE	268
REAL ESTATE	1 393
COMMERCIAL BANKING	4
MICRO-FINANCE	226
EDUCATION	137
MINING	1 050
TOTAL	3 078

INVESTMENT PROFILE (CONTINUED)

Trustco's investments are not merely financial transactions, they are a testament to the group's belief in the transformative power of strategic investments. Trustco seeks to identify opportunities and to pursue businesses that not only promise superior financial returns but also align with its core values of integrity, responsibility and excellence, with the aim to contribute measurable positive social and environmental impact.

CULTIVATING TOMORROW

Trustco's investment philosophy embodies a resolute conviction that investments transcend fleeting transactions and are instead lasting enablers of value. This foundational approach is deeply ingrained in the pursuit of long-term investor value, underscoring Trustco's steadfast dedication to this prudent endeavour.

At the core of its investment philosophy lies the belief that capital is not just a financial instrument, it is a solemn responsibility demanding commitment to its safeguarding and preservation. Trustco recognises the duty it holds to its investors and, above all, its obligation to preserve capital and ensure the timely fulfillment of financial obligations. Safeguarding the interests of all stakeholders remains paramount in every investment decision.

In a world often captivated by the allure of immediacy, Trustco boldly embraces the essence of time. The investment horizon transcends the fleeting fluctuations of quarterly or annual cycles. Recognising that profound transformations take root over time, Trustco adopts a patient perspective that allows value to flourish organically. Trustco believes that lasting value is not built upon short-term exploitation but upon sustainable practices that can withstand the test of generations.

Balancing the pursuit of financial returns with a prudent assessment of risk is a fundamental tenet of Trustco's investment philosophy. Each investment undergoes rigorous evaluation to ascertain its expected risk-reward profile, ensuring that potential gains are commensurate with acceptable risk levels. This assessment extends to market conditions, liquidity and the capital needed to meet solvency requirements, thereby fostering a comprehensive and informed decision-making process.

The dynamic nature of Trustco's asset allocation strategy is a testament to its adaptability.

As Trustco navigates the dynamic changing landscape of investments, the company remains resolute in its dedication to creating superior and sustainable value. The investment philosophy of nurturing value over time not only strengthens the organisation but also fosters positive contributions to the communities and environments in which Trustco operates. Through this commitment to long-term value creation, Trustco continues to forge a path toward a brighter, more prosperous future.

FORGING ENDURING PROSPERITY

Trustco's strategic investment areas are the manifestation of its unwavering commitment to generating above-average growth and creating lasting wealth for shareholders, investors, employees and society at large. Rooted in Namibia, yet with a far-reaching presence that extends into Africa and emerging markets, Trustco's strategic focus embodies the essence of its vision and mission.

Trustco's varied investment portfolios, comprising insurance, real estate, commercial banking, micro-finance, education and mining, epitomise its dedication to diversification and expansion. This strategic arrangement spans a wide spectrum of financial and complementary services, strategically designed to mitigate risks while seizing promising avenues for expansion. The diversified nature of these portfolios not only bolsters resilience but also fosters value exchange among investee companies. Banking, real estate, finance and educational products synergise harmoniously with the insurance product range, forging an unparalleled value proposition within Namibia's financial sector, further reinforcing Trustco's distinctive market position.

Trustco's venture into the mining sector exemplifies its pursuit of extraordinary returns. The Meya Mining investment, revealing an initial diamond resource of 7 (seven) million carats through exploration, has garnered substantial interest from investors and stakeholders. Beyond its remarkable economic potential, it is noteworthy that Meya's mining license area has yielded five of the world's largest stones recovered. Bulk sample results not only indicate high-grade diamonds but also a notably high

average value per carat. Trustco Resources held a 65% share in Meya following its acquisition in 2016. However, as Meya transitioned into commercial production, the project necessitated external funding. Consequently, Trustco Resources has since reduced its shareholding to 19.5%. The transaction enables Trustco to re-balance its investment portfolio after investing approximately 116 million USD in Meya and allowing Trustco shareholders to realise significant value from the early stage investment.

The project is under the guidance of a seasoned technical team, renowned for its track record in Sierra Leone. The further socio-economic benefits accruing to host communities also underscore Trustco's commitment to responsible and impactful investments.

For comprehensive details on these portfolios, please refer to the relevant sections further in the integrated report.

Trustco's foundation for its value creation journey is its diversified investment portfolio, spanning investments across various industries. The investment strategy revolves around coinvestment principles, enabling active collaboration with investee companies to achieve their objectives and optimise investor returns. The pursuit of above-average growth, wealth creation and positive societal impact finds its tangible expression in its portfolios. Each investment, whether in the financial sector or mining, reflects Trustco's coinvestment ethos.

NURTURING STRONG FOUNDATIONS FOR FUTURE GROWTH

Trustco continually evolves and adapts to changing market dynamics while adhering to its core principles of superior value creation. Trustco's long-term perspective enables the company to seize opportunities that others may overlook, resulting in a robust foundation for the future. With an extensive track record of prudent investment management, the value proposition extends to shareholders, investors, employees, and the communities in which the company and its portfolios operate.

As a family-centric investment entity, the approach employed is deeply rooted in a philosophy that not only benefits coinvestors but also nurtures the development and prosperity of the communities in which operations are conducted.

Recognising the inherent cyclical nature of markets and economies, particularly in the current climate, Trustco embraces challenges as avenues for achieving even greater success. With an unwavering focus on the long-term horizon, disciplined decision-making and a patient demeanour, Trustco is well-positioned to seize these opportunities and foster enduring value for coinvestors.

VALUATION METHODOLOGY

Trustco's investment portfolio is measured at fair value through profit or loss. Trustco Group primarily employs the income approach, utilising the discounted cash flow (DCF) method, to assess the value of its unlisted portfolio companies. This method predominantly involves utilising the free cash flow to firm for most entities. Anticipated cash flows are discounted at the weighted average cost of capital (WACC) to establish the investees' value. However, in the case of financial services companies, the free cash flow to equity approach, discounted at the cost of equity, is adopted.

Projections of cash flows are diligently prepared by the management teams of portfolio companies, subject to comprehensive review by the investment entity, projecting over a ten-year horizon. Adjustments are applied, as necessary, to account for variables such as control, lack of marketability and minority discounts. These adjustments correspond to the ownership percentage and are aligned with established industry benchmarks.

In accordance with the guiding principles outlined in IFRS 13, Trustco endeavours to mirror fair market value from the perspective of a market participant. This involves grounding assumptions and valuation methodologies on industry-accepted standards, ensuring a comprehensive and reliable assessment of the fair value of its portfolio entities.

INVESTMENT PROFILE (CONTINUED)

REVIEW OF INVESTMENTS



INVESTMENT PROFILE

INSURANCE

• 80% SHAREHOLDING

Amidst Trustco's diversified investment portfolio, the insurance portfolio exhibits an intrinsic valuation of NAD 268 million, underscoring Trustco's multifaceted approach to investments. The portfolio contributes 8.7% of the total investment portfolio of Trustco. The insurance portfolio remains a testament to Trustco's commitment to navigate varying market dynamics and continuously evolve.

Trustco's insurance portfolio has encountered a significant rerating this year, shaped by several pivotal factors. Market conditions have not progressed as initially assumed, impacting the niche insurance business's expected recovery and consequently leading to downward cashflow adjustments.

However, in light of the anticipated increase in student funding availability, Trustco foresees a potential valuation recovery as these cashflows materialise.

FINANCIAL PERFORMANCE

During the reporting period, the insurance portfolio demonstrated robust performance, generating gross premium income of NAD 74.6 million. With a claims ratio of (22.3)%, it maintained a strong solvency ratio of (26.97)% and a CAR (Capital Adequacy Ratio) of 1 658% for the short- and long-term insurance companies, respectively. These metrics underscore the financial strength and resilience of the portfolio in navigating the complex insurance landscape.

INDUSTRY	OPERATIONS	SHAREHOLDING
SHORT-TERM INSURANCE		80%
LONG-TERM INSURANCE		80%

CORPORATE INFORMATION

UNLISTED

DIRECTORS:

RENIER TALJAARD – INDEPENDENT NON-EXECUTIVE
WINTON GEYSER – INDEPENDENT NON-EXECUTIVE
JANENE VAN DEN HEEVER – INDEPENDENT NON-EXECUTIVE
QUINTON Z VAN ROOYEN – EXECUTIVE
FLOORS ABRAHAMS – EXECUTIVE

FINANCIAL INFORMATION

YEAR ENDED 31 AUGUST 2023	NAD MILLION
REVENUE	74.6
OPERATING PROFIT	13.1
HEADLINE EARNINGS	24.4
NET ASSET VALUE	953.6

VALUATION SUMMARY

FAIR VALUE AS AT 31 AUGUST 2023:
NAD 268 MILLION

KEY VARIABLES		VALUATION EFFECT	
		+0.5%	-0.5%
		NAD MILLION	
DISCOUNT RATE	20.48%	(7.7)	8.2
INFLATION	4.90%	(2.9)	2.7
TERM GROWTH	6.00%	2.7	(2.5)
KEY FORECAST (NAD MILLION)			
AVERAGE REVENUE (10 YR)		214.5	
AVERAGE FREE CASH (10 YR)		66.8	
KEY FORWARD ASSUMPTION			
AVERAGE PREMIUM GROWTH (10 YR)		9.3%	

OVERVIEW

The insurance investee specialises in delivering a diverse range of financial and risk products tailored for both individuals and small to medium-sized enterprises (SMEs) in Namibia.

KEY INVESTMENT HIGHLIGHTS

- **Refined Business Model:** The entity has honed its focused business model over many years, ensuring efficiency and effectiveness.
- **Legal Insurance Leader:** It holds a commanding market position in Namibia as a leader in legal insurance.
- **Large Customer Base:** With over 185 000 insured members, it boasts a substantial and well-established clientele.
- **Solvency Strength:** The entity maintains a robust solvency position, instilling confidence in its financial stability.
- **Strategic Synergies:** Leveraging intergroup synergies provides key competitive advantages.
- **Brand Loyalty:** Enjoying prominent brand recognition and customer loyalty enhances its market position.
- **Innovation Focus:** The entity's commitment to developing innovative products remains its primary trademark.

DIVERSIFIED INSURANCE SERVICES

The insurance investee holds licenses for both short-term and long-term insurance services, offering a diversified product portfolio. It continually adapts to evolving market conditions to provide unparalleled service to its loyal client base.

The short-term insurance offerings provide members access to top-tier legal coverage, ensuring that individuals who may face financial barriers to legal services can safeguard their constitutional rights. On the other hand, the long-term insurer provides funeral benefits, term- and whole-life insurance products, and access to private healthcare facilities, catering to those who may not have access to conventional medical aid plans.

COMMITMENT TO FINANCIAL WELLBEING

Beyond its core offerings, the long-term insurer extends a diverse range of savings and investment products that consistently outperform the market average. This reflects the company's active commitment to fostering a culture of savings and enhancing the financial wellbeing of its members and investors. Notably, the Trustco Domestic Investment Programme 6a.22 (TDIP6a.22) was launched

during the previous reporting period and was fully subscribed to the limit of NAD 50 million by November 2022. Following the achievements of the TDIP6a.22 initiative, a subsequent programme, the Trustco Domestic Investment Programme 8b.22 (TDIP8b.22), was introduced during the current year. The primary objective of the TDIP8b.22 programme is twofold: firstly, to secure NAD 150 million in funds, with the initial aim of supporting the advancement of Namibian society through investments in the higher education requirements of tertiary students in Namibia. Secondly, it seeks to bolster short-term financial liquidity and the overall wellbeing of Namibian society by generating funds to assist ordinary consumers in bridging their short-term financial needs toward long-term financial prosperity.

DIGITAL MIGRATION FOR SUSTAINABILITY

The insurance investment entity continues its digital migration journey, aimed at expanding its reach and ensuring long-term sustainability. Members can conveniently engage with the insurer from the comfort of their homes through various online platforms, reflecting its commitment to customer-centricity and technological advancement.

RISK ANALYSIS AND MITIGATION

The deceleration of organic growth poses challenges to cash flow sustainability.

Mitigating strategy:

- Introduction of new products to cultivate a fresh client base and additional revenue streams
- Implementing a 10% premium increase, the first increase after a 5 year period, to buffer against adverse growth trends.

INVESTMENT GROWTH STRATEGY

Enlisting the services of an investment manager tasked with raising capital for TDIP investments as well as the implementation of bold marketing strategies to facilitate the market entry of the new product.

SUSTAINABILITY MEASURES

CSI and Training Spend: NAD 628 thousand
Number of Employees: 47
Employment Equity Compliance: Grade B

More information about Trustco Insurance and Trustco Life is available at: www.legalshield.na and www.life.na

INVESTMENT PROFILE (CONTINUED)



INVESTMENT PROFILE

REAL ESTATE

• 80% SHAREHOLDING

The real estate portfolio of Trustco stands as a notable asset, boasting an intrinsic valuation of NAD 1 393 million. This portfolio represents 45.3% of the total portfolio valuation of Trustco.

The real estate portfolio, though initially valued substantially higher, has been subject to the influences of macroeconomic conditions over the past few years. Escalating interest rates have had a cooling effect on the property market, simultaneously impacting the discount rate. As a result, property valuations have experienced a slight decrease of 4% when compared to the previous reporting period. However, with the Namibian economy poised for a turnaround, there is a prevalent expectation that these devaluations will be rectified in the near future. This reversal is anticipated as new developments are set in motion and interest rates start to recede in line with stabilising inflation. Trustco remains steadfast in its commitment to navigating real estate market fluctuations and harnessing opportunities in a changing landscape.

FINANCIAL SNAPSHOT

As at the reporting date:

- Trustco Properties owns an estimated 4 567 hectares of high-quality developable real estate.
- The total land bank presents an opportunity for over 26 000 mixed-use erven.
- Trustco Properties has successfully serviced more than 1 106 erven across all developments over the last 10 years.

INDUSTRY	OPERATIONS	SHAREHOLDING
REAL ESTATE		80%
REAL ESTATE		80%
REAL ESTATE		80%
REAL ESTATE		80%
REAL ESTATE		80%

CORPORATE INFORMATION

UNLISTED

DIRECTORS:

QUINTON Z VAN ROOYEN – EXECUTIVE

FLOORS ABRAHAMS – EXECUTIVE

FINANCIAL INFORMATION

YEAR ENDED 31 AUGUST 2023	NAD MILLION
REVENUE	48
DECREASE IN FAIR VALUE	(72)
NET ASSET VALUE	1 366

VALUATION SUMMARY

FAIR VALUE AS AT 31 AUGUST 2023:

NAD 1 393 MILLION

KEY VARIABLES		VALUATION EFFECT	
		NAD MILLION	
		+0.5%	-0.5%
DISCOUNT RATE	18.45%	(46.0)	48.8
INFLATION	4.90%	51.1	(48.4)
TERM GROWTH	6.00%	1.2	(1.1)

KEY FORECAST (NAD MILLION)

AVERAGE REVENUE (10 YR)	1 274.6
AVERAGE FREE CASH (10 YR)	265.7

KEY FORWARD ASSUMPTIONS

TOTAL SELLABLE LAND BANK (HECTARES)	2 473.7
2 TO 25 YEAR TIMELINES FOR DEVELOPMENT	

Financially, the reporting period saw revenue exceeding NAD 60 million. Additionally, Trustco Properties holds rental properties valued at NAD 140 million, boasting an occupancy rate of 85% and an impressive ROI of 16.83%. Trustco's real estate investee remains dedicated to delivering value, meeting housing demands and generating sustainable returns for its investors in Namibia.

OVERVIEW

Trustco's real estate investee focuses on sustainable mixed-use land development, addressing the pressing demand for serviced land and housing that caters to a diverse range of Namibians across various socioeconomic backgrounds.

KEY INVESTMENT HIGHLIGHTS

- Prime Locations:** A high-quality real estate portfolio strategically positioned in high-growth zones.
- Low Gearing:** The investment entity maintains low gearing on its property assets.
- Proven Returns:** The portfolio has consistently provided substantial returns to its shareholders throughout the years.
- Growth Potential:** The investment in the property portfolio is poised for substantial growth, primarily driven by the shortage of serviced land on a national scale.

LEADERSHIP IN PROPERTY DEVELOPMENT

As one of Namibia's largest private property development companies, the real estate investee has demonstrated its commitment to addressing the nation's need for serviced erven and housing needs.

The flagship project, the Elisenheim Lifestyle Estate, has already provided over 1 051 serviced mixed-use plots in just nine years. Upon completion, this project will offer more than 6 000 mixed-use erven. Remarkably, the Elisenheim Lifestyle Estate has achieved an impressive return on investment (ROI) of 17.16% for its investors since its inception.

DIVERSE REAL ESTATE PORTFOLIO

Trustco's real estate portfolio includes four significant property developments, comprising residential estates with room for commercial expansion and industrial parks. These developments collectively cover a landbank

of over 4 000 hectares of prime Namibian developable land. Positioned strategically, the portfolio aims to meet the current and future demands for housing, commercial spaces and industrial facilities in Namibia. This extensive landbank is expected to serve as a sustainable source of cash flow for the investment entity, delivering consistent returns to its investors over the next twenty-five years.

ADDRESSING LAND SHORTAGES

The primary driver of the acute shortage of serviced land in Namibia is the significant gap between the supply of developed land and the soaring demand for it. During the reporting period, the Namibian economy grappled with constraints stemming from the persistent post-pandemic effects of COVID-19. These challenges were further exacerbated by rising commodity prices and repo rates. Additionally, supply chains faced unprecedented shortages and price hikes, largely due to ongoing global conflicts on the European continent. Against this operating environment, the portfolio recorded a 4% decrease in its overall valuation.

NAVIGATING MARKET CHALLENGES

In the face of market challenges, such as lower-than-expected property sales volumes during the reporting period, Trustco Properties has remained resilient. This contraction in property sales can be attributed to several factors, including the rapid rise in interest rates, insufficient funding for prospective homeowners and overall economic conditions in Namibia.

ENVIRONMENTAL COMPLIANCE

Trustco Properties is dedicated to upholding the highest standards of environmental responsibility and social accountability through its Environmental and Social Policy (E&S Policy). The real estate portfolio's unwavering commitment to sustainable development and sound management practices is reflected in its rigorous adherence to Namibia's stringent environmental regulations.

In pursuit of environmental stewardship, all properties in the landbank diligently comply with Namibian regulations governing property development. This entails the meticulous process of securing Environmental Clearance Certificates (ECC) prior to any applications for industrial or township establishments.

INVESTMENT PROFILE (CONTINUED)

Additionally, the portfolio remains steadfast in its commitment to environmental protection by renewing ECCs timeously as necessary during the course of development activities.

Furthermore, practices are aligned with the comprehensive guidelines outlined in an approved Environmental Management Plan.

This comprehensive framework not only ensures legal compliance but also fosters an eco-conscious ethos within the portfolio.

RISK ANALYSIS AND MITIGATION

Factors such as interest rate fluctuations, economic downturn, constrained bank financing of clients, shifts in government regulations, negative changes in loan-to-value (LTV) rules and political instability pose risks to the property portfolio.

Mitigating strategy:

- Diversification of the real estate portfolio is vital to mitigate these risks
- Continuous market trend monitoring remains crucial
- Seeking expert counsel and guidance from experienced professionals is essential
- Informed investment decisions through thorough research and expert advice are vital for making well-informed investment choices.

INVESTMENT GROWTH STRATEGY

The real estate investee's growth strategy revolves around acquiring and utilising suitable land within Namibia's housing, industrial and commercial sectors. It prioritises the timely servicing and sale of land while consistently seeking new property acquisitions to sustain growth.

Key strategies include strategic land acquisitions in high-potential areas, efficient land servicing processes aligned with market demands and a proactive sales approach to expedite land sales. Additionally, diversifying the property portfolio through reinvestment from land sales into new acquisitions ensures resilience and optimised returns. This approach, supported by continuous market research, adaptation to evolving trends and strategic partnerships, enables Trustco Properties to navigate market fluctuations while capitalising on emerging opportunities.

SUSTAINABILITY MEASURES

CSI and Training Spend: NAD 713 thousand

Number of Employees: 49

Employment Equity Compliance: Grade A

More information about Trustco Properties is available at: www.trustcoproperties.na



INVESTMENT PROFILE

COMMERCIAL BANKING


- 100% SHAREHOLDING
- 0.1% OF TOTAL INVESTMENT PORTFOLIO OF TRUSTCO

Within Trustco's diversified investment portfolio, the commercial banking portfolio has an intrinsic valuation of NAD 4 million, reflecting the group's commitment to expanding its investment landscape.

The commercial banking portfolio, though facing challenges, remains a part of Trustco's diversified approach to investments. Its value has encountered setbacks due to the ongoing legal dispute with its primary regulator. While Trustco maintains a strong interest in developing this portfolio, these challenges have led to downward projections of its potential cashflows. Furthermore, the increased risks associated with these issues have led to an uptick in its discount rate. Trustco remains committed to addressing these concerns and pursuing avenues to improve the performance of the banking portfolio, aligning with its overarching mission of value creation.

OVERVIEW

Trustco Bank Namibia (TBN or Trustco Bank) is dedicated to providing innovative banking products that foster economic development while addressing the diverse banking needs of individuals and businesses. At the heart of TBN lies a distinctive corporate culture, steering the institution's vision and mission while shaping its strategic landscape. This culture, integral to TBN's operations, influences every decision and action taken in response to the challenges and opportunities within the banking industry in Namibia.

INDUSTRY	OPERATIONS	SHAREHOLDING
BANKING		100%

CORPORATE INFORMATION

UNLISTED

DIRECTORS:

TOM NEWTON – INDEPENDENT NON-EXECUTIVE
WINTON GEYSER – INDEPENDENT NON-EXECUTIVE
STANLEY SIMILO – INDEPENDENT NON-EXECUTIVE
DR QUINTON VAN ROOYEN – EXECUTIVE

FINANCIAL INFORMATION

YEAR ENDED 31 AUGUST 2023

	NAD MILLION
REVENUE	5.6
OPERATING LOSS	(24.8)
HEADLINE LOSS	(23.5)
NET ASSET VALUE	37.3

VALUATION SUMMARY

FAIR VALUE AS AT 31 AUGUST 2023: NAD 4 MILLION

KEY VARIABLES	VALUATION EFFECT	
	+0.5%	-0.5%
	NAD MILLION	
DISCOUNT RATE	25.87%	(0.1) 0.1
INFLATION	4.90%	0.2 (0.2)
TERM GROWTH	6.00%	0.0 (0.0)

KEY FORECAST (NAD MILLION)

AVERAGE REVENUE (10 YR)	5.9
AVERAGE FREE CASH (10 YR)	2.4

KEY FORWARD ASSUMPTION

REGULATORY ISSUES RESOLVED

INVESTMENT PROFILE (CONTINUED)

KEY INVESTMENT HIGHLIGHTS

- **Competitive Advantage:** Significant local market advantages are gained through the synergistic collaboration within the Trustco group.
- **Cost-Effective Model:** Operates with an alternative low-cost business model that enables value creation across the Trustco group.
- **Technological Innovation:** Utilises flexible technology solutions for modern and dynamic product development.
- **Sustainable Growth:** Offers sustainable growth potential within the Namibian banking sector.
- **Namibian Ownership:** As one of only two Namibian-owned banks in the country, it is fully committed to the local market.

BUILDING FOR THE FUTURE

Trustco Bank is committed to building a bank that is future-ready and capable of adapting to rapidly changing social and economic environments. Amidst industry giants, TBN envisions itself as a provider of financial services and a gateway to transformative experiences. The vision of the bank is deeply rooted in innovation and accessibility, poised to revolutionise banking in Namibia.

STRATEGIC FOCUS AREAS

To enhance its competitive strengths and develop new capabilities, Trustco Bank has identified key focus areas:

- **Digital Banking Evolution:** Recognising the shift towards a cashless society, the bank is implementing an innovative technology platform based on cutting-edge technology architectures and event-driven microservices. This strategic move enables rapid product development, quicker time-to-market, and a user-friendly interface for delivering value-added services to customers efficiently.
- **Expanding and Reliable Income Streams:** Trustco Bank aims to diversify and expand its income streams, ensuring resilience, sustainability and long-term growth in a dynamic financial landscape. From intuitive mobile apps to seamless online mortgage processes, ensuring effortless and accessible banking experiences from the comfort of one's home.
- **Client-Centric Product Development and Service:** Prioritising customer needs, the bank is dedicated to developing products and providing exceptional customer services that align with clients' requirements and preferences.

- **Strategic Partnerships and Synergies:** By fostering strategic partnerships and leveraging synergies within the Trustco Group, the bank seeks to strengthen its position and broaden its offerings in the market.
- **Innovative Business Ventures:** Through strategic partnerships and synergies, Trustco Bank pioneers initiatives such as Green Mortgages, promoting eco-friendly housing options and microfinance initiatives, empowering Namibian entrepreneurs with microloans and expert guidance.

EMBRACING FINTECH FOR GROWTH

Trustco Bank understands that the future of banking demands virtual channels for seamless client transactions. The ongoing implementation of its innovative technology platform is a testament to its commitment to this vision. This cutting-edge platform facilitates rapid product development, accelerates time-to-market, and provides a user-friendly interface for delivering value-added services to customers swiftly and efficiently.

ETHICAL LEADERSHIP AND RISK MANAGEMENT

Within Trustco Bank Namibia, ethical leadership and human capital are the bedrock of the risk management function. The board of directors, accountable for risk management, ensures sound corporate reputation and effective governance. The bank has implemented a practical and sustainable Enterprise Risk Management (ERM) process, enhancing brand value and profitability.

GROWTH AND EXPANSION

To achieve its growth and expansion objectives in the Namibian market, Trustco Bank capitalises on its status as a new entrant. It collaborates with its technology partner to deliver a simplified, fintech-driven solution to retail banking in Namibia. This strategic move not only broadens its service offerings but also establishes a cost-effective route to market, ensuring the continued growth and success of the institution.

BANKING LICENSE STATUS

Trustco Bank is currently involved in legal proceedings that have resulted in a temporary suspension of its banking license. The bank maintains a high level of confidence in achieving a favourable resolution and is diligently addressing the matter. Despite this hurdle, Trustco Bank remains steadfast in its commitment to its valued customers and is continually innovating new banking products.

The bank is dedicated to enhancing its digital platforms to ensure an enjoyable and convenient banking experience whilst delivering a smooth and seamless experience once the legal matters have been resolved successfully. Although Trustco Bank represents a mere 0.1% of Trustco group's total investment portfolio, Trustco remains resolute in its commitment to build a world-class Namibian bank.

RISK ANALYSIS AND MITIGATION

The bank is potentially at risk of going concern, as Trustco Bank and Trustco initiated a review application against the Bank of Namibia (BoN) and the Government of the Republic of Namibia. This application specifically challenges certain legislation that grants BoN unchecked authority to issue directives without undergoing due process. In response, BoN countered with a liquidation application against Trustco Bank and sought suspension of Trustco Bank's banking license. Subsequently, BoN amended the Banking Institution Act in 2023, rectifying various of the issues raised by Trustco in its review application launched against BoN.

Mitigating strategy:

The bank is opposing the liquidation application and is confident that it has good prospects of success in both the constitutional challenge and the liquidation application. While Trustco is actively pursuing a commercial resolution, it also advocates for all forms of authority to

be governed by due process and independent oversight, that is exercised in a just, fair and reasonable manner with a purpose to stimulate economic growth for all citizens of the Republic of Namibia.

INVESTMENT GROWTH STRATEGY

Following the successful mitigation of risks and the complete restoration of banking operations, attention will turn towards raising capital to advance loans and expand the bank's lending portfolios. Priority will be given to implementing strategies for raising deposits to secure funds for the bank and bolster its lending activities.

The bank will enhance its commitment to creating and launching inventive savings products with competitive interest rates and distinctive features, aiming to attract deposits from a broader customer spectrum and cultivate lasting relationships

SUSTAINABILITY MEASURES

Number of Employees: 8

Employment Equity Compliance: Grade C

More information about Trustco Bank is available at: www.tbn.na

INVESTMENT PROFILE (CONTINUED)



INVESTMENT PROFILE

MICRO-FINANCE

- 100% SHAREHOLDING
- 7.3 % OF TOTAL INVESTMENT PORTFOLIO OF TRUSTCO

With an intrinsic valuation of NAD 226 million, Trustco’s micro-finance portfolio reflects the group’s commitment to strategic and value-driven investments. This portfolio contributed a deficit of NAD 50 million to the headline earnings in 2023, following a contribution of NAD 31 million in 2022. Trustco’s dedication to this portfolio underscores its strategy to create long-term value for its stakeholders.

Trustco’s investment in micro-finance has been bolstered by multiple factors. The anticipated increase in funding available for students and a favourable macroeconomic environment with rising interest rates have contributed to higher interest revenues. However, this growth has been moderated by an expected reduction in intergroup royalty revenues from other lending activities. Notably, discount rates have remained largely stable, emphasising the portfolio’s sustainable approach to value creation.

OVERVIEW

Trustco Finance, a respected educational lending institution, plays a pivotal role in providing 100% financing for courses offered by the Institute for Open Learning (IOL). Its core mission is to facilitate financial support for education and training purposes, with a keen focus on harmonising profitability with social investments. This portfolio is in the final stages of a consensual restructuring of its international long-term debt with its supportive international funders. Management is confident that this process will be concluded successfully during the first half of the calendar year 2024, which will ensure the further future growth of this portfolio.

INDUSTRY	OPERATIONS	SHAREHOLDING
FINANCE		100%
FINANCE		100%

CORPORATE INFORMATION

UNLISTED

DIRECTORS:

RENIER TALJAARD – INDEPENDENT NON-EXECUTIVE
TOM NEWTON – INDEPENDENT NON-EXECUTIVE
STANLEY SIMILO – INDEPENDENT NON-EXECUTIVE
FLOORS ABRAHAMS – INDEPENDENT NON-EXECUTIVE
QUINTON Z VAN ROOYEN – EXECUTIVE
ADRIANA LAMBERT – EXECUTIVE

FINANCIAL INFORMATION

YEAR ENDED 31 AUGUST 2023

	NAD MILLION
REVENUE	205
PRO-FORMA NET ASSET VALUE	199

VALUATION SUMMARY

FAIR VALUE AS AT 31 AUGUST 2023:
NAD 226 MILLION

KEY VARIABLES		VALUATION EFFECT
		+0.5% –0.5%
		NAD MILLION
DISCOUNT RATE	21.13%	(9.8) 10.5
INFLATION	4.90%	2.2 (2.1)
TERM GROWTH	6.00%	4.1 (3.9)

KEY FORECAST (NAD MILLION)

AVERAGE REVENUE (10 YR)	149.1
AVERAGE FREE CASH (10 YR)	38.0

KEY FORWARD ASSUMPTIONS

AVERAGE ANNUAL TDIP CASH RAISE (10 YR)	62.5
LOAN BOOK BALANCE (FY33)	760.1

KEY INVESTMENT HIGHLIGHTS

- **Synergistic Business Model:** Trustco Finance’s business model aligns seamlessly with the education investee.
- **Educational Lending Leader:** It holds a market leading position in tailored educational lending, fostering personal growth and development.
- **Established Brand:** With an exemplary track record spanning 18 years, Trustco Finance boasts a well-established and trusted brand in the Namibian market.
- **Large Loan Portfolio:** The institution manages a substantial loan portfolio, serving more than 14 000 active loans.

CATERING TO EDUCATIONAL NEEDS

In 2005, Trustco embarked on an investment journey, leading to the establishment of Trustco Finance, with a clear focus on addressing the financial needs of lower-income Namibian consumers. Over the years, Trustco Finance has successfully broadened access to education, making it more inclusive.

Furthermore, Trustco Finance is actively engaged in negotiations to extend financing to other tertiary educational institutions in Namibia, aiming to reach a broader student base. This financing encompasses tuition fees, hostel charges, and digital educational equipment. These agreements are poised to create a ripple effect across sister companies, benefiting Trustco Life through credit insurance and IOL via educational tools provided by the institution.

EMPOWERING THROUGH EDUCATION

Trustco Finance takes pride in its commitment to funding innovative educational courses that enhance the lives and financial wellbeing of its customers. These courses span a wide array of academic subjects, information and communication technology and various skill-enhancing short courses. With a history of more than 18 years in microlending, Trustco Finance has evolved significantly. It commenced with a loan portfolio of just NAD 5 million and has since become the preferred student loan provider in Namibia. Currently, the total loan portfolio surpasses NAD 640 million, a testament to its enduring success.

Trustco Finance places paramount importance on its customers and their unique requirements. The company has strategically invested in digital offerings and channels to enhance customer satisfaction while preserving a personalised approach to its services.

ENVIRONMENTAL OUTLOOK

Trustco Finance is committed to forging a more inclusive and environmentally conscious future by seamlessly blending financial sustainability with a strong focus on educational empowerment and environmental responsibility.

NAVIGATING CHALLENGES AND ENSURING SUPPORT

Trustco Finance’s ability to collect payments was negatively impacted by the persistent economic downturn. Initially triggered by a recession, these challenges were exacerbated by the COVID-19 pandemic and its subsequent repercussions. In response, Trustco Finance initiated a COVID-19 relief programme during the previous reporting period. This programme primarily aimed to provide financial assistance to individuals experiencing financial hardships. Importantly, it continues to be in effect during the current period, underscoring Trustco Finance’s commitment to supporting Namibian students.

Trustco Finance remains steadfast in its dedication to collaborate with international partners to ensure ongoing sustainable financing opportunities for the betterment of Namibian students.

RISK ANALYSIS AND MITIGATION

Micro-finance encounters challenges due to economic fluctuations impacting borrower repayments, regulatory changes affecting operations and intensified competition affecting profit margins.

Mitigating strategy:

- Strengthening credit risk management protocols
- Diversifying the loan portfolio to fortify resilience
- Updating credit policies to ensure thorough borrower evaluations.

INVESTMENT GROWTH

Embarking on an innovative funding strategy to broaden the presence of Trustco Finance among additional tertiary educational institutions, this strategic approach aims to expand the range of financial opportunities available to students, aligning with the investee’s commitment to growth and accessibility.

SUSTAINABILITY MEASURES

Number of Employees: 21

Employment Equity Compliance: Grade C

More information about Trustco Finance is available at: www.trustcofin.na

INVESTMENT PROFILE (CONTINUED)



INVESTMENT PROFILE

EDUCATION

- 100% SHAREHOLDING
- 4.5% OF TOTAL INVESTMENT PORTFOLIO OF TRUSTCO

Trustco's education portfolio, valued at an intrinsic amount of NAD 137 million as of August 2023, exemplifies the group's commitment to cultivating sustainable and value-driven investments. This portfolio stands as a fundamental component within Trustco's diverse range of assets, playing a substantial role in Trustco's developmental impact.

The portfolio experienced a downturn in anticipated cash flows, falling short of previous projections. The expectation of increased funding availability for students, which was initially projected to positively impact the portfolio's revenue, faced challenges due to the slowdown in capital supplied to the micro-finance sector. Meanwhile, operational expenses were curtailed through enhanced operational efficiencies across different facets of the portfolio.

OVERVIEW

Trustco's education investment is dedicated to providing accessible education to both working students and those residing in rural areas of Namibia.

KEY INVESTMENT HIGHLIGHTS

- **Significant Reach:** It is one of Namibia's largest private distance higher education institutions, having served over 62 000 students since its inception.

INDUSTRY	OPERATIONS	SHAREHOLDING
EDUCATION		100%

CORPORATE INFORMATION

UNLISTED

DIRECTORS:

QUINTON Z VAN ROOYEN – EXECUTIVE
FLOORS ABRAHAMS – EXECUTIVE
ILANA CALITZ – EXECUTIVE

FINANCIAL INFORMATION

YEAR ENDED 31 AUGUST 2023

	NAD MILLION
REVENUE	35.9
NORMALISED PROFIT	3
PORTFOLIO VALUE	137

VALUATION SUMMARY

FAIR VALUE AS AT 31 AUGUST 2023: NAD 137 MILLION

KEY VARIABLES	VALUATION EFFECT	
	+0.5%	-0.5%
NAD MILLION		
DISCOUNT RATE	19.03%	(6.4) 6.9
INFLATION	4.90%	(1.8) 1.7
TERM GROWTH	6.00%	2.6 (2.4)
KEY FORECAST (NAD MILLION)		
AVERAGE REVENUE (10 YR)		198.4
AVERAGE FREE CASH (10 YR)		25.6
KEY FORWARD ASSUMPTIONS		
AVERAGE LOAN REVENUE (10 YR)		168.3
AVERAGE CASH REVENUE (10 YR)		30.0

- **Accreditation and Registration:** Accredited by the Namibia Qualifications Authority (NQA) and registered with the National Council for Higher Education (NCHE) in Namibia, with qualifications aligned to the National Qualifications Framework (NQF).
- **Innovative Model:** It operates with an innovative business model that provides affordable education and facilitates funding for financially challenged students.
- **Cutting-Edge Technology:** Utilises advanced academic administration systems and online platforms to enhance learning.
- **Environmental Commitment:** Demonstrates dedication to environmental sustainability through eco-friendly initiatives.
- **Action Learning Pioneer:** A pioneer in applying action learning principles.

EVOLUTION OF DISTANCE LEARNING

The education investee, represented by the Institute for Open Learning (IOL), champions an online distance learning model aimed at delivering exceptional, internationally recognised educational programmes. Since its acquisition in 2005, when IOL had just 2 500 students, the institution has harnessed technology to significantly enhance its performance. Through strategic reforms and meticulous repositioning, Namibia's premier private institution of higher learning, IOL, has embraced Open and Distance e-Learning (ODEL) as its primary mode of education, specialising in electronic and online learning. It stands as the largest of its kind in the country.

All IOL qualifications are accessible online, eliminating geographical barriers for students. Substantial investments in system development empower IOL to seamlessly adapt to the evolving educational landscape, aligning perfectly with the emerging trend toward fully electronic and exclusively online education.

FOCUS ON ESG AND QUALITY ASSURANCE

IOL prioritises essential environmental, social and governance (ESG) aspects, seamlessly integrating them into its strategic plans and initiatives. This approach aligns with national educational imperatives and stakeholder expectations. Students benefit from the flexibility to study at their convenience through an intuitive online learning platform, while quality assurance, continuous assessment processes and ongoing programme enhancement remain top priorities.

The institution's accreditation by the NQA and registration with the NCHE, coupled with its active engagement with the Namibian community, underscore its commitment to governance excellence. IOL seeks to build a global reputation

as an effective practitioner of action learning, known for educators who drive transformative change, extending beyond academic excellence to nurture extraordinary agents of change within communities.

REGIONAL EXPANSION AND INNOVATIVE LEARNING SOLUTIONS

By establishing memorandums of understanding with regional quality assurance bodies, IOL adapts its quality assurance processes to align with various regional standards. This approach enables IOL to reach students across the SADC region. The institution's strategic objective is to optimise revenue through expansion into new markets, the introduction of additional educational programmes and services, and the continuous delivery of innovative and creative learning solutions to its diverse student base.

RISK ANALYSIS AND MITIGATION

Non-compliance with regulatory bodies (NQA and NCHE) and failure to adhere to regulatory standards could lead to legal repercussions or accreditation withdrawal, impacting IOL's reputation and financial stability. Relevance of offered qualifications may decrease enrollment and revenue, affecting IOL's market position.

Mitigating strategy:

- Implementation of regular compliance audits, proactive engagement with regulators and maintaining robust internal control systems
- Ongoing market research, timely updates to course offerings and flexibility to adapt to evolving educational trends.

INVESTMENT GROWTH STRATEGY

To foster sustained investment growth, IOL has developed a strategic approach focused on creating and implementing new qualifications. This includes a thorough review of existing qualifications to expand the range of offerings and meet emerging market demands. Rigorous evaluations of existing qualifications have been undertaken to align with industry needs, technological advancements and educational standards. This initiative resulted in accreditation and re-registration on the NQF, reducing dependency on specific qualifications.

SUSTAINABILITY MEASURES

CSI and Training Spend: NAD 362 thousand
Number of Employees: 33
Employment Equity Compliance: Grade A

More information about the Institute for Open Learning is available at: www.iol.na

INVESTMENT PROFILE (CONTINUED)



INVESTMENT PROFILE

MINING

- 98.7% SHAREHOLDING
- 34.1% OF TOTAL INVESTMENT PORTFOLIO OF TRUSTCO

Trustco’s mining portfolio, valued at NAD 1 050 million, represents an investment brimming with potential. The intrinsic valuation of this portfolio reflects a balance of assets, each with the potential for superior growth and prosperity. During the fiscal year under review, notable progress has been made at Meya Mine, assuring the attainment of commercial production by FY 2024.

This resource rich portfolio has yet to fully unveil its untapped potential. The capital-intensive nature of resource investments led Trustco to pursue coinvestors for this endeavour. This calculated decision to introduce coinvestors, served to accelerate production while diminishing Trustco’s overall shareholding. Initially, this approach resulted in a decrease in valuation, with the expectation that valuations would increase in tandem with production commencement. It is worth noting that Meya Mining is poised to achieve commercial production in the upcoming financial year. However, increases in Sierra Leone’s country risk have restrained its valuation in the current year. Trustco’s strategy remains focused on achieving sustainable growth, even in the face of inherent risks associated with resource investments.

OVERVIEW

Established in 2015, Trustco Resources was founded with the strategic objective of diversifying Trustco’s investment portfolio into the natural resources sector. It is aimed at generating United States Dollar (USD) returns, thus acting as an internal hedge against potential macroeconomic impacts on the group’s traditional markets in Namibia and South Africa. While the mining mandate encompasses building a diversified mining portfolio, the primary focus remains on unlocking the full economic potential of its diamond assets. Due to the post-pandemic effects of COVID-19, Northern Namibia Development Company (NNDC) has been under care and maintenance since April 2020.

INDUSTRY	OPERATIONS	SHAREHOLDING
MINING	TRUSTCO	98.7%
MINING	HUSO	98.7%
MINING	MEYA	19.5%
MINING	Northern Namibia Development Company (Pty) Ltd.	98.7%

CORPORATE INFORMATION

UNLISTED

DIRECTORS:

RICHARD CHETWODE – INDEPENDENT NON-EXECUTIVE
WINTON GEYSER – INDEPENDENT NON-EXECUTIVE
FLOORS ABRAHAMS – EXECUTIVE
QUINTON Z VAN ROOYEN – EXECUTIVE

FINANCIAL AND OTHER INFORMATION

REVENUE ACTUAL FY 2023	USD 1 MILLION
UNDERGROUND TUNNELLING FY 2023	5 KM
CARATS FORECAST FY 2024	54 000
CARATS FORECAST FY 2025	348 000

VALUATION SUMMARY

FAIR VALUE AS AT 31 AUGUST 2023:
NAD 1 050 MILLION

KEY VARIABLES		VALUATION	
		EFFECT	
		+0.5%	-0.5%
		NAD MILLION	
DISCOUNT RATE	28.20%	(26.9)	27.9
INFLATION	2.10%	45.4	(43.8)
EXCHANGE RATE	18.87	8.6	(8.6)
KEY FORECAST (USD MILLION)			
AVERAGE REVENUE (10 YR)			308.7
AVERAGE FREE CASH (10 YR)			147.2
KEY FORWARD ASSUMPTIONS			
USD/CARAT PRICE (CURRENT)			380
AVERAGE CARATS SOLD (10 YR)			577 372

Given the prevailing market conditions, both in terms of capital raising and trading perspectives, the portfolio’s central objective is the development of Meya Mining’s world-class diamond deposit in Sierra Leone. Initially, Trustco Resources held a 51% shareholding in Meya, acquired in 2016. In 2019, it was, increased to 65%. However, in 2023 it was decided to introduce a strategic partner as a coinvestor to finance Meya Mining’s transition towards commercial production. This transaction led to Trustco’s ownership stake in Meya Mining being diluted to 19.5%.

KEY INVESTMENT HIGHLIGHTS OF MEYA MINING

- **High-Value Asset:** Meya Mining holds several high-grade, high-value primary diamond deposits within its license area in Sierra Leone.
- **Long-Term License:** A 25-year large scale mining license was issued on July 26, 2019.
- **Rich Discoveries:** Five of the world’s largest stones were discovered in the immediate vicinity of the license area.
- **Focused Business Model:** Meya employs an underground mining method, a bespoke processing plant and a scalable/high-margin mine configuration.
- **High Barriers to Entry:** The upstream diamond sector has high barriers to entry due to the scarcity of high-quality primary diamond deposits, regulatory requirements, and capital intensiveness.
- **High Growth Potential:** The resource results to date represent only 5% of the geo-economic potential of the license area, and the current mine plan can be replicated across the area to increase the depletion rate.

ENVIRONMENTAL AND SOCIAL BEST PRACTICES

In 2017, prior to the commencement of Meya Mining’s exploration and mining activities, CEMMATS Group Ltd (leading Sierra Leonean consultancy firm) completed an Environmental and Social Impact Assessment (ESIA) as well as an Environmental and Social Management Plan (ESMP) in compliance with the Mines and Mineral Act, 2009 as well as Environmental Protection Act, 2008. Whilst these studies formed the ESG baseline, Meya continued to upgrade the various components in line with the evolution of its activities in the country, as presented in the quarterly monitoring reports to the Government of Sierra Leone (GoSL), including:

- Environmental health and safety plan
- Waste management plan
- Emergency response plan
- Resettlement policy framework
- Community development framework
- Community development action plan
- Public consultation and disclosure plan
- Mine closure plan
- Management, mitigation, monitoring and implementation measures.

With the transition from exploration to commercial production, Meya appointed Digby Wells

(www.Digbywells.com), in association with CEMMATS as independent consultants. Their role involves evaluating, providing guidance and overseeing all of Meya’s operations in alignment with the International Finance Corporation (IFC) Performance Standards and relevant General Industry Specific Environmental Health and Safety Guidelines. Furthermore, Digby Wells’ terms of reference also covers an assessment of the credibility and validity of all claims made by NGO’s in the past years. Assessments and studies are currently underway and Meya is dedicated to providing complete transparency through regular public disclosures regarding its ESG initiatives. Additionally, the project’s commitment to the Kimberley Process (KP) and its collaboration with KP monitors onsite further exemplify its willingness to subject itself to third-party scrutiny.

STRATEGIC INVESTMENT

Trustco Resources, Germinate (SL) Ltd and Sterling Global Trading Ltd (SGT) entered into a transaction in which SGT agreed to coinvest a total of USD 50 million in Meya. This investment includes USD 25 million in equity and USD 25 million as an SGT loan. In addition, SGT undertook to assist in securing a USD 25 million third-party loan. These funds will be exclusively utilised for the mine’s development over the next 24 months, with a production target of approximately 30 000 carats per month.

Following the equity investment, SGT holds 70% of Meya’s equity. This substantial investment not only facilitates Meya’s transition into commercial production but also lays the foundation for exponential asset growth in the medium term. Ongoing exploration and resource development across the license area over the next 10 to 15 years are expected to yield significant growth potential. The strategic intent is to align and increase production from the mine as the mineral resource inventory expands, with all future growth funded from internal cash flows.

RISK ANALYSIS AND MITIGATION

In Sierra Leone, there exists a potential risk associated with political instability.

Mitigation Strategy:

- Dilution of ownership stake in Meya Mine to minimise exposure to associated risks
- Engaging local experts to provide precise and timely insights into political developments, elections and policy alterations that could influence the investment climate.

INVESTMENT GROWTH STRATEGY

Anticipated full operational functionality of the mine in the upcoming financial year, aiming to achieve the desired investment value.

SUSTAINABILITY MEASURES

CSI and Training Spend: NAD 2.1 million
Number of Employees: 418

INVESTMENT PROFILE (CONTINUED)

KEY STATISTICS

FOR THE FINANCIAL PERIOD FROM TO	'23 1 SEP 22 31 AUG 23	'22 1 SEP 21 31 AUG 22	'21 1 OCT 20 31 AUG 21	'20 1 APR 19 30 SEP 20	'19 1 APR 18 31 MAR 19	'18 1 APR 17 31 MAR 18	'17 1 APR 16 31 MAR 17	'16 1 APR 15 31 MAR 16	'15 1 APR 14 31 MAR 15	'14 1 APR 13 31 MAR 14	'13 1 APR 12 31 MAR 13
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STOCK EXCHANGE PERFORMANCE

SHARE PRICE

HIGH (C)	140	235	420	1 135	1 600	1 000	417	540	380	120	125
LOW (C)	24	38	125	179	615	261	276	290	115	63	90
CLOSING (C)	56	50	165	315	1 047	875	404	310	300	119	118
VOLUME-WEIGHTED AVERAGE PRICE (C)	0.51	1.00	2.48	6.50	9.98	5.39	3.72	3.83	2.34	0.85	1.05
CLOSING P/E (HEPS)	(1.81)	(0.26)	(2.19)	(2.76)	(17.05)	32.17	5.71	5.61	7.58	6.33	25.11
CLOSING P/E (EPS)	(1.81)	0.34	(1.90)	(2.73)	(17.33)	36.92	5.85	5.60	6.88	3.54	21.85
VOLUME TRADED (MILLION)	3	8	5	11	28	93	60	259	101	115	114
VALUE TRADED (MILLION)	1	8	12	70	283	504	222	993	236	98	120
VOLUME TRADED / SHARES	0.31%	0.8%	0.5%	1.1%	2.9%	11.3%	7.8%	33.6%	13.1%	14.9%	14.8%

TRACK RECORD

SHAREHOLDERS EQUITY (MILLION)	1 153	1 834	182	829	1 970	3 587	2 492	2 189	1 550	1 224	968
NAV/SHARE (C)	117	186	19	87	230	504	323	284	201	162	133
TOTAL ASSETS (MILLION)	3 828	4 340	4 547	5 105	5 677	6 112	5 268	4 014	3 159	2 474	1 533
HEADLINE EARNINGS (MILLION)	(682)	(1 922)	(709)	(1 080)	(526)	205	543	419	276	142	34
HEPS (C)	(69.2)	(195.1)	(75.4)	(114.0)	(61.4)	27.2	70.8	55.3	39.6	18.8	4.7
EARNINGS (MILLION)	(681)	1 437	(815)	(1 092)	(517)	274	530	420	303	253	39
EPS (C)	(69.1)	145.9	(86.7)	(115.2)	(60.4)	23.7	69.1	55.4	43.6	33.6	5.4
MARKET CAPITALISATION											
GROSS OF TREASURY SHARES (MILLION)	553	494	1 629	3 110	10 201	7 237	3 119	2 394	2 316	919	911
NET OF TREASURY SHARES (MILLION)	527	493	1 552	2 966	9 734	6 843	2 950	2 394	2 131	829	911
SHARES											
ISSUED (MILLION)	987	987	987	987	974	827	772	772	772	772	772
TREASURY SHARES (MILLION)	46	2	47	46	45	45	42	-	62	76	-
NET OF TREASURY SHARES (MILLION)	941	985	941	941	930	782	730	772	710	696	772

CHAPTER

CORPORATE GOVERNANCE REPORTS

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BOARD OF DIRECTORS

ADV RAYMOND HEATHCOTE SC



WINTON JOHN GEYSER



DR QUINTON VAN ROOYEN



RENIER JACOBUS TALJAARD



JANENE VAN DEN HEEVER



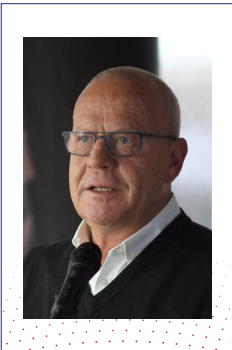
FLOORS JACOBUS ABRAHAMS



QUINTON ZANDRÉ VAN ROOYEN



BOARD OF DIRECTORS



**ADV RAYMOND
HEATHCOTE SC (60)**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Namibian Citizen

APPOINTED

29 September 2010

QUALIFICATIONS

BA
LLB

ROLE AT THE COMPANY

- Chairman of the board of directors of Trustco Group Holdings Ltd
- Chairman of the nomination committee of Trustco Group Holdings Ltd

EXPERTISE AND EXPERIENCE

Advocate Heathcote SC is an admitted advocate of the High Court of Namibia and was an acting judge of the High Court of Namibia in 2005, 2007, 2009 and 2011. He is also an admitted advocate in South Africa. Several of his judgments have been reported in both the Namibian and South African Law Reports. Adv Heathcote SC is a member of the Society of Advocates and was honoured by being appointed as senior counsel in 2009. Adv Heathcote SC previously served as the president of the Society of Advocates and president of the Law Society of Namibia.



**RENIER JACOBUS
TALJAARD (64)**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Namibian Citizen

APPOINTED

5 July 2012

QUALIFICATIONS

BEcon
FCII
FIISA

ROLE AT THE COMPANY

- Member of the board of directors of Trustco Group Holdings Ltd
- Member of the audit and risk committee of Trustco Group Holdings Ltd
- Member of the remuneration committee of Trustco Group Holdings Ltd
- Member of the nomination committee of Trustco Group Holdings Ltd
- Chairman of the social and ethics committee of Trustco Group Holdings Ltd
- Serves as a member of the board and board committees for several entities within the investment portfolio of Trustco Group Holdings Ltd.

EXPERTISE AND EXPERIENCE

Mr Taljaard has vast experience, of more than 33 years, in both the short- and long-term insurance industries. After completing his FCII studies, Mr Taljaard was admitted as a fellow member of the Insurance Institute of South Africa and Namibia. He held various senior positions within the industry including managing director at Swabou Insurance, Nasria, Harvest Reinsurance Company, Trustco Insurance Ltd and Trustco Life Ltd. He served on the board of Trustco Insurance Ltd from 2000 to 2006. Mr Taljaard was appointed to the board of Trustco Group Holdings Ltd as independent non-executive director in 2012 and thereafter to various portfolio entities of Trustco Group Holdings Ltd.



**WINTON JOHN
GEYSER (63)**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Namibian Citizen

APPOINTED

29 September 2010

QUALIFICATIONS

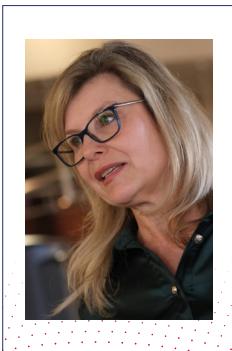
BCompt
BCompt (Hons)
CA (SA)

ROLE AT THE COMPANY

- Member of the board of directors of Trustco Group Holdings Ltd
- Chairman of the audit and risk committee of Trustco Group Holdings Ltd
- Member of the remuneration and nomination committee of Trustco Group Holdings Ltd
- Member of the investment committee of Trustco Group Holdings Ltd
- Serves as a member of the board and board committees for several entities within the investment portfolio of Trustco Group Holdings Ltd.

EXPERTISE AND EXPERIENCE

Mr Geyser is a member of the South African Institute of Chartered Accountants. He completed his articles with the audit firm Deloitte Haskins & Sells (now Deloitte) and later joined their financial management services division. Since then he has performed accounting, taxation and consultancy work and has held various senior positions, such as the general manager finance at Agra (Co-op) Ltd and the financial director of M Pupkewitz & Sons. Mr Geyser previously held the position of group managing director of Epic Holdings (Pty) Ltd. Since his retirement, he acts as a consultant and has held various other directorships in Namibian companies.



**JANENE VAN
DEN HEEVER (52)**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Namibian Citizen

APPOINTED

1 November 2021

ROLE AT THE COMPANY

- Member of the board of directors of Trustco Group Holdings Ltd
- Chairman of the remuneration committee of Trustco Group Holdings Ltd
- Member of the nomination committee of Trustco Group Holdings Ltd
- Member of the social and ethics committee of Trustco Group Holdings Ltd
- Serves as a member of the board and a board committee of a Trustco Group Holdings Ltd portfolio entity

EXPERTISE AND EXPERIENCE

Ms van den Heever, a Namibian citizen, is currently the managing member of a manufacturing business in Windhoek, Namibia. Ms van den Heever has more than 14 years' experience in the corporate business environment on both management and executive level. She was previously employed by Trustco until March 2013, where she served as executive director and also on the group executive committee. As head of the Namibian operations she was responsible to oversee the successful implementation of the group's strategy and thereby has notable insight on the practical objectives and operations of the group. She started a new business venture in 2013, which she has successfully managed to date. Ms van den Heever has demonstrated exceptional experience in business management, including formation, operations, finance and systems. She serves as a director on the boards of various other companies in Namibia.

BOARD OF DIRECTORS (CONTINUED)



DR QUINTON VAN ROOYEN (58)

EXECUTIVE DIRECTOR AND GROUP MANAGING DIRECTOR/CEO

Namibian Citizen
Acquired Trustco in 1992

QUALIFICATIONS

BJuris LLB
DBL (Honoris Causa)
Business Leadership and Entrepreneurship (IUM)

ROLE AT THE COMPANY

- Member of the board of directors of Trustco Group Holdings Ltd
- Member of the investment committee of Trustco Group Holdings Ltd
- Serves as a member of the board of Trustco Group Holdings Ltd portfolio entities

EXPERTISE AND EXPERIENCE

Dr van Rooyen’s business acumen, skill and leadership are the determining factors that have transformed the group into a successful triple listed entity. His creative approach to life makes the mundane extraordinary. He has a fearless attitude towards challenges that makes him an easy leader to follow. His talent and passion is to create products and services that are sustainable, socially responsible and that will yield extraordinary wealth for stakeholders by harnessing opportunities in Namibia and throughout Africa.



FLOORS JACOBUS ABRAHAMS (48)

EXECUTIVE DIRECTOR AND GROUP FINANCIAL DIRECTOR

Namibian Citizen

APPOINTED

22 August 2006

QUALIFICATIONS

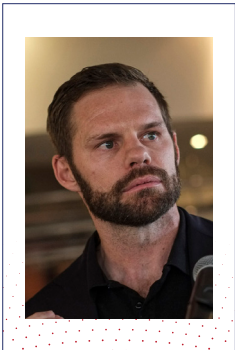
BCom

ROLE AT THE COMPANY

- Member of the board of directors of Trustco Group Holdings Ltd
- Member of the investment committee of Trustco Group Holdings Ltd
- Serves as a member of the board of Trustco Group Holdings Ltd portfolio entities

EXPERTISE AND EXPERIENCE

Mr Abrahams completed his articles in 1999. During this period, he accumulated experience in the financial sector and serviced various audit clients. Mr Abrahams was appointed as group financial manager of Trustco in 2000 and subsequently group financial director in 2006. Mr Abrahams assumed the role of group treasurer in 2013. He was re-appointed as group financial director on a full-time basis in 2017, a position he holds to date.



QUINTON ZANDR  VAN ROOYEN (37)

DEPUTY CEO AND ALTERNATE DIRECTOR TO THE GROUP MANAGING DIRECTOR

Namibian Citizen

APPOINTED

9 May 2016

QUALIFICATIONS

BCom (Law)
LLB

AWARDS

- 2014: Ranked the “Fittest Man in Africa” at the CrossFit Games held in South Africa
- 2014: Inducted into the prestigious Namibian Business Hall of Fame, under the auspices of Junior Achievement Namibia and the Namibian Chamber of Commerce and Industry
- 2022: Namibian National Enduro Champion
- 2022: Africa Intercontinental Hard Enduro Champion (FIM)

ROLE AT THE COMPANY

- Alternate director to the group managing director of Trustco Group Holdings Ltd
- Serves as a member of the board of Trustco Group Holdings Ltd portfolio entities

EXPERTISE AND EXPERIENCE

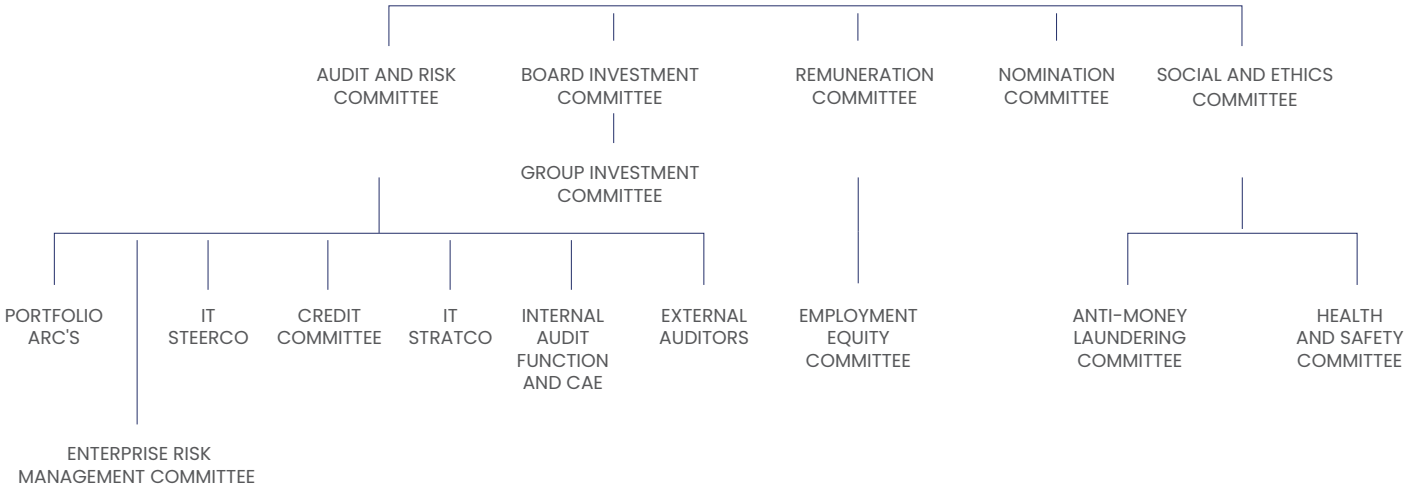
Mr van Rooyen joined Trustco in 2010 after the completion of his studies with the main purpose of gaining experience in the group. Showing a natural flair for business, he thereafter took up a position within the finance and education divisions in 2011, specialising in determination and execution of strategy, including focusing on and developing acquisitions within the division. Mr van Rooyen was appointed as head of the Namibian operations in 2013 and was subsequently appointed to serve on various boards of portfolio entities within Trustco. In November 2014 he took charge of the insurance and its investments segment and following his success therein, was appointed as head of group business in October 2015. He currently holds the position of deputy CEO of the group and alternate director to the group managing director.

LEADERSHIP AND ETHICS



TRUSTCO GROUP HOLDINGS BOARD

GROUP MD/CEO



THE BOARD

The group's corporate governance follows a dual approach. The first aspect is mandated by statutory regulations, enforced by law. The second facet is developed by the board and executed and upheld by the company's management. Trustco operates in a highly regulated environment. The board plays a pivotal role in the group's corporate governance structure.

The board considers the environmental, social and governance (ESG) impact for all stakeholders in its decision-making process. The board's deliberations and approach to corporate governance is that of intellectual honesty and transparency. The board's mandate is to act in the best interest of the company, considering the interest of all stakeholders. The central role of the board revolves around demonstrating strong leadership and utilising independent judgment to guide the organisation towards ethical standards that surpass mere legal compliance. The board is dedicated to upholding the utmost level of corporate governance and transparency, recognising these as essential elements in

realising the group's vision and growth strategy. This commitment is also driven by the aim of ensuring long-term sustainability and safeguarding investor value.

The board actively encourages all portfolio entities within the group to uphold and adhere to robust governance principles. The group continually assesses and enhances its internal structure to ensure that all unlisted investment entities and affiliated companies align with the principles outlined in either the King IV report or the NamCode (Corporate Governance Code of Namibia). Portfolio entities are also obligated to adhere to the specific applicable legislation, regulations and stipulations set forth by the Namibia Financial Institutions Supervisory Authority (Namfisa) and the Bank of Namibia (BON).

Comprehensive corporate governance is an integral component of Trustco's investment evaluation criteria and risk management practices. This aspect is continuously monitored by both non-executive and executive board members who serve as representatives on the

boards of investee companies. Each investment entity is operated and managed independently with autonomous boards and portfolio executive committees. Trustco, together with some of its subsidiaries render investment and support services to its portfolios and recovers its costs through benchmarked service fees.

ETHICAL TONE FROM THE TOP

Setting an ethical tone from the top demands that the board and senior management find ways to connect with stakeholders inside and outside the group. The board and senior management openly communicate their values on an ongoing and transparent basis, using different platforms and distribution systems. While the board establishes core values and principles, management leads by example and actions are guided by either positive or negative reinforcement.

The board holds the belief that ethical conduct originates from the intrinsic values of Trustco's employees, fostered and endorsed by visible ethical leadership and a corporate culture driven by values. Leadership grounded in ethics leads to a corporate culture characterised by ethical and moral behaviour. The board, management, and employees collaborate with a mutual interest and a unified set of values to attain a shared objective.

The board is satisfied with Trustco's adherence to the King IV principles throughout the reporting period. A fundamental aim of corporate governance continues to be the maximisation and safeguarding of shareholder and investor wealth. The objective of this report is to provide Trustco's investors with comprehensive insight into its governance frameworks and procedures, allowing them to assess Trustco's capacity to generate and maintain investor value.

THE BOARD OF DIRECTORS

The board's primary role and responsibilities are to:

- set and steer strategic direction with regard to both the group's strategy and the way in which specific governance and regulatory areas are to be approached, addressed and conducted
- approve policies and plans that give effect to the strategy and set the direction
- ensure accountability for the group's performance through transparent detailed reporting and disclosures

- oversee and monitor implementation and execution by executive management and
- take independent and objective decisions.

The board takes accountability for its composition and endorses processes to achieve the ideal equilibrium of knowledge, skills, experience, diversity and independence, ensuring its ability to impartially and efficiently fulfil its governance duties and obligations.

A crucial responsibility of the board is to establish the group's purpose, encompassing its strategic intent, investment considerations, investment decisions and objectives as an investment enterprise. It also defines the values that shape its organisational behaviours and norms, all aimed at fulfilling its purpose and fostering sustained value creation. Both the purpose and the values are regarded as transparent and attainable.

The group's investment strategy is meticulously assessed, discussed and approved. The board and executive meetings oversee its execution, along with ensuring the establishment of protocols and practices for safeguarding the group's assets and reputation. Additionally, the group's risk tolerance is taken into account for each investment decision. Additional duties of the board encompass establishing, assessing and supervising strategic objectives, granting approval for significant acquisitions, disposals, investment activities and capital expenditures, as well as supervising the group's internal control systems, governance practices and risk management.

The group maintains a robust corporate governance structure with established board committees supporting the board in the execution of its duties, however the board remains ultimately responsible and accountable to all its stakeholders. Certain authorities have been delegated with specific authority to each board committee to enable effective control, while preserving the accountability of the directors of the board. The board is mindful to balancing the robust entrepreneurial spirit in the group with the interests of all other stakeholders. The Delegation of Authority Policy (DOA) and the board charter establish a clear balance of power and authority at all levels. The company employs the four eyes principle to ensure that no director or executive possesses unfettered decision-making authority.

LEADERSHIP AND ETHICS (CONTINUED)

During the period under review the board and board committees approved and implemented:

- a share repurchase programme
- the annual internal audit plan and
- the updated executive orders policy.

The board also approved the following corporate actions and transactions during the reporting period, subject to shareholders approval;

- the mining transaction with Sterling Global Trading (SGT)
- management agreement with Next Capital (Pty) Ltd (Next)
- Next loan conversion option and
- an increase in share capital.

All these transactions and corporate actions remain subject to the shareholders' approval.

BOARD ASSESSMENT

The board, of directors conducted an evaluation of its own performance, the performance of its committees, the chairperson, the individual board members, the CEO, FD and company secretary. The evaluations were conducted internally and through an informal process in accordance with a generally accepted methodology adopted by the board. The evaluation concluded that the board is effective and that value and participation were considered satisfactory and positive in all material and compliance aspects.

No remedial actions were required. The board is satisfied that the evaluation process is enhancing its performance and efficiency and will persist in pinpointing opportunities for enhancement.

INVESTMENT POLICY

The board on the recommendation of the Board Investment Committee (BIC), makes investment decisions in line with the shareholders approved investment policy. The investment policy encompasses the diverse risks that Trustco must assess as an investment entity. It also delineates the strategic goals, investment activities and defines the investment principles that must be followed. The investment policy is available on the company's website at <https://www.tgh.na/downloads/>.

DIRECTOR DEVELOPMENT

Ongoing training is provided to the board of directors of Trustco. The collective expertise, counsel, insights, knowledge and specialised skills contributed by individual directors, senior executives and invited specialist consultants

during sessions and discussions on intricate matters serve as valuable ongoing training, skill transfer and development for all involved parties. In the current reporting period, board members and senior management underwent specific board training tailored to the expertise of each individual director.

INDEPENDENT AND UNFETTERED ADVICE

The board of directors is encouraged to seek independent advice, at the company's cost, to assist with the execution of its fiduciary duties and responsibilities, if so required. During the period under review, the board members collectively sought independent advice. The board of directors also has direct access to the group's external auditors, the external legal advisor, external compliance advisor, the company secretary, the CAE and the CEO at all times.

The group makes use of the technical and expert opinion of W Consulting, an independent JSE accredited IFRS advisor, for all material transactions. The board has access to all expert reports and professional opinions obtained from independent experts.

BOARD OF DIRECTORS' INDEPENDENCE

If a director has served for a period of more than nine years, best practice requires the board to consider whether that director continues to be independent in executing his/her fiduciary duties.

As of the reporting date, three of the non-executive directors have served for longer than nine years. The board has considered whether the three directors continue to be independent in executing their fiduciary duties and is satisfied that they are and remain independent. The board furthermore practices the review of director independence annually, conducted the assessment and has concluded that all non-executive directors are independent and meet the requirements for the test of independence.

The board considered the indicators set out in the King IV report holistically and on a substance over form basis when assessing the independence of each director for purposes of categorisation. The majority of directors serving on the board are classified as independent non-executive directors.

The board has conducted an assessment and has concluded that the members exercise objective judgement and there is no interest, position, association or relationship that, when

judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision making.

In accordance with the company's memorandum and articles of association and in terms of the Companies Act, at least one third of non-executive directors shall retire from the board and if available, may be re-elected by the shareholders at the AGM, provided that the board has confirmed and verified the eligibility of such directors.

BOARD COMPOSITION AND STRUCTURES

Directors are appointed through a structured procedure that engages the entire board and includes recommendations from the nomination committee. Board appointments are determined by achieving the necessary equilibrium of knowledge, skills, experience, diversity, and independence, ensuring the board can impartially and efficiently fulfil its governance duties and obligations.

These selection criteria guarantee the formation of a diversified, skilled and well-balanced board. Furthermore, the board consistently assesses and evaluates the relevance and suitability of its governance structures.

The board maintains a distinct division of responsibilities. Independent non-executive board members are assigned, rotated and appointed to various portfolio entities and board committees in accordance with their particular expertise. This approach aligns with the specific needs of different functions, necessitating diverse focus, skills and experience for effective oversight. The objective is to foster efficient cooperation among committees while minimising redundancy and fragmentation of responsibilities. Delegating power and authority encourages independent judgment and facilitates the effective execution of duties.

The structure of quarterly board meetings continues to be inclusive. The board members, the internal and external auditors, the executive investment committee and its support committee, engaged in inclusive discussions on material transactions, projected cash flow requirements and determined the risk tolerance as well as strategic vision. The board and management openly discuss concerns, question conclusions and engage in constructive debates over strategic decisions. This collaborative approach is not only accepted but also actively promoted across the entire group.

CHANGES TO THE BOARD

No changes were made to the board during the reporting period and no new directors have been appointed since the previous annual general meeting.

SUCCESSION PLANNING

Succession planning encompasses the identification, mentoring and development of potential future board members. The group benefits from having a pool of executive directors with diverse experience and a high degree of competence. The board is satisfied that it is able to identify suitable short-, medium- and long-term replacements from within the group structure.

THE GROUP MANAGING DIRECTOR (MD) AND CHIEF EXECUTIVE OFFICER (CEO)

The group MD, who is also the CEO of the group, is responsible for leading the implementation and execution of approved board strategies, policies, investment planning and for acting as the link between the board and management. The MD acts as the chair of the executive investment committee and its support committee. The MD is remunerated in accordance with a management agreement with the group. The management agreement is subject to shareholders approval (refer to annual financial statements for more information). The MD also has no other professional commitments or directorships of governing bodies outside that of the group other than what was disclosed in terms of the Declaration of Conflict Policy of the group.

The succession planning is in place for the position. The functions of the chairman of the board and the MD are also clearly separated in the board charter.

THE CHAIRMAN

The chairman's independence underwent scrutiny and assessment, and it was established that the chairman maintains independence. Furthermore, the chairman of the board also assumes the role of the chairman of the nomination committee.

THE FINANCIAL DIRECTOR

During the financial year under review, Mr Floors Abrahams continued to serve as the executive financial director on a full-time basis. The audit and risk committee has assessed the expertise, experience and performance of Mr Abrahams and found his capabilities and performance satisfactory.

LEADERSHIP AND ETHICS (CONTINUED)

COMPANY SECRETARY

The company secretary is the gatekeeper and the provider of independent guidance on corporate governance to the board in the execution of its duties and responsibilities. Komada Holdings (Pty) Ltd, a subsidiary of Trustco, serves as the company secretary and also provides secretarial services to the investment entities of the group. The board is satisfied that the company secretary maintained

an arm's length relationship with the board and its directors during the period under review. The company secretary is not a director of the board.

The board assessed the competence of the company secretary in accordance with best practice performance and evaluation criteria and found its services, experience and competence to be satisfactory.

NON-EXECUTIVE AND EXECUTIVE DIRECTORS ATTENDING THE TRUSTCO ANNUAL GENERAL MEETING (AGM)

BOARD MEMBER	30 March 2023 AGM
RAYMOND HEATHCOTE (CHAIRMAN)	✓
RENIER TALJAARD	✓
WINTON GEYSER	✓
JANENE VD HEEVER	✓
QUINTON VAN ROOYEN	✓
FLOORS ABRAHAMS	✓

No general meeting was held during the reporting period.

BOARD MEETINGS AND ATTENDANCE

MEMBER	22 NOV '22 EXTRA-ORDINARY MEETING	24 NOV '22	22 FEB '23	30 MAY '23	23 AUG '22	31 AUG '22 EXTRA-ORDINARY MEETING
RAYMOND HEATHCOTE (CHAIRMAN)	✓	✓	✓	✓	✓	✓
RENIER TALJAARD	✓	✓	✓	✓	✓	✓
WINTON GEYSER	✓	✓	✓	✓	✓	X
JANENE VD HEEVER	✓	✓	✓	✓	✓	✓
FLOORS ABRAHAMS	✓	✓	✓	✓	✓	✓
QUINTON VAN ROOYEN	✓	✓	✓	✓	✓	✓

BOARD COMMITTEES

The board appointed an audit and risk committee, a remuneration and nomination committee, an investment committee as well as a social and ethics committee to whom certain functions were delegated. The chairpersons of the individual committees are non-executive independent directors. All the members of these standing committees are also non-executive independent directors, except for the social and ethics committee.

THE AUDIT AND RISK COMMITTEE (ARC)

The ARC provides independent oversight on the effectiveness of the group's assurance function and services. The ARC focuses on integrated assurance arrangements, including external assurance service providers, internal audit, the finance function, the integrity of the annual financial statements as well as other external reports issued by the group to the extent delegated by the board. Additionally, the ARC also has the oversight function of risk governance.

The ARC confirmed that appropriate and proper financial reporting procedures exist, are applied, maintained and functioning effectively throughout the group. The ARC and the external auditors, Nexia SAB&T and SML Namibia, executed their duties and responsibilities pursuant to paragraph 22.15 of the JSE LR.

The internal auditor, the external auditors, the CEO, chief financial officer, the CAE and senior management attend the ARC meetings.

The ARC is well informed of the responsibilities and duties of the external auditors and is satisfied that the external auditors are independent of the company. The ARC reviewed the financial statements of the company and is satisfied that the statements comply with IFRS, SAICA financial reporting guidelines as issued by the Accounting Practices Committee, financial reporting pronouncements as issued by the Financial Reporting Standards Council and in the manner required by the Companies Act of Namibia and the South African Companies Act, insofar as it is required.

The ARC members possess the requisite technical expertise, skills and experience, and they have discharged their responsibilities

effectively. The composition of the ARC was changed with the resignation of Mr. Richard Marney. The current skills pool of the ARC was enhanced through the appointment of Mr. Tom Newton, who serves as an independent non-executive director of investee entities but does not hold a position on the board.

ARC MANDATE

The duties of the ARC include those assigned to it by the board and which have been documented in its charter. The ARC has, in the period under review, fulfilled its mandate and:

- nominated a registered, independent external auditor for appointment and determined the fees to be paid as well as the terms of their engagement
- ensured that the appointment of the auditors complies with applicable statutory provisions relating to the appointment of the auditors
- determined, subject to applicable statutory and regulatory provisions, the nature and extent of any non-audit services to be provided, or services to the group that the auditor must not provide to the group or a related party pre-approved any proposed agreement for the provision of non-audit services to the group
- prepared a report, addressing the items as prescribed in the applicable statutory and regulatory provisions
- made submissions to the board, where applicable, on any matter concerning the group's accounting policies, financial controls, records, reporting, risks and risk related policies
- approved the annual internal audit plan
- maintained oversight over the internal audit function
- engaged the JSE on proactive monitoring
- considered the proactive monitoring issued by the JSE
- ensured that the auditor reports on its responsibilities pursuant to paragraph 22 of the LR
- performed an independent review on the internal audit function
- ensured that the committee has access to all financial information of the company to allow it to effectively evaluate and report on annual financials and
- oversaw effective financial reporting for the group.

LEADERSHIP AND ETHICS (CONTINUED)

ARC MEETINGS AND ATTENDANCE

MEMBER	17 NOV '22	15 FEB '23	17 MAY '23	22 AUG '23
WINTON GEYSER (CHAIRMAN)	✓	✓	✓	✓
RENIER TALJAARD	✓	✓	✓	✓
TOM NEWTON	✓	✓	✓	✓

The committee held four meetings during the reporting period. The committee fulfilled its mandate as prescribed and successfully carried out its designated responsibilities as outlined. There were no instances of material non-compliance identified.

REMUNERATION AND NOMINATION COMMITTEE (REMCO AND NOMCO)

The remco and nomco have dual responsibilities. The remco is composed of independent non-executive directors and aids the board in establishing and overseeing remuneration policies. It also provides recommendations to the board regarding succession planning and compensation for all employee levels within the group, including non-executive directors.

Furthermore, the remco is responsible for ensuring adherence to relevant laws and codes of conduct. It also evaluates benefits and performance incentive programmes in light of the group's strategy and objectives, which aim to generate stakeholder value while preserving incentives and retaining crucial skills. The remco is satisfied that incentives are based on challenging targets that are verifiable, measurable and relevant.

REMCO MANDATE

The duties of the remco include those assigned to it by the board and which have been documented in its charter. The remco has fulfilled its mandate which includes *inter alia*:

- to ensure the company remunerates fairly, equitably and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term
- assume responsibility for the governance of remuneration by setting the direction of how remuneration practices should be addressed throughout the group and
- approve policies that articulate and give effect to its direction on fair, equitable, responsible and transparent remuneration and consider, recommend and review remuneration policies for the group.

REMCO MEETINGS AND ATTENDANCE

MEMBER	17 NOV '22	22 MAY '23
JANENE VD HEEVER (CHAIRMAN)	✓	✓
WINTON GEYSER	✓	✓
RENIER TALJAARD	✓	✓

The committee held two meetings during the reporting period. The committee effectively executed its designated duties as outlined and no instances of material non-compliance were identified.

NOMCO MANDATE

The duties of the nomco include those assigned to it by the board and which have been documented in its charter. The nomco has fulfilled its mandate which includes *inter alia*:

- making recommendations to the board on the appointment of key executive and non-executive directors through a formal process
- monitoring the composition of the board, its structure, size and diversification and
- initiating and managing performance evaluations of the board.

NOMCO MEETINGS AND ATTENDANCE

MEMBER	17 NOV '22	22 MAY '23
RAYMOND HEATHCOTE (CHAIRMAN)	✓	✓
RENIER TALJAARD	✓	✓
JANENE VD HEEVER	✓	✓

The committee held two meetings during the reporting period. The committee fulfilled its mandate as prescribed and there were no instances of material non-compliance found.

SOCIAL AND ETHICS COMMITTEE

Trustco's commitment to social responsibility and business ethics is managed by the social and ethics committee. This committee ensures that the company pays due consideration to the subtle yet vital aspects of its business operations, particularly the ethical standards and social responsibility embedded within its value system. The committee possesses a clear understanding of the business's social awareness and its obligation to ensure that the company conducts itself with accountability in the realms of social, commercial and environmental responsibility.

The social and ethics committee also oversees and reports on sustainable development, stakeholder relationships and ensures that Trustco upholds its role as a conscientious and responsible corporate citizen.

SOCIAL AND ETHICS MANDATE

The mandate of the social and ethics committee includes monitoring and oversight of the group's activities concerning:

- ethical leadership
- responsible corporate citizenry
- sustainable development
- stakeholder inclusivity and
- social and economic development.

SOCIAL AND ETHICS COMMITTEE MEETINGS AND ATTENDANCE

MEMBER	17 NOV '22
RENIER TALJAARD (CHAIRMAN)	✓
JANENE VD HEEVER	✓
ELMARIE JANSE VAN RENSBURG (EXECUTIVE)	✓

The committee held one meeting during the reporting period. The committee fulfilled its mandate as prescribed and there were no instances of material non-compliance found.

BOARD INVESTMENT COMMITTEE (BIC)

The board investment committee (BIC) bears the responsibility of evaluating and granting approval for new investments, extensions and disposals of current investments. Additionally, it is tasked with reviewing and providing recommendations to the board concerning investments that lie beyond its designated scope. The BIC consists of both independent non-executive directors and executive directors and reports to the board on all matters related to investment decisions and associated risks.

BIC MANDATE

The mandate of the BIC includes those assigned to it by the board and which have been documented in its charter. The BIC has fulfilled its duties which includes *inter alia*:

- to approve the purchase and/or disposal of investments
- to monitor and evaluate the performance of investments
- to review Trustco's investment strategy
- to review the quality, performance and risk characteristics of Trustco's investments
- to set investment guidelines, including exit strategies
- to review the performance of the investee entities
- to review market trends and implications for portfolio and investment risk management and
- to ensure alignment and adherence to the investment policy.

The existing skill set within the BIC was enhanced with the addition of Mr. Richard Chetwode. He serves as an independent non-executive director for an investee entity, although he does not hold a position on the Trustco board.

The committee held four meetings during the reporting period. The committee fulfilled its mandate as prescribed and there were no instances of material non-compliance identified.

LEADERSHIP AND ETHICS

BIC MEETINGS AND ATTENDANCE

MEMBER	17 NOV '22	11 FEB '23	30 MAY '23	23 AUG '23
WINTON GEYSER (CHAIRMAN)	✓	✓	✓	✓
RICHARD CHETWODE	✓	✓	✓	✓
QUINTON VAN ROOYEN	✓	✓	✓	✓
FLOORS ABRAHAMS	✓	✓	✓	✓

COMPLIANCE STATEMENTS ON PRIMARY, SECONDARY AND OTCQX LISTINGS

The company's primary listing on the JSE means the company is subject to the JSE Listings Requirements (LR). The company's secondary listing on the Namibian Stock Exchange (NSX) means the company is further subject to the NSX LR.

Trustco established a sponsored Level 1 ADR programme in the United States of America (USA) in 2014. The purpose of the ADR was to facilitate access to Trustco shares (TTO) in the USA and to enhance the international presence of the emerging markets vision of the group. Trustco upgraded its Level 1 ADR programme to a real-time Level 2 ADR programme. The Trustco share trades on the OTCQX Best Market under the share code TSCHY.

The company's listing on the OTCQX means that it is obligated to adhere to the regulations set forth by OTCQX International and must meet its US disclosure requirements in accordance with Exchange Act Rule 12g3-2(b) and the OTCQX standards for international companies. The board is satisfied, save as disclosed in this integrated report, that the group has complied with all enforceable JSE and NSX LR as well as the OTCQX standard.

ANNUAL COMPLIANCE CERTIFICATE

The annual compliance certificate, affirming the company's adherence to the JSE LR and the NSX LR, was duly prepared and submitted to the JSE and NSX, respectively. The ARC reviewed the relevant report from the JSE and ensured that the company took the necessary corrective measures where applicable.

KING IV REPORT AND REGISTER

The board incorporated the principles of the King IV report into the group's operations insofar as the application thereof serves the group's

best interests. In cases where full compliance was not achievable, the board provided clear explanations for its deviations and adopted alternative principles or practices, all of which align with the overarching governance principles of fairness, accountability, responsibility and transparency. A comprehensive compliance list is available on the company's website at <https://www.tgh.na/downloads/>.

BROAD DIVERSITY POLICY

The board considered and applied the principles of the Broad Diversity Policy. In the event of vacancies for director positions, the board will assess the need for a skill balance that enables effective board performance and fulfilment of responsibilities. While no specific voluntary targets have been established, the board will adhere to the Broad Diversity Policy in the expected appointments of new independent non-executive directors. The board approved policy on the promotion of broad diversity is available on the company's website at <https://www.tgh.na/downloads/>.

DEALING IN SECURITIES

Trustco operates as a highly regulated entity, strictly abiding by established rules and guidelines. The company consistently upholds the utmost standards of corporate governance, transparency and ethical conduct. Robust policies and procedures are in effect to guarantee that all securities trading aligns with the prevailing rules and regulations. Additionally, the company's secretarial department is responsible for authorising all trades involving Trustco securities by directors.

DIRECTORS' DEALINGS AND CONFLICTS OF INTEREST

Policies and procedures are in place to recognise, respond to and manage any actual, potential or perceived conflicts of interest.

Directors are obligated to disclose their personal financial interests, as well as those of individuals associated with them, in any contracts or other significant matters that involve Trustco's substantial interest or that are slated for discussion during a board meeting. All directors are required to assess any potential conflict of interest and report such instances to the attention of the chairperson of the board. Where a potential conflict of interest exists, directors are expected to recuse themselves from relevant discussions and decisions.

Declarations of interest and conflict of interest of directors are done annually as per the Declaration of Interest and Conflict of Interest Policy of the group. All information acquired by directors in the performance of their duties, which is not disclosed publicly, is treated as confidential. Directors are prohibited from utilising or giving the appearance of utilising such information for their personal benefit or for the benefit of third parties.

All directors of the company are required to comply with the relevant board policies of the group and the requirements of the JSE regarding insider information, dealings in securities and the disclosure of such dealings.

The actions and behaviour of executive directors and senior management, who serve in executive roles on the boards of investee companies, are regulated by formal guidelines that have been endorsed by the board.

SPONSOR

Vunani Ltd through Vunani Corporate Finance remains the company's JSE equity sponsor. Merchantec (Pty) Ltd remains the company's debt sponsor. Simonis Storm Securities (Pty) Ltd remains the company's NSX sponsor and J P Galda as the company's OTCQX sponsor for the reporting period.

WHISTLE BLOWING

The ARC is satisfied that the whistle-blowing processes are adequately and suitably provisioned. No significant incidents necessitating action were identified during the review period. Trustco maintains an established anonymous reporting system for whistleblowing, encouraging employees and stakeholders to report instances of fraud, corruption, or unethical conduct linked to any aspect of the group's operations without concerns of retaliation or reprisal. There were no notable cases of fraud or theft reported during the review period.

SUSTAINABILITY REPORTING

The ARC oversaw the integrity of the integrated annual report and is satisfied that the disclosure of information pertaining to sustainability issues is reliable and consistent with the financial results and other information within the knowledge of the members of the ARC.

RISK AND OPPORTUNITIES MANAGEMENT AND INTERNAL CONTROL

ETHICAL LEADERSHIP

Ethical leadership and human capital empowerment are the cornerstone of Trustco’s risk management process as they ensure operational competence, entrepreneurial aptitude and sound governance. An effective risk management system together with the strong commitment of the board is crucial for the assessment, monitoring and mitigation of risk, determination of risk appetite and risk tolerance for which the board of Trustco remains accountable. The board has reviewed the Group Risk Management Policy which has been implemented by management and the policy ensures continuous identification, assessment, management, treatment, internal control embedment as well as risk mitigation, reduction and strategies.

As an investment entity, the portfolio companies that Trustco invests in have their own independent boards responsible for the risk management process and systems of internal control in their companies. Regulated portfolio companies also have audit and risk committees appointed by their boards. The board is responsible for the oversight of risk management, which includes monitoring the actual effectiveness of the risk management process, the adequacy of the risk policies and the systems of internal control in the operations of the company. Management is accountable to the board for the design, implementation,

maintenance, monitoring and integration of the process of risk management in the day-to-day activities of the company. The following measures are in place to assist with risk management to ensure the group achieves its strategic and investment goals.

RISK REVIEW

Trustco is an investment holding company and the risk and opportunities management process takes cognisance of risks and opportunities within the company as well as those within its investment portfolio. Effective risk management is achieved through the risk management process, internal controls and an assurance framework based on adherence to King IV, the NamCode, the JSE and NSX LR, the Namibian and South African Companies Acts. The group aims to remain compliant with the applicable laws and regulations. There is a formal process of identifying, assessing, managing, monitoring and reporting risks throughout the group. The risk management process comprises the arrangement of resources to achieve objectives aligned with strategy and business plans, as well as the exploitation of available opportunities that meet the risk appetite and criteria set by the board. Risk profiles inherent to investment activities are maintained within approved tolerance levels considered by the board to optimise return parameters for sustainable investment returns and growth.

THE INTERNAL AUDIT DEPARTMENT PROVIDES THE BOARD AND AUDIT AND RISK COMMITTEE WITH ASSURANCE ON THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS.

INTERNAL CONTROL SYSTEMS

The adherence to internal controls is governed by approved policies and procedures. These controls are reviewed by management, management committees, internal and external audit. In regulated entities audit and risk committees operate to ensure overall oversight of risks.

INTERNAL AUDIT

Internal audit is responsible for assisting the board and management to maintain an effective internal control environment by evaluating and testing the controls on a regular basis to determine whether they are effective, adequately designed and to recommend improvements. The internal audit department provides the board and audit and risk committee with assurance on the effectiveness of the internal control systems.

EXTERNAL AUDIT

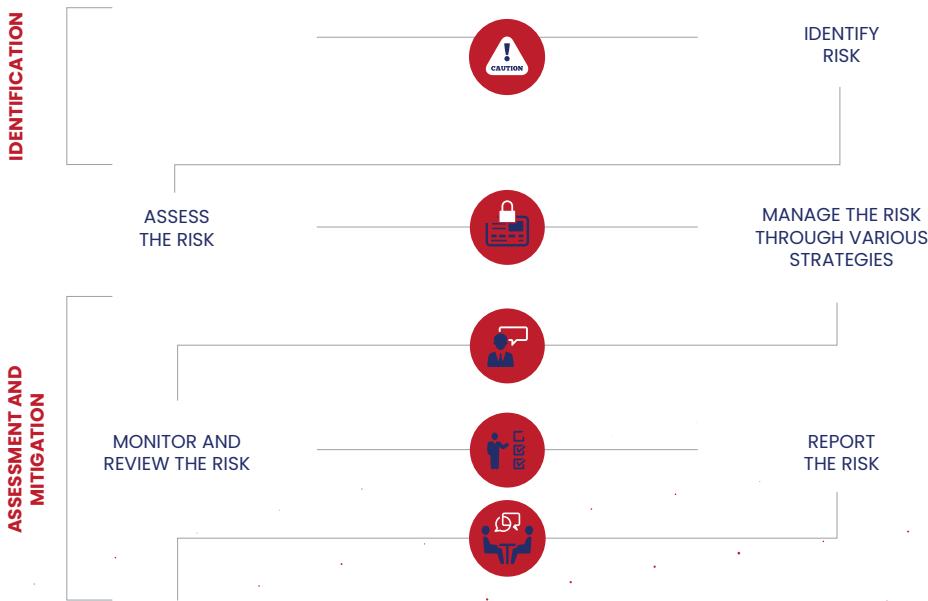
The Auditors’ Rotation Policy of the group ensures the independence of the external auditors. In terms of the JSE LR applicable as at 31 August 2023, the external auditor of the group must be accredited with the JSE. Nexia SAB&T continued in office as the JSE accredited auditor. The independence of the external auditor is reviewed regularly by the group ARC. The external auditor attends ARC meetings and has direct access to the chairperson of the ARC. Changes to the JSE LR with regard to the auditor accreditation model was implemented with effect from 4 December 2023, the impact of which will be assessed by the Company in the next reporting period, as the audit for the year ended 31 August 2023 was substantially complete at the time of implementation.

EXTERNAL ASSURANCE

Various external parties are used to assess the adequacy and effectiveness of controls and in certain instances, to provide risk assurance and to ensure compliance, for example with environmental, ICT and safety audits. The ARC as well as the board have access to an independent JSE accredited IFRS advisor, external compliance advisor and external legal advisor.

COMPLIANCE

The group faces complex challenges as it invests in diversified and varied industries. Compliance with all requirements, on all levels, with the different regulatory bodies can only be achieved if a proper risk management system is in place and always adhered to. The compliance function identifies, assesses, advises, monitors and reports on the compliance risk of the group as an investment entity, as well as legal risk in terms of the potential impact of changes in laws and regulations.



RISK AND OPPORTUNITIES MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

The company secretarial department, senior management with the assistance of the group CAE, internal audit and the legal department manage and ensure compliance with relevant laws and regulations. Any compliance matters or risks identified are monitored, mitigated and reported to the ARC and the board.

ICT GOVERNANCE

Information and communication technology (ICT) is managed from group level and is designed to support Trustco's investments in achieving their strategic objectives. The group ICT Strategy and Steering Committee (ICT SSC) performs governance functions with its chairperson reporting to the group executive committee (exco) and ARC. All ICT policies are continuously reviewed and approved by the ICT SSC. ICT is regarded as essential to the continued sustainable operations of the group's investments and the ICT SSC meets quarterly on a formal basis and informally on a regular basis. The group maintains policies and practices that guide ICT service delivery, incident management, physical security, change management, patch management, passwords and acceptable use. ICT risk management is included into the combined assurance process of the group and an ICT business continuity plan and disaster recovery plan are maintained, both of which are tested on an annual basis.

INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The group board acknowledges the importance of keeping shareholders and the investor community informed of developments in the investments of the group. Communication with shareholders is based on the principles of timely, regular, balanced, accurate, clear, reliable and transparent information. Both positive and negative aspects of financial and non-financial information are provided. Interactions with institutional investors take place on a continuous basis.

PRICE SENSITIVE INFORMATION

No director, officer, employee or associate of the company or its subsidiaries and investees, may deal either directly or indirectly in the company's securities based on unpublished price sensitive information which they may

have in their possession, nor may directors trade in the company's securities during closed periods. The company also maintains formal policies on trading in company shares to ensure that the securities dealings by employees, senior management, directors and associates are conducted in compliance with the JSE LR, the Financial Markets Act (SA) and Financial Intelligence Act (Namibia).

PROHIBITED PERIODS

Closed periods are from the end of the interim and annual reporting periods up to the announcement of financial results for the respective periods and while the company is under a cautionary announcement.

ISSUING OF SHARES

Trustco did not issue any shares during the reporting period.

REPURCHASE OF SHARES

The group has a repurchase programme in place that allows the company or its subsidiaries and investees to acquire securities during closed periods. The group will continue with its share repurchase programme for as long as the company and board resolve that the prevailing share price is below its intrinsic value. During the reporting period no securities were sold or acquired.

PRINCIPAL RISKS

Strategic risk assessment includes the consideration of probable future scenarios and risks, taking cognisance of political, environmental, social, technological, economic and legislative developments on international as well as local markets. This risk report focuses on Trustco as an investment entity and its subsidiaries as its portfolios are operated independently and have autonomous boards.

INVESTMENT RISK

KEY OBJECTIVE

With the group reporting as an investment entity, investment risk has become its paramount concern. Maintaining Trustco's corporate presence in the investment holding environment enables the company to acquire meaningful stakes in selected investment opportunities.

The company pursues investment opportunities that can deliver superior returns and investment growth over the medium- to long-term. Furthermore, ensuring underlying investments are effectively managed, deliver expected returns and that the group's rights are protected is a continuous focus of the company.

KEY CONTROL

The nature and timing of corporate actions, investment decisions, acquisitions and disposals are aligned with long-term strategy. Decisions as to whether to increase or reduce current investments and the timing of the exit strategies have increased the investment risk and consume much of the time of the investment committee. Risks in the individual investment portfolios can result in a level of uncertainty in achieving the returns as expected by the group, however comprehensive network and processes focused on sound investment decisions, risk based due diligences, reviews and sustainability goals are integrated into management practices. Appropriate and comprehensive shareholder agreements, control structures and skilled management teams facilitate effective control coupled with review process of regular and detailed reporting from investee companies.

REGULATORY RISK

KEY OBJECTIVE

Full compliance with regulatory, legislative and industry practices.

KEY CONTROL

Trustco's current principal regulatory risk is a perceived non-compliance with the regulations of the Bank of Namibia. During the reporting period, this risk and the steps taken in mitigation thereof were addressed by challenging the Bank of Namibia by means of the legal process. Trustco's board will continue to apply its fiduciary duty with respect to compliance with Bank of Namibia regulations.

CURRENCY RISK

KEY OBJECTIVE

To decrease US Dollar based liabilities and minimise adverse effects of currency fluctuations. Trustco has a significant investment in a portfolio that operates on a US Dollar basis, while the group itself reports in Namibia Dollars.

Its exposure to the US Dollar exchange rate thus remains a risk for the foreseeable future.

KEY CONTROL

In pursuit of comprehensive risk management, the company employs a strategy that effectively mitigates foreign currency risk. This is achieved through a strategic blend of investments denominated in both Namibian Dollars (NAD) and US Dollars (USD). By adopting this diversified investment approach, the company establishes a harmonious natural hedge within the group, which provides a safeguard against potential fluctuations in USD-based liabilities. This proactive measure serves to bolster financial resilience and underlines Trustco's commitment to prudent risk management practices.

LIQUIDITY RISK

KEY OBJECTIVE

Increase available liquidity to fund financial obligations, cash flow needs and new investments and further support existing successful investments.

KEY CONTROL

Due to the continued depressed economy, liquidity pressures affect the group and its portfolio companies. Liquidity is monitored with continuous forward-looking cash flow forecasts, effective functioning of treasury and the management and maintenance of appropriate funding facilities.

INTEREST RATE RISK

KEY OBJECTIVE

To forecast interest rate movements by analysing the factors such as inflation, monetary and fiscal policy, economic growth, and supply and demand that affect interest rates. Interest rates have consistently increased during the period under review. Additional capital will thus be more expensive to raise.

KEY CONTROL

Varied fluctuations in interest rates have a significant effect on the valuations of investments as these are now reported on at fair value. Increases do, however, to some degree mitigate reinvestment risk as long as interest rates continue to increase.

RISK AND OPPORTUNITIES MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

OPPORTUNITY RISK

KEY OBJECTIVE

Ensuring opportunity risks are managed by analysing various investment options to prevent potential losses or unfavourable outcomes and to ensure that good investment opportunities are not lost.

KEY CONTROL

A capable and experienced investment committee and implementation of a skilled investment team with efficient processes and control with effective support structures. Board oversight and monitoring of performance against investment policy, plans and decisions.

MARKET RISK

There has been a decline of approximately 10% in JSE stock market prices over the year, with stocks in financial services increasing. The market capitalisation of the group, however, remained steady.

KEY CONTROL

Diversification of investments combined with asset allocation based on risk-return profiles. The group expects prices to normalise in the medium-term.

OVERVIEW OF FOCUS AREAS

- The following key focus areas shaped the organisation's priorities during the reviewed fiscal year:
- **Geopolitical Concerns:** The ongoing Russian-Ukraine conflict remained a concern. Consideration extended to the potential implications on business continuity and resilience.
 - **Navigating Emerging Risks:** Addressing emerging risks was a central concern, encompassing global and local political dynamics, socioeconomic developments, and trends, including crime rates, infrastructure stability and electricity supply reliability.
 - **Strengthening Fraud Resilience:** The year under review emphasised the importance of robust fraud prevention and detection processes due to the prominence of reported global and national irregularities.

- **Evolving Reporting Standards:** Keeping pace with developments in international financial reporting standards and evolving frameworks for Environmental, Social, and Governance (ESG) reporting was a priority.
- **Audit Landscape Dynamics:** Monitoring auditor rotation trends and the reputational challenges faced by specific audit firms shaped the organisation's outlook.
- **Material Transactions Review:** Material transactions undertaken during the financial year were evaluated to gauge their significance and impact.
- **Enhancing Risk Assurance:** The effectiveness of risk and opportunity assessment processes, combined assurance mechanisms, and control environment were scrutinised.
- **Control Environment Evaluation:** Thorough evaluation was conducted on the effectiveness of the control environment and internal financial controls.
- **Audit Terms and Plans:** The terms and assurance plans of both internal and external auditors were reviewed for alignment and coverage.
- **Comprehensive External Reporting:** Comprehensive external reporting, encompassing both financial and non-financial aspects, was a key consideration.
- **Technology Governance and Cyber Risk:** Technology and information governance, including the ever-pressing concern of cyber risk, remained at the forefront.
- **ESG and Sustainability Focus:** ESG and sustainability-related factors were woven into the organisation's strategic priorities.

These overarching themes will continue to feature prominently on the agenda, aligned with the group's governance standards and the mandates of pertinent committees.

SUSTAINABLE DEVELOPMENT REPORT

THE COMPANY HAS CONSISTENTLY MAINTAINED ITS COMMITMENT TO AN INTEGRATED APPROACH TO CORPORATE GROWTH—A HOLISTIC STRATEGY THAT NOT ONLY PRIORITISES ECONOMIC DEVELOPMENT BUT ALSO PLACES EQUAL EMPHASIS ON SUSTAINABLE GROWTH, AS WELL AS SOCIAL AND ENVIRONMENTAL DEVELOPMENT AND PROTECTION.

BACKGROUND

Trustco firmly maintains the conviction that the commitment to strong corporate responsibility and ethical conduct is essential for building trust, in alignment with sound business principles, and is a critical factor in protecting and enhancing investment. Responsible and ethical business practices serve as the foundation for continuous shared value creation, environmental sustainability, long-term asset performance and the overall wellbeing of society at large.

The company has consistently maintained its commitment to an integrated approach to corporate growth—a holistic strategy that not only prioritises economic development but also places equal emphasis on sustainable growth, as well as social and environmental development and protection. In the pursuit of excellence, management proactively addresses and evaluates critical sustainability concerns.

Trustco actively embraces and contributes to sustainable strategies aimed at advancing a comprehensive agenda guided by the United Nations (UN) Sustainable Development Goals (SDGs). Recognising the significance of sound environmental, social and governance (ESG) practices, Trustco regards them as vital for establishing and preserving resilient assets and businesses. The policies governing these practices are integral elements of the value creation process, ensuring the enduring sustainability of investment operations.

Trustco's dedication extends to the transformation of capitals, involving a meticulous evaluation of Key Performance Indicators (KPIs) within the contexts of risks, opportunities, strategies and performance. This comprehensive approach ensures the continuity and sustainability of Trustco's investment activities. Evaluating capital inputs remains of utmost importance, guaranteeing the generation of significant value for investors in the result-focused approach. Even in demanding economic conditions, Trustco remains proactive and well-prepared with the necessary expertise to enhance resilience.

Furthermore, Trustco maintains an ESG strategy that is tailored to address the distinctive sustainability challenges within the markets where it invests.

SUSTAINABLE DEVELOPMENT REPORT (CONTINUED)

This strategy effectively addresses the opportunities and risks inherent in those markets. Trustco group remains convinced that a pure bottom line growth focus cannot deliver the group’s vision of long-term investor wealth creation. As such, it has an integrated approach to growth, one focused not only on economic development, but also on social as well as environmental development. This reflects the company’s commitment to advancing socio-economic development, with the aim of fostering a more equitable and inclusive society that derives tangible benefits from the realisation of shared value creation.

Trustco maintains a diversified portfolio of investments across various industries, and as a responsible custodian, it utilises its influence to the fullest extent to ensure that the companies in which it invests uphold and exhibit responsible behaviours pertaining to environmental, social and governance matters.

The three pillars of sustainable development coalesce in diverse ways to create the six types of capital the group itself and its investee companies are focused on.

CAPITALS	INPUTS	OUTCOMES
FINANCIAL CAPITAL Financial capital aims to accurately represent the value of natural, human, social and manufactured capital and is the ultimate output of the economic growth machine – the measure of wealth creation	<ul style="list-style-type: none">Funds invested	<ul style="list-style-type: none">Headline earningsNAV increaseGross investment profitShare price growthReturn on investmentsRevenue generated
HUMAN CAPITAL Human capital is embodied in the individuals employed by Trustco. It comprises of their collective and individual capabilities, knowledge and skills – from rank-and-file employee up to board level	<ul style="list-style-type: none">636 employees employed and overseen by Trustco and its investee companiesEnsuring a diverse and engaged teamUpskilling, development and retention of employees for future rolesEmployees are treated fairly and remunerated competitively	<ul style="list-style-type: none">A total of NAD 1.5 million contributed towards training and training levies during the reporting periodSkilled, motivated, productive and dedicated employees
INTELLECTUAL CAPITAL Intellectual capital is formed by the interrelation of other intangible capitals and does not only comprise of what is termed ‘intellectual property,’ such as patents, copyrights and licences but encompass much more – the knowledge held by Trustco, its systems, procedures and protocols that provide it with a competitive advantage against its peers	<ul style="list-style-type: none">Diversified management team with business and industry knowledgeEncouraging and facilitating an environment that thrives on innovation and changeCustomised ICT systemsTrademarks	<ul style="list-style-type: none">Cost savings by streamlined and in-house support servicesStrong brands of investments

CAPITALS	INPUTS	OUTCOMES
MANUFACTURED CAPITAL Manufactured capital is distinguished from natural capital in that this form of capital is produced to enable a business to operate – to produce products, goods and provide services. This not only encompasses the capital as recorded on the balance sheets, but also the available infrastructure provided by others in the economy which the company can use to create value for stakeholders	<ul style="list-style-type: none">ICT Infrastructure	<ul style="list-style-type: none">Smooth business operations
NATURAL CAPITAL Natural capital is the underlying resource that all other capitals build upon. This not only includes those resources normally thought of as natural capital, such as water, land, minerals etc., but also broader resources, such as biodiversity and ecosystem health	<ul style="list-style-type: none">Use of water, energy and paper	<ul style="list-style-type: none">Maximise the efficient utilisation of water, energy and paperContinued awareness programmes on recycling and saving measuresLimited travelling and use of online communication platformsMaintaining environmental impact monitoring and compliance
SOCIAL AND RELATIONSHIP CAPITAL Social and relationship capital is the level of trust that Trustco has accumulated over the years from stakeholders and emphasises the common values between the group and the society that it operates in that allows it to conduct its business	<ul style="list-style-type: none">Managing stakeholder relationsCorporate social investments spent of a total of NAD 1.3 million for the reporting period for the holding company and its subsidiariesCorporate social investments spent of NAD 4.9 million across the group and its portfolio entities	<ul style="list-style-type: none">Follow regulatory and best practices guidelines and demonstrate leadership in the industries in which the group operatesBe inclusive, inviting stakeholders’ views where appropriate to improve engagement and to promote accessibility

SUSTAINABLE DEVELOPMENT REPORT (CONTINUED)

ADDING VALUE

Trustco and the portfolios it invests in are committed to transforming capitals by evaluating KPIs through risks and opportunities, whilst strategies and performance ensure CSI activities are ongoing and sustainable. Evaluation of capital inputs ensure that sustainable and long-term value is created for investors during the output process.

This report provides an overview of selected CSI initiatives carried out by both Trustco and its unlisted and independently managed investees. While not an exhaustive list, it offers insight into the commitment of Trustco and its investees to enhance the countries where Trustco invests and where its investees conduct their business operations.

TRUSTCO'S CORPORATE SOCIAL INVESTMENT INITIATIVES

Trustco regards CSI as a self-regulating business model that fosters social accountability towards itself, its stakeholders, and the broader public. The initiatives supported serve as a measure of the group's impact on various facets of society, with a particular emphasis on social engagements, the environment and economic prosperity.

Over the past three decades, Trustco has diversified its investment efforts across a range of social projects, including sports development, education, health and research and real estate development.

SPORTS DEVELOPMENT

Trustco has invested in the development of various sporting codes over the years, including hockey, soccer, athletics, rugby, tennis, cricket, karate and squash. Sports offer individuals and teams benefits that extend beyond physical fitness and assist in building character and imparting essential skills such as strategic thinking, analytical thinking, leadership and goal setting. Additionally, sports contribute to the development of managerial skills, communication, persuasion and confidence. These attributes are highly valued and synonymous with skills required in the corporate world. Sports development, starting from the grassroots level, holds great significance and is essential in nurturing talent and enabling athletes to compete on the global stage. Under the sports umbrella, Trustco supported the following sporting institutions during the reporting year:

TRUSTCO UNITED SPORTS CLUB

Trustco continued its annual support of the Trustco United Sports Club (Trustco United) during the reporting period. Trustco has ensured that the successes and achievements of Trustco United run parallel with the vision of the group. The remarkable and enduring consistency exhibited by the sporting teams of the club since the agreement's inception in 2011, stands as compelling evidence of the vigour and endorsement that sports enjoy when supported by a capable sponsor. The accomplishments displayed by especially all the rugby and netball teams of the club during 2023 include amongst other premier and first division league winners as well as for the best coach and club awards.

NAMIBIA TENNIS ASSOCIATION (NTA)

Trustco has sponsored two junior tennis tournaments every year over the past decade, the Trustco NTA Juniors and Junior Masters Championship, which contribute to the steady growth and development of junior tennis in all regions of Namibia. Trustco consistently introduces innovative and creative features leading up to and on match days of these tournaments, to ensure that both players and spectators regard these tournaments as significant and entertaining events on Namibia's junior tennis calendar.

NAMIBIAN SQUASH ASSOCIATION

Trustco maintains a substantial affiliation with squash and the sport's development in Namibia. Through its ongoing sponsorship, the sport has consistently upheld a strong presence both within the local community and on the international platform. Throughout this year, the group intensified its dedication by sponsoring essential equipment on multiple occasions, ensuring the continuation of the high standards of hospitality and professionalism upheld by the Namibian Squash Association.

INFORMATION TECHNOLOGY PARTNERSHIP WITH THE MINISTRY OF INFORMATION COMMUNICATION AND TECHNOLOGY

Trustco and the Ministry of Information and Communication Technology (MICT) jointly launched an Information Technology (IT) internship and skills development programme aimed at equipping Namibian IT graduates with real-world work experience in the competitive corporate environment. These young graduates have the opportunity to apply and refine their academic skills in their chosen career paths.

During this reporting period, the collaborative programme entered its second year, and the second beneficiary was selected to gain valuable knowledge and experience by working in Trustco's IT department.

TRUSTCO'S INVESTMENT PORTFOLIO'S SOCIAL INVESTMENT INITIATIVES

INSURANCE

LEGAL SHIELD BURSARY

With a distinguished legacy spanning more than 22 years, Trustco Insurance continues to demonstrate its unwavering support to the development of Namibian law students. Trustco Insurance, through its Legal Shield product, is committed to annually sponsoring two University of Namibia Law students, offering them essential financial support for their tuition, study materials and accommodation. Furthermore, these students have the valuable chance to engage in work-integrated learning at Trustco Insurance during their holiday breaks. During the reporting period, two students effectively navigated a competitive and demanding selection process built upon a strict set of criteria and were granted these two scholarships to further advance their skills and pursue their career aspirations.

ALLOCATING RESOURCES TO ENHANCE THE HEALTHCARE SECTOR

Health research holds significant importance for the broader society as it can provide crucial insights into disease trends, risk factors, treatment outcomes, the effectiveness of healthcare interventions, functional abilities, utilisation, and healthcare expenses. In collaboration with the Medical Association of Namibia (MAN), the Hepato-Pancreato-Biliary Association of South Africa (HPBASA) organised and, for the first time, hosted its annual conference in Namibia. The conference aimed to foster knowledge exchange on advanced surgical procedures and the management of hepato-pancreato-biliary diseases for general surgeons and physicians in Southern Africa. Trustco Life, a subsidiary within Trustco's insurance investment portfolio, remains a dedicated presence and facilitator in the healthcare sector for the benefit of Namibians. They continually strive to explore innovative and improved initiatives that enhance access to quality healthcare in the country. Trustco Life played a pivotal role in bringing the conference to fruition through its platinum sponsorship. The

event witnessed significant participation from international experts in the field. In collaboration with the MAN, HPBASA hosted speakers from the USA, South Africa, Zambia and Zimbabwe, who delivered insightful presentations on various topics including surgical trauma, bile duct exploration, palliative care and safe cholecystectomies.

EDUCATION

As a recognised and highly respected institution for distance learning education in Namibia, Trustco's educational investment portfolio, the Institute for Open Learning (IOL), play a pivotal role in ensuring that access to education in Namibia is not limited to a privileged few who can afford fulltime study. This is achieved this by offering affordable and high-quality private distance higher education in Namibia. In a country where the unemployment rate hovers around 20%, the Namibian government's primary objective is to significantly reduce this figure. This ambitious goal can only be achieved through the collaborative efforts of stakeholders, who serve as reliable partners. Throughout the reporting period, IOL actively participated in and supported various initiatives.

STUDY HUT

IOL reaffirmed its commitment to education in Namibia by generously sponsoring Study Hut, a home schooling centre situated in Walvis Bay. Acknowledging the significant role home schooling has assumed in the educational landscape during the COVID-19 pandemic, IOL furnished study desks and essential computer equipment to improve the learning environment for the students, principal and teachers at the centre.

HAVANA PRIMARY SCHOOL

In the quest for achieving 100% literacy in Namibia, the Namibian Government depends on robust strategic partnerships to accelerate progress at a national level. IOL views itself as a vital strategic partner in this pivotal undertaking and has consistently undertaken various programmes and initiatives to bolster the government's endeavours. One notable example is Havana Primary School, located in the informal settlements on the outskirts of Windhoek, which received a significant boost by receiving progressive school books for its library resources, making a substantial contribution to the school's educational advancement

SUSTAINABLE DEVELOPMENT REPORT (CONTINUED)

REAL ESTATE

Elisenheim Property Development Company (EPDC), a subsidiary within Trustco's real estate investment portfolio, was founded in 2005 with the acquisition of Elisenheim farm on the outskirts of Windhoek. In 2010, the Elisenheim Lifestyle Estate was formally launched. In recognition of Namibia's ongoing housing shortage, EPDC is committed to providing serviced erven for affordable housing options within the estate.

THE ELISENHEIM OWNERS ASSOCIATION

In support of the continuous growth and enhancement of Namibia's foremost and most secure estate, EPDC has donated movable assets, including a compressor, tractor and trailer, to the Elisenheim Owners Association

(EOA). This equipment will empower the EOA to efficiently extend its land service and maintenance efforts, ultimately leading to the creation of more high-quality residential plots.

MINING

Trustco's mining investee, Meya Mining, places a strong focus on investing in CSI initiatives that furthers sustainability, transparency and social welfare as crucial components for the success of the venture in Sierra Leone. To better comprehend and address the needs of the local community, Meya Mining has made significant investments in a range of CSI projects, covering areas like sports, missionary services, women's empowerment and education.



SUSTAINABLE DEVELOPMENT REPORT (CONTINUED)

STAKEHOLDER ENGAGEMENT

Trustco firmly believes that engaging with its stakeholders is an integral aspect of its daily investment operations, rather than a distinct function. Stakeholder engagement is, therefore, pivotal in realising the triple context, as it contributes to the group's decision-making and accountability in matters relating to the economy, society and the environment. Each key stakeholder group offers a form of capital that plays a crucial role in the effective implementation of the company's investment strategy, vision and mission. As an engaged corporate entity in Namibia, with investments extending to South Africa, Mauritius and Sierra Leone, Trustco aims to be recognised as a nation builder actively contributing to economic growth in the countries where it has investments. The company recognises the significance of fostering open and transparent dialogue with its stakeholders and continually strives to enhance stakeholder engagement.

STRATEGIC OBJECTIVES AND PRINCIPLES

The primary goal is to enhance continuous engagement with stakeholders, aiming to comprehensively understand and consider their needs in the decision-making process.

STRATEGIC OBJECTIVES

- Enhance the sustainability of investments in the medium- to long-term.
- Adapt to evolving investor demands and expectations.
- Strengthen current relationships with stakeholders.
- Exhibit best practices in engagement and leadership as an investment entity.

KEY PRINCIPLES THAT GUIDE ENGAGEMENT

Trustco's approach to engagement is guided by a set of key principles:

- Best practice:** adhere to regulatory and best practice guidelines, ensuring that engagement efforts are in line with industry standards.
- Inclusive:** embrace inclusivity, inviting stakeholders to share their views when relevant, enhancing engagement quality and promoting accessibility.
- Informative:** keep stakeholders informed through open, transparent, relevant and timely communication.
- Transparency:** commitment to transparency includes clearly outlining what stakeholders can expect and how their feedback will be incorporated.
- Listening:** actively listen to and strive to understand the views and concerns of stakeholders.
- Responsive:** consider and respond to concerns promptly, providing clear feedback.
- Consistent:** maintain a proactive, coordinated and consistent approach to engagement across the entire organisation.
- Targeted:** ensure that engagement is prioritised, proactive and tailored to specific issues and projects.
- Measurable:** measure the success of engagement initiatives and apply the outcomes to design and develop future engagement strategies.

SHAREHOLDERS, INVESTORS, FUNDERS AND ANALYSTS

STAKEHOLDER	FREQUENCY	ENGAGEMENT	2023 KEY MATTERS
CURRENT SHAREHOLDERS	Periodically, quarterly, bi-annually, annually	Transparent reporting maintained at all times with shareholders through various channels including the integrated annual report, SENS announcements, voluntary announcements, circulars, company website, social media platforms, print media, GMs and AGMs.	<ul style="list-style-type: none">• Overall strategic direction and updates• Virtual investor conferences and meetings• Governance and financial control• 2023 interim and annual results and audits
INVESTORS, FUNDERS, POTENTIAL SHAREHOLDERS, AND INVESTMENT ANALYSTS	Periodically, quarterly, bi-annually, annually	Maintain regular reporting to investors, lenders and funders, ensuring compliance with covenants and providing frequent updates. This communication includes teleconferences, face-to-face engagements and expanded media coverage to enhance confidence and reinforce the sustainability and governance measures in place.	<ul style="list-style-type: none">• Regular investors presentations and conference calls• Debt restructuring process• Raising new debt facilities• 2023 interim and annual audits and results

DIRECTORS AND EMPLOYEES

STAKEHOLDER	FREQUENCY	ENGAGEMENT	2023 KEY MATTERS
BOARD AND COMMITTEE MEMBERS	Periodically, quarterly, annually	<p>Formal and informal meetings, consistent communication through teleconferences, memoranda and correspondence facilitated by the company secretary foster ongoing interaction between management and the board.</p> <p>Additionally, routine on-site and offsite visits, as well as informal visits and meetings are conducted to promote a comprehensive understanding of operations, project advancements and any prevailing issues.</p>	<ul style="list-style-type: none">• Strategic and board training sessions• Investment and financial performance updates• Corporate governance matters• Debt restructuring process• Raising new funding and debt facilities• Strategic planning and budget session between the board and senior executives

SUSTAINABLE DEVELOPMENT REPORT (CONTINUED)

STAKEHOLDER	FREQUENCY	ENGAGEMENT	2023 KEY MATTERS
EMPLOYEES	Daily, weekly, monthly, periodically, quarterly, bi-annually and annually	<p>As an employer of choice employees are kept abreast of all company information, the latest content of the integrated annual reports as well as company policies on an e-policy system.</p> <p>Communication and engagement with employees through various committees and forums including a company intranet, emails, SMS and WhatsApp groups. Employees were offered both formal, informal and inhouse training and skills transfer to ensure they can successfully fulfil their roles.</p> <p>Open door policy with management, daily coffee table meetings and one-on-one meetings with management and HR. Quarterly self-assessments with management input and formal one-on-one annual performance evaluations.</p> <p>Weekly team building games between the Trustco Cops and Crooks social teams promote interaction and team work. Corporate wellness programme and awareness raising initiatives throughout the reporting period.</p>	<ul style="list-style-type: none">• Compulsory tests on the Trustco's annual reports in order to qualify for annual salary increments and quarterly bonuses• Compulsory annual AML testing and fraud awareness refresher training• Compulsory ICT security awareness training for all employees• Uniform application of approved policies where relevant via applicable exco approval processes• Consequence management, transparency and accountability• Upskill employees for future roles in a digital driven world

GOVERNMENT, REGULATORS, COMMUNITY, CLIENTS, SERVICE PROVIDERS AND MEDIA

STAKEHOLDER	FREQUENCY	ENGAGEMENT	2023 KEY MATTERS
GOVERNMENT AND REGULATORY BODIES	Periodically, quarterly, bi-annually and annually	<p>Highest standard of compliance with corporate governance principles, legislation and regulations across all entities and to various regulatory bodies.</p> <p>Open and transparent communication with all government agencies and regulators.</p>	<ul style="list-style-type: none">• Trustco engaged with relevant regulators at all times prior and during this reporting period
COMMUNITY	Daily, weekly, monthly, periodically, quarterly, bi-annually and annually	<p>Charitable donations, community outreach and upliftment programmes, sports development sponsorships.</p>	<ul style="list-style-type: none">• Refer to the Adding Value section in this report
CLIENTS, SERVICE PROVIDERS AND MEDIA	Daily, weekly, monthly, periodically, quarterly, bi-annually and annually	<p>Provision and maintenance of service excellence through research of customer expectations and needs, communication via call centres, electronic mail and SMS, social media, contact classes and phone calls.</p> <p>Active web and social media interaction to increase visibility (such as Facebook, Instagram, YouTube, TikTok and X).</p> <p>Informanté digital news, marketing community related topics and corporate activities, media press releases, briefings and information sessions.</p> <p>Continuous interaction and service level agreements with service providers.</p>	<ul style="list-style-type: none">• Full digital migration to ensure optimal and alternative platforms for service delivery both in the offices and online• Active engagement on social media platforms• Reporting material matters to the social and ethics committee• Information and contact sessions• Ongoing education of clientele regarding financial literacy and financial planning• Cost structures consistently measured and benchmarked

REMUNERATION REPORT

BACKGROUND

Trustco Group Holdings Ltd (Trustco) operates as an investment holding company with a diversified portfolio of investments over diverse industries. The primary mission of the holding company revolves around fostering the expansion of its investments to guarantee the enduring generation of substantial value for its diverse investor base over the medium- to long-term horizon.

The Trustco group remuneration committee (remco) oversees and strives to ensure that the reward practices of the group are sustainable and aligned with investors’ interests while recognising the lasting contribution of employees to the overall growth of the group. Trustco’s unlisted investee companies maintain dedicated remuneration committees geared towards monitoring the achievement of their strategic objectives. The group remco also provides guidance to the remuneration committees of unlisted investee companies of Trustco.

The group promotes entrepreneurship and strives to optimise employee performance by providing a working environment conducive to extraordinary performance, characterised by passion and energy that results in a positive contribution to the success of the group and ultimately the economy it operates in.

The individuals the company aims to attract, employ and retain are characterised by intellect, innovation, integrity and initiative, which impart the ability to adapt to an ever-changing work environment and a unique and ethical culture, all of which are crucial to the group’s pursuit of investment excellence.

An investment holding company is distinctly different from an operational company and Trustco’s investees are separately and independently managed with their own remuneration committees, specific to the business and the industry in which they operate. Trustco is committed to invest in companies that act responsibly in respect of fair and responsible remuneration practices to both the employee and the company whilst reporting in a transparent manner. This report contains an

overview of some of the remuneration statistics and initiatives undertaken by Trustco as well as its unlisted investees and illustrates and gives an overview of the commitment to responsible remuneration and human resources practices.

REMUNERATION PHILOSOPHY

Trustco’s remuneration philosophy is guided by its business and investment strategy which ensures that employees are fairly, equitably and responsibly rewarded for their individual value, merit, performance and contribution over a meaningful period to the overall sustainable success of the group.

The company recognises that lasting growth is what ultimately builds investor value and accordingly the remuneration philosophy is used as a management tool that, when aligned with an effective communication plan, is designed to support, reinforce and align values, business and investment strategy, operational and financial needs with a goal of growth and ultimately the creation of wealth for all stakeholders.

The group is committed to a balanced remuneration philosophy that consists of the following components:

- individual performance related remuneration which positively influences and supports the creation of an exceedingly high performing organisation
- rewarding of sustained performance and exceeded performance expectations through extraordinary increases, bonuses, incentives, additional benefits and company shares
- acknowledgement and appreciation through promotions and increased responsibilities
- providing a balanced mix of remuneration, including above industry average salaries, innovative benefits, short-term cash incentives and long-term retention rewards
- creating a competitive total remuneration opportunity which aids in competing for the best talent locally and abroad among companies with global operations and global consumers
- prudent application of incentive schemes to safeguard and advance investor interests establishing a clear and recognisable alignment between compensation and risk exposure

- remuneration practices that are transparent, aligned with strategy and managed to ensure responsible, equal and fair pay
- employee growth and development through measured performance management that is cemented in simplicity, transparency and structured to operate effectively and
- unparalleled working environment where performance is rewarded and linked to achieving demanding performance conditions where employees can fulfill their potential.

GOVERNANCE OF REMUNERATION

Remuneration is governed by the remco and the remuneration report provides an overview and understanding of Trustco’s remuneration principles, policies and practices. The information in this report has been approved by the board on recommendation from the remuneration committee. Detailed information on the roles and responsibilities of the committee can be found in the governance report in this integrated report. Executives participate in meetings exclusively by invitation, primarily to uphold governance principles. In cases where the board addresses matters directly concerning them, these executives voluntarily recuse themselves from the discussion. The remuneration committee affirms that it has fulfilled its responsibilities, achieved its stated objectives and adhered to its prescribed guidelines for the financial period concluding in August 2023.

SHAREHOLDER ENGAGEMENT AND VOTING

As prescribed by the Companies Act, King IV and the JSE Listings Requirements, the resolutions that will be tabled for shareholder approval at the AGM can be found in the notice of the AGM of this report.

SHAREHOLDERS’ VOTING RESULTS

%	’23	’22	’21
REMUNERATION POLICY	99.8	99.94	99.61
IMPLEMENTATION REPORT	99.8	99.61	99.61
NON-EXECUTIVE DIRECTORS REMUNERATION	99.8	99.94	100

The voting results indicate support for the remuneration policy and the implementation thereof. No changes were made to the policy. There was no formal engagement with shareholders on the remuneration policy or implementation report. At the 2023 AGM Trustco will again put its remuneration policy and implementation report to two separate non-binding advisory votes and the remco committee looks forward to a positive outcome.

REMUNERATION IMPLEMENTATION REPORT

The group’s remuneration committee diligently upholds adherence to the King IV principles in its remuneration practices and disclosure strategies. It actively collaborates with senior executives to seek guidance on prevailing local and global remuneration trends. The committee maintains unwavering confidence that the group’s remuneration philosophy and policies remain in alignment with investor values and market best practices. Furthermore, these policies undergo rigorous reviews to ensure their continued relevance and effectiveness.

REMUNERATION REPORT (CONTINUED)

REMUNERATION STRUCTURE

The group’s remuneration framework is designed to both attract and incentivise employees while also fostering retention and motivation to help them realise their full potential.

The compensation packages are meticulously designed and overseen to balance the alignment of directors’ and employees’ interests with those of all stakeholders. A robust risk management framework guides the calculation of comprehensive rewards, aligning them with the group’s short-, medium- and long-term accomplishments, strategies and objectives. The incorporation of equity within employee performance and retention programmes represents a deliberate strategic decision, emphasising the group’s dedication to synchronising their interests with the organisation’s long-term prosperity and strategic vision, ultimately augmenting investor value.

The group actively engages in utilising industry-specific salary surveys to substantiate its remuneration data and ensure competitive positioning among peer organisations. Individual salaries undergo thorough benchmarking, both internally and externally, to guarantee fairness and competitiveness.

Benefits and awards are granted with the primary intent of facilitating employee retention and cultivating a conducive work environment. The company conducts periodic reviews of these benefits, taking into account considerations of affordability, flexibility and their perceived value to employees. All deferred awards are subject to specific long-term approved periods and continued employment.

Each employee’s basic salary undergoes an annual review on an individual basis. Annual increases are tethered to inflation rates and linked to personal key performance indicators, the attainment of specific individual goals, quarterly self-assessments by employees, improvements in skills or qualifications, and market-related benchmarking.

KEY FEATURES OF TRUSTCO’S REMUNERATION POLICY

Trustco rewards and provides a level of compensation that not only attracts and incentivises employees, but also retains and motivates existing employees to reach their full potential.

KEY FEATURES

FIXED REMUNERATION

Benchmarking of salaries	✓
Commission	✓
Lifestyle benefits	✓

RETENTION INCENTIVES

Short-term incentives	✓
Long-term incentives	✓
Trustco performance and retention incentive scheme	✓

COMPONENTS OF REMUNERATION

FIXED REMUNERATION

Participation Purpose	Executive directors, prescribed officers, management and employees. To provide competitive base salaries to attract and retain top talent. Reflection on an individual’s responsibilities, role and experience.
Performance conditions:	Annual inflation linked adjustments based on individual performance and key performance indicators aligned with group values and strategic focus areas.
Performance period	Ongoing and reviewed on an annual basis.
Salary	<ul style="list-style-type: none">Guaranteed base salary determined by role, experience, qualifications, responsibilities, skills and industry rates.The group has a minimum monthly salary of NAD 3 500 per month for a 40-hour work week across all employee levels in Namibia and South Africa which is above industry average minimum wages.
Commission Lifestyle benefits	<ul style="list-style-type: none">Monthly commission on sales performance for monthly sales targets.Friday Afternoons Off Policy, long service appreciation bonuses, shares gift, free parking, transport allowance, inhouse training and mentoring, external training, recruitment gift, team building events and flexi time. Certain benefits are applicable to certain job levels and countries only.

VARIABLE REMUNERATION AND REWARDS

Participation Purpose	Executive directors, prescribed officers, management and employees. Short-term incentives encourage and reward the achievement of business targets in the financial year. Long-term incentives retain and align interests of employees with investors.
Performance conditions	Quarterly and annual allocations based on financial performance targets.
Performance period	Ongoing and reviewed annually and on a quarterly basis.
Short-term incentives	<ul style="list-style-type: none">Short-term cash incentives for quarterly extraordinary sales targets.Quarterly short-term cash incentives, in terms of the approved Group Performance and Retention Incentive Scheme, with measured and set board approved financial, budget and other operational targets.Annual increases.
Long-term incentives	<ul style="list-style-type: none">Quarterly long-term equity incentives, in terms of the approved Group Performance and Retention Incentive Scheme, with set board approved financial, budget and other operational targets.Long service appreciation awards at five-year intervals.Company equity gift to the value of NAD 50 000 for employees with one year of service purchased on behalf of the employee, subject to a five year trading restriction.A shares-based recruitment gift bought upfront for a new employee on appointment.
Trustco performance and retention incentive scheme	<ul style="list-style-type: none">The group currently has a 50:50 based incentive and retention scheme. 50% of this incentive is allocated in cash and paid directly to the employee and the remaining 50% is used to purchase Trustco shares for the employee. This incentive scheme aims to retain key skills and to motivate employees over the long-term which is essential for sustainable business.

REMUNERATION REPORT (CONTINUED)

ANNUAL SALARY INCREASES

Employees, management and executive directors whose performance meets the established criteria and satisfies the minimum requirements delineated in the guidelines governing the approved performance evaluation system by the remuneration committee (remco) receive an annual basic Cost Of Living Adjustment (COLA). The COLA is determined by calculating the average inflation rate over the preceding 12 months of the employee's appraisal period. In instances where it is ascertained that an employee's performance exceeds the satisfactory threshold and surpasses the prescribed minimum criteria as outlined in the performance guidelines, standards and procedures in effect at the time of the increase, the employee becomes eligible for an enhanced COLA increase. However, such an increase is capped at a maximum of COLA plus 2%.

The average COLA over the current reporting period ending August 2023 was 6.17% in Namibia.

During the reporting period, Trustco, as well as the individual executive committees of its investee companies, conducted a review of the suspended annual salary increases that had been in effect and as was reported during preceding reporting periods. The annual salary increases of employees were reinstated, fixed at a predetermined percentage for the ensuing twelve (12) months. These fixed salary increments were structured in accordance with a 6% COLA as the foundation, complemented by additional negotiated percentages, capped at 8.5%. These supplementary percentage increases were contingent upon the proven value generation presented by each investee company to its respective executive committee.

WORKFORCE STATISTICS

Trustco, as an investment holding company, along with its investment entities and shared services subsidiaries, employs and oversees a workforce of 636 employees.

EMPLOYMENT EQUITY AND EMPOWERMENT

PORTFOLIO COMPANIES AND TRUSTCO AND SUBSIDIARIES (AS AT END OF AUGUST 2023)

TRUSTCO AND SUBSIDIARIES	PREVIOUSLY ADVANTAGED 2023	PREVIOUSLY DISADVANTAGED 2023
NAMIBIA	9	36
SOUTH AFRICA	8	7

INSURANCE	PREVIOUSLY ADVANTAGED 2023	PREVIOUSLY DISADVANTAGED 2023
NAMIBIA	1	44
SOUTH AFRICA	1	1

MICRO-FINANCE	PREVIOUSLY ADVANTAGED 2023	PREVIOUSLY DISADVANTAGED 2023
NAMIBIA	2	19

COMMERCIAL BANKING	PREVIOUSLY ADVANTAGED 2023	PREVIOUSLY DISADVANTAGED 2023
NAMIBIA	0	8

REAL ESTATE	PREVIOUSLY ADVANTAGED 2023	PREVIOUSLY DISADVANTAGED 2023
NAMIBIA	1	48

EDUCATION	PREVIOUSLY ADVANTAGED 2023	PREVIOUSLY DISADVANTAGED 2023
NAMIBIA	1	32

MINING	PREVIOUSLY ADVANTAGED 2023	PREVIOUSLY DISADVANTAGED 2023
NAMIBIA	2	6
SIERRA LEONE	NATIONALITY	BREAKDOWN
	FILIPINO	9
	GHANAIAN	5
	GUINEAN	1
	INDIAN	1
	KAZAKHSTAN	1
	SIERRA LEONEAN	361
	SOUTH AFRICAN	21
	NAMIBIAN	7
	ZAMBIAN	3
	ZIMBABWEAN	1
		410

TOTAL EMPLOYEE NUMBERS AND GENDER DISTRIBUTION

PORTFOLIO COMPANIES AND TRUSTCO AND SUBSIDIARIES (AS AT END OF AUGUST 2023)

	MALE	FEMALE	TOTAL
MICRO-FINANCE	10	19	21
COMMERCIAL BANKING	3	5	8
MINING	388	30	418
INSURANCE	8	39	47
REAL ESTATE	35	14	49
EDUCATION	14	19	33
TRUSTCO AND SUBSIDIARIES	40	20	60
GRAND TOTAL	498	146	636

TOP THREE SALARY EARNERS (AS AT 31 AUGUST 2023)

	NAD 2023	NAD 2022	% CHANGE
EMPLOYEE MONTHLY EARNINGS			
EMPLOYEE 1	208 189	300 000	-31%
EMPLOYEE 2	178 778	258 265	-31%
EMPLOYEE 3	155 804	196 035	-21%

REMUNERATION REPORT (CONTINUED)

EMPLOYEE WELLNESS

The company upholds and maintains its commitment to ongoing investment in the wellbeing of its valued workforce and it actively promotes and supports the holistic health and overall happiness of its employees.

HEALTH AND SAFETY

The group places a premium on safeguarding the health and safety of its workforce, offering steadfast support in this regard.

Trustco as well as its investee companies adhere rigorously to local regulatory and legislative requirements, ensuring that the occupational health and safety management programme and system remain fully aligned, operational and consistently maintained. A cadre of dedicated occupational health and safety officers diligently oversees employee health and safety on a daily basis, implementing ongoing measures to ensure their wellbeing. These health and safety officers receive regular training in accordance with applicable regulations and also serve as members of the health and safety committee.

COMMUNICATION AND CONSULTATION

The company demonstrates a steadfast commitment to facilitating effective communication and consultation with its entire workforce, fostering an environment where all employees are afforded the opportunity to voice their perspectives, address concerns and seek clarifications without reservation. A primary emphasis is placed on sustaining robust consultation and communication channels, extending seamlessly from the uppermost echelons of the organisational structure to the employee level. This approach is meticulously designed to align all communication and engagement initiatives with the cultivation of behaviours essential for the realisation of strategic business and investment objectives.

DIVERSITY AND INCLUSION

The organisation actively champions the principles of diversity and inclusion across all organisational tiers, holding them in high esteem. Its unwavering commitment extends to the elimination of any employment impediments, practices, or processes that might lead to unjust discrimination in any manifestation. The group steadfastly upholds a

policy of non-discrimination based on race or gender, consequently resulting in the absence of any pay differentiation.

EMPLOYMENT EQUITY

The concept of employment equity is regarded as an indispensable facet within the group and its investee companies' overarching strategic framework. This commitment extends comprehensively from the highest ranks of the board to the entire employee spectrum, underscoring a steadfast dedication to fostering diversity within the workforce.

The company is resolute in its endeavour to maintain a workforce that mirrors the demographic composition of the country, encompassing considerations of race and gender. The organisation places an emphasis on recognising employees not only for their intellectual competence but also for their loyalty and commitment, recognising their essential contribution to the group's overall success.

During the fiscal period under scrutiny, Trustco and its respective investee companies have received their compliance certificates from the Employment Equity Commission in Namibia, affirming their sustained adherence to the principles of employment equity.

TRAINING AND DEVELOPMENT

Within Trustco, there exists a pronounced emphasis on leadership, skills development and training, reflective of the group's internal culture. A systematic approach is adopted to continually assess training needs and administer performance management measures. These efforts are steadfastly maintained to ensure and oversee the sustainable proficiency of the workforce. Newly onboarded employees are provided with an array of in-house training opportunities, which encompass unlimited access to consultations, training sessions, mentoring and advice from senior personnel within the group. These resources are designed to empower employees to attain and sustain an optimal performance standard.

The company is firmly dedicated to preserving a harmonious equilibrium between the wealth of experience essential to the group's operations and the growth prospects for

younger members of the workforce. The organisation also acknowledges the rising average life expectancy, both locally and globally. Accordingly, the group's policy dictates a compulsory retirement age of 60 for all employees, which may be extended beyond this age to a maximum limit of 70 years subject to stipulated conditions.

LEADERSHIP AND SUCCESSION PLANNING

Trustco acknowledges the pivotal role that present leaders assume in cultivating the potential of emerging talents poised for future leadership roles within the company. The company is committed to upholding a steadfast emphasis on succession planning, skills transfer and ongoing development as core strategic priorities.

EXCO SUPPORT GROUP

The exco support group consists of high-potential employees carefully selected to receive specialised guidance, mentorship and support from the group investment committee (IC). These individuals are identified as potential future members of committees within the group, contributing critical support, advice and complementing the current skill set of the IC.

In addition, senior employees from investee companies are periodically invited to join the IC support group for fixed durations, typically ranging from three to six months or extending up to one year, depending on mentorship requirements. During this tenure, participants have the invaluable opportunity to gain executive-level experience by actively participating in IC meetings, engaging in coffee table discussions and working closely under the tutelage of IC members. This mentorship programme serves as a conduit for senior management personnel within investee companies to acquire essential boardroom, business and management skills and accrue valuable executive-level experience.

SUSTAINABILITY

The company is steadfast in its commitment to:

- maintain established objectives for talent development, succession planning and organisational development to facilitate sustainable growth and uphold its status as an employer of choice
- persist in the identification of opportunities for enhancing people management practices and optimising best practices to ensure heightened employee productivity and bolstered employee morale
- sustain its focus on offering competitive remuneration packages, aimed at attracting,

motivating and retaining top performers who consistently deliver sustainable results

- fortify its succession planning efforts, extending the breadth of potential successors' lists to encompass greater diversity and
- continue enhancing HR support systems and procedural efficiency, harnessing the power of HR analytics to elevate employee productivity and engagement.

NON-EXECUTIVE DIRECTORS

The non-executive directors are categorised as independent on the basis that they have no interest, association or relationship which is likely to influence unduly or cause bias in decision-making in the best interest of the company. The remuneration of non-executive directors undergoes an annual review conducted by the remco, in collaboration with executive management, and is subsequently recommended to the board for approval. These proposed fees are presented for shareholder endorsement at the AGM. The review process encompasses research into market benchmarks within companies of comparable size and complexity.

Furthermore, non-executive directors are entitled to reimbursement for travel expenses incurred when attending official business meetings. To preserve their independence, non-executive directors abstain from participating in the company's variable pay plans. Their classification as independent directors are based on their lack of interest, association, or relationships that might unduly influence or introduce bias into decision-making, ensuring that the best interests of the company are upheld.

Non-executive directors do not hold employment agreements with the company. Instead, their appointments are governed by the company's articles of association and were initially confirmed at the inaugural AGM of the group, with subsequent renewals occurring through a rotation process.

EXECUTIVE DIRECTORS' REMUNERATION

Executive directors and prescribed officers maintain permanent employment contracts within the group, each contract detailing notice periods in accordance with prevailing labour legislation and encompassing restraint of trade clauses. Performance metrics are well-established, with awards or incentives contingent upon meeting demanding performance targets set for the group.

REMUNERATION REPORT (CONTINUED)

These conditions are assessed over either three-year or five-year periods, aligning with the financial reporting cycles of the group. Annual adjustments to base salaries are executed in tandem with inflation rates and are closely tied to individual performance assessments. The performance conditions and awards for senior executives and directors are rigorously scrutinised by the group remco and subsequently recommended for board ratification.

During the reporting period, executive director's annual salary increases were subjected to review and were reinstated, following a suspension of increases during preceding reporting periods, fixed at a predetermined percentage for the ensuing twelve (12) months. These fixed salary increments were structured in accordance with a 6% COLA as the foundation, complemented by additional negotiated percentages, capped at 8.5%. These supplementary percentage increases were contingent upon the proven value generation presented by each investee company to its respective executive committee.

GROUP MD AND DEPUTY CEO

Dr Q van Rooyen, the group CEO and MD, is remunerated in terms of a management agreement between Trustco and Next Capital (Pty) Ltd (Next), of which Dr van Rooyen is the sole shareholder. Mr QZ van Rooyen, the deputy CEO of the group and Mr L van Rooyen, CEO of the real estate investee, are also remunerated by Next.

Next previously had a management agreement with Trustco which expired on 31 March 2021. In terms of this management agreement, Next was remunerated on the following basis:

- 0.5% of the turnover of the group
- 1% of the headline earnings of the group and
- 1% of the basic earnings of the group.

If these targets were not met, the management fee would be halved, while if growth exceeds the average inflation rate of Namibia plus 5%, the management fees were doubled. Inflation in Namibia was recorded at 2.3% for the period to 31 March 2021 (30 September 2021: 2.8%)
Next has entered into a new management agreement with Trustco in terms of which a management fee will be earned on annual performance of the group on the following measurements:

SHAREHOLDER RETURN BASED METRICS

If the share price of a Trustco share remains at the agreed levels set out below for a period of at least 90 days on a Volume Weighted Average

Price (VWAP) basis and subject to high water mark principles, a once off payment in Trustco shares will be effected per category of share price target reached as set out below:

SHARE PRICE	EQUIVALENT MARKET CAPITALISATION	COMPENSATION (ONCE OFF SHARE PAYMENT PER CATEGORY REACHED)
NAD 9.75	15.7 billion	4 040 096 Trustco Shares
NAD 15.00	24.4 billion	5 656 135 Trustco Shares
NAD 19.00	30.7 billion	7 272 174 Trustco Shares
NAD 25.00	40 billion	8 888 212 Trustco Shares
NAD 30.00	50 billion	10 504 251 Trustco Shares
Price increases above NAD 30.00	Various	
For each +25% share price increase		+25% increase from previously issued number of shares

PLEDGE OF ASSETS, SURETIES AND GUARANTEES PROVIDED

- 1.5% per annum of the value of assets pledged during the Measurement Period;
- 1.5% per annum of value of sureties and guarantees provided as well as subordination of loans, during the Measurement Period.

This agreement is subject to shareholders approval, which will be the closing date. The effective date of the new management agreement is 1 April 2021 irrespective of the closing date and will continue for a fixed period of 10 years from the effective date.

CORPORATE PERFORMANCE METRICS

MEASURE	GROWTH TARGET	COMPENSATION
Total income per share	> Namibian CPIX + 5%	1% of total income
Adjusted earnings per share	> Namibian CPIX + 5%	2% of adjusted earnings
Cash generated from operations after working capital changes	> Namibian CPIX + 5%	2% of cash generated from operations after working capital changes
Net Asset Value per share	>Namibian CPIX + 5%	2% per annum of net asset value after reaching a floor of NAD 2 731 222 000

* CPIX in Namibia was recorded at 6.4% for the period 31 August 2023.

* Adjusted earnings mean the simple average of headline earnings and basic earnings of the group excluding management fees.

REMUNERATION REPORT (CONTINUED)

BOARD REMUNERATION

The tables below present the detail of the remuneration and fee structure of executive directors, non-executive directors and prescribed officers in 2023 and 2022.

BOARD REMUNERATION 2023 FOR THE 12 MONTH PERIOD (TO 31 AUGUST 2023)

FIGURES IN NAMIBIA DOLLAR THOUSAND	FEES	BASIC	BONUS	SHARES	BENEFITS	TOTAL
HOLDING COMPANY INDEPENDENT NON-EXECUTIVE DIRECTORS AND BOARD COMMITTEE MEMBERS						
ADV R HEATHCOTE	550	-	-	-	-	550
J VAN DEN HEEVER	300	-	-	-	-	300
R TALJAARD	500	-	-	-	-	500
W GEYSER	750	-	-	-	-	750
T NEWTON**	200	-	-	-	-	200
R CHETWODE**	200	-	-	-	-	200
TOTAL	2 500	-	-	-	-	2 500
EXECUTIVE DIRECTORS						
DR Q VAN ROOYEN*	-	-	-	-	-	-
FJ ABRAHAMS	-	2 425	-	-	25	2 450
Q Z VAN ROOYEN*	-	-	-	-	-	-
TOTAL	-	2 425	-	-	25	2 450
INVESTEE COMPANY DIRECTORS INDEPENDENT NON-EXECUTIVE DIRECTORS						
B SIMILO	300	-	-	-	-	300
J VAN DEN HEEVER	150	-	-	-	-	150
R CHETWODE	300	-	-	-	-	300
R TALJAARD	150	-	-	-	-	150
T NEWTON	300	-	-	-	-	300
W GEYSER	325	-	-	-	-	325
TOTAL	1 525	-	-	-	-	1 525
GRAND TOTAL	4 025	2 425	-	-	25	6 475

* Refer to note 23 of the 2021 Integrated Annual Report for further details

** Mr T Newton and Mr R Chetwode serve on the Trustco board committees and also as independent non-executive directors on investee entities. The members are appointed to the board committees of Trustco Group Holdings Limited and not as board members of Trustco Group Holdings Limited. These members serve as directors of investee entities

BOARD REMUNERATION 2022 FOR THE 12 MONTH PERIOD (TO 31 AUGUST 2022)

FIGURES IN NAMIBIA DOLLAR THOUSAND	FEES	BASIC	BONUS	SHARES	BENEFITS	TOTAL
HOLDING COMPANY INDEPENDENT NON-EXECUTIVE DIRECTORS AND BOARD COMMITTEE MEMBERS						
ADV R HEATHCOTE	539	-	-	-	-	539
J VAN DEN HEEVER (APPOINTED 1 NOVEMBER 2021)	202	-	-	-	-	202
R TALJAARD	305	-	-	-	-	305
W GEYSER	546	-	-	-	-	546
R MARNEY (RESIGNED 5 AUGUST 2022)	476	-	-	-	-	476
T NEWTON (APPOINTED 1 FEBRUARY 2022)**	117	-	-	-	-	117
R CHETWODE (APPOINTED 1 FEBRUARY 2022)**	117	-	-	-	-	117
TOTAL	2 302	-	-	-	-	2 302
EXECUTIVE DIRECTORS						
DR Q VAN ROOYEN*	-	-	-	-	-	-
FJ ABRAHAMS	-	2 353	-	-	476	2 829
Q Z VAN ROOYEN*	-	-	-	-	-	-
TOTAL	-	2 353	-	-	476	2 829
INVESTEE COMPANY DIRECTORS NON-EXECUTIVE DIRECTORS						
B SIMILO	247	-	-	-	-	247
J VAN DEN HEEVER	231	-	-	-	-	231
R CHETWODE	307	-	-	-	-	307
R TALJAARD	393	-	-	-	-	393
T NEWTON	339	-	-	-	-	339
W GEYSER	713	-	-	-	-	713
TOTAL	2 230	-	-	-	-	2 230
GRAND TOTAL	4 532	2 353	-	-	476	7 361

* Refer to note 23 of the 2021 Integrated Annual Report for further details

** Mr T Newton and Mr R Chetwode serve on the Trustco board committees and also as independent non-executive directors on investee entities. The members are appointed to the board committees of Trustco Group Holdings Limited and not as board members of Trustco Group Holdings Limited. These members serve as directors of investee entities

CHAPTER

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GROUP FINANCIAL DIRECTOR'S REPORT





FLOORS ABRAHAMS
GROUP FINANCIAL DIRECTOR

TRUSTCO NOW FINDS ITSELF NAVIGATING THE INTRICATE ECONOMIC LANDSCAPE, MARKED BY ITS SHORT-TERM CHALLENGES AND THE PROMISING PROSPECTS GLEAMING ON THE HORIZON.

ECONOMIC OVERVIEW

In the current global economic landscape, a constellation of challenges has arisen, marked by a widespread and more abrupt deceleration of growth, mounting inflationary pressures and escalating geopolitical complexities. These intricacies are manifesting in a global growth deceleration, expected to decline from 3.5% in 2022 to a modest 3.0% in both 2023 and 2024.

The primary catalysts behind this swifter-paced deceleration encompass the burgeoning cost-of-living conundrum, tightening financial constraints across multiple regions, global military disruptions and the persistent spectre of the aftereffects of the COVID-19 pandemic. Inflation, too, has surged to levels unprecedented in decades, registering an average of 8.7% in 2022 and, while anticipated to abate, is predicted to hover at 6.8% in 2023 and further diminish to 5.2% in 2024.

Conversely, Namibia's economic landscape paints a somewhat distinct picture, characterised by a cautiously optimistic outlook albeit clouded by notable uncertainties. The World Bank suggests an economic growth rate of 2.8% for 2023, a marked deceleration from the robust 4.6% witnessed in 2022. Factors contributing to this subdued growth trajectory encompass comparatively high inflation rates, monetary tightening measures and a reduced growth momentum in the neighbouring South Africa and Europe. Nevertheless, 2024 portends a more buoyant outlook with growth anticipated to rebound to 3.4%, buoyed by the ongoing resurgence in diamond processing and exports, augmented consumption in the wholesale and retail sectors and the resurgence of tourism.

Namibia, endowed with abundant natural resources, has emerged as a prospective player in the global energy arena, with pivotal developments in the oil and green hydrogen sectors promising to bolster the nation's economic fortunes while concurrently reducing its carbon footprint. The year 2022 and 2023 bore witness to significant oil discoveries in Namibia, with the potential to house up to 31 billion barrels of crude oil. These discoveries have evoked the keen interest of major oil and gas conglomerates and multinational energy entities. The Namibian government has heralded these discoveries as a transformative period, holding the potential to double the nation's GDP by 2040.

INVESTMENTS OVERVIEW

Trustco now finds itself navigating the above intricate economic landscape, marked by its short-term challenges and the promising prospects gleaming on the horizon, all of which have impacted the discount rates of our investment portfolios.

In the commercial banking and micro-financing portfolios, the uptick in interest rates has been a favourable revenue development. However, the spectre of higher inflation amplifies the risk of borrower defaults. Furthermore, the usual consequence of monetary tightening creates a contraction in credit demand, somewhat offsetting growth by raising discount rates. The ongoing restructuring of this portfolio's international debt has influenced the timeous acquisition of fresh capital for this leverage model, contributing to the decreased valuation of this portfolio.

The education portfolio has exhibited resilience amidst the challenging economic landscape marked by increased inflation and tightened monetary conditions. This specific facet of our portfolio, closely associated with the lending operations of the micro-financing portfolio, has faced a temporary slowdown in its growth trajectory.

Within the insurance portfolio, the confluence of heightened inflation and monetary tightening has produced mixed effects. While higher interest rates augur well for insurers' investment returns, they concurrently elevate liabilities and capital requisites. The ramifications of monetary tightening extend to the economic conditions and risk proclivities of consumers and businesses, thereby influencing their demand for insurance products. The valuation of the insurance portfolio has therefore declined by an unexpected margin.

Additionally, the real estate portfolio has faced headwinds due to the impact of higher inflation and monetary tightening. Real estate, reliant on substantial capital investments and long-term outlooks, remains tethered to market dynamics and anticipations. Elevated inflation erodes the real value of real estate assets and rentals, while also amplifying the costs associated with construction and maintenance. Higher interest rates translate into augmented borrowing costs for purchasers and developers, thereby curtailing the allure and feasibility of real estate investments. These headwinds have been compounded by a noteworthy surge in discount rates.

Trustco's mining portfolio distinguishes itself as the sole portfolio primarily operative beyond Namibian borders. During the recent fiscal year, this portfolio

welcomed a coinvestor, propelling its diamond assets towards a rapid trajectory to commercial production. Trustco envisions this ramp-up in production during the forthcoming fiscal year to exert a positive influence on valuation, even though the present valuation bears the imprint of an escalated discount rate, precipitated by augmentations in the country risk premium.

OUTLOOK

In this financial year, a notable factor contributing to the decline in portfolio valuations was the collective surge in discount rates, totalling 11.68% (approximately NAD 650 million, or 66c per share) across our portfolios. The prevailing global trajectory of escalating central bank rates appeared to have reached its apex as of our reporting period. Forecasts indicate a potential moderation in these rates, hinting at an anticipated reduction in discount rates over the coming years. This expected adjustment may lead to a reversal of the valuation declines witnessed in the current financial year.

In the real estate portfolio over the past few years, the imposition of loan-to-value (LTV) restrictions by the Bank of Namibia significantly contributed to a decline in property values of 42%. After the end of the financial year however, noteworthy revisions have been made by the Bank of Namibia to its loan-to-value ratio prerequisites for prospective homebuyers. These amendments entail a reduction in mandatory deposits, shifting from the prior stipulation of up to a 50% deposit requirement to a maximum of 10% for properties owned beyond the second. This strategic adjustment is anticipated to invigorate the property market by fostering amplified sales and expediting property development timelines. Consequently, these changes are poised to yield elevated valuations within this portfolio in the coming years.

The achievement of commercial production and the subsequent revenue growth within our mining portfolio significantly bolsters the monetisation of Trustco's debt investment of USD 45 million. This accomplishment also draws expected dividend payments from this investee nearer to the present. This validates the calculated investment made in diamond mining back in 2016.

DIVIDENDS

During the period under review, no dividend declaration for the financial period ended 31 August 2023 was made by the board.

The board however intends to introduce a dividend in the future based on the anticipated generation of free cash flow from investments in the short- to medium-term.

DIRECTORS' RESPONSIBILITIES AND APPROVAL

DIRECTORS
ACKNOWLEDGE
THAT THEY ARE
ULTIMATELY
RESPONSIBLE
FOR THE SYSTEM
OF INTERNAL
FINANCIAL
CONTROL AS
ESTABLISHED BY
THE COMPANY
AND THE GROUP
AND PLACE
CONSIDERABLE
IMPORTANCE ON
MAINTAINING A
STRONG CONTROL
ENVIRONMENT.

The directors are required in terms of the Companies Acts of Namibia and South Africa to maintain adequate accounting records and are responsible for the content and integrity of the separate and consolidated financial statements (herein after referred to as "financial statements") and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company and the group at the end of the reporting period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standard (IFRS). The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements have been prepared in accordance with all applicable IFRS as issued by the International Accounting Standards Board (IASB), interpretations as issued by the IFRS Interpretations Committee (IFRIC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Listings Requirements (LR) of JSE Limited (JSE) and Namibia Stock Exchange (NSX) and in the manner, as required by the Companies Acts of Namibia and South Africa and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The financial statements incorporate full and responsible disclosure in line with the company's and the group's philosophy on corporate governance.

The directors acknowledge that they are ultimately responsible for the system of internal financial control as established by the company and the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board has set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner.

The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures as well as adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the company and the group and all employees are required to maintain the highest ethical standards in ensuring the company's and group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the company and the group. While operating risk cannot be fully eliminated, the company and the group endeavour to mitigate and minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable and not absolute, assurance against material misstatement or loss.

The directors are responsible for implementing controls and security to maintain the integrity of the group's website. The directors of the group are responsible for the controls over, and the security of the website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to investors.

The board of directors is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss.

The systems are implemented and monitored by experienced personnel.

The directors have reviewed the company's and the group's cash flow forecast for the year ended 31 August 2024 and, in light of this review and the current financial position, they are satisfied that the company and the group have or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the financial statements. The company's and the group's external auditors have examined the financial statements and their report is presented on pages 86 to 91.

The group financial statements are set out on pages 98 to 185, which have been prepared on a going concern basis, were approved by the board of directors and no authority was given to anyone to amend the financial statements after the date of issue. The financial statements were signed on behalf of the board of directors by:

ADV RAYMOND HEATHCOTE SC
CHAIRMAN OF THE BOARD
WINDHOEK
18 DECEMBER 2023

DR QUINTON VAN ROOYEN
GROUP MANAGING DIRECTOR AND CEO
WINDHOEK
18 DECEMBER 2023

AUDIT AND RISK COMMITTEE'S CERTIFICATION

In fulfilling their duties and responsibilities as required, the audit and risk committee (ARC) performed and fulfilled its responsibilities and duties during the reporting period and has provided the following statements:

- Confirmed the independence of the external auditors: Nexia SAB&T.
- The ARC considered and is satisfied that the external audit firms are independent of the group.
- For any non-audit services to be performed by the external auditors, the nature and extent thereof are submitted to the ARC before the commencement of any non-audit services for consideration and approval.
- Trustco has an auditor rotation policy in place and the tenure of the external audit firm and the rotation of the designated external audit partner were considered. The current external auditors of Trustco and the designated external audit partner are currently in their fourth year.
- There have been no significant changes to the management of Trustco during the external audit firms' tenure which may mitigate the attendant risk of familiarity between the external auditor and management.
- The ARC considered and was satisfied with the quality of the external audit, with reference to the audit quality indicators and inspection reports issued by the external audit regulators.
- The ARC was satisfied that appropriate financial reporting procedures exist and are effective. The ARC has access to all the financial information of the issuer to allow the company to effectively prepare and report on the financial statements.
- The ARC considered and was satisfied with the effectiveness of the chief audit executive and the internal audit function. The ARC approved the internal audit plan for the reporting period.

- The ARC considered and reviewed the effectiveness of the design and implementation of internal financial controls. The ARC, on the recommendation of the internal audit department, identified any significant weaknesses in the design, implementation or execution of internal financial controls and implemented mitigating policies and procedures. There were no cases of material financial loss, fraud, corruption or errors.
- The ARC considered the effectiveness of the group financial director and the group's finance function and found it sufficient.
- The ARC viewed and considered the combined assurance of the various external auditors through various jurisdictions and found it effective. The rotation and the appointment of the Namibian auditors remain ongoing with the regulator.
- All significant and material transactions were analysed with senior financial management and ARC engaged with experts on the subject matters.
- The ARC considered all interpretations and interrogations of IFRS in relation to complex non-routine transactions and obtained advice from IFRS advisors.
- The ARC reviewed the financial statements and the integrated annual report.
- The ARC considered and discussed the assumptions and principles used in fair value determinations.
- The ARC executed its responsibilities pursuant to paragraph 22.15 (h) of the JSE LR during the reporting period.



WINTON GEYSERS
CHAIRMAN OF THE AUDIT AND RISK COMMITTEE
AND INDEPENDENT NON-EXECUTIVE DIRECTOR
18 DECEMBER 2023

COMPANY SECRETARY'S CERTIFICATION

Declaration by the company secretary.

Komada Holdings (Pty) Ltd, being the company secretary of Trustco Group Holdings Ltd and its subsidiaries as well as the investment entities of the group certify that, save for Trustco Group Holdings Ltd, all annual duties have been paid to the Business and Intellectual Property Authority of Namibia (BIPA) and are up to date. Trustco



KOMADA HOLDINGS (PTY) LTD
COMPANY SECRETARY
18 DECEMBER 2023

Group Holdings Ltd restated its Annual Financial Statements 2019, under protest pending the outcome of the appeal application. The outcome of the appeal application might have an impact on the annual duties payable by Trustco Group Holdings Ltd and will be addressed in due course. The outstanding annual duties of Trustco Group Holdings Ltd would be addressed when the appeal application has been concluded.

CHIEF EXECUTIVE OFFICER'S AND FINANCIAL DIRECTOR'S RESPONSIBILITY STATEMENT

Each of the directors, whose names are stated in this report, hereby confirm that:

- The group financial statements, set out from page 98 to 185, fairly present in all material respects the financial position, financial performance, changes in equity and cash flows of the company in terms of IFRS.
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the financial statements false or misleading.
- Internal financial controls have been put in place to ensure that material information relating to the group and company has been provided to effectively prepare the financial statements of the group and company.

- The internal financial controls are adequate and effective and can be relied upon in compiling the financial statements, having fulfilled our role and function as executive directors, with the primary responsibility for implementation and execution of controls.
- Where we were not satisfied, we disclosed to the ARC and the auditors any deficiencies in the design and operational effectiveness of the internal financial controls.
- We are not aware of any fraud involving directors.



DR QUINTON VAN ROOYEN
GROUP MANAGING DIRECTOR AND CEO
WINDHOEK
18 DECEMBER 2023



FLOORS ABRAHAMS
EXECUTIVE DIRECTOR AND
GROUP FINANCIAL DIRECTOR
WINDHOEK
18 DECEMBER 2023

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF TRUSTCO GROUP HOLDINGS LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

OPINION

We have audited the consolidated and separate financial statements of Trustco Group Holdings Limited and its subsidiaries (the group and company) set out on pages 98 to 185, which comprise the consolidated and separate statement of financial position as at 31 August 2023, and the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Trustco Group Holdings Limited and its subsidiaries (the group and company) as at 31 August 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory

Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO THE GOING CONCERN

We draw attention to note 25 of the consolidated and note 22 of the separate financial statements, which indicates that the group and company's current liabilities exceeded its current assets by NAD 1 712 million and NAD 1 564 million respectively, with total assets exceeding total liabilities by NAD 1 153 million and NAD 1 312 million respectively. As stated in note 25 of the consolidated and note 22 of the separate financial statements, these events or conditions, along with other matters as set forth in note 25 of the consolidated and note 22 of the separate financial statements, indicate that a material uncertainty exists that may cast significant doubt on the group and company's ability to continue as a going concern. We have considered the adequacy of the disclosures made in note 25 of the consolidated and note 22 of the separate financial statements concerning the group and company's ability to continue as a going concern and we assessed the solvency and liquidity of existing assets.

Our opinion is not modified in respect of this matter.

EMPHASIS OF MATTER

HELIOS ORYX LIMITED LITIGATION

We draw attention to note 27 of the consolidated and note 24 of the separate financial statements, which describes the ongoing litigation with Helios Oryx Limited relating to the facility agreement entered into between the parties amounting to NAD 506 million as at 31 August 2023.

Our opinion is not modified in respect of this matter.

COMPANY FINANCIAL STATEMENTS

We draw attention to note 1.2 of the separate financial statements, which refers to the purpose of preparing the company financial statements. The financial statements have been prepared solely for the purpose of complying with the JSE Listings Requirements. The company's statutory financial statements are to be prepared in compliance with the Companies Act and the relevant filing requirements of Namibia, where the company is incorporated and legally domiciled.

Our opinion is not modified in respect of this matter.

IMPLEMENTATION OF MEYA MINING TRANSACTION

We draw attention to note 29 of the consolidated and note 26 of the separate financial statement, which describes the status of the implementation of the Meya Mining transaction. During the current period Meya Mining issued shares to Sterling Global Limited (SGT) up to a

70% shareholding in Meya Mining. Trustco Group Holdings Limited is required in accordance with section 9.20(b) and 9.21 of the JSE Limited Listings Requirements to dispatch a circular to shareholders containing a notice to convene a general meeting for shareholders to approve the proposed transaction by way of an ordinary resolution, prior to the implementation thereof. Trustco has not been able to issue the circular to shareholders, in contravention of the JSE Limited Listings Requirements, due to the SAMREC/SAMVAL compliant competent persons report (CPR), which is a prerequisite for inclusion in the circular, remaining outstanding. Trustco Group Holdings Limited has received irrevocable undertakings from 63.26% of its shareholders voting in favour of the transaction.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
REASSESSMENT FOR THE CLASSIFICATION OF AN INVESTMENT ENTITY IN TERMS OF IFRS 10	
<p>The key audit matter relates to both the consolidated and separate financial statements.</p> <p>Refer to the following note in the consolidated and separate financial statements:</p> <ul style="list-style-type: none">• Note 1.2.1.1(A) of the Accounting Policies. <p>With effect from 1 September 2021, the company transitioned to an investment entity in terms of IFRS 10: Consolidated Financial Statements ("IFRS 10").</p> <p>From this date the company ceased to consolidate its subsidiaries (other than those subsidiaries that are not, themselves investment entities that provide services related to the company's investment activities) and to instead carry its net investments in the subsidiaries' debt and equity at fair value, with subsequent changes in fair value being recognised in profit and loss.</p> <p>The performance of the company's investment portfolio is measured with reference to the fair value of such investment (i.e. sum-of-the-parts ("SOTP") value) rather than the consolidated profitability of the companies (i.e. recurring earnings) with effect from 01 September 2021.</p> <p>An investment entity is typically an entity that</p> <ul style="list-style-type: none">• obtains funds from one or more investors for the purpose of providing such investor(s) with investment management services;• commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and• measures and evaluates the performance of substantially all of its investments on a fair value basis. <p>IFRS 10 requires a parent to perform a reassessment of its investment entity status if facts and circumstances indicate that there are changes to one or more of the three elements that make up the definition of an investment entity, as described, or the typical characteristics of an investment entity, as described above.</p> <p>The application of the investment entity exemption in terms of IFRS 10 is deemed to be a matter of most significance to our year end audit due to the following:</p> <ul style="list-style-type: none">• Complexity involved in the determination of the classification as an investment entity; and• The potential significance of changes the classification would have on the consolidated and separate financial statements of the company.	<p>Making use of our accounting expertise, we assessed whether the company continues to meet the criteria of an investment entity, in terms of IFRS10, by performing the following procedures:</p> <ul style="list-style-type: none">• Assessed the company's controls relating to the investment entity status, including assessing the design and implementation of key controls that monitored this key judgement;• We obtained management's assessment of the investment entity classification in terms of IFRS 10 and agreed their fact pattern to the criteria as included in IFRS 10;• Performed an independent assessment on whether the company meets the investment entity criteria;• We inspected the company's share register to determine the number of shareholders and confirm whether there are significant related shareholders. Where significant related party shareholders were identified we assessed the relationship between these related party shareholders, the company, group entities and its investees in order to determine whether transactions between the related party shareholders, the company, group entities and investees are on terms which are not unavailable to unrelated investors;• Verified that the company holds more than one investment;• We inspected communication for evidence that the company identifies itself as an investment entity that monitors performance of the underlying investments on a fair value basis;• We inspected board and investment committee minutes for the tabling and discussion of the fair value of investments at each board and investment committee meeting;• We inspected the board and investment committee minutes for evidence that the board and investment committee formalised exist strategies for its debt and equity investments and that the board and investment committee continuously consider the possible exit strategies;• Inspected the group structure and assessed based on our understanding of the nature of the entities to determine which entities should be carried at fair value and which entities should be consolidated;• Confirmed the investment related business activities of the company and its consolidated subsidiaries does not result in a separate business activity for the group.• Considered the appropriateness of the disclosures made. <p>Based on the procedures listed above we found it reasonable for the Company to be classified as an investment entity in terms of IFRS 10 and deemed the relevant disclosure to be appropriate.</p>

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
VALUATION OF UNLISTED INVESTMENTS IN PORTFOLIO COMPANIES (CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS)	
<p>The key audit matter relates to both the consolidated and separate financial statements.</p> <p>Refer to the following notes in the consolidated and separate financial statements:</p> <ul style="list-style-type: none">• Notes 1.2.1(B) and 1.3 to the Accounting Policies;• Note 4 to the consolidated financial statements; and• Note 5 to the separate financial statements. <p>The group and company hold a number of unlisted investments, which are measured at fair value through profit or loss in accordance with IFRS 9: Financial Instruments. This is as a result of the group and company being classified as an investment entity, in line with IFRS 10.</p> <p>The fair value of these unlisted investments for the group and company as at 31 August 2023 is NAD 3.1 billion.</p> <p>The group and company apply various methodologies to determine the fair value of the investments in accordance with IFRS 13: Fair Value Measurement. The primary valuation model utilised by management for valuing unlisted investments is the discounted cash flow model (income approach).</p> <p>The key assumptions applied in the determination of the discounted cashflow value is the discount rates, revenue growth rates, inflation rates and terminal growth rates.</p> <p>Where management valued unlisted investments with reference to its net asset value, such net asset value was largely supported by property valuations.</p> <p>We considered the fair value of the underlying unlisted investments to be a matter of most significance to the current year audit due to:</p> <ul style="list-style-type: none">• the significance of the unlisted investments in portfolio companies in relation to the consolidated and separate financial statements; and• the degree of judgement and estimation applied in determining the fair value of the underlying unlisted investments in portfolio companies.	<p>In evaluating the valuation of unlisted investments in portfolio companies, we assessed the reasonability of judgements, estimates and inputs used in the respective valuations.</p> <p>Our audit procedures included, amongst others, the following:</p> <ul style="list-style-type: none">• Tested the design, implementation and operating effectiveness of the key controls operating in the valuation process. This included assessing the approval by the Board of Directors and Audit and Risk Committee who consider the final valuations of unlisted investments and related inputs used in such valuations;• Obtained confirmation from our technical accounting specialists that the change in valuation method related to the resources segments most significant investees are acceptable in accordance with the relevant financial reporting framework;• Assessed, tested and challenged management's estimates and assumptions and considered relevant contradictory evidence in determining the key assumptions applied during the valuation process. These include assessment of key assumptions and estimates such as discount rates, revenue growth rates, inflation rates and terminal growth rates across the various portfolio investments to comparable peer companies where possible;• Performed an independent secondary analysis from the discounted cashflow valuations where differences were identified in managements valuations, using market multiples such as Price-to-Earnings multiples in order to obtain corroborative evidence to confirm the discounted cashflow valuations are fair and reasonable;• Compared the net asset value from the audited financial results of the financial services and real estate portfolios where possible, to the discounted cashflow valuations in order to corroborate those valuations further, taking into consideration significant post year end debt settlement negotiations;• We independently considered any further adjustments made to valuations (such as discounts for minority/controllering stake and marketability);• Tested the mathematical accuracy and logic of the calculations;• Independently recalculated the fair value of the material properties;• Performed a sensitivity analysis considering the impact of changes to key inputs; and• Considered the appropriateness of the disclosures made. <p>Based on the procedures above we found the fair values of unlisted investments determined by management to be reasonable and the underlying assumptions, estimations and uncertainties to be appropriately disclosed.</p>

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Trustco Group Holdings Limited Integrated Annual Report and Audited Financial Statements 2023", which includes the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certification as required by the Companies Act of South Africa and the Chief Executive Officer and Financial Director's Responsibility Statement as required by the JSE Limited Listings Requirements, which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the

- circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and/or company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal

control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Nexia SAB&T has been the auditor of Trustco Group Holdings Limited and its subsidiaries for 4 years.

NexiaSAB&T

NEXIA SAB&T
DIRECTOR
JOHANDRE ENGELBRECHT
REGISTERED AUDITOR
18 DECEMBER 2023

DIRECTORS' REPORT

The directors have the pleasure of submitting their report on the consolidated financial statements and separate financial statements of Trustco Group Holdings Ltd (Trustco) for the period ended 31 August 2023.

1. NATURE OF BUSINESS

Trustco, being an investment entity, offers exposure to a diversified range of investments through its investee portfolios. Trustco, together with its consolidated shared services subsidiaries, aims to provide its investors with returns in a form of capital appreciation and investment related income.

2. FINANCIAL RESULTS

The financial results of the group for the reporting period are reflected in the consolidated financial statements set out on pages 98 to 144 and the company's separate annual financial statements set out on pages 146 to 185.

A decrease of NAD 507 million in the valuation of the investment portfolios was the main contributor of the loss of NAD 681 million recorded for the period under review.

3. INVESTORS' VALUE

Based on these results, the investors' value of the group at 31 August 2023 is NAD 1.2 billion (2022: NAD 1.8 billion).

The directors are confident that this value will show growth for the foreseeable future and beyond.

4. DIVIDENDS

No dividends were declared by Trustco during the reporting period (2022: nil). The directors will reassess the dividend declaration at the time of the half-year 2024 results publication. The cash reserves of the group will be applied to the capitalisation of the group.

5. BORROWINGS

The borrowings of the group are within limits set by the articles of association.

6. DIRECTORATE AND APPRECIATION

The group is fortunate to have an energetic management team to lead the group forward. The directors, management and staff of the various companies in the group have all played a crucial role in creating value for Trustco's investors in the period under review. We thank each individual and team for their contributions this year. The directors are:

- Adv R Heathcote SC
- W J Geyser
- R J Taljaard
- J van den Heever
- Dr Q van Rooyen
- F J Abrahams
- Q Z van Rooyen (alternate director to Dr Q van Rooyen).

There have been no changes to the directorate for the period under review.

7. AUDITOR

Nexia SAB&T continued in office as auditor for the group for 2023.

8. SECRETARY

The company secretary is Komada Holdings (Pty) Ltd.

9. SHARE CAPITAL

Refer to note 8 of the consolidated financial statements for detail of the movement in authorised and issued share capital.

10. GOING CONCERN

The financial results have been prepared on the going concern basis which considers the continuity of normal business activities, the realisation of assets and the settlement of liabilities in the normal course of business. The board of directors, as part of their responsibilities, annually assesses the going concern of the group. As part of their assessment, the board of directors considered working capital requirements, availability of resources and reserves either from existing investing activities or further borrowings, available information about the future, financial impact of ongoing litigation, the possible outcomes of planned events

and the responses to such events and conditions that would be available to the board.

The board of directors has, *inter alia*, considered the following specific factors in determining whether the company and group is a going concern for the foreseeable future:

- Decrease of the investments measured at fair value through profit or loss for the year ended 31 August 2023 of NAD 554 million contributing to a loss of NAD 681 million (profit for the period ended 31 August 2022: NAD 1 437 million);
- Current liabilities of the group exceed current assets as at 31 August 2023 by NAD 1 712 million, while total assets exceed total liabilities by NAD 1 153 million;
- Cash utilised from operating activities by the group for the ended 31 August 2023 amounting to NAD 6 million;
- Whether the group has sufficient cash resources from investing activities which is readily available, in order to settle its creditors and maturing liabilities as and when they fall due in the foreseeable future, whilst continuing to maintain its operating abilities for the foreseeable financial period;
- Whether there is any significant pending litigation that will threaten the going concern status of the group;
- Assessment of the existing economic conditions related to the various investees and whether the possibility exists to sufficiently scale said operations in the foreseeable future to provide additional cash resources; and
- Assessment of the solvency and liquidity position of the company in accordance with the Companies Act.

Following the above assessment, the board of directors believe that the above factors, coupled with prevailing economic conditions and forecast economic outlook presents some challenges for the foreseeable future. In response to the above factors, to address future cash flow requirements, detailed liquidity improvement initiatives have been developed and are being pursued, with the implementation thereof regularly monitored.

DIRECTORS' REPORT (CONTINUED)

These conditions are considered to indicate that a material uncertainty exists which may cast significant doubt on the ability of the group to continue as a going concern in the foreseeable future. This is largely attributable to the short-term liquidity position of the group. Therefore, the ability of the group to continue as a going concern is dependent on the successful implementation or conclusion of the below noted matters in order to address the liquidity risk the group faces on an ongoing basis:

- achieving of various technical, geological and financial milestones by the mining portfolio related to the mining operations in Sierra Leone;
- raising the final USD 25 million in borrowings required to bring the mining operations of Meya Mining into full commercial production within the next 24 months;
- the mining investee to adequately scale production of its flagship asset, which will enable the group to recover its net debt and equity investment in the mining investee in the foreseeable future;
- recovery of the remaining USD 1.5 million of the USD 6 million in working capital from its mining investee in the near future which will assist with the short-term liquidity requirements of the group;
- recovery of USD 45 million in interest bearing debt from its mining investee, once Meya Mining achieves the above stated production targets, which will assist with the liquidity requirements of the group and assist with repayment of borrowings;
- continued conditional subordination of debt owing to related party investors of the group for the foreseeable future;
- successful negotiations with international lenders in order to agree revised repayments terms associated with borrowings due and payable in the foreseeable future;
- successful resolution of various ongoing legal matters in order to mitigate the potential liquidity impact thereof;
- successful conclusion of planned equity investments to increase liquidity and realise growth opportunities across the group and its investees; and

- successful conversion of related party debt into equity.

The board of directors have evaluated the plans noted above to address the material uncertainty related to the going concern assumption of the group and note these plans will alleviate the group's liquidity position should they be executed successfully.

The board of directors have evaluated the group's liquidity requirements to confirm whether the group has access to sufficient resources to continue as a going concern in the foreseeable future, considering the above factors and consequently prepared a cash flow forecast covering a period of 12 months from the date of these financial statements, concluding that the group would be able to continue its operations as a going concern. The directors are not aware of any other matters that may impact the group. The directors are also not aware of any material noncompliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group. Following the above assessment, the board of directors continue to adopt the going concern basis of accounting in preparing the financial statements.

11. REMUNERATION OF GROUP MANAGING DIRECTOR

The proposed remuneration agreement between the group and its managing director has not been approved by the investors. Refer to note 23 of the 2021 Integrated Annual Report for further details.

12. SPECIAL RESOLUTION

At the Annual General Meeting, held on 30 March 2023 two special resolutions were approved and registered:

- the remuneration of the non-executive directors; and
- general authority to repurchase shares.

13. TREASURY SHARES

As of the reporting date, the market value of treasury shares was NAD 1 million (2022: NAD 1 million).

14. EVENTS AFTER THE REPORTING DATE

- 14.1 Next offered on 31 August 2023 to convert NAD 1 489 million of its debt into Trustco equity. The final terms must still be concluded and the transaction will be subject to regulatory approvals in terms of the JSE LR and shareholders' approval.
- 14.2 The board received two offers from RVF shortly before publication of this report:
- 14.2.1 Trustco to purchase 11.35% shareholding from RVF in Legal Shield Holdings
- 14.2.2 To subscribe for a fresh issue of Trustco Group Holdings shares by RVF for a minimum amount of USD 25 million and maximum amount of USD 50 million.

Terms for these transactions must still be finalised, approved by the board and will be announced on SENS upon conclusion.

- 14.3 Conclusion of the debt restructuring of Trustco and its investees with respective developmental European and African lenders.

Apart from the above, the directors are not aware of any other events occurring after the reporting date and before the date of this report.

15. IMPLEMENTATION OF MEYA TRANSACTION

During the year under review, Meya Mining issued shares to Sterling Global Limited (SGT) up to a 70% shareholding in Meya to the value of USD 25 million. Trustco received irrevocable undertakings of 63.26% of its shareholders to vote in favour of the transaction. The equity investment, together with a debt investment directly

into Meya, enabled the underground development and the transition to commercial production.

In terms of the JSE Listings Requirements, a Competent Persons Report (CPR) which is SAMREC/SAMVAL compliant is a prerequisite for the issuance of a circular to obtain the formal shareholder vote at a general meeting for the transaction. Meya is in the process of concluding a Pre-Economic Assessment Report (PEA) in terms of the Canadian mining code, which will facilitate the issuance of the shareholder circular during Q1 of 2024.

The decision to implement the transaction with SGT was made for the economic benefit of all shareholders and diluted the Trustco equity stake in Meya to 19.5%.

16. ACKNOWLEDGEMENTS

Thanks and appreciation are extended to all investors, employees, suppliers and consumers for their continued support of the group.

17. DIRECTORS' INTEREST IN SHARES

Details of beneficial direct and indirect interest of directors in the shares of the company are set out below:

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTEREST (AS AT 31 AUGUST 2023)

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
EXECUTIVE DIRECTORS – HOLDING COMPANY				
VAN ROOYEN, QUINTON	111 980 000	265 220 060	377 200 060	40.07%
ABRAHAMS, FLOORS JACOBUS	2 451 518		2 451 518	0.26%
EXECUTIVE DIRECTORS – SUBSIDIARIES				
JANSE VAN RENSBURG, ELMARIE	1 952 546		1 952 546	0.21%
EXECUTIVE DIRECTORS – INVESTEE ENTITIES				
BRAND, ANNETTE	60 476		60 476	0.01%
CALITZ, ILANA	165 462		165 462	0.02%
LAMBERT, ADRIANA	9 995		9 995	0.00%
EXECUTIVE DIRECTORS – ASSOCIATE ENTITY				
JOUBERT, JAN SEBASTIAN CILLIERS	1 915 602		1 915 602	0.20%
KAMARA, IBRAHIM SORIE	–	85 416 666	85 416 666	9.07%
INDEPENDENT NON-EXECUTIVE DIRECTORS (HOLDING COMPANY AND INVESTEE ENTITIES)				
GEYSER, WINTON JOHN	124 415		124 415	0.01%
HEATHCOTE, RAYMOND	1 354 802		1 354 802	0.14%
SIMILO, STANLEY BENJAMIN	10 000		10 000	0.00%
TALJAARD, RENIER JACOBUS	50 151		50 151	0.01%
VAN DEN HEEVER, JANENE	119 915		119 915	0.01%
GRAND TOTAL	120 194 882	350 636 726	470 831 608	50.01%

* Total issued shares – 987 238 581
* Treasury shares – 46 000 138 (44 071 845 shares are held by investee entities)
* Shares calculated net of treasury shares – 941 238 443

DIRECTORS' INTEREST (AS AT 31 AUGUST 2022)

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
EXECUTIVE DIRECTORS – HOLDING COMPANY				
VAN ROOYEN, QUINTON	111 980 000	260 220 060	372 200 060	39.54%
ABRAHAMS, FLOORS JACOBUS	2 451 518		2 451 518	0.26%
EXECUTIVE DIRECTORS – SUBSIDIARIES				
JANSE VAN RENSBURG, ELMARIE	1 952 546		1 952 546	0.20%
EXECUTIVE DIRECTORS – INVESTEE ENTITIES				
BRAND, ANNETTE	60 476		60 476	0.01%
CALITZ, ILANA	165 462		165 462	0.02%
LAMBERT, ADRIANA	46 887		46 887	0.00%
ERASMUS, MARCO (RESIGNED 12 JUL '22)	1 325 926		1 325 926	0.14%
JOUBERT, JAN SEBASTIAN CILLIERS	1 915 602		1 915 602	0.20%
KAMARA, IBRAHIM SORIE	–	85 416 666	85 416 666	9.07%
INDEPENDENT NON-EXECUTIVE DIRECTORS (HOLDING COMPANY AND INVESTEE ENTITIES)				
GEYSER, WINTON JOHN	124 415		124 415	0.01%
HEATHCOTE, RAYMOND	1 354 802		1 354 802	0.14%
SIMILO, STANLEY BENJAMIN	10 000		10 000	0.00%
TALJAARD, RENIER JACOBUS	50 151		50 151	0.01%
VAN DEN HEEVER, JANENE	119 915		119 915	0.01%
GRAND TOTAL	121 557 700	345 636 726	467 194 426	49.61%

* Total issued shares – 987 238 581
* Treasury shares – 46 000 138 (44 071 845 shares are held by investee entities)
* Shares calculated net of treasury shares – 941 238 443

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST

FIGURES IN NAMIBIA DOLLAR MILLION	NOTES	2023	2022
ASSETS			
CASH AND CASH EQUIVALENTS		11	8
TRADE AND OTHER RECEIVABLES	2	44	65
AMOUNTS DUE BY INVESTEE ENTITIES	3	681	616
CURRENT TAX ASSETS		1	1
PROPERTY, PLANT AND EQUIPMENT		9	14
INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	4	3 078	3 632
DEFERRED TAX ASSETS		4	4
TOTAL ASSETS		3 828	4 340
EQUITY AND LIABILITIES			
LIABILITIES			
BORROWINGS	5	889	699
TRADE AND OTHER PAYABLES	6	223	208
AMOUNTS DUE TO RELATED PARTIES	7	1 551	1 586
LEASE LIABILITIES		3	4
DEFERRED TAX LIABILITIES		9	9
TOTAL LIABILITIES		2 675	2 506
CAPITAL AND RESERVES			
SHARE CAPITAL	8	227	227
SHARE PREMIUM	8	954	954
TREASURY SHARES	9	(14)	(14)
OTHER RESERVES	10	2 300	2 300
ACCUMULATED LOSSES		(2 314)	(1 633)
TOTAL CAPITAL AND RESERVES		1 153	1 834
TOTAL EQUITY AND LIABILITIES		3 828	4 340
NET ASSET VALUE PER SHARE (CENTS)	16	117.06	186.19
NET TANGIBLE ASSET VALUE PER SHARE (CENTS)	16	117.06	186.19

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST

FIGURES IN NAMIBIA DOLLAR MILLION	NOTES	2023	2022
INTEREST REVENUE	11	64	26
FAIR VALUE LOSS ON INVESTMENTS	4	(507)	(1 713)
TOTAL INVESTMENT LOSS		(443)	(1 687)
OTHER REVENUE	11	27	23
INVESTMENT LOSS		(416)	(1 664)
GAIN ON DEEMED DISPOSAL OF SUBSIDIARIES	12	-	3 360
INTEREST WAIVED	12	112	-
OPERATING EXPENSES	13	(122)	(135)
FINANCE COSTS	14	(255)	(124)
(LOSS)/PROFIT BEFORE TAX		(681)	1 437
INCOME TAX EXPENSE	15	-	-
(LOSS)/PROFIT FOR THE PERIOD		(681)	1 437
OTHER COMPREHENSIVE LOSS:			
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS:			
FOREIGN CURRENCY EXCHANGE RESERVE RECLASSIFIED TO PROFIT OR LOSS		-	(38)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(681)	1 399
(LOSS)/EARNINGS PER SHARE			
BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE (CENTS)	16	(69.14)	145.89

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FIGURES IN NAMIBIA DOLLAR MILLION	SHARE CAPITAL	SHARE PREMIUM	OTHER RESERVES	TREASURY SHARES	ACCUMULATED LOSSES	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
BALANCE AT 1 SEPTEMBER 2021	227	954	(820)	(231)	52	182	215	397
PROFIT FOR THE PERIOD	-	-	-	-	1 437	1 437	-	1 437
OTHER COMPREHENSIVE LOSS	-	-	(38)	-	-	(38)	-	(38)
TOTAL COMPREHENSIVE INCOME/(LOSS)	-	-	(38)	-	1 437	1 399	-	1 399
CHANGE IN PARENT'S STATUS TO AN INVESTMENT ENTITY	-	-	3 158	191	(3 117)	232	(215)	17
TRANSFER OF STAFF SCHEME BONUS SHARES	-	-	-	26	(5)	21	-	21
BALANCE AT 31 AUGUST 2022	227	954	2 300	(14)	(1 633)	1 834	-	1 834
BALANCE AT 1 SEPTEMBER 2022	227	954	2 300	(14)	(1 633)	1 834	-	1 834
LOSS FOR THE PERIOD	-	-	-	-	(681)	(681)	-	(681)
OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE LOSS	-	-	-	-	(681)	(681)	-	(681)
BALANCE AT 31 AUGUST 2023	227	954	2 300	(14)	(2 314)	1 153	-	1 153
NOTES	8	8	10	9				

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST

FIGURES IN NAMIBIA DOLLAR MILLION	NOTES	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH UTILISED IN OPERATIONS	18	(4)	(40)
FINANCE COSTS		(2)	(1)
NET CASH UTILISED IN OPERATING ACTIVITIES		(6)	(41)
CASH FLOWS FROM INVESTING ACTIVITIES			
PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT		2	6
ACQUISITION OF A SUBSIDIARY, NET OF CASH ACQUIRED		-	1
CASH AND CASH EQUIVALENTS DECONSOLIDATED UPON CHANGE IN STATUS TO AN INVESTMENT ENTITY		-	(16)
REPAYMENTS OF ADVANCES TO INVESTEE ENTITIES		121	33
ADVANCES TO INVESTEE ENTITIES		(64)	-
NET CASH FROM INVESTING ACTIVITIES		59	24
CASH FLOWS FROM FINANCING ACTIVITIES			
REPAYMENT OF BORROWINGS	20	(1)	(2)
REPAYMENT OF LEASE LIABILITIES	20	(4)	(8)
PROCEEDS FROM RELATED PARTIES BALANCES	20	-	20
REPAYMENTS FROM RELATED PARTIES BALANCES	20	(45)	-
NET CASH (UTILISED IN)/FROM FINANCING ACTIVITIES		(50)	10
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		3	(7)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		8	15
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		11	8
CASH AND CASH EQUIVALENTS COMPRISES:			
BANK		11	8
		11	8

ACCOUNTING POLICIES

FOR THE YEAR ENDED
31 AUGUST 2023

REPORTING ENTITY BASIS OF PREPARATION

1. REPORTING ENTITY

Trustco Group Holdings Limited (the company or parent) is an investment entity in terms of IFRS 10. The consolidated financial statements comprise the company and its subsidiaries that provide investment related management services.

1.2 BASIS OF PREPARATION

The consolidated financial statements (financial statements) have been prepared in accordance with all applicable International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations as issued by the IFRS Interpretations Committee (IFRIC), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Listings Requirements of the JSE and the Namibian Stock Exchange and in the manner as required by the Companies Act of Namibia and the Companies Act of South Africa (Act 71 of 2008) and are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates. The financial statements have been prepared on the historical cost basis, except for the measurement of investments in subsidiaries held at fair value through profit or loss, and incorporate the principal accounting policies set out below. The accounting policies are consistent with those of financial statements for the previous period.

The group presents its statement of financial position in order of liquidity following the key considerations related to liquidity based on the parent of the group being an investment entity.

The financial statements are presented in Namibia Dollar, which is the group's functional and presentation currency and amounts are rounded to the nearest million, unless otherwise stated.

1.2.1 ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, management is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources, which may affect the amounts presented in the financial statements and the related disclosures thereto. The use of available information and the application of judgement is inherent in the formation of estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Changes to the key estimates and judgements applied in determining the value of selected assets and liabilities could significantly affect the group's valuation assessments and results.

The nature of the accounting estimates and judgements are detailed below.

1.2.1.1 CRITICAL ACCOUNTING JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

Judgements made in the application of the financial reporting requirements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are discussed as follows:

(A) CHANGE IN INVESTMENT ENTITY STATUS

IFRS 10 require that an entity reassess whether it is an investment entity if facts and circumstances indicate changes to one or more of the elements making up the definition of an investment entity or to the typical characteristics of an investment entity. The reassessment was prompted due to the:

- change in business purpose from a permanent investor to a medium- to long-term investor which was implemented with effect from September 2021. Trustco's strategic direction of value creation through capital appreciation, investment income or both is defined in accordance with its formalised investment policy and investment charter, as adopted by the board of directors in September 2021 and directed by the investment committee. Trustco formalised exit strategies for its debt and equity instruments to further align with its investment strategies to create value through capital appreciation, investment income or both; and
- change in strategic direction to divestment from its largest investment, contributing approximately 50% of Trustco's sum-of-the-part (SOTP) fair value during September 2021. The mining portfolio entered into transactions to dilute its equity interest in Meya Mining which unlocked the inherent value within the mining portfolio.

Following the above reassessment the group's status changed to that of an investment entity as defined in IFRS 10 with effect from 1 September 2021. Such change required the parent company to cease consolidating certain of its subsidiaries (other than those providing services related to the group's investment activities) and to instead measure, such subsidiaries (investment entities) as investments held at fair value, with subsequent changes in fair value being recognised in profit or loss.

During the year the group reassessed the requirements of IFRS 10 for the 2023 financial period and concluded that its status as an investment entity continues to be appropriate. The group entered into a share subscription agreement during the reporting period which substantiates the group's aim for realising its value for its investors through execution of exit strategies. Furthermore, the group throughout the year continued to consider various other options, such as the potential disposal of its interests in the Trustco Finance business in order to unlock investors value.

ACCOUNTING POLICIES (CONTINUED)

An investment entity is typically an entity that:

IFRS REQUIREMENT	APPLICATION TO THE COMPANY
i) Obtains funds from one or more investors for the purpose of providing such investor(s) with investment management services	Trustco is a listed entity and has issued its shares to various investors in order to provide its investors with access to a wider pool of investments which they might not have access to individually through the various investments that it holds. These investment management services relate to the management of the wider pool of investments on behalf of investors.
ii) Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both	Trustco’s investment strategy is to create sustainable growth and value creation for its investors. Further, in accordance with the company’s investment policy, Trustco’s investment strategy is to maximise its after tax returns taking into account its Risk Appetite Framework as amended from time to time.
iii) Measures and evaluates the performance of substantially all of its investments on a fair value basis.	Trustco’s reporting to its investors and key management is on a fair value basis with valuations performed and investments evaluated on a fair value basis by the Investment Committee.

Whilst the group’s focus on value creation for its investors 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 investors would be a refocus of the group’s strategy toward unlocking returns from capital appreciation and investment income. During September 2021, the mining portfolio entered into negotiations with independent third parties, on instruction from the group’s investment committee, to dilute its equity interests in the underlying operations within the mining portfolio, in order to obtain the necessary funding required to bring operations into commercial status, which would result in unlocking investors’ medium- to long-term value. Refer to the Portfolio Analysis (note 4) for further detail of the valuation of Trustco’s investees.

The change in the parent’s status to an investment entity which resulted in a change in the measurement of applicable investees to being at fair value through profit or loss was applied prospectively, with no adjustment to prior period 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). Trustco’s shared services subsidiaries (i.e. those wholly-owned subsidiaries comprising Trustco’s head office operations) provide services related to investment management activities and do not represent a separate substantial business activity of the group.

Trustco has a significant related party investor. The related party investor has entered into transactions with Trustco, subject to investors approval, relating to the provision of management, surety and other services. The related party investor also provides funding in the form of loans to Trustco. Refer to note 21 for details of these transactions and balances. Judgement is required to determine whether the related party investor obtains any benefit from the above relationship with Trustco, which would not be available to other investors had those investors entered into similar transactions with Trustco, its group entities and investees. Having assessed the relationship between Trustco, its group entities and investees and the related party investor, as well as the terms and conditions associated with the transactions, Trustco has concluded that there is currently no benefit accruing to the related party investor, which would not be available to other investors for similar transactions.

(B) REINSTATEMENT OF RELATED PARTY LIABILITY

In the previous year, the Johannesburg Stock Exchange (JSE) determined that the recognition of certain waivers of shareholder loans in profit or loss was not compliant with IFRS and, therefore, should be corrected and recognised in equity as these were transactions with equity holders in that capacity. Trustco recognised a gain in profit or loss which triggered the earnout provision under the Huso Transaction. As such, Trustco issued its (TTO) shares to Dr Q Van Rooyen and Next Capital (Pty) Ltd (Next) and its associates.

The restatement instructions of the JSE (see note 43 of the 2022 Integrated report for further details) had the effect that the earnout under the Huso Transaction was not triggered, and therefore, no shares should have been issued. The board took legal advice and, based on that, concluded that the legal effect of implementing the JSE’s instruction in respect of the loan waiver was that the understanding between Trustco, Dr Q van Rooyen and Next, which would have resulted in an issue of TTO shares would be void on the premise that Trustco was unable to discharge its obligation under the loan waiver agreement.

Therefore, the loan waiver transaction was reversed and the parties were reinstated in their original positions as if the loan waivers and the resultant benefits derived therefrom, never occurred.

Based on the loan waivers being void, it was determined that the loan payable to Next of NAD 1.5 billion would be reinstated following the JSE’s instruction to derecognise the gain on waiver of the loans which was recognised in profit or loss.

Given the uncertain position following the restatement instructions of the JSE, and the legal advice obtained around the reinstatements of the loans, it was considered an area of significant judgement.

ACCOUNTING POLICIES (CONTINUED)

1.2.1 ESTIMATES APPLICABLE TO THE FINANCIAL STATEMENTS

Management makes use of estimates and assumptions in applying accounting policies that can have a material impact on the group's reported operating results, financial position and changes therein, as well as on the comparability of reported information over the current reporting period. The estimates used by the group include:

(A) MEASUREMENT OF EXPECTED CREDIT LOSS FOR FINANCIAL ASSETS

The credit loss allowance for financial assets is based on assumptions relating to the risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs in the impairment calculation, based on the historic experience, existing market conditions as well as forward-looking estimates at the reporting date. Refer to notes 2, 3 and 24 for details relating to the unobservable inputs used in the credit loss allowance assessment and the sensitivity thereof to changes therein.

(B) FAIR VALUE OF INVESTMENTS

The investment portfolio, a material asset of the group, is measured at fair value through profit or loss. The group applies a number of methodologies to determine and assess the reasonableness of the investments' fair value, which may include the following:

- Discounted cash flow valuations (Income approach);
- Market-related net asset value where the portfolio's assets and liabilities are fairly valued; and
- Recent offer prices from independent third parties as the basis for the fair value.

The primary valuation models utilised for valuing unlisted investments are the discounted cashflow model (income approach), as well as the market-related net asset value of the investments, or a combination of both. The discount rate, growth rate, commodity prices, exchange rates and inflation rates are the main assumptions applied to the discounted cashflow valuations. The discount rate, growth rate, commodity prices, exchange rates and inflation rates are derived from comparable listed companies and/or information utilised by market participants. Where comparable information for similar companies in the same industry and geography is available this was selected from which to perform the various valuations, which are then adjusted for factors including, *inter alia*, liquidity risk, marketability risk, growth potential, relative performance and a non-controlling/controlling discount/premium.

This continues to be an important exercise given the market volatility that have been seen as a result of the continued economic downturn.

Where investments were measured with reference to their net asset value, the latest audited financial results were utilised as the basis from which to determine the fair value.

Net debt and cash are deducted from/added to the enterprise value (EV) to determine the fair value of the equity of the investments.

Where the valuation was based on unobservable inputs, such as those utilised when preparing a discounted cashflow valuation, the fair value categorisation is Level 3, whereas if independent third party offers were utilised as the basis for the valuation, those are categorised as Level 2 fair value measurements as they were utilised without significant adjustment.

For additional details in respect of the value attributable to the investments, refer to note 4.

1.3 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (AS INVESTMENT ENTITY)

The investments in subsidiaries at the date of change in status were deemed to be disposed of and reacquired at fair value with a gain recognised in profit or loss. Subsequently, the portfolios are measured at fair value through profit or loss (FVTPL). The change in the parent's status to an investment entity and the consequential accounting treatment was accounted for prospectively from the date of change. Refer to note 4 for further details on the measurement of investment portfolios.

1.4 BASIS OF CONSOLIDATION

(A) SUBSIDIARIES

Subsidiaries are entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries whose main purpose and activities are providing services that relate to the investment entity's investment activities - which are not measured at FVTPL - are fully consolidated from the date on which control is transferred to the group and are deconsolidated from the date that control ceases.

(B) INTERCOMPANY TRANSACTIONS

Intra-group balances and transactions are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(C) LOSS OF CONTROL

When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related non-controlling interests and other components of equity. The common control reserve is recycled directly into equity on loss of control over a subsidiary. Any resulting gain or loss is recognised in profit or loss.

Any interest retained in the former subsidiary is measured at fair value when control is lost.

1.5 FOREIGN CURRENCY

(A) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on the historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are recognised in profit or loss as part of finance costs and other income, as appropriate.

1.6 FINANCIAL INSTRUMENTS

(A) FINANCIAL ASSETS

(i) FINANCIAL ASSETS - CLASSIFICATION

The group classifies its financial assets as those measured at amortised cost and those mandatorily measured at FVTPL. Financial assets classified as measured at amortised cost include amounts due by investee entities, trade and other receivables and cash and

ACCOUNTING POLICIES (CONTINUED)

cash equivalents. The group classifies financial assets measured at FVTPL which consist of investments held at FVTPL.

Financial assets at amortised costs are debt instruments which meet both the following criteria and are not designated as assets held at fair value through profit or loss:

- the asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows;
- the contractual terms of the financial asset give rise to cash flows, on specified dates, that are solely payments of principal and interest (SPPI).

Financial assets at FVTPL are those assets not measured at amortised cost as described above and are mandatorily measured at FVTPL.

(II) FINANCIAL ASSETS – INITIAL RECOGNITION AND MEASUREMENT

Financial assets are recognised when the group becomes a party to the contractual provisions of the instruments. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

(III) FINANCIAL ASSETS – SUBSEQUENT MEASUREMENT

Subsequently, the group measures cash and cash equivalents, amounts due by investee entity and trade receivables at amortised cost and these assets are subject to impairment. Interest income from these financial assets is included in finance income using the effective interest method. Any gain or loss arising from derecognition is recognised directly in profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Realised and unrealised gains and losses arising from the change in the fair value of these assets are included in profit or loss. Interest and dividend income arising on financial assets at FVTPL is recognised in profit or loss as interest revenue.

Refer to note 24 for details of risk exposure and management thereof.

(IV) FINANCIAL ASSETS – IMPAIRMENT

The group assesses, on a forward-looking basis, the expected credit losses (ECLs) associated with its cash and cash equivalents, amounts due by investee entity and trade receivables.

Lifetime ECLs are recognised when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECLs should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Lifetime ECLs represent the ECLs that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The group recognises a loss allowance for ECLs on a financial asset that is measured at amortised cost. The group uses the following ‘three-stage’ approach (general approach) for impairment based on changes in credit quality since initial recognition:

- Stage 1 includes financial instruments that do not have a significant increase in credit risk (SICR) since initial recognition. On initial recognition the group recognises 12-month ECLs on its advances. For these assets, 12-month ECLs are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deducting the loss allowance).
- Stage 2 includes financial instruments that have had a SICR since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECLs are recognised, but interest revenue is still calculated on the gross carrying amount of the asset.
- Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECLs are recognised and interest revenue is calculated on the gross carrying amount and limited to the net carrying amount.

The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Loss given default is an estimate of the loss arising on default. It is based on the difference between contractual cash flows due and those that the group expects to receive, taking into account cash flows from collateral and integral credit enhancements.

The definition of default, which triggers the credit-impaired classification (stage 3), is based on the group’s internal credit risk management approach and definitions. Whilst the specific determination of default varies according to the nature of the product, it is generally determined as occurring at the earlier of:

- Where, in the group’s view, the counterparty is considered to be unlikely to pay amounts due on the due date or shortly thereafter without recourse to actions such as the realisation of security or
- When the counterparty is past due for more than 90 days.

As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date. The group also takes into consideration collateral and credit enhancement when measuring credit losses. Refer to notes 3 for further information.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses are recognised in profit or loss and presented in operating expenses (note 13).

ACCOUNTING POLICIES (CONTINUED)

(V) **FINANCIAL ASSETS – WRITE OFF POLICY**
The group writes off financial assets, in whole or in part, when it has exhausted all practicable recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the group's recovery method is foreclosing on collateral and the value of collateral is such that there is no reasonable expectation of recovering in full.

(VI) **FINANCIAL ASSETS – SIGNIFICANT INCREASE IN CREDIT RISK (SICR)**
In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 60 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

The group determines the increase in credit risk for amounts due by investee entities and trade receivables based on missed payments. Receivables are determined as credit-impaired and in default if the arrears are greater than 90 days. Loss allowances are measured as follows for each of the following:

- 12-month ECLs for financial assets with no missed repayments.
- lifetime ECLs for financial assets with missed repayments but less than 90 days in arrears.
- credit-impaired for financial assets in arrears for more than 90 days.

Financial assets with objective evidence of impairment, considering the rebuttable presumption that default does not occur later than when a financial asset is 90 days past due, are assessed as being in default unless the group has reasonable and supportable information that demonstrates otherwise.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

(VII) **FINANCIAL ASSETS – DERECOGNITION**
The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the group neither transfers nor retains all the risks and rewards of ownership substantially and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises collateralised borrowing for the proceeds received. Any gain or loss on derecognition is recognised in profit or loss.

(B) FINANCIAL LIABILITIES

(I) **FINANCIAL LIABILITIES – CLASSIFICATION AND MEASUREMENT**
Financial liabilities are recognised when the group becomes a party to the contractual provisions of the instruments. Financial liabilities are initially measured at fair value. The group classifies its financial liabilities as those measured at amortised cost using the effective interest method. The group measures financial liabilities, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised costs using the effective interest method. Financial liabilities include, borrowings, trade and other payables and amounts due to related parties.

(II) **FINANCIAL LIABILITIES – DERECOGNITION**
The group derecognises financial liabilities when and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.7 EMPLOYEE BENEFITS

(A) **SHORT-TERM EMPLOYEE BENEFITS**
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(B) **EQUITY SETTLED SHARE-BASED PAYMENT TRANSACTIONS**
The grant date fair value of share-based payment instruments granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the number of instruments for which the related service and non-market conditions are met, such that the amount ultimately recognised as an expense is based on the number of instruments that meet the related service and non-market performance conditions at the vesting date.

1.8 REVENUE

The group recognises revenue from the following major sources:

- surety fees and
- interest received on financial assets.

(A) **SURETY FEES**
The group generates revenue from the provision of surety services to investees where the group issues surety on behalf of its investment entities. Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on work performed. Revenue is measured based on the consideration specified in contracts with customers, excluding amounts collected on behalf of third parties. Payment of the transaction price is due immediately when services are determined to have been performed.

(B) **INTEREST RECEIVED ON FINANCIAL ASSETS**
Interest income on financial assets that are classified as debt instruments at amortised cost is determined using the effective interest method. The application of the effective interest method to calculate interest income on financial assets measured at amortised cost is dependent on the credit risk of the receivable.

ACCOUNTING POLICIES (CONTINUED)

The effective interest rate is applied to the gross carrying amount of the receivable, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance. When a receivable is classified as being a credit-impaired stage 3 financial asset, the interest income is limited to the net carrying amount.

1.9 SHARE CAPITAL

(A) ORDINARY SHARES

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(B) TREASURY SHARES

The consideration paid/received for the purchase/sale of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve. On disposal, the average cost of shares is adjusted against the treasury shares reserve. Any excess of the consideration received on the sale of treasury shares over the average cost of the shares sold is recognised in retained earnings.

1.10 FINANCE COSTS

Finance costs comprise interest payable on borrowings and amounts due to related parties, calculated using the effective interest method, interest receivable on funds invested and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost.

1.11 NEW STANDARDS AND INTERPRETATIONS

1.11.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT PERIOD

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

(A) STANDARDS THAT DID NOT HAVE A MATERIAL IMPACT ON THE GROUP'S FINANCIAL STATEMENTS

- IFRS 3 Business Combinations – Reference to the Conceptual Framework
The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- IFRS 9 Financial Instruments – Annual Improvements to IFRS Standards 2018–2020
The amendment clarifies which fees an entity includes when it applies the “10 per cent test” in assessing whether to derecognise a financial liability. (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.)
- IAS 16 Property, Plant and Equipment – Property, Plant and Equipment: Proceeds before Intended Use.
The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items and the cost of producing those items, in profit or loss.
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets Onerous Contracts—Cost of Fulfilling a Contract.

The amendments specify which costs should be included in an entity’s assessment of whether a contract will be loss-making.

1.11.2 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The group has chosen not to early adopt the following standards which have been published and are mandatory for the group’s accounting periods beginning on or after 1 September 2023:

(A) STANDARDS THAT THE GROUP HAS ASSESSED

- IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current: (effective for annual periods beginning on or after 1 January 2023).
Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.
- IAS 1 Presentation of Financial Statements – Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023).
The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.
- 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).
Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. The requirements for recognising the effect of change in accounting prospectively remain unchanged.
- IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023).
The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST

2. TRADE AND OTHER RECEIVABLES

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
TRADE RECEIVABLES	24	44
OTHER RECEIVABLES	20	21
	44	65
FINANCIAL INSTRUMENTS	44	65
NON-FINANCIAL INSTRUMENTS	-	-
	44	65
RECONCILIATION OF LOSS ALLOWANCE		
OPENING BALANCE	-	25
SUBSEQUENT CHANGES IN LOSS ALLOWANCE	-	(1)
DECONSOLIDATED ON CHANGE IN PARENT'S STATUS TO AN INVESTMENT ENTITY	-	(24)
	-	-

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable. No trade receivables or other receivables have been pledged as collateral for liabilities or contingent liabilities. Information about the group's exposure to credit and market risk is included in note 24.

The carrying amount approximates fair value due to the short-term nature thereof.

3. AMOUNTS DUE BY INVESTEE ENTITIES

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	681	616
	681	616
CURRENT ASSETS	681	616
NON-CURRENT ASSETS	-	-
	681	616

The amounts due by the investee entities bear interest at market related interest rates and have no fixed repayment terms. The maximum exposure to credit risk at the reporting date is the carrying value of the amount due, which approximates its fair value. The group does not hold any direct collateral as security.

The carrying amounts approximates the fair value owing to market related variable interest rates.

As the amounts due by investee entities are not in default there is no increased credit risks associated with these financial assets, therefore the amounts due by investee entities are classified as fully performing and not credit impaired. The assessment related to credit risk includes consideration of the investees' forward - looking financial information and the strength of the counterparties ability to settle the outstanding debt owed. Information about the group's exposure to credit and market risk is included in note 24.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

4. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
EQUITY INVESTMENTS	742	1 111
DEBT INVESTMENTS	2 336	2 521
	3 078	3 632

Refer to the accounting policies, classification of equity investments as subsidiaries or investment entities (note 1.2.1.1 (A)) and investments held at FVTPL (note 1.3) for information concerning investments held at FVTPL.

The portfolio companies have been classified as financial assets mandatorily measured at FVTPL. 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	SHARE HOLDING
TRUSTCO MOBILE MAURITIUS ^A	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 AND EDUCATION	UNLISTED	100.0%

All the portfolio companies are subsidiaries of Trustco Group Holdings Ltd. These subsidiaries have not been consolidated based on the parent's change in status to an investment entity but instead have been accounted for as financial assets at FVTPL in accordance with IFRS 9.

^AIncorporated in the Republic of Mauritius

*Incorporated in the Republic of South Africa

FIGURES IN NAMIBIA DOLLAR MILLION

	FAIR VALUE 31 AUGUST 2022	DEBT INVESTMENT ADVANCE TO INVESTEES ENTITIES	DEBT INVESTMENT REPAYMENT	FAIR VALUE GAIN /(LOSS)	OTHER NON-CASH MOVEMENTS	FAIR VALUE 31 AUGUST 2023
RECONCILIATION OF INVESTMENT PORTFOLIO BY INVESTEES ENTITY						
TBN HOLDINGS LTD*	276	11	(16)	(45)	-	226
TRUSTCO BANK NAMIBIA LTD	9	-	-	(5)	-	4
LEGAL SHIELD HOLDINGS LTD*	1 978	37	(36)	(350)	10	1 639
TRUSTCO MOBILE MAURITIUS	35	-	-	(31)	-	4
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	14	-	-	7	(3)	18
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD [#]	1 320	16	(69)	(83)	3	1 187
VALUE OF PORTFOLIOS	3 632	64	(121)	(507)	10	3 078

FIGURES IN NAMIBIA DOLLAR MILLION

	FAIR VALUE 31 AUGUST 2022	DEBT INVESTMENT ADVANCE TO INVESTEES ENTITIES	DEBT INVESTMENT REPAYMENT	FAIR VALUE GAIN /(LOSS)	OTHER NON-CASH MOVEMENTS	FAIR VALUE 31 AUGUST 2023
RECONCILIATION OF INVESTMENT PORTFOLIO BY GEOGRAPHY						
NAMIBIA	2 534	64	(121)	(484)	13	2 006
SIERRA LEONE	1 049	-	-	1	-	1 050
MAURITIUS	35	-	-	(31)	-	4
SOUTH AFRICA	14	-	-	7	(3)	18
VALUE OF PORTFOLIOS	3 632	64	(121)	(507)	10	3 078

*The decline in the fair value of TBN Holdings and Legal Shield Holdings primarily arose from the rise in discount rates throughout the year, coupled with a decrease in actual free cash flows achieved during the current period, resulting in a decrease in the anticipated free cash flow forecast over the valuation period.

[#]The decline in the fair value of Trustco Business Developments primarily arose from the increase of risk factors in discount rates throughout the year, coupled with a decrease in actual cash flows achieved during the current period, resulting in a decrease in the anticipated free cash flows forecast over the valuation period.

Trustco Resources, Germinate (SL) Ltd and Sterling Global Trading Ltd (SGT) entered into a transaction in which SGT agreed to coinvest a total of USD 50 million in Meya. This investment includes USD 25 million in equity and USD 25 million as an SGT loan. This resulted in SGT obtaining a controlling interest of 70% in Meya Mining Limited with Trustco Group Holdings Limited retaining 19.5% equity in Meya. The subscription transaction was executed in February 2023 at which point SGT had already acquired a significant equity interest in Meya Mining Limited, therefore the subscription price per share was no longer considered to be a fair and reasonable indicator of value. As at 31 August 2023 the Group reverted to the income approach to value its remaining 19.5% equity interest in Meya Mining Limited.

In support of the utilisation of the income approach as primary valuation method for the year ended 31 August 2023, the following significant milestones were achieved in the current financial period;

- Completion of approximately 5km in mine development;
- Access to 4 different kimberlite intersections, which is a direct feed of resources to the plant allowing for the commencement of commercial production;
- Installation of various ventilation shafts above and underground;
- Plat upgrades to allow for a higher processing capacity; and
- Completion of fieldwork relating to the Pre-Economic Assessment Report (PEA).

FIGURES IN NAMIBIA DOLLAR MILLION	CARRYING AMOUNT 31 AUGUST 2021	NET GAIN /(LOSS) ON DEEMED DISPOSAL AND REACQUISITION	FAIR VALUE 1 SEPTEMBER 2021	FAIR VALUE GAIN /(LOSS)	FAIR VALUE 31 AUGUST 2022
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RECONCILIATION OF INVESTMENT PORTFOLIO BY INVESTEES ENTITY					
TBN HOLDINGS LTD	(440)	678	238	38	276
TRUSTCO BANK NAMIBIA LTD	(84)	98	14	(5)	9
LEGAL SHIELD HOLDINGS LTD*	1 611	673	2 284	(306)	1 978
TRUSTCO MOBILE MAURITIUS	9	28	37	(2)	35
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	47	(29)	18	(4)	14
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD [#]	842	1 912	2 754	(1 434)	1 320

VALUE OF PORTFOLIOS	1 985	3 360	5 345	(1 713)	3 632
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RECONCILIATION OF INVESTMENT PORTFOLIO BY GEOGRAPHY					
NAMIBIA	1 008	1 767	2 775	(241)	2 534
SIERRA LEONE	921	1 594	2 515	(1 466)	1 049
MAURITIUS	9	28	37	(2)	35
SOUTH AFRICA	47	(29)	18	(4)	14
VALUE OF PORTFOLIOS	1 985	3 360	5 345	(1 713)	3 632

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

*The increase in fair value on the date of deemed disposal and reacquisition was due to the change in fair value attributable to the Elisenheim Lifestyle Estate classified as inventory in the historic financial statements, whereas for financial reporting purposes under IFRS 13, the property is measured at fair value.

#The increase in fair value on the date of deemed disposal and reacquisition was due to the investment in Meya Mining Ltd being measured in accordance with IFRS 13 using the income approach. In June 2022, the mining portfolio within Trustco Business Developments (Pty) Ltd entered into a binding term sheet relating to the disposal of a portion of the equity investment in Meya Mining. By 31 August 2022, 15% of the equity interest in Meya Mining had been disposed of to a consortium of investors, at a considerable discount in comparison with the fair value as determined using the income approach, in order to advance the project towards commercial production and create long-term capital appreciation for investors. Therefore, as at 31 August 2022 the fair value of the remaining equity held by the mining portfolio, within Trustco Business Developments (Pty) Ltd, in Meya Mining was based on the value of the independent offer from the consortium, with adjustments thereto where required.

The net debt advanced to investee entities is classified as part of the net investment in the investee entities as these debt instruments do not have any fixed repayment terms and no interest charged thereon, therefore the debt advanced to investees is considered to form part of the net investment in investee entities.

The fair value gain/(loss) is separately presented profit or loss as fair value gains/(losses) on investments which forms part of investment.

FAIR VALUE HIERARCHY

The portfolio companies are classified in level 3 of the fair value hierarchy. Refer to the reconciliation of investment portfolios for the movement therein.

ASSUMPTIONS

The fair value of each portfolio investment is determined using the discounted cash flow method. The key assumptions comprise discount rate, inflation, growth in earnings and exchange rates, as applicable.

FIGURES IN NAMIBIA DOLLAR MILLION

	2023	2022
TRUSTCO DOMESTIC INVESTMENT PROGRAMME (TDIP) CAPITAL RAISED	40	100
INTEREST EARNED ON NEW DISBURSEMENTS	12	30
INTEREST PAID ON TDIP	(14)	(9)
AVG STUDENT LOAN AMOUNT (THOUSANDS)	42	42
AVG CREDIT INSURANCE AMOUNT (THOUSANDS)	11	11
TOTAL NUMBER OF STUDENT LOANS ISSUED (THOUSANDS)	2	2

KEY VARIABLES

The key variables which affect the value of investments are projected cash flows, discount, inflation and growth using the following unobservable rates:

	2023				2022			
	DISCOUNT RATE	INFLATION	GROWTH	EXCHANGE RATE (USD)	DISCOUNT RATE	INFLATION	GROWTH	EXCHANGE RATE (USD)
TBN HOLDINGS LTD	21.13%	4.90%	6.0%	-	20.68%	4.50%	7%	-
TRUSTCO BANK NAMIBIA LTD	25.87%	4.90%	6.0%	-	23.85%	4.50%	7%	-
LEGAL SHIELD HOLDINGS LTD	18.45%	4.90%	6.0%	-	17.30%	4.50%	7%	-
TRUSTCO MOBILE MAURITIUS	18.85%	4.90%	6.0%	18.78	18.86%	4.50%	7%	17.11
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	17.12%	4.90%	6.0%	-	16.02%	4.50%	7%	-
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	27.14%	3.50%	6.0%	18.78	20.17%	3.1%	6.7%	17.11

SENSITIVITY ANALYSIS

The valuations of investments are sensitive to changes in the unobservable inputs. Because the above key variables do not significantly move period on period by a 0.5% change in the variable is considered adequate for sensitivity analysis purposes. 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 in the current period.

2023

FIGURES IN NAMIBIA DOLLAR MILLION

	DISCOUNT		INFLATION		GROWTH		EXCHANGE RATE	
	+0.5%	-0.5%	+0.5%	-0.5%	+0.5%	-0.5%	+0.5%	-0.5%
TBN HOLDINGS LTD	(10)	11	2	(2)	4	(4)	-	-
TRUSTCO BANK NAMIBIA LTD	-	-	-	-	-	-	-	-
LEGAL SHIELD HOLDINGS LTD	(54)	57	48	(46)	4	(4)	-	-
TRUSTCO MOBILE MAURITIUS	-	-	-	-	-	-	-	-
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	-	-	-	-	-	-	-	-
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	(33)	35	43	(42)	3	(2)	9	(9)
VALUE OF PORTFOLIOS	(97)	103	93	(90)	11	(10)	9	(9)

2022

FIGURES IN NAMIBIA DOLLAR MILLION

	DISCOUNT		INFLATION		GROWTH		EXCHANGE RATE	
	+0.5%	-0.5%	+0.5%	-0.5%	+0.5%	-0.5%	+0.5%	-0.5%
TBN HOLDINGS LTD	(9)	10	-	2	5	(4)	-	1
TRUSTCO BANK NAMIBIA LTD	-	-	-	-	-	-	-	-
LEGAL SHIELD HOLDINGS LTD	(70)	74	58	(55)	9	(8)	5	(5)
TRUSTCO MOBILE MAURITIUS	(1)	1	1	(1)	1	-	-	-
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	-	-	(1)	1	-	-	-	-
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	(123)	129	99	(95)	6	(5)	15	(15)
VALUE OF PORTFOLIOS	(203)	214	157	(148)	21	(17)	20	(19)

Refer to note 3 for amounts due by investee entities. No financial or other support was provided without a contractual obligation to do so during the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

At the reporting date, 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 to unconsolidated subsidiaries.

No financial support was or is intended to be provided by investee entities, other than the financial support to Trustco Bank to the estimated value of NAD 36 million.

5. BORROWINGS

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
TERM LOANS	882	691
CORPORATE BONDS	7	8
CARRYING AMOUNT	889	699
NON-CURRENT LIABILITIES	216	233
CURRENT LIABILITIES	673	466
CARRYING AMOUNT	889	699

Refer to note 20 for information addressing cashflow and other movements in borrowings.

Following the delayed completion of the Meya Mining Limited subscription and share issue transaction that was concluded during the current financial period, certain loan repayments by Trustco and its investees were not made to its international funders during the reporting period.

Trustco and its investees, together with its international funders, entered into *bona fide* negotiations to conclude new repayment and covenant terms which are still ongoing at the time of reporting.

At the time of this report, no defaults have been called by the funders or demands for payments were issued by the funders.

Trustco is confident that a successful restructuring of the debt will be concluded during the next reporting period.

These loans incur interest at rates linked to LIBOR and JIBAR with margins of 5% to 10%. The carrying amounts approximate fair values owing to variable rates that reprice as interest rates change.

Refer to note 27 for information relating to the balance in dispute of NAD 506 million (2022: NAD 414 million) due to Helios Oryx Ltd.

RISK EXPOSURE

Borrowings expose the group to market and liquidity risk. Refer to note 24, financial risk management, for details of risk exposure and the process and policies adopted to mitigate these risks.

PERIOD OF LOAN MATURITY		LOAN VALUE		INSTALMENTS		EFFECTIVE INTEREST RATE	
		AUGUST	AUGUST	AUGUST	AUGUST	AUGUST	AUGUST
		2023	2022	2023	2022	2023	2022
TERM LOANS	2017 – 2029	882	691	673	414	13.72	11.25
CORPORATE BONDS	2021 – 2026	7	8	2	1	12.50	10.25
TOTAL		889	699	675	415		

SECURITIES IN PLACE FOR TERM LOANS

The following securities are in place for term loans:

- Share pledge granted by Trustco Group Holdings Ltd as part of the Security Sharing Agreement.
- Guarantees in favour of international lenders by Trustco Group Holdings Ltd.
- Unlimited suretyship by Trustco Group Holdings Ltd in favour of Bank Windhoek Ltd.
- Guarantee by Trustco Group Holdings Ltd and Dr Q van Rooyen in favour of Pinnacle Micro Namibia (Pty) Ltd for NAD 25 million.
- Cession of insurance policies with Mutual and Federal for various bonds and asset financing.
- A bond on Portion 5 (a Portion of Portion 4) of the Farm Elisenheim No. 68 limited up to USD 47 million in favour of Helios.
- Bonds in favour of Norsad Finance over the remaining extent of Portion 133 (a Portion of Portion A) and Portion 81 (a Portion of Portion 13) of the Farm Nubuamis No. 37 for a sum up to USD 19.4 million as well as various cessions by Trustco Property Holdings (Pty) Ltd.
- A bond over Portion 133 (a Portion of Portion A) of the farm Nubuamis No. 37 in favour of the Development Bank of Namibia.
- Guarantee by Trustco Group Holdings in favour of Inselberg Trust.

SECURITIES FOR CORPORATE BONDS

The bonds are not secured.

The total value of security pledged by the managing director for which the group reimburses him for the suretyship in accordance with the management fee agreement, amounted to NAD 523 million (2022: NAD 534 million).

UNUTILISED COMMITTED BORROWINGS

There were no borrowing facilities not yet fully utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

6. TRADE AND OTHER PAYABLES

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
TRADE PAYABLES	18	25
OTHER PAYABLES	129	113
EMPLOYEE FUND	17	18
VAT	59	52
	223	208
FINANCIAL INSTRUMENTS	164	156
NON-FINANCIAL INSTRUMENTS	59	52
	223	208

The carrying amounts approximate the fair values due to the short-term nature thereof. Information about the group's exposure to credit and market risk is included in note 24.

7. AMOUNTS DUE TO RELATED PARTIES

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
NEXT CAPITAL (PTY) LTD	1 538	1 573
TRUSTCO STAFF SHARE INCENTIVE SCHEME TRUST	13	13
	1 551	1 586
CURRENT LIABILITIES	1 551	586
NON-CURRENT LIABILITIES	-	1 000
	1 551	1 586

The amount due to Next Capital (Pty) Ltd (Next) bears interest at market related interest rates and is conditionally subordinated for a period of 18 months subsequent to year end. This subordination will facilitate conclusion of the restructuring negotiations of Trustco, its investees and their respective international funders.

No management fees were accrued in terms of the new management agreement as announced, as regulatory and shareholder approval for the agreement has not yet been obtained. Refer to the remuneration report pages 74 to 75 for further detail.

Next has waived interest of NAD 112 million for the year under review in respect of the restated loans. The waiver of the interests, which is effective as at 31 August 2023, was done after in principle concession and interest waivers were agreed between Trustco, its investees and its European and African group of international funders.

Information about the group's exposure to credit and market risk is included in note 24.

The carrying amounts approximate fair values owing to variable rates that reprice as interest rates change.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

8. SHARE CAPITAL

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
AUTHORISED 2 500 000 000 ORDINARY SHARES OF NAD 0.23 EACH	575	575
ISSUED AND FULLY PAID ORDINARY SHARE PREMIUM	227 954	227 954
	1181	1181

The unissued shares are under the control of the directors for which renewed authority is to be sought at the forthcoming annual general meeting. At the reporting date, 987 238 581 (2022: 987 238 581) shares were issued.

There was no change to the authorised or issued share capital during the period under review.

9. TREASURY SHARES

FIGURES IN MILLION	2023	2022
NUMBER OF SHARES	2	2
COST OF SHARES (NAD)	14	14
MARKET VALUE OF TREASURY SHARES (NAD)	1	1

The treasury shares are held within the consolidated group.

10. OTHER RESERVES

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
SHARES FOR VENDORS	2 300	2 300
	2 300	2 300

SHARES FOR VENDORS

Refer to note 11 (page 173) of the separate financial statements for the breakdown of the amount. The balance represents shares not yet issued for the purchase of Huso Investments (Pty) Ltd and Trustco Financial Services (Pty) Ltd.

11. REVENUE

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
EXTERNAL REVENUE BY PRODUCT LINES:		
INVESTMENT REVENUE		
INTEREST REVENUE CALCULATED USING THE EFFECTIVE INTEREST METHOD	64	26
SURETY FEES	27	23
TOTAL REVENUE	91	49

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The group derives revenue from the transfer of services over time. Revenue is derived from Namibia.

12. OTHER INCOME

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
GAIN ON DEEMED DISPOSAL*	-	3 360
INTEREST WAIVED#	112	-
	112	3 360

*Refer to notes 1.2.1.1 (A) and 4.

#Refer to note 7 for further details on the loan waiver.

13. PROFIT BEFORE TAX

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
EMPLOYEE COSTS	37	41
LOSS ON FOREIGN EXCHANGE DIFFERENCES	74	91
AUDITORS' REMUNERATION - AUDIT FEES	7	7
(PROFIT)/LOSS ON DISPOSAL OF PROPERTY PLANT AND EQUIPMENT	(1)	2
DEPRECIATION	5	7

14. FINANCE COSTS

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
BORROWINGS	113	68
OTHER FINANCING ARRANGEMENTS	19	24
AMOUNTS DUE TO RELATED PARTIES	123	32
	255	124

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

15. INCOME TAX

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
INCOME TAX EXPENSE	-	-
RECONCILIATION OF THE INCOME TAX RATE		
RECONCILIATION BETWEEN APPLICABLE TAX RATE AND AVERAGE EFFECTIVE TAX RATE		
	%	%
APPLICABLE TAX RATE	32.00	32.00
DEFERRED TAX ASSETS NOT RECOGNISED	(32.00)	(32.00)
	-	-

No provision has been made for tax as the group has no taxable income.

16. EARNINGS, HEADLINE EARNINGS, NET TANGIBLE VALUE, NET ASSET VALUE PER SHARE

16A. (LOSS)/EARNINGS PER SHARE

	PROFIT BEFORE TAX	INCOME TAX	NET LOSS	NET LOSS
FIGURES IN NAMIBIA DOLLAR MILLION	2023	2023	2023	2022
BASIC (LOSS)/EARNINGS (PROFIT)/LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	(681)	-	(681)	1 437
GAIN ON DEEMED DISPOSAL OF SUBSIDIARIES (NOTE 12)	(1)	-	(1)	1
	-	-	-	(3 360)
HEADLINE LOSS	(682)	-	(682)	(1 922)

Reconciliation of the weighted average number of ordinary shares used for earnings per share to the weighted average number of ordinary shares used for diluted earnings per share:

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (BASIC)	985	985
ADJUSTED FOR CONTINGENTLY ISSUABLE SHARES*	-	-
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES FOR THE PURPOSES OF DILUTED EARNINGS PER SHARE MILLION	985	985

(LOSS)/EARNINGS PER SHARE		
BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE (CENTS)	(69.14)	145.89
HEADLINE BASIC AND DILUTED LOSS PER SHARE (CENTS)	(69.24)	(195.13)

*Contingently issuable shares represent shares for vendors disclosed in note 10. The conditions associated with the shares for vendors were not satisfied therefore the number of contingently issuable shares included in the diluted earnings per share calculation was Nil (2022: Nil). Should these conditions be satisfied in future reporting periods, it will result in the issue of 626.8 million additional TTO shares to Next Capital (Pty) Ltd. Refer to the March 2019 IR for details surrounding the various conditions associated with the shares for vendors considerations.

16B. NET ASSET VALUE PER SHARE

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
NET ASSET VALUE	1 153	1 834
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	985	985
NET ASSET VALUE PER SHARE (CENTS)	117.06	186.19

16C. NET TANGIBLE ASSET VALUE PER SHARE

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
NET TANGIBLE ASSET VALUE	1 153	1 834
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	985	985
NET TANGIBLE ASSET VALUE PER SHARE (CENTS)	117.06	186.19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

17. DIRECTORS' EMOLUMENTS

2023 FIGURES IN NAMIBIA DOLLAR THOUSAND	BASIC SALARY	SHORT-TERM BENEFITS	DIRECTORS' FEES	TOTAL FEES
HOLDING COMPANY (EXECUTIVE DIRECTORS)				
DR Q VAN ROOYEN*	-	-	-	-
FJ ABRAHAMS	2 425	25	-	2 450
	2 425	25	-	2 450
HOLDING COMPANY (NON-EXECUTIVE DIRECTORS)				
ADV R HEATHCOTE	-	-	550	550
R TALJAARD	-	-	500	500
W GEYSER	-	-	750	750
T NEWTON	-	-	200	200
R CHETWODE	-	-	200	200
J VAN DEN HEEVER	-	-	300	300
TOTAL	-	-	2 500	2 500
INVESTEE ENTITIES (NON-EXECUTIVE DIRECTORS)				
W GEYSER	-	-	325	325
R TALJAARD	-	-	150	150
T NEWTON	-	-	300	300
J VAN DEN HEEVER	-	-	150	150
B SIMILO	-	-	300	300
R CHETWODE	-	-	300	300
	-	-	1 525	1 525
TOTAL	2 425	25	4 025	6 475

*REMUNERATION OF GROUP MANAGING DIRECTOR

Regulatory and shareholder approval for the new management agreement were outstanding at the time of reporting. Refer to note 7 (this report) and 23 of the 2021 Integrated Annual Report for further details.

2022 FIGURES IN NAMIBIA DOLLAR THOUSAND	BASIC SALARY	SHORT-TERM BENEFITS	DIRECTORS' FEES	TOTAL FEES
HOLDING COMPANY (EXECUTIVE DIRECTORS)				
DR Q VAN ROOYEN*	-	-	-	-
FJ ABRAHAMS	2 353	476	-	2 829
	2 353	476	-	2 829
HOLDING COMPANY (NON-EXECUTIVE DIRECTORS)				
ADV R HEATHCOTE	-	-	539	539
R TALJAARD	-	-	305	305
W GEYSER	-	-	546	546
R MARNEY (RESIGNED 5 AUGUST 2022)	-	-	476	476
T NEWTON (APPOINTED 1 FEBRUARY 2022)	-	-	117	117
R CHETWODE (APPOINTED 1 FEBRUARY 2022)	-	-	117	117
J VAN DEN HEEVER (APPOINTED 1 NOVEMBER 2021)	-	-	202	202
TOTAL	-	-	2 302	2 302
INVESTEE ENTITIES (NON-EXECUTIVE DIRECTORS)				
W GEYSER	-	-	713	713
R TALJAARD	-	-	393	393
T NEWTON	-	-	339	339
J VAN DEN HEEVER	-	-	231	231
B SIMILO	-	-	247	247
R CHETWODE	-	-	307	307
	-	-	2 230	2 230
TOTAL	2 353	476	4 532	7 361

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

18. CASH UTILISED IN OPERATIONS

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
(LOSS)/PROFIT BEFORE TAX	(681)	1 437
ADJUSTMENTS FOR		
DEPRECIATION	5	6
(PROFIT)/LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	(1)	2
INVESTMENT REVENUE	(64)	(26)
GAIN ON DEEMED DISPOSAL OF SUBSIDIARIES	-	(3 360)
INTEREST WAIVED	(112)	-
FINANCE COSTS	255	124
FAIR VALUE ADJUSTMENTS	507	1 713
FOREIGN EXCHANGE LOSS ON BORROWINGS	74	91
OTHER NON-CASH ITEMS	(23)	2
CASH USED IN OPERATIONS BEFORE WORKING CAPITAL CHANGES	(40)	(11)
CHANGES IN WORKING CAPITAL		
TRADE AND OTHER RECEIVABLES	21	(171)
TRADE AND OTHER PAYABLES	15	142
CHANGES IN WORKING CAPITAL	36	(29)
CASH UTILISED IN OPERATIONS	(4)	(40)

19. TAX PAID

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
BALANCE AT THE BEGINNING OF THE PERIOD		
• CURRENT TAX ASSETS	(1)	(2)
• CURRENT TAX LIABILITIES	-	26
	(1)	24
DECONSOLIDATED ON CHANGE IN PARENT'S STATUS TO AN INVESTMENT ENTITY	-	(25)
BALANCE AT THE END OF THE PERIOD		
• CURRENT TAX ASSETS	1	1
TAX PAID	-	-

20. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

2023	BORROWINGS	LEASE LIABILITIES	AMOUNTS DUE TO RELATED PARTIES	TOTAL
FIGURES IN NAMIBIA DOLLAR MILLION				
OPENING BALANCE	699	4	1 586	2 289
INTEREST ACCRUED	111	-	123	234
CHANGES IN FOREIGN EXCHANGE RATES	74	-	-	74
INTEREST WAIVED	-	-	(112)	(112)
NON CASH FLOW ITEMS	6	3	(1)	8
SUB TOTAL	890	7	1 596	2 493
CASH FLOWS RELATED TO FINANCING	(1)	(4)	(45)	(50)
CLOSING BALANCE	889	3	1 551	2 443

2022	BORROWINGS	LEASE LIABILITIES	AMOUNTS DUE TO RELATED PARTIES	TOTAL
FIGURES IN NAMIBIA DOLLAR MILLION				
OPENING BALANCE	1 658	58	1 642	3 358
CHANGES IN FOREIGN EXCHANGE RATES	91	-	-	91
NON CASH FLOW ITEMS	137	1	(13)	125
DECONSOLIDATED ON CHANGE IN PARENT'S STATUS TO AN INVESTMENT ENTITY	(1 186)	(47)	(63)	(1 296)
SUB TOTAL	700	12	1 566	2 278
CASH FLOWS RELATED TO FINANCING	(1)	(8)	20	(11)
CLOSING BALANCE	699	4	1 586	2 289

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. RELATED PARTIES

Dr Q van Rooyen owns 40.07% (2022: 39.54%) of the company's shares. Material related party balances are disclosed in notes 3 and 7.

Other related parties are:

CONSOLIDATED SUBSIDIARIES

Komada Holdings (Pty) Ltd
Printas (Pty) Ltd
Trustco Administrative Support Services (Pty) Ltd
Trustco Corporate Management Services (Pty) Ltd
Trustco Fleet Management Services (Pty) Ltd
Trustco Media (Pty) Ltd
Trustco Mixed Marketing (Pty) Ltd
Trustco Newspapers (Pty) Ltd
Covest Wealth Managers (Pty) Ltd
Covest Wealth Nominees (Pty) Ltd
Trustco Unit Trust Management Company Ltd
Trustco Balance Fund

INVESTEES ENTITIES

Agricultural Export Company (Pty) Ltd
Cumbrae Island Investments (Pty) Ltd
Discus Properties (Pty) Ltd
Elisenheim Estate Property Number One Hundred (Pty) Ltd
Elisenheim Estate Property Number One Hundred and One (Pty) Ltd
Elisenheim Estate Property Number One Hundred and Two (Pty) Ltd
Elisenheim Property Development Company Ltd
Erf 7179 (Pty) Ltd
Herboth's Property Development (Pty) Ltd
Huso Investments (Pty) Ltd
ICE Insurance Claims Exchange (Pty) Ltd*
Institute for Open Learning (Pty) Ltd
Institute of Open Learning VTC (Pty) Ltd
Kuseb Country Estate (Pty) Ltd
Legal Shield Holdings Ltd
Meya Mining Limited**
Morse Investments (Pty) Ltd
Morse Investments Mauritius**
New Adventure Insurance Brokers (Pty) Ltd*
Northern Industrial Estates (Pty) Ltd
Northern Namibia Development Company (Pty) Ltd
November Properties (Pty) Ltd
TBN Holdings Ltd
Trustco Bank Namibia Limited
Trustco Business Developments (Pty) Ltd
Trustco Capital (Pty) Ltd
Trustco Construction Services (Pty) Ltd
Trustco Estate Planners and Administrators (Pty) Ltd
Trustco Finance (Pty) Ltd
Trustco Financial Services (Pty) Ltd*
Trustco Group International (Pty) Ltd

Trustco Group International (Pty) Ltd*
Trustco Informatix (Pty) Ltd*
Trustco Insurance Limited
Trustco Intermediary Solutions (Pty) Ltd*
Trustco Life Limited
Trustco Mobile (Pty) Ltd
Trustco Mobile Mauritius**
Trustco Property Holdings (Pty) Ltd
Trustco Re-insure Limited
Trustco Resources (Pty) Ltd
Trustco Resources Mauritius**

ENTITIES OVER WHICH BOARD MEMBERS HAVE A SIGNIFICANT INFLUENCE

Arru Island Investments (Pty) Ltd
Bellissima Eighty Investments (Pty) Ltd
Dolphin View 50 Langstrand (Pty) Ltd
Foxtrot Properties (Pty) Ltd
Golf Properties (Pty) Ltd
Le-Hugo's Investments**
Namibia Medical Investments (Pty) Ltd
Next Capital (Pty) Ltd
Othinge Investments (Pty) Ltd
Portsmut Eco Safaris (Pty) Ltd
Shad Investments (Pty) Ltd
Sunda Island Investments (Pty) Ltd
Sweep Investments (Pty) Ltd
Thera Island Investments (Pty) Ltd
Next Air Services (Pty) Ltd
Next Tourism Holdings (Pty) Ltd

OTHER RELATED PARTIES

Riskowitz Value Fund****
Germinate SL Ltd***
Trustco Senior Employees Trust
Trustco Staff Share Incentive Scheme Trust

*Incorporated in the Republic of South Africa
**Incorporated in the Republic of Mauritius
***Incorporated in the Republic of Sierra Leone
****Incorporated in the United States of America

All other related parties are incorporated in Namibia.

Refer to notes 3 and 7 for further information on balances due by/(to) related parties.

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. However, transactions between the company and its investees (which are not consolidated - refer to note 4) are not eliminated. Revenue from services provided to related parties was earned at the group's usual listed or contracted prices. Purchases, where relevant, are made at market price. Details of transactions between the group and other related parties are disclosed below and note 17 for details of directors' remuneration.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

RELATED PARTY TRANSACTIONS

21.1 TRANSACTIONS WITH INVESTEE ENTITIES

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
INTEREST RECEIVED FROM INVESTEE ENTITIES		
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	(64)	(26)
SURETY FEE RECEIVED FROM INVESTEE ENTITIES		
TRUSTCO FINANCE (PTY) LTD	(27)	(23)

21.2 TRANSACTIONS WITH RELATED PARTY

NEXT CAPITAL (PTY) LTD [^]		
SURETY FEES	11	10
INTEREST	123	11
INTEREST WAIVED	(141)	-

[^] Common shareholder: Dr Q van Rooyen
The amount due to Next Capital Ltd bears interest at market related interest rates.
No management fees were accrued in terms of the new management agreement as announced, as regulatory and shareholder approval for the agreement has not yet been obtained. Refer to note 17.

RELATED PARTY BALANCES

21.3 BALANCES WITH RELATED PARTIES

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
AMOUNTS DUE TO RELATED PARTIES		
NEXT CAPITAL (PTY) LTD [^]	1 538	1 573
TRUSTCO STAFF SHARE INCENTIVE SCHEME TRUST	13	13
	1 551	1 586

[^] Common shareholder: Dr Q van Rooyen

21.4 AMOUNTS INCLUDED IN TRADE RECEIVABLES WITH INVESTEE ENTITIES

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
TRUSTCO FINANCE (PTY) LTD	19	-
TRUSTCO BANK NAMIBIA LTD	1	-
	20	-

Refer to note 3 for amounts due by investees.

22. PORTFOLIO ANALYSIS (SEGMENT INFORMATION)

Sum of the parts analysis (SOTP) is used by the chief operating decision-maker (Executive Investment Committee "IC") to measure the group's performance pursuant to its objective of investors' value creation through capital appreciation. In determining SOTP value, the group's unlisted assets and liabilities are valued internally using appropriate valuation methods. The executive investment committee evaluated the information to assess the performance of the investees as disclosed in note 4.

The group's reportable portfolios are detailed below:

PORTFOLIO	LOCATION	REVENUE LINES	REPORTING ENTITY
INSURANCE	NAMIBIA	SHORT AND LONG TERM INSURANCE PREMIUMS	LEGAL SHIELD HOLDINGS LTD
REAL ESTATE	NAMIBIA	PROPERTY SALES AND RENTAL INCOME	LEGAL SHIELD HOLDINGS LTD
COMMERCIAL BANKING	NAMIBIA	INTEREST AND FEES	TRUSTCO BANK NAMIBIA LTD
MICRO-FINANCE	NAMIBIA	INTEREST, FEES AND COMMISSION	TBN HOLDINGS LTD
EDUCATION	NAMIBIA	TUITION INCOME	TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD
MINING	SIERRA LEONE	DIAMOND SALES	TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD
SOFTWARE	MAURITIUS	LICENCE FEES	TRUSTCO MOBILE MAURITIUS
REAL ESTATE	SOUTH AFRICA	RENTAL INCOME	TRUSTCO GROUP INTERNATIONAL (PTY) LTD

The following table presents the SOTP fair values of the group's equity and debt investments:

FIGURES IN NAMIBIA DOLLAR MILLION	EQUITY VALUE	DEBT VALUE	31 AUGUST 2023
TBN HOLDINGS LTD	62	164	226
TRUSTCO BANK LTD	4	-	4
LEGAL SHIELD HOLDINGS LTD	672	967	1 639
TRUSTCO MOBILE MAURITIUS LTD	4	-	4
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	-	18	18
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	-	1 187	1 187
TOTAL	742	2 336	3 078

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

The following table presents the SOTP fair values of the group's equity and debt investments:

FIGURES IN NAMIBIA DOLLAR MILLION	EQUITY VALUE	DEBT VALUE	31 AUGUST 2022
TBN HOLDINGS LTD	107	169	276
TRUSTCO BANK LTD	9	-	9
LEGAL SHIELD HOLDINGS LTD	895	1 083	1 978
TRUSTCO MOBILE MAURITIUS LTD	35	-	35
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	-	14	14
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	65	1 255	1 320
TOTAL	1 111	2 521	3 632

The following table presents the earnings from the group's equity and debt investments:

FIGURES IN NAMIBIA DOLLAR MILLION	INVESTMENT INCOME	FAIR VALUE GAIN/(LOSS)	31 AUGUST 2023
TBN HOLDINGS LTD	27	(45)	(18)
TRUSTCO BANK LTD	-	(5)	(5)
LEGAL SHIELD HOLDINGS LTD	-	(350)	(350)
TRUSTCO MOBILE MAURITIUS LTD	-	(31)	(31)
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	-	7	7
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	64	(83)	(19)
TOTAL	91	(507)	(416)
OTHER INCOME			112
OPERATING EXPENDITURE			(122)
FINANCE COSTS			(255)
LOSS FOR THE YEAR			(681)

The following table presents the earnings from the group's equity and debt investments:

FIGURES IN NAMIBIA DOLLAR MILLION	INVESTMENT INCOME	GAIN ON DEEMED DISPOSAL	FAIR VALUE GAIN/(LOSS)	31 AUGUST 2022
TBN HOLDINGS LTD	23	678	38	739
TRUSTCO BANK LTD	-	98	(5)	93
LEGAL SHIELD HOLDINGS LTD	-	673	(306)	367
TRUSTCO MOBILE MAURITIUS LTD	-	27	(2)	25
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	-	(29)	(4)	(33)
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	26	1 913	(1 434)	505
TOTAL	49	3 360	(1 713)	1 696
OPERATING EXPENDITURE				(135)
FINANCE COSTS				(124)
PROFIT FOR THE YEAR				1 437

Inter-segment sales occur at prevailing market prices.

The group's revenues from its major services are disclosed in note 11.

23. CATEGORIES OF FINANCIAL INSTRUMENTS

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
FINANCIAL ASSETS		
AMORTISED COST		
CASH AND CASH EQUIVALENTS	11	8
TRADE AND OTHER RECEIVABLES	2	65
AMOUNTS DUE BY INVESTEE ENTITIES	3	616
FAIR VALUE		
INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	4	3 078
FINANCIAL LIABILITIES		
AMORTISED COST		
AMOUNTS DUE TO RELATED PARTIES	7	(1 551)
BORROWINGS	5	(889)
TRADE AND OTHER PAYABLES	6	(164)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

24. FINANCIAL RISK MANAGEMENT

This note presents information about the group’s exposure to financial risks, the group’s objectives, policies and processes for measuring and managing risk and the group’s management of capital. Further quantitative disclosures are included throughout these financial statements.

The group’s risk management policies are established to identify and analyse the risks faced by the group, set appropriate risk limits and controls and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group’s activities. Through its training and management standards and procedures, the group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The group audit and risk committee (ARC) oversees how management monitors compliance with the group’s risk management policies and procedures and reviews the adequacy of the risk management framework concerning the risks faced by the group. The ARC is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARC.

CAPITAL MANAGEMENT

The board’s policy is to maintain a strong capital base to maintain investor, creditor and market confidence and sustain future business development. The board of directors monitors the return on capital. The board of directors also monitors the level of dividends paid to ordinary shareholders. The group manages its capital to ensure that entities in the group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The group’s capital structure consists of debt, which includes the borrowings disclosed in note 8, shareholders’ funds and equity attributable to equity holders of the parent, comprising issued

capital and reserves as disclosed in notes 8 to 10. Refer to maturity analysis for expected cash out flows.

From time to time, the group purchases its shares on the market, the timing of which depends on market prices. Buy and sell decisions are made on the recommendation of management to the board and approved by the ARC. The group does not have a defined share buy-back plan, but shareholders have passed a general resolution allowing the company to buy back its shares from time to time.

There were no changes in the group’s approach to capital management during the reporting period.

FINANCIAL RISK MANAGEMENT OBJECTIVES

The group’s corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risk relating to the operations of the group through internal risk reports which analyse exposure by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

The use of financial instruments is governed by the group’s policies approved by the board of directors, which provide principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-financial derivative financial instruments and the investment of excess liquidity. Compliance with policies and exposure limits are reviewed by the internal auditors continuously. The group does not enter into or trade financial instruments for speculative purposes.

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the group’s income or the value of its holdings of financial instruments. The objective of the market risk management is to manage and control market risk exposure within acceptable parameters while optimising the return.

Refer to the interest rate sensitivity analysis below for discussion of the group’s exposure to market risk.

FOREIGN CURRENCY RISK MANAGEMENT

The group is exposed to currency risk on borrowings that are denominated in a currency other than the respective functional currencies of group entities, primarily the Namibia Dollar, South African Rand and United States Dollar (USD). The currencies in which these

transactions are concluded are primarily denominated in USD.

Risk is managed through careful planning of probable USD expenditures. USD denominated liabilities are expected to be repaid with receipts from USD denominated sales.

The carrying amount of the group’s foreign currency denominated monetary liabilities at the reporting dates are as follows:

FIGURES IN NAMIBIA DOLLAR MILLION		2023	2022
BORROWINGS	5	(889)	(699)

FOREIGN CURRENCY RISK SENSITIVITY ANALYSIS

At the reporting date, the South African Rand was equal to the Namibia Dollar. A 1% weakening or strengthening of the Namibia Dollar exchange rate versus the United States Dollar (most common foreign currency exposure) at the reporting date, as broadly anticipated by the market, would decrease or increase the group’s profit by NAD 8.9 million (2022: NAD 7.0 million). The analysis assumes that all other variables would remain constant.

CREDIT RISK MANAGEMENT

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

FORWARD-LOOKING INFORMATION (FLI)

Historical default rates were regressed against selected relevant macroeconomic factors to investigate if there exists any relationship. Where there is a correlation between macroeconomic factors and historical default rates, the probabilities of default (PD) were adjusted to arrive at a point in time PD.

Financial assets exposed to credit risk at the reporting date were as follows:

FIGURES IN NAMIBIA DOLLAR MILLION		2023	2022
FINANCIAL ASSETS			
CASH AND CASH EQUIVALENTS		11	8
TRADE AND OTHER RECEIVABLES	2	44	65
AMOUNTS DUE BY INVESTEE ENTITIES	3	681	616
		736	689

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

BANK BALANCES

The group's cash balances are held at "A" rated local banks.

RECEIVABLES FROM TRADE CUSTOMERS

The group's exposure to credit risk was influenced mainly by the default risk of the sectors in which they operate. The demographics of the group's customer base, including the individual characteristics of each customer and the country in which customers operate, had less of an influence on credit risk. The risk management committee established a credit policy under which each new customer was analysed individually for creditworthiness before the group's standard payment and delivery terms and conditions were offered. The group's review included external ratings, when available and in some cases bank references.

Purchase limits were established for each customer, which represented the maximum open amount without requiring approval from the risk management committee; these limits were reviewed on an ad hoc basis. Customers who failed to meet the group's benchmark creditworthiness criteria were permitted to transact with the group only on a prepayment basis.

INTEREST RATE RISK MANAGEMENT

The ultimate responsibility for interest rate risk management rests with the board of directors, which has established an appropriate framework for managing the group's exposure to changes in rates.

INTEREST RATE SENSITIVITY ANALYSIS

The sensitivity analysis below has been determined based on the exposure to interest rates for financial assets and financial liabilities at the reporting date. The analysis is prepared assuming the balance of the financial instrument at the reporting date was receivable/ (payable) for the whole period. A 50 basis point increase or decrease is used when reporting interest risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the group's profit for the period ended 31 August 2023 would decrease/increase by NAD 17.6 million (2022: decrease/increase by NAD 17.7 million). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings.

LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework to manage the group's short-, medium- and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring the forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities as well as by monitoring the current ratio.

LIQUIDITY ANALYSIS

The following tables detail the group's future liquidity position arising from its non-derivative financial liabilities. The analysis has been prepared based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the group can be required to pay.

	AVE. EFFECTIVE INTEREST RATE	LESS THAN ONE YEAR	DUE IN ONE TO TWO YEARS	DUE IN TWO TO FIVE YEARS	DUE AFTER FIVE YEARS	TOTAL
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2023

FIGURES IN NAMIBIA DOLLAR MILLION

MATURITY ANALYSIS NON-INTEREST BEARING

• TRADE AND OTHER PAYABLES (NOTE 6)		164	-	-	-	164
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VARIABLE INTEREST RATE INSTRUMENTS

• TERM LOANS (NOTE 5)	9.83	729	227	102	-	1 058
• CORPORATE BONDS (NOTE 5)	8.75	4	3	3	-	10
• AMOUNTS DUE TO RELATED PARTIES (NOTE 7)	12.08	1 737	-	-	-	1 737
		2 634	230	105	-	2 969

	AVE. EFFECTIVE INTEREST RATE	LESS THAN ONE YEAR	DUE IN ONE TO TWO YEARS	DUE IN TWO TO FIVE YEARS	DUE AFTER FIVE YEARS	TOTAL
--	---------------------------------------	-----------------------------	----------------------------------	--------------------------------	----------------------------	-------

2022

FIGURES IN NAMIBIA DOLLAR MILLION

MATURITY ANALYSIS NON-INTEREST BEARING

• TRADE AND OTHER PAYABLES (NOTE 6)		156	-	-	-	156
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VARIABLE INTEREST RATE INSTRUMENTS

• TERM LOANS (NOTE 5)	9.83	460	114	170	79	823
• CORPORATE BONDS (NOTE 5)	8.75	3	3	2	2	10
• AMOUNTS DUE TO RELATED PARTIES (NOTE 7)	12.08	586	1 000	-	-	1 586
		1 205	1 117	172	81	2 575

25. GOING CONCERN

The board of directors has, *inter alia*, considered the following specific factors in determining whether the company and group is a going concern for the foreseeable future:

- Decrease of the investments measured at fair value through profit or loss for the year ended 31 August 2023 of NAD 554 million contributing to a loss of NAD 681 million (profit for the period ended 31 August 2022: NAD 1 437 million);
- Current liabilities of the group exceed current assets as at 31 August 2023 by NAD 1 712 million, while total assets exceed total liabilities by NAD 1 153 million;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

- Cash utilised from operating activities by the group for the ended 31 August 2023 amounting to NAD 6 million;
- Whether the group has sufficient cash resources from investing activities which is readily available, in order to settle its creditors and maturing liabilities as and when they fall due in the foreseeable future, whilst continuing to maintain its operating abilities for the foreseeable financial period;
- Whether there is any significant pending litigation that will threaten the going concern status of the group;
- Assessment of the existing economic conditions related to the various investees and whether the possibility exists to sufficiently scale said operations in the foreseeable future to provide additional cash resources; and
- Assessment of the solvency and liquidity position of the company in accordance with the Companies Act.

Following the above assessment, the board of directors believe that the above factors, coupled with prevailing economic conditions and forecast economic outlook presents some challenges for the foreseeable future. In response to the above factors, to address future cash flow requirements, detailed liquidity improvement initiatives have been developed and are being pursued, with the implementation thereof regularly monitored.

These conditions are considered to indicate that a material uncertainty exists which may cast significant doubt on the ability of the group to continue as a going concern in the foreseeable future. This is largely attributable to the short-term liquidity position of the group. Therefore, the ability of the group to continue as a going concern is dependent on the successful implementation or conclusion of the below noted matters in order to address the liquidity risk the group faces on an ongoing basis:

- achieving of various technical, geological and financial milestones by the mining portfolio related to the mining operations in Sierra Leone;
- raising the final USD 25 million in borrowings required to bring the mining operations of Meya Mining into full commercial production within the next 24 months;
- the mining investee to adequately scale production of its flagship asset, which will enable the group to recover its net debt and equity investment in the mining investee in the foreseeable future;
- recovery of the remaining USD 1.5 million of the USD 6 million in working capital from its mining investee in the near future which will assist with the short-term liquidity requirements of the group;
- recovery of USD 45 million in interest bearing debt from its mining investee, once Meya Mining achieves the above stated production targets, which will assist with the liquidity requirements of the group and assist with repayment of borrowings;
- continued conditional subordination of debt owing to related party investors of the group for the foreseeable future;
- successful negotiations with international lenders in order to agree revised repayments terms associated with borrowings due and payable in the foreseeable future;
- successful resolution of various ongoing legal matters in order to mitigate the potential liquidity impact thereof;
- successful conclusion of planned equity investments to increase liquidity and realise growth opportunities across the group and its investees; and
- successful conversion of related party debt into equity.

The board of directors have evaluated the plans noted above to address the material uncertainty related to the going concern assumption of the group and note these plans will alleviate the group's liquidity position should they be executed successfully.

The board of directors have evaluated the group's liquidity requirements to confirm whether the group has access to sufficient resources to continue as a going concern in the foreseeable future, considering the above factors and consequently prepared a cash flow forecast covering a period of 12 months from the date of these financial statements, concluding that the group would be able to continue its operations as a going concern. The directors are not aware of any other matters that may impact the group. The directors are also not aware of any material noncompliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group. Following the above assessment, the board of directors continue to adopt the going concern basis of accounting in preparing the financial statements.

26. EVENTS AFTER THE REPORTING DATE

- 26.1 Next offered on 31 August 2023 to convert NAD 1 489 million of its debt into Trustco equity. The final terms must still be concluded and the transaction will be subject to regulatory approvals in terms of the JSE LR and shareholders' approval.
- 26.2 The board received two offers from RVF shortly before publication of this report:
- 26.2.1 Trustco to purchase 11.35% shareholding from RVF in Legal Shield Holdings
 - 26.2.2 To subscribe for a fresh issue of Trustco Group Holdings shares by RVF for a minimum amount of USD 25 million and maximum amount of USD 50 million.

Terms for these transactions must still be finalised, approved by the board and will be announced on SENS upon conclusion.

- 26.3 Conclusion of the debt restructuring of Trustco and its investees with respective developmental European and African lenders.

Apart from the above, the directors are not aware of any other events occurring after the reporting date and before the date of this report.

27. CONTINGENT LIABILITIES AND GUARANTEES

PENDING LEGAL CASES

- **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 for 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 applied to obtain leave to appeal against the dismissal of the TGH counterclaim from the Supreme Court. The application was refused.

Helios also issued an application in the High Court of Namibia in an attempt to register and enforce the summary judgement award obtained in London enforceable in Namibia. TGH is opposing the application and filed a counterclaim against Helios in Namibia.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

- TGH's total exposure to the Helios claim (inclusive of interest and costs) is fully recognised in the financial statements.
- BANK OF NAMIBIA V TRUSTCO GROUP HOLDINGS LIMITED**
Bank of Namibia served an application on Trustco Bank to place Trustco Bank in provisional liquidation. Trustco Bank filed a notice of opposition and an answering affidavit. The Bank of Namibia brought an application requesting the presiding judge to recuse herself, which application was dismissed by the presiding judge.
Bank of Namibia is considering filing an appeal against the dismissal of their application.
 - NAMRA V TRUSTCO GROUP HOLDINGS LIMITED**
TGH and its investee companies, filed a review and constitutional challenge against the impugned decisions of the Namibia Revenue Agency (NamRA). The NamRA and the Respondents are defending the application. NamRA filed its discovery bundle in November 2023, and TGH supplemented its review application. NamRA must file its answering affidavit by the end of January 2024.

28. CAPITAL COMMITMENTS

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
NOT YET CONTRACTED FOR BUT AUTHORISED BY DIRECTORS	4	-
The group intends to finance this expenditure from borrowing facilities. No part of this expenditure has been contracted for at the reporting date.		

29. IMPLEMENTATION OF MEYA TRANSACTION

During the year under review, Meya Mining issued shares to Sterling Global Limited (SGT) up to a 70% shareholding in Meya to the value of USD 25 million. Trustco received irrevocable undertakings of 63.26% of its shareholders to vote in favour of the transaction. The equity investment, together with a debt investment directly into Meya, enabled the underground development and the transition to commercial production.

In terms of the JSE Listings Requirements, a Competent Persons Report (CPR) which is SAMREC/ SAMVAL compliant is a prerequisite for the issuance of a circular to obtain the formal shareholder vote at a general meeting for the transaction. Meya is in the process of concluding a Pre-Economic Assessment Report (PEA) in terms of the Canadian mining code, which will facilitate the issuance of the shareholder circular during Q1 of 2024.

The decision to implement the transaction with SGT was made for the economic benefit of all shareholders and diluted the Trustco equity stake in Meya to 19.5%.

30. SHAREHOLDER INFORMATION

Details of the shareholders were as follows:

LARGE SHAREHOLDERS 2023

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
VAN ROOYEN, QUINTON	111 980 000	265 220 060	377 200 060	40.07%
RISKOWITZ VALUE FUND	222 267 861		222 267 861	23.61%
NOTRE DAME	120 604 762		120 604 762	12.81%
GERMINATE SL LTD	85 416 666		85 416 666	9.07%
CONSTANTIA INSURANCE COMPANY LIMITED	44 856 616		44 856 616	4.77%
MIDBROOK LANE PROPRIETARY LIMITED	6 205 000		6 205 000	0.66%
GOVERNMENT EMPLOYEES PENSION FUND				
PUBLIC INVESTMENT CORPORATION	5 457 736		5 457 736	0.58%
SEAFWELL INVESTMENTS CC	5 006 088		5 006 088	0.53%
NILGIRI INVESTMENTS CC	5 000 000		5 000 000	0.53%
THE BANK OF NEW YORK MELLON DR	4 993 220		4 993 220	0.53%
GRAND TOTAL	611 787 949	265 220 060	877 008 009	93.16%

* Total issued shares at 31 Aug 2023 – 987 238 581
* Treasury shares at 31 Aug 2023 – 46 000 138 (44 071 845 shares are held by investee entities).
* Shares calculated net of treasury shares at 31 Aug 2023 – 941 238 443

LARGE SHAREHOLDERS 2022

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
VAN ROOYEN, QUINTON	111 980 000	260 220 060	372 200 060	39.54%
PROTEA ASSET MANAGEMENT LLC	338 951 226		338 951 226	36.01%
- UNIVERSITY OF NOTRE DAME		120 604 762		
- RISKOWITZ VALUE FUND		218 246 464		
GERMINATE SL LTD		85 416 666	85 416 666	9.07%
CONSTANTIA INSURANCE COMPANY LTD	44 856 616		44 856 616	4.77%
MIDBROOK LANE (PTY) LTD	6 205 000		6 205 000	0.66%
GOVERNMENT EMPLOYEES PENSION FUND	5 461 236		5 461 236	0.58%
CITICLIENT NOMINEES				
NO 8 NY GW	5 275 621		5 275 621	0.56%
GRAND TOTAL	598 146 365	260 220 060	858 366 425	91.20%

* Total issued shares – 987 238 581.
* Treasury shares – 46 000 138 (44 071 845 shares are held by investee entities).
* Shares calculated net of treasury shares – 941 238 443.

CHAPTER

COMPANY FINANCIAL STATEMENTS

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SEPARATE STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST

FIGURES IN NAMIBIA DOLLAR MILLION	NOTES	2023	2022
ASSETS			
CASH AND CASH EQUIVALENTS		10	2
TRADE AND OTHER RECEIVABLES	2	22	26
AMOUNT DUE BY INVESTEE ENTITY	3	680	616
CURRENT TAX ASSETS		1	1
INVESTMENT IN SUBSIDIARIES	4	3	3
INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	5	3 078	3 632
DEFERRED TAX ASSETS		4	4
TOTAL ASSETS		3 798	4 284
EQUITY AND LIABILITIES			
LIABILITIES			
BORROWINGS	6	882	691
TRADE AND OTHER PAYABLES	7	52	46
AMOUNTS DUE TO RELATED PARTIES	8	1 552	1 587
TOTAL LIABILITIES		2 486	2 324
CAPITAL AND RESERVES			
SHARE CAPITAL	9	227	227
SHARE PREMIUM	9	954	954
TREASURY SHARES	10	(14)	(14)
OTHER RESERVES	11	2 300	2 300
ACCUMULATED LOSSES		(2 155)	(1 507)
TOTAL CAPITAL AND RESERVES		1 312	1 960
TOTAL EQUITY AND LIABILITIES		3 798	4 284

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST

FIGURES IN NAMIBIA DOLLAR MILLION	NOTES	2023	2022
INTEREST REVENUE	12	64	26
FAIR VALUE LOSS ON INVESTMENTS	5	(507)	(1 713)
TOTAL INVESTMENT LOSS		(443)	(1 687)
OTHER REVENUE	12	27	23
INVESTMENT LOSS		(416)	(1 664)
GAIN ON DEEMED DISPOSAL OF SUBSIDIARIES	13	-	2 939
INTEREST WAIVED	13	112	-
OPERATING EXPENSES	14	(99)	(170)
FINANCE COSTS	15	(245)	(104)
(LOSS)/PROFIT BEFORE TAX		(648)	1 001
INCOME TAX EXPENSE	16	-	-
(LOSS)/PROFIT FOR THE PERIOD		(648)	1 001
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(648)	1 001

SEPARATE STATEMENT OF CHANGES IN EQUITY

FIGURES IN NAMIBIA DOLLAR MILLION	SHARE CAPITAL	SHARE PREMIUM	SHARES FOR VENDORS	TREASURY SHARES	ACCUMULATED LOSSES	TOTAL EQUITY
BALANCE AT 1 SEPTEMBER 2021	227	954	2 300	(21)	(2 503)	957
PROFIT FOR THE PERIOD	-	-	-	-	1 001	1 001
OTHER COMPREHENSIVE INCOME LOSS	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	-	-	-	1 001	1 001
TRANSFER OF STAFF SCHEME BONUS SHARES	-	-	-	7	(5)	2
BALANCE AT 31 AUGUST 2022	227	954	2 300	(14)	(1 507)	1 960
BALANCE AT 1 SEPTEMBER 2022	227	954	2 300	(14)	(1 507)	1 960
LOSS FOR THE PERIOD	-	-	-	-	(648)	(648)
OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-
TOTAL COMPREHENSIVE LOSS	-	-	-	-	(648)	(648)
BALANCE AT 31 AUGUST 2023	227	954	2 300	(14)	(2 155)	1 312
NOTES	9	9	11	10		

SEPARATE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST

FIGURES IN NAMIBIA DOLLAR MILLION	NOTES	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH (UTILISED IN)/GENERATED FROM OPERATIONS	17	(13)	81
FINANCE COST		(2)	-
NET CASH (UTILISED IN)/GENERATED FROM OPERATING ACTIVITIES		(15)	81
CASH FLOWS FROM INVESTING ACTIVITIES			
ADVANCES TO INVESTEE ENTITIES		(64)	-
REPAYMENTS OF ADVANCES TO INVESTEE ENTITIES		121	33
REPAYMENTS TO RELATED PARTIES		(32)	-
PROCEEDS FROM RELATED PARTIES		43	-
NET CASH GENERATED FROM INVESTING ACTIVITIES		68	33
CASH FLOWS FROM FINANCING ACTIVITIES			
REPAYMENTS TO RELATED PARTIES	18	(45)	(185)
PROCEEDS FROM RELATED PARTIES	18	-	72
NET CASH UTILISED IN FINANCING ACTIVITIES		(45)	(113)
NET INCREASE IN CASH AND CASH EQUIVALENTS		8	1
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		2	1
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		10	2
CASH AND CASH EQUIVALENTS COMPRISES:			
BANK		10	2
		10	2

SEPARATE ACCOUNTING POLICIES

FOR THE YEAR ENDED
31 AUGUST 2023

REPORTING ENTITY BASIS OF PREPARATION

1. REPORTING ENTITY

Trustco Group Holdings Limited (the company) is an investment entity in terms of IFRS 10.

1.2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations as issued by the IFRS Interpretations Committee (IFRIC), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Listings Requirements of the JSE and the Namibian Stock Exchange and in the manner as required by the Companies Act of Namibia and the Companies Act of South Africa (Act 71 of 2008) and are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates. The financial statements have been prepared on the historical cost basis, except for the measurement of investments in subsidiaries held at fair value through profit or loss, and incorporate the principal accounting policies set out below. The accounting policies are consistent with those of financial statements for the previous period.

The company presents its statement of financial position in order of liquidity following the key considerations related to liquidity based on the company being an investment entity.

The financial statements are presented in Namibia Dollar, which is the company's functional and presentation currency and amounts are rounded to the nearest million, unless otherwise stated.

1.2.1 ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, management is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources, which may affect the amounts presented in the financial statements and the related disclosures thereto. The use of available information and the application of judgement is inherent in the formation of estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Changes to the key estimates and judgements applied in determining the value of selected assets and liabilities could significantly affect the company's valuation assessments and results.

The nature of the accounting estimates and judgements are detailed below.

1.2.1.1 CRITICAL ACCOUNTING JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

Judgements made in the application of the financial reporting requirements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are discussed as follows:

(A)

CHANGE IN INVESTMENT ENTITY STATUS

IFRS 10 require that an entity reassess whether it is an investment entity if facts and circumstances indicate changes to one or more of the elements making up the definition of an investment entity or to the typical characteristics of an investment entity. The reassessment was prompted due to the:

- change in business purpose from a permanent investor to a medium- to long-term investor has been implemented with effect from September 2021. Trustco's strategic direction of value creation through capital appreciation, investment income or both is defined in accordance with its formalised investment policy and investment charter, as adopted by the board of directors in September 2021 and directed by the investment committee. Trustco formalised exit strategies for its debt and equity instruments to further align with its investment strategies to create value through capital appreciation, investment income or both; and
- change in strategic direction to divestment from its largest investment, contributing approximately 50% of Trustco's sum-of-the-part (SOTP) fair value during September 2021. The mining portfolio entered into transactions to dilute its equity interest in Meya Mining which unlocked the inherent value within the mining portfolio.

Following the above reassessment the company's status changed to that of an investment entity as defined in IFRS 10 with effect from 1 September 2021. Such change required the company to cease consolidating certain of its subsidiaries (other than those providing services related to the company's investment activities) and to instead measure, such subsidiaries (investment entities) as investments held at fair value, with subsequent changes in fair value being recognised in profit or loss.

During the year the company reassessed the requirements of IFRS 10 for the 2023 financial period and concluded that its status as an investment entity continues to be appropriate. The company entered into a share subscription agreement during the reporting period which substantiates the company's aim for realising its value for its investors through execution of exit strategies. Furthermore, the company throughout the year continued to consider various other options, such as the potential disposal of its interests in the Trustco Finance business in order to unlock investors value.

SEPARATE ACCOUNTING POLICIES (CONTINUED)

An investment entity is typically an entity that:

IFRS REQUIREMENT	APPLICATION TO THE COMPANY
i) Obtains funds from one or more investors for the purpose of providing such investor(s) with investment management services	Trustco is a listed entity and has issued its shares to various investors in order to provide its investors with access to a wider pool of investments which they might not have access to individually through the various investments that it holds. These investment management services relate to the management of the wider pool of investments on behalf of investors.
ii) Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both	Trustco’s investment strategy is to create sustainable growth and value creation for its investors. Further, in accordance with the company’s investment policy, Trustco’s investment strategy is to maximise its after tax returns taking into account its Risk Appetite Framework as amended from time to time.
iii) Measures and evaluates the performance of substantially all of its investments on a fair value basis.	Trustco’s reporting to its investors and key management is on a fair value basis with valuations performed and investments evaluated on a fair value basis by the Investment Committee.

Whilst the company’s focus on value creation for its investors has not changed, following a strategic review of the investments held across the company, the directors determined that the most appropriate manner to deliver value to investors would be a refocus on the company’s strategy toward unlocking returns from capital appreciation and investment income. During September 2021, the mining portfolio entered into negotiations with independent third parties, on instruction from the company’s investment committee, to dilute its equity interests in the underlying operations within the mining portfolio, in order to obtain the necessary funding required to bring operations into commercial status, which would result in unlocking investors’ medium- to long-term value. Refer to the Portfolio Analysis (note 5) for further detail of the valuation of Trustco’s investees.

The change in the parent’s status to an investment entity which resulted in a change in the measurement of applicable investees to being at fair value through profit or loss was applied prospectively, with no adjustment to prior period 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). Trustco’s shared services subsidiaries (i.e. those wholly owned subsidiaries comprising Trustco’s head office operations) provide services related to investment management activities and do not represent a separate substantial business activity of the company.

Trustco has a significant related party investor. The related party investor has entered into transactions with Trustco, subject to investors approval, relating to the provision of management, surety and other services. The related party investor also provides funding in the form of loans to Trustco. Refer to the note 19 for details of these transactions and balances.

Judgement is required to determine whether the related party investor obtains any benefit from the above relationship with Trustco, which would not be available to other investors had those investors entered into similar transactions with Trustco, its company entities and investees. Having assessed the relationship between Trustco, its company entities and investees and the related party investor, as well as the terms and conditions associated with the transactions, Trustco has concluded that there is currently no benefit accruing to the related party investor, which would not be available to other investors for similar transactions.

(B) REINSTATEMENT OF RELATED PARTY LIABILITY

In the previous year, the Johannesburg Stock Exchange (JSE) determined that the recognition of certain waivers of shareholder loans in profit or loss was not compliant with IFRS and, therefore, should be corrected and recognised in equity as these were transactions with equity holders in that capacity. Trustco recognised a gain in profit or loss which triggered the earnout provision under the Huso Transaction. As such, Trustco issued its (TTO) shares to Dr Q Van Rooyen and Next Capital (Pty) Ltd (Next) and its associates.

The restatement instructions of the JSE (see note 43 of the 2022 Integrated report for further details) had the effect that the earnout under the Huso Transaction was not triggered, and therefore, no shares should have been issued. The board took legal advice and, based on that, concluded that the legal effect of implementing the JSE’s instruction in respect of the loan waiver was that the understanding between Trustco, Dr Q van Rooyen and Next, which would have resulted in an issue of TTO shares would be void on the premise that Trustco was unable to discharge its obligation under the loan waiver agreement.

Therefore, the loan waiver transaction was reversed and the parties were reinstated in their original positions as if the loan waivers and the resultant benefits derived therefrom, never occurred.

Based on the loan waivers being void, it was determined that the loan payable to Next of NAD 1.5 billion would be reinstated following the JSE’s instruction to derecognise the gain on waiver of the loans which was recognised profit or loss.

Given the uncertain position following the restatement instructions of the JSE, and the legal advice obtained around the reinstatements of the loans, it was considered an area of significant judgement.

1.2.1 ESTIMATES APPLICABLE TO THE FINANCIAL STATEMENTS

Management makes use of estimates and assumptions in applying accounting policies that can have a material impact on the company’s reported operating results, financial position and changes therein, as well as on the comparability of reported information over the current reporting period. The estimates used by the company include:

SEPARATE ACCOUNTING POLICIES (CONTINUED)

(A) **MEASUREMENT OF EXPECTED CREDIT LOSS FOR FINANCIAL ASSETS**
The credit loss allowance for financial assets is based on assumptions relating to the risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs in the impairment calculation, based on the historic experience, existing market conditions as well as forward-looking estimates at the reporting date. Refer to notes 2, 3 and 21 for details relating to the unobservable inputs used in the credit loss allowance assessment and the sensitivity thereof to changes therein.

(B) **FAIR VALUE OF INVESTMENTS**
The investment portfolio, a material asset of the company, is measured at fair value through profit or loss. The company applies a number of methodologies to determine and assess the reasonableness of the investments' fair value, which may include the following:

- Discounted cash flow valuations (Income approach); and
- Recent offer prices from independent third parties as the basis for the fair value.

The primary valuation models utilised for valuing unlisted investments are the discounted cashflow model (income approach), as well as the market-related net asset value of the investments, or a combination of both. The discount rate, growth rate, commodity prices, exchange rates and inflation rates are the main assumptions applied to the discounted cashflow valuations. The discount rate, growth rate, commodity prices, exchange rates and inflation rates are derived from comparable listed companies and/or information utilised by market participants. Where comparable information for similar companies in the same industry and geography is available this was selected from which to perform the various valuations, which are then adjusted for factors including, *inter alia*, liquidity risk, marketability risk, growth potential, relative performance and a non-controlling/controlling discount/premium.

This continues to be an important exercise given the market volatility that have been seen as a result of the continued economic downturn.

Where investments were measured with reference to their net asset value, the latest audited financial results were utilised as the basis from which to determine the fair value.

Net debt and cash are deducted from/added to the enterprise value (EV) to determine the fair value of the equity of the investments.

Where the valuation was based on unobservable inputs, such as those utilised when preparing a discounted cashflow valuation, the fair value categorisation is Level 3, whereas if independent third party offers were utilised as the basis for the valuation, those are categorised as Level 2 fair value measurements as they were utilised without significant adjustment.

For additional details in respect of the value attributable to the investments, refer to note 4.

1.3 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (AS INVESTMENT ENTITY)
The investments in subsidiaries at the date of change in status were deemed to be disposed of and reacquired at fair value with a gain recognised in profit or loss. Subsequently, the portfolios are measured at fair value through profit or loss (FVTPL). The change in the parent's status to an investment entity and the consequential accounting treatment was accounted for prospectively from the date of change. Refer to note 4 for further details on the measurement of investment portfolios.

1.4 FOREIGN CURRENCY
(A) **FOREIGN CURRENCY TRANSACTIONS**
Transactions in foreign currencies are translated into the respective functional currencies of company companies at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on the historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are recognised in profit or loss as part of finance costs and other income, as appropriate.

1.5 FINANCIAL INSTRUMENTS
(A) **FINANCIAL ASSETS**
(i) **FINANCIAL ASSETS – CLASSIFICATION**
The company classifies its financial assets as those measured at amortised cost and those mandatorily measured at FVTPL. Financial assets classified as measured at amortised cost include amounts due by investee entities, trade and other receivables and cash and cash equivalents. The company classifies financial assets measured at FVTPL which consist of investments held at FVTPL.

Financial assets at amortised costs are debt instruments which meet both the following criteria and are not designated as assets held at fair value through profit or loss:

- the asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows;
- the contractual terms of the financial asset give rise to cash flows, on specified dates, that are solely payments of principal and interest (SPPI).

Financial assets at FVTPL are those assets not measured at amortised cost as described above and are mandatorily measured at FVTPL.

(ii) **FINANCIAL ASSETS – INITIAL RECOGNITION AND MEASUREMENT**
Financial assets are recognised when the company becomes a party to the contractual provisions of the instruments. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

SEPARATE ACCOUNTING POLICIES (CONTINUED)

(III) *FINANCIAL ASSETS – SUBSEQUENT MEASUREMENT*
Subsequently, the company measures cash and cash equivalents, amounts due by investee entity and trade receivables at amortised cost and these assets are subject to impairment. Interest income from these financial assets is included in finance income using the effective interest method. Any gain or loss arising from derecognition is recognised directly in profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Realised and unrealised gains and losses arising from the change in the fair value of these assets are included in profit or loss. Interest and dividend income arising on financial assets at FVTPL is recognised in profit or loss as interest revenue.

Refer to note 21 for details of risk exposure and management thereof.

(IV) *FINANCIAL ASSETS – IMPAIRMENT*
The company assesses, on a forward-looking basis, the expected credit losses (ECLs) associated with its cash and cash equivalents, amounts due by investee entity and trade receivables.

Lifetime ECLs are recognised when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECLs should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Lifetime ECLs represent the ECLs that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The company recognises a loss allowance for ECLs on a financial asset that is measured at amortised cost. The company uses the following ‘three-stage’ approach (general approach) for impairment based on changes in credit quality since initial recognition:

- Stage 1 includes financial instruments that do not have a significant increase in credit risk (SICR) since initial recognition. On initial recognition the company recognises 12-month ECLs on its advances. For these assets, 12-month ECLs are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deducting the loss allowance).
- Stage 2 includes financial instruments that have had a SICR since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECLs are recognised, but interest revenue is still calculated on the gross carrying amount of the asset.
- Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECLs are recognised and interest revenue is calculated on the gross carrying amount and limited to the net carrying amount.

The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Loss given default is an estimate of the loss arising on default. It is based on the difference between contractual cash flows due and those that the company expects to receive, taking into account cash flows from collateral and integral credit enhancements.

The definition of default, which triggers the credit-impaired classification (stage 3), is based on the company’s internal credit risk management approach and definitions. Whilst the specific determination of default varies according to the nature of the product, it is generally determined as occurring at the earlier of:

- Where, in the company’s view, the counterparty is considered to be unlikely to pay amounts due on the due date or shortly thereafter without recourse to actions such as the realisation of security or
- When the counterparty is past due for more than 90 days.

As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date. The company also takes into consideration collateral and credit enhancement when measuring credit losses. Refer to notes 3 for further information.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses are recognised in profit or loss and presented in operating expenses (note 14).

(V) *FINANCIAL ASSETS – WRITE OFF POLICY*
The company writes off financial assets, in whole or in part, when it has exhausted all practicable recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the company’s recovery method is foreclosing on collateral and the value of collateral is such that there is no reasonable expectation of recovering in full.

(VI) *FINANCIAL ASSETS – SIGNIFICANT INCREASE IN CREDIT RISK (SICR)*
In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 60 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

The company determines the increase in credit risk for amounts due by investee entities and trade receivables based on missed payments. Receivables are determined as credit-impaired and in default if the arrears are greater than 90 days. Loss allowances are measured as follows for each of the following:

- 12-month ECLs for financial assets with no missed repayments.
- lifetime ECLs for financial assets with missed repayments but less than 90 days in arrears.
- credit-impaired for financial assets in arrears for more than 90 days.

SEPARATE ACCOUNTING POLICIES (CONTINUED)

- Financial assets with objective evidence of impairment, considering the rebuttable presumption that default does not occur later than when a financial asset is 90 days past due, are assessed as being in default unless the company has reasonable and supportable information that demonstrates otherwise.
- The company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.
- (VII) **FINANCIAL ASSETS – DERECOGNITION**
The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.
- If the company neither transfers nor retains all the risks and rewards of ownership substantially and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises collateralised borrowing for the proceeds received. Any gain or loss on derecognition is recognised in profit or loss.
- (B) **FINANCIAL LIABILITIES**
- (I) **FINANCIAL LIABILITIES – CLASSIFICATION AND MEASUREMENT**
Financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments. The company classifies its financial liabilities as those measured at amortised cost using the effective interest method. The company measures financial liabilities, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised costs using the effective interest method. Financial liabilities include, borrowings, trade and other payables and amounts due to related parties.
- (II) **FINANCIAL LIABILITIES – DERECOGNITION**
The company derecognises financial liabilities when and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.
- 1.6 **EMPLOYEE BENEFITS**
- (A) **SHORT-TERM EMPLOYEE BENEFITS**
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

- (B) **EQUITY SETTLED SHARE-BASED PAYMENT TRANSACTIONS**
The grant date fair value of share-based payment instruments granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the number of instruments for which the related service and non-market conditions are met, such that the amount ultimately recognised as an expense is based on the number of instruments that meet the related service and non-market performance conditions at the vesting date.
- 1.7 **REVENUE**
The company recognises revenue from the following major sources:
- surety fees and
 - interest received on financial assets.
- (A) **SURETY FEES**
The company generates revenue from the provision of surety services to investees where the company issues surety on behalf of its investment entities. Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on work performed. Revenue is measured based on the consideration specified in contracts with customers, excluding amounts collected on behalf of third parties. Payment of the transaction price is due immediately when services are determined to have been performed.
- (B) **INTEREST RECEIVED ON FINANCIAL ASSETS**
Interest income on financial assets that are classified as debt instruments at amortised cost is determined using the effective interest method. The application of the effective interest method to calculate interest income on financial assets measured amortised cost is dependent on the credit risk of the advance or receivable. The effective interest rate is applied to the gross carrying amount of the advance or receivable, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance. When a loan or receivable is classified as being a credit-impaired stage 3 financial asset, the interest income is limited to the net carrying amount.
- 1.8 **SHARE CAPITAL**
- (A) **ORDINARY SHARES**
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.
- (B) **TREASURY SHARES**
The consideration paid/received for the purchase/sale of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve. On disposal, the average cost of shares is adjusted against the treasury shares reserve. Any excess of the consideration received on the sale of treasury shares over the average cost of the shares sold is recognised in retained earnings.

SEPARATE ACCOUNTING POLICIES (CONTINUED)

1.9 FINANCE COSTS
Finance costs comprise interest payable on borrowings and amounts due to related parties, calculated using the effective interest method, interest receivable on funds invested and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost.

1.10 NEW STANDARDS AND INTERPRETATIONS

1.10.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT PERIOD
The following amended standards became applicable for the current reporting period.

- (A) *STANDARDS THAT DID NOT HAVE A MATERIAL IMPACT ON THE COMPANY’S FINANCIAL STATEMENTS*
- IFRS 9 Financial Instruments – Annual Improvements to IFRS Standards 2018–2020
The amendment clarifies which fees an entity includes when it applies the “10 per cent test” in assessing whether to derecognise a financial liability. (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.)
 - IAS 37 Provisions, Contingent Liabilities and Contingent: Assets Onerous Contracts—Cost of Fulfilling a Contract.
The amendments specify which costs should be included in an entity’s assessment of whether a contract will be loss-making.

1.10.2 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE
The company has chosen not to early adopt the following standards which have been published and are mandatory for the company’s accounting periods beginning on or after 1 September 2023:

- (A) *STANDARDS THAT THE COMPANY HAS ASSESSED*
- IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current: (effective for annual periods beginning on or after 1 January 2023).
Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.
 - IAS 1 Presentation of Financial Statements – Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023).
The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.
 - 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).

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The requirements for recognising the effect of change in accounting prospectively remain unchanged.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST

2. TRADE AND OTHER RECEIVABLES

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
TRADE RECEIVABLES	22	26
	22	26
FINANCIAL INSTRUMENTS	22	26
	22	26

The maximum exposure to credit risk at the reporting date is the fair value of each class of trade receivables. No trade receivables have been pledged as collateral for liabilities or contingent liabilities. Information about the company's exposure to credit and market risk is included in note 21.

The carrying amount approximates fair value due to the short-term nature thereof.

3. AMOUNT DUE BY INVESTEE ENTITY

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	680	616
	680	616

The amount due by the investee bears interest at market related interest rates and has no fixed repayment terms. The maximum exposure to credit risk at the reporting date is the carrying value of the amount due, which approximates its fair value. The company does not hold any direct collateral as security.

The carrying amount approximates the fair value owing to market related variable interest rates.

As the amount due by investee entity is not due in default there is no increased credit risks associated with the financial assets, therefore the amount due by investee entity is classified as fully performing and not credit impaired. The assessment related to credit risk includes consideration of the investee's forward-looking financial information and the strength of the counterparties ability to settle the outstanding debt owing. Information about the company's exposure to credit and market risk is included in note 21.

4. INVESTMENTS IN SUBSIDIARIES

FIGURES IN NAMIBIA DOLLAR MILLION	2023 %	2022 %	2023 %	2022 %	2023 NAD	2022 NAD
TRUSTCO CORPORATE MANAGEMENT SERVICES (PTY) LTD*	100	100	100	100	-	-
TRUSTCO UNIT TRUST MANAGEMENT COMPANY LTD	100	100	100	100	1	1
COVEST WEALTH MANAGERS (PTY) LTD	100	100	100	100	2	2
					3	3
CONSISTING OF						
GROSS CARRYING AMOUNT					3	3
ACCUMULATED IMPAIRMENT LOSS					-	-
					3	3

*The carrying amount of the investment is NAD 100.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

5. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
EQUITY INVESTMENTS	742	1 111
DEBT INVESTMENTS	2 336	2 521
	3 078	3 632

Refer to the accounting policies, classification of equity investments as subsidiaries or investment entities (note 1.2.1.1 (A)) and investments held at FVTPL (note 1.3) for information concerning investments held at FVTPL.

The portfolio companies have been classified as financial assets mandatorily measured at FVTPL. 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	SHARE HOLDING
TRUSTCO MOBILE MAURITIUS ^Λ	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 AND EDUCATION	UNLISTED	100.0%

All the portfolio companies are subsidiaries of Trustco Group Holdings Ltd. These subsidiaries have not been consolidated based on the parent’s change in status to an investment entity but instead have been accounted for as financial assets at FVTPL in accordance with IFRS 9.

^ΛIncorporated in the Republic of Mauritius

*Incorporated in the Republic of South Africa

FIGURES IN NAMIBIA DOLLAR MILLION

	FAIR VALUE 31 AUGUST 2022	DEBT INVESTMENT ADVANCE TO INVESTE ENTITIES	DEBT INVESTMENT REPAYMENT	FAIR VALUE GAIN /(LOSS)	OTHER NON-CASH MOVEMENTS	FAIR VALUE 31 AUGUST 2023
RECONCILIATION OF INVESTMENT PORTFOLIO BY INVESTE ENTITY						
TBN HOLDINGS LTD*	276	11	(16)	(45)	-	226
TRUSTCO BANK NAMIBIA LTD	9	-	-	(5)	-	4
LEGAL SHIELD HOLDINGS LTD*	1 978	37	(36)	(350)	10	1 639
TRUSTCO MOBILE MAURITIUS	35	-	-	(31)	-	4
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	14	-	-	7	(3)	18
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD#	1 320	16	(69)	(83)	3	1 187
VALUE OF PORTFOLIOS	3 632	64	(121)	(507)	10	3 078

FIGURES IN NAMIBIA DOLLAR MILLION

	FAIR VALUE 31 AUGUST 2022	DEBT INVESTMENT ADVANCE TO INVESTE ENTITIES	DEBT INVESTMENT REPAYMENT	FAIR VALUE GAIN /(LOSS)	OTHER NON-CASH MOVEMENTS	FAIR VALUE 31 AUGUST 2023
RECONCILIATION OF INVESTMENT PORTFOLIO BY GEOGRAPHY						
NAMIBIA	2 534	64	(121)	(484)	13	2 006
SIERRA LEONE	1 049	-	-	1	-	1 050
MAURITIUS	35	-	-	(31)	-	4
SOUTH AFRICA	14	-	-	7	(3)	18
VALUE OF PORTFOLIOS	3 632	64	(121)	(507)	10	3 078

*The decline in the fair value of TBN Holdings and Legal Shield Holdings primarily arose from the rise in discount rates throughout the year, coupled with a decrease in actual free cash flows achieved during the current period, resulting in a decrease in the anticipated free cash flow forecast over the valuation period.

#The decline in the fair value of Trustco Business Developments primarily arose from the increase of risk factors in discount rates throughout the year, coupled with a decrease in actual cash flows achieved during the current period, resulting in a decrease in the anticipated free cash flows forecast over the valuation period.

Trustco Resources, Germinate (SL) Ltd and Sterling Global Trading Ltd (SGT) entered into a transaction in which SGT agreed to coinvest a total of USD 50 million in Meya. This investment includes USD 25 million in equity and USD 25 million as an SGT loan. This resulted in SGT obtaining a controlling interest of 70% in Meya Mining Limited with Trustco Group Holdings Limited retaining 19.5% equity in Meya. The subscription transaction was executed in February 2023 at which point SGT had already acquired a significant equity interest in Meya Mining Limited, therefore the subscription price per share was no longer considered to be a fair and reasonable indicator of value. As at 31 August 2023 the Group reverted to the income approach to value its remaining 19.5% equity interest in Meya Mining Limited.

In support of the utilisation of the income approach as primary valuation method for the year ended 31 August 2023, the following significant milestones were achieved in the current financial period;

- Completion of approximately 5km in mine development;
- Access to 4 different kimberlite intersections, which is a direct feed of resources to the plant allowing for the commencement of commercial production;
- Installation of various ventilation shafts above and underground;
- Plat upgrades to allow for a higher processing capacity; and
- Completion of fieldwork relating to the Pre-Economic Assessment Report (PEA).

FIGURES IN NAMIBIA DOLLAR MILLION	CARRYING AMOUNT 31 AUGUST 2021	NET GAIN /(LOSS) ON DEEMED DISPOSAL AND REACQUISITION	FAIR VALUE 1 SEPTEMBER 2021	FAIR VALUE GAIN /(LOSS)	FAIR VALUE 31 AUGUST 2022
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RECONCILIATION OF INVESTMENT PORTFOLIO BY INVESTE ENTITY					
TBN HOLDINGS LTD	(440)	678	238	38	276
TRUSTCO BANK NAMIBIA LTD	(84)	98	14	(5)	9
LEGAL SHIELD HOLDINGS LTD*	1 611	673	2 284	(306)	1 978
TRUSTCO MOBILE MAURITIUS	9	28	37	(2)	35
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	47	(29)	18	(4)	14
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD#	842	1 912	2 754	(1 434)	1 320
VALUE OF PORTFOLIOS	1 985	3 360	5 345	(1 713)	3 632

RECONCILIATION OF INVESTMENT PORTFOLIO BY GEOGRAPHY					
NAMIBIA	1 008	1 767	2 775	(241)	2 534
SIERRA LEONE	921	1 594	2 515	(1 466)	1 049
MAURITIUS	9	28	37	(2)	35
SOUTH AFRICA	47	(29)	18	(4)	14
VALUE OF PORTFOLIOS	1 985	3 360	5 345	(1 713)	3 632

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

*The increase in fair value on the date of deemed disposal and reacquisition was due to the change in fair value attributable to the Elisenheim Lifestyle Estate classified as inventory in the historic financial statements, whereas for financial reporting purposes under IFRS 13, the property is measured at fair value.

#The increase in fair value on the date of deemed disposal and reacquisition was due to the investment in Meya Mining Ltd being measured in accordance with IFRS 13 using the income approach. In June 2022, the mining portfolio within Trustco Business Developments (Pty) Ltd entered into a binding term sheet relating to the disposal of a portion of the equity investment in Meya Mining. By 31 August 2022, 15% of the equity interest in Meya Mining had been disposed of to a consortium of investors, at a considerable discount in comparison with the fair value as determined using the income approach, in order to advance the project towards commercial production and create long-term capital appreciation for investors. Therefore, as at 31 August 2022 the fair value of the remaining equity held by the mining portfolio, within Trustco Business Developments (Pty) Ltd, in Meya Mining was based on the value of the independent offer from the consortium, with adjustments thereto where required.

The net debt advanced to investee entities is classified as part of the net investment in the investee entities as these debt instruments do not have any fixed repayment terms and no interest charged thereon, therefore the debt advanced to investees is considered to form part of the net investment in investee entities.

The fair value gain/(loss) is separately presented profit or loss as fair value gains/(losses) on investments which forms part of investment.

FAIR VALUE HIERARCHY

The portfolio companies are classified in level 3 of the fair value hierarchy. Refer to the reconciliation of investment portfolios for the movement therein.

ASSUMPTIONS

The fair value of each portfolio investment is determined using the discounted cash flow method. The key assumptions comprise discount rate, inflation, growth in earnings and exchange rates, as applicable.

FIGURES IN NAMIBIA DOLLAR MILLION

	2023	2022
TRUSTCO DOMESTIC INVESTMENT PROGRAMME (TDIP) CAPITAL RAISED	40	100
INTEREST EARNED ON NEW DISBURSEMENTS	12	30
INTEREST PAID ON TDIP	(14)	(9)
AVG STUDENT LOAN AMOUNT (THOUSANDS)	42	42
AVG CREDIT INSURANCE AMOUNT (THOUSANDS)	11	11
TOTAL NUMBER OF STUDENT LOANS ISSUED (THOUSANDS)	2	2

KEY VARIABLES

The key variables which affect the value of investments are projected cash flows, discount, inflation and growth using the following unobservable rates:

	2023				2022			
	DISCOUNT RATE	INFLATION	GROWTH	EXCHANGE RATE (USD)	DISCOUNT RATE	INFLATION	GROWTH	EXCHANGE RATE (USD)
TBN HOLDINGS LTD	21.13%	4.90%	6.0%	-	20.68%	4.50%	7%	-
TRUSTCO BANK NAMIBIA LTD	25.87%	4.90%	6.0%	-	23.85%	4.50%	7%	-
LEGAL SHIELD HOLDINGS LTD	18.45%	4.90%	6.0%	-	17.30%	4.50%	7%	-
TRUSTCO MOBILE MAURITIUS	18.85%	4.90%	6.0%	18.78	18.86%	4.50%	7%	17.11
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	17.12%	4.90%	6.0%	-	16.02%	4.50%	7%	-
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	27.14%	3.50%	6.0%	18.78	20.17%	3.1%	6.7%	17.11

SENSITIVITY ANALYSIS

The valuations of investments are sensitive to changes in the unobservable inputs. Because the above key variables do not significantly move period on period by a 0.5% change in the variable is considered adequate for sensitivity analysis purposes. 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 in the current period.

2023

FIGURES IN NAMIBIA DOLLAR MILLION

	DISCOUNT		INFLATION		GROWTH		EXCHANGE RATE	
	+0.5%	-0.5%	+0.5%	-0.5%	+0.5%	-0.5%	+0.5%	-0.5%
TBN HOLDINGS LTD	(10)	11	2	(2)	4	(4)	-	-
TRUSTCO BANK NAMIBIA LTD	-	-	-	-	-	-	-	-
LEGAL SHIELD HOLDINGS LTD	(54)	57	48	(46)	4	(4)	-	-
TRUSTCO MOBILE MAURITIUS	-	-	-	-	-	-	-	-
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	-	-	-	-	-	-	-	-
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	(33)	35	43	(42)	3	(2)	9	(9)
VALUE OF PORTFOLIOS	(97)	103	93	(90)	11	(10)	9	(9)

2022

FIGURES IN NAMIBIA DOLLAR MILLION

	DISCOUNT		INFLATION		GROWTH		EXCHANGE RATE	
	+0.5%	-0.5%	+0.5%	-0.5%	+0.5%	-0.5%	+0.5%	-0.5%
TBN HOLDINGS LTD	(9)	10	-	2	5	(4)	-	1
TRUSTCO BANK NAMIBIA LTD	-	-	-	-	-	-	-	-
LEGAL SHIELD HOLDINGS LTD	(70)	74	58	(55)	9	(8)	5	(5)
TRUSTCO MOBILE MAURITIUS	(1)	1	1	(1)	1	-	-	-
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	-	-	(1)	1	-	-	-	-
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	(123)	129	99	(95)	6	(5)	15	(15)
VALUE OF PORTFOLIOS	(203)	214	157	(148)	21	(17)	20	(19)

Refer to note 3 for amounts due by investee entities. No financial or other support was provided without a contractual obligation to do so during the reporting period.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

At the reporting date, 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 to unconsolidated subsidiaries.

No financial support was or is intended to be provided by investee entities, other than the financial support to Trustco Bank to the estimated value of NAD 36 million.

6. BORROWINGS

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
TERM LOANS	882	691
CARRYING AMOUNT	882	691
NON-CURRENT LIABILITIES	209	227
CURRENT LIABILITIES	673	464
CARRYING AMOUNT	882	691

Refer to note 18 for information addressing cashflow and other movements in borrowings.

Following the delayed completion of the Meya Mining Limited subscription and share issue transaction that was concluded during the current financial period, certain loan repayments by Trustco and its investees were not made to its international funders during the reporting period.

Trustco and its investees, together with its international funders, entered into *bona fide* negotiations to conclude new repayment and covenant terms which are still ongoing at the time of reporting.

At the time of this report, no defaults have been called by the funders or demands for payments were issued by the funders.

Trustco is confident that a successful restructuring of the debt will be concluded during the next reporting period.

These loans incur interest at rates linked to LIBOR and JIBAR with margins of 5% to 10%. The carrying amounts approximate fair values owing to variable rates that reprice as interest rates change.

Refer to note 24 for information relating to the balance in dispute of NAD 506 million (2022: NAD 414 million) due to Helios Oryx Ltd.

RISK EXPOSURE

Borrowings expose the company to market and liquidity risk. Refer to note 21, financial risk management, for details of risk exposure and the process and policies adopted to mitigate these risks.

PERIOD OF LOAN MATURITY		LOAN VALUE		INSTALMENTS		EFFECTIVE INTEREST RATE	
		AUGUST	AUGUST	AUGUST	AUGUST	AUGUST	AUGUST
		2023	2022	2023	2022	2023	2022
						%	%
TERM LOANS	2017 - 2029	882	691	673	414	13.72	11.25
TOTAL		882	691	673	414		

SECURITIES IN PLACE FOR TERM LOANS

The following securities are in place for term loans:

- Share pledge granted by Trustco Group Holdings Ltd and TBN Holdings Ltd as part of the Security Sharing Agreement.
- Guarantees in favour of international lenders by Trustco Group Holdings Ltd.
- Unlimited suretyship by Trustco Group Holdings Ltd in favour of Bank Windhoek Ltd.
- Guarantee by Trustco Group Holdings Ltd and Dr Q van Rooyen in favour of Pinnacle Micro Namibia (Pty) Ltd for NAD 25 million.
- Guarantee by Trustco Group Holdings in favour of Inselberg Trust.
- A bond on Portion 5 (a Portion of Portion 4) of the Farm Elisenheim No. 68 limited up to USD 47 million in favour of Helios.
- Bonds in favour of Norsad Finance over the remaining extent of Portion 133 (a Portion of Portion A) and Portion 81 (a Portion of Portion 13) of the Farm Nubuamis No. 37 for a sum up to USD 19.4 million as well as various cessions by Trustco Property Holdings (Pty) Ltd.
- A bond over Portion 133 (a Portion of Portion A) of the farm Nubuamis No. 37 in favour of the Development Bank of Namibia.

The total value of security pledged by the managing director for which the company reimburses him for the suretyship in accordance with the management fee agreement, amounted to NAD 523 million (2022: NAD 534 million).

UNUTILISED COMMITTED BORROWINGS

There were no borrowing facilities not yet fully utilised.

7. TRADE AND OTHER PAYABLES

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
TRADE PAYABLES	9	8
OTHER PAYABLES	28	22
VAT	15	16
	52	46
FINANCIAL INSTRUMENTS	37	30
NON-FINANCIAL INSTRUMENTS	15	16
	52	46

Information about the company's exposure to credit and market risk is included in note 21. The carrying amounts approximate the fair values due to the short-term nature thereof.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

8. AMOUNT DUE BY/(TO) RELATED PARTIES

8.1 AMOUNT DUE BY RELATED PARTIES

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
TRUSTCO CORPORATE MANAGEMENT SERVICES (PTY) LTD	134	167
TOTAL GROSS CARRYING AMOUNT	134	167
LOSS ALLOWANCE		
OPENING BALANCE	(167)	(5 206)
NET REMEASUREMENT OF LOSS ALLOWANCE	33	(29)
TRANSFER TO DEBT INVESTMENT ON CHANGE IN THE COMPANY'S STATUS TO AN INVESTMENT ENTITY	-	5 068
	(134)	(167)
NET CARRYING AMOUNT		
GROSS CARRYING AMOUNT	134	167
LOSS ALLOWANCE	(134)	(167)
	-	-

8.2 AMOUNT DUE TO RELATED PARTIES

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
TRUSTCO UNIT TRUST MANAGEMENT COMPANY LTD	(1)	(1)
NEXT CAPITAL (PTY) LTD*	(1 538)	(1 573)
TRUSTCO STAFF SHARE INCENTIVE SCHEME TRUST	(13)	(13)
	(1 552)	(1 587)
CURRENT LIABILITIES	(1 552)	(587)
NON-CURRENT LIABILITIES	-	(1 000)
	(1 552)	(1 587)

The loans by/(due to) related parties are unsecured, bear interest at rates that are determined by directors from time to time and have no fixed terms of repayments. Information about the company's exposure to credit and market risk is included in note 21. The carrying amount approximates the fair value owing to the variable rate that reprices as interest rates change, as determined from time to time, coupled with the short-term measure thereof.

*Refer to note 7 of the consolidated financial statements for terms of the Next Capital (Pty) Ltd balance.

9. SHARE CAPITAL

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
AUTHORISED		
2 500 000 000 ORDINARY SHARES OF NAD 0.23 EACH	575	575
ISSUED AND FULLY PAID		
ORDINARY	227	227
SHARE PREMIUM	954	954
	1 181	1 181

The unissued shares are under the control of the directors for which renewed authority is to be sought at the forthcoming annual general meeting. At the reporting date, 987 238 581 (2022: 987 238 581) shares were issued.

There was no change to the authorised or issued share capital during the period under review.

10. TREASURY SHARES

FIGURES IN MILLION	2023	2022
NUMBER OF SHARES	2	2
COST OF SHARES (NAD)	14	14
MARKET VALUE OF TREASURY SHARES (NAD)	1	1

The treasury shares are held within the consolidated group.

11. SHARES FOR VENDORS

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
NEXT CAPITAL (PTY) LTD	2 285	2 285
DEXGROUP FINANCIAL SERVICES (PTY) LTD	15	15
	2 300	2 300

The balance represents shares not yet issued for the purchase of Huso Investments (Pty) Ltd and Trustco Financial Services (Pty) Ltd.

12. REVENUE

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
EXTERNAL REVENUE BY PRODUCT LINES:		
INVESTMENT REVENUE		
INTEREST REVENUE CALCULATED USING THE EFFECTIVE INTEREST METHOD	64	26
SURETY FEES	27	23
TOTAL REVENUE	91	49

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The company derives revenue from the transfer of services over time. Revenue is derived from Namibia.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

13. OTHER INCOME

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
GAIN ON DEEMED DISPOSAL*	-	2 939
INTEREST WAIVED#	112	-
	112	2 939

*Refer to notes 1.2.1.1 (A) and 5.

#Refer to note 7 of the consolidated financial statements for the interest waiver.

14. PROFIT BEFORE TAX

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
EMPLOYEE COSTS	5	5
LOSS ON FOREIGN EXCHANGE DIFFERENCES	74	82
AUDITORS' REMUNERATION – AUDIT FEES	6	7

15. FINANCE COSTS

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
BORROWINGS	112	67
OTHER INTEREST PAID	10	5
AMOUNTS DUE TO RELATED PARTIES	123	32
	245	104

16. INCOME TAX

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
INCOME TAX EXPENSE	-	-
RECONCILIATION OF THE INCOME TAX RATE		
RECONCILIATION BETWEEN APPLICABLE TAX RATE AND AVERAGE EFFECTIVE TAX RATE		
	%	%
APPLICABLE TAX RATE	32.00	32.00
DEFERRED TAX ASSETS NOT RECOGNISED	(32.00)	(32.00)
	-	-

No provision has been made for tax as the company has no taxable income.

17. CASH (UTILISED IN)/GENERATED FROM OPERATIONS

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
(LOSS)/PROFIT BEFORE TAX	(648)	1 001
ADJUSTMENTS FOR		
INVESTMENT REVENUE	(64)	(26)
GAIN ON DEEMED DISPOSAL OF SUBSIDIARIES	-	(2 939)
INTEREST WAIVED	(112)	-
FINANCE COSTS	245	104
FAIR VALUE ADJUSTMENTS	507	1 713
FOREIGN EXCHANGE LOSS ON BORROWINGS	74	91
OTHER NON-CASH ITEMS	8	(24)
(IMPAIRMENT LOSS)/IMPAIRMENT LOSS REVERSAL ON AMOUNTS DUE BY RELATED PARTIES	(33)	29
CASH UTILISED IN OPERATIONS BEFORE WORKING CAPITAL CHANGES	(23)	(51)
CHANGES IN WORKING CAPITAL		
TRADE AND OTHER RECEIVABLES	4	(8)
TRADE AND OTHER PAYABLES	6	140
CHANGES IN WORKING CAPITAL	10	132
CASH (UTILISED IN)/GENERATED FROM OPERATIONS	(13)	81

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

18. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

2023	BORROWINGS	AMOUNTS DUE TO RELATED PARTIES	TOTAL
FIGURES IN NAMIBIA DOLLAR MILLION			
OPENING BALANCE	691	1 587	2 278
INTEREST ACCRUED	110	123	233
INTEREST WAIVED	-	(112)	(112)
CHANGES IN FOREIGN EXCHANGE RATES	74	-	74
NON CASH FLOW ITEMS	7	(1)	6
SUB TOTAL	882	1 597	2 479
CASH FLOWS RELATED TO FINANCING	-	(45)	(45)
CLOSING BALANCE	882	1 552	2 434

2022	BORROWINGS	AMOUNTS DUE TO RELATED PARTIES	TOTAL
FIGURES IN NAMIBIA DOLLAR MILLION			
OPENING BALANCE	535	3 402	3 937
CHANGES IN FOREIGN EXCHANGE RATES	91	-	91
NON CASH FLOW ITEMS	65	(1 702)	(1 637)
SUB TOTAL	691	1 700	2 391
CASH FLOWS RELATED TO FINANCING	-	(113)	(113)
CLOSING BALANCE	691	1 587	2 278

19. RELATED PARTIES

Refer to note 21 of the consolidated financial statements for the list of related parties. All other related parties are incorporated in Namibia.

Revenue from services to related parties was made at the company's usual listed or contracted prices. Purchases were made at market price. Details of transactions between the company and the related parties are disclosed below:

19.1 RELATED PARTY TRANSACTIONS

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
19.1(A) TRANSACTIONS WITH INVESTEE ENTITIES		
SURETY FEE RECEIVED FROM INVESTEE ENTITIES		
TRUSTCO FINANCE (PTY) LTD	(27)	(23)
INTEREST RECEIVED FROM INVESTEE ENTITIES		
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	(64)	(26)
19.1(B) TRANSACTIONS WITH SUBSIDIARIES		
PURCHASES FROM SUBSIDIARIES		
TRUSTCO ADMINISTRATIVE SUPPORT SERVICES (PTY) LTD	8	10
TRUSTCO FLEET MANAGEMENT SERVICES (PTY) LTD	1	-
TRUSTCO MIXED MARKETING (PTY) LTD	2	1
TOTAL	11	11
19.1(C) PURCHASES FROM OTHER RELATED PARTY		
NEXT CAPITAL (PTY) LTD^		
SURETY FEES	11	10
INTEREST WAIVED	(112)	-
INTEREST	123	11
TOTAL	22	21
^Common shareholder: Dr Q van Rooyen		
RELATED PARTY BALANCES		
Refer to notes 3 and 8 for further information on balances with related parties.		
19.1(D) AMOUNTS INCLUDED IN TRADE PAYABLES WITH SUBSIDIARIES		
TRUSTCO ADMINISTRATIVE SUPPORT SERVICES (PTY) LTD	(1)	-
TRUSTCO MIXED MARKETING (PTY) LTD	(1)	-
TOTAL	(2)	-
19.1(E) AMOUNTS INCLUDED IN TRADE RECEIVABLES WITH SUBSIDIARIES AND INVESTEE ENTITIES		
TRUSTCO ADMINISTRATIVE SUPPORT SERVICES (PTY) LTD	1	-
TRUSTCO FLEET MANAGEMENT SERVICES (PTY) LTD	1	-
TRUSTCO BANK NAMIBIA LTD	1	-
TRUSTCO FINANCE (PTY) LTD	19	-
TOTAL	22	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

20. CATEGORIES OF FINANCIAL INSTRUMENTS

FIGURES IN NAMIBIA DOLLAR MILLION		2023	2022
FINANCIAL ASSETS			
AMORTISED COST			
CASH AND CASH EQUIVALENTS		10	2
TRADE AND OTHER RECEIVABLES	2	22	26
AMOUNTS DUE BY INVESTEE ENTITY	3	680	616
FAIR VALUE			
INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	5	3 078	3 632
FINANCIAL LIABILITIES			
AMORTISED COST			
AMOUNTS DUE TO RELATED PARTIES	8	(1 552)	(1 587)
BORROWINGS	6	(882)	(691)
TRADE AND OTHER PAYABLES	7	(37)	(30)

21. FINANCIAL RISK MANAGEMENT

This note presents information about the company's exposure to financial risks, the company's objectives, policies and processes for measuring and managing risk and the company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The company's risk management policies are established to identify and analyse the risks faced by the company, set appropriate risk limits and controls and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. Through its training and management standards and procedures, the company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The company audit and risk committee (ARC) oversees how management monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework concerning the risks faced by the company. The ARC is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARC.

CAPITAL MANAGEMENT

The board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and sustain future business development. The board of directors monitors the return on capital. The board of directors also monitors the level of dividends paid to ordinary shareholders. The company manages its capital to ensure that entities in the company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The company's capital structure consists of debt, which includes the borrowings disclosed in note 9, shareholders' funds and equity attributable to equity holders of the parent, comprising issued capital and reserves as disclosed in notes 9 to 11. Refer to maturity analysis for expected cash out flows. From time to time, the company purchases its shares on the market, the timing of which depends on market prices. Buy and sell decisions are made on the recommendation of management to the board and approved by the ARC. The company does not have a defined share buy-back plan, but shareholders have passed a general resolution allowing the company to buy back its shares from time to time.

There were no changes in the company's approach to capital management during the reporting period.

FINANCIAL RISK MANAGEMENT OBJECTIVES

The company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risk relating to the operations of the company through internal risk reports which analyse exposure by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

The use of financial instruments is governed by the company's policies approved by the board of directors, which provide principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-financial derivative financial instruments and the investment of excess liquidity. Compliance with policies and exposure limits are reviewed by the internal auditors continuously. The company does not enter into or trade financial instruments for speculative purposes.

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimising the return.

Refer to interest rate sensitivity analysis below for discussion of company's exposure to market risk.

FOREIGN CURRENCY RISK MANAGEMENT

The company is exposed to currency risk on borrowings that are denominated in a currency other than the respective functional currencies of company entities, primarily the Namibia Dollar, South African Rand and United States Dollar (USD). The currencies in which these transactions are concluded are primarily denominated in USD.

Risk is managed through careful planning of probable USD expenditures. USD denominated liabilities are expected to be repaid with receipts from USD denominated sales.

The carrying amount of the company's foreign currency denominated monetary liabilities at the reporting dates are as follows:

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

FIGURES IN NAMIBIA DOLLAR MILLION		2023	2022
BORROWINGS	6	(882)	(691)

FOREIGN CURRENCY RISK SENSITIVITY ANALYSIS

At the reporting date, the South African Rand was equal to the Namibia Dollar. A 1% weakening or strengthening of the Namibia Dollar exchange rate versus the United States Dollar (most common foreign currency exposure) at the reporting date, as broadly anticipated by the market, would decrease or increase the company's profit by NAD 8.3 million (2022: NAD 7.0 million). The analysis assumes that all other variables would remain constant.

CREDIT RISK MANAGEMENT

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

FORWARD-LOOKING INFORMATION (FLI)

Historical default rates were regressed against selected relevant macroeconomic factors to investigate if there exists any relationship. Where there is a correlation between macroeconomic factors and historical default rates, the probabilities of default (PD) were adjusted to arrive at a point in time PD.

Financial assets exposed to credit risk at the reporting date were as follows:

FIGURES IN NAMIBIA DOLLAR MILLION		2023	2022
FINANCIAL ASSETS			
CASH AND CASH EQUIVALENTS		10	2
TRADE AND OTHER RECEIVABLES	2	22	26
AMOUNT DUE BY INVESTEE ENTITY	3	680	616
		712	644

BANK BALANCES

The company's cash balances are held at "A" rated local banks.

RECEIVABLES FROM TRADE CUSTOMERS

The company's exposure to credit risk was influenced mainly by the default risk of the sectors in which they operate. The demographics of the company's customer base, including the individual characteristics of each customer and the country in which customers operate, had less of an influence on credit risk. The risk management committee established a credit policy under which each new customer was analysed individually for creditworthiness before the company's standard payment and delivery terms and conditions were offered. The company's review included external ratings, when available and in some cases bank references.

Purchase limits were established for each customer, which represented the maximum open amount without requiring approval from the risk management committee; these limits were reviewed on an ad hoc basis. Customers who failed to meet the company's benchmark creditworthiness criteria were permitted to transact with the company only on a prepayment basis.

INTEREST RATE RISK MANAGEMENT

The ultimate responsibility for interest rate risk management rests with the board of directors, which has established an appropriate framework for managing the company's exposure to changes in rates.

INTEREST RATE SENSITIVITY ANALYSIS

The sensitivity analysis below has been determined based on the exposure to interest rates for financial assets and financial liabilities at the reporting date. The analysis is prepared assuming the balance of the financial instrument at the reporting date was receivable/(payable) for the whole period. A 50 basis point increase or decrease is used when reporting interest risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the company's profit for the period ended 31 August 2023 would decrease/increase by NAD 17.5 million (2022: decrease/increase by NAD 15.9 million). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings.

LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework to manage the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring the forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities as well as by monitoring the current ratio.

LIQUIDITY ANALYSIS

The following tables detail the company's future liquidity position arising from its non-derivative financial liabilities. The analysis has been prepared based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

	AVE. EFFECTIVE INTEREST RATE	LESS THAN ONE YEAR	DUE IN ONE TO TWO YEARS	DUE IN TWO TO FIVE YEARS	DUE AFTER FIVE YEARS	TOTAL
2023						
FIGURES IN NAMIBIA DOLLAR MILLION						
MATURITY ANALYSIS NON-INTEREST BEARING						
• TRADE AND OTHER PAYABLES (NOTE 7)		37	-	-	-	37
VARIABLE INTEREST RATE INSTRUMENTS						
• TERM LOANS (NOTE 6)	9.83	729	227	102	-	1 058
• AMOUNTS DUE TO RELATED PARTIES (NOTE 8)	12.08	1 738	-	-	-	1 738
		2 504	227	102	-	2 833

	AVE. EFFECTIVE INTEREST RATE	LESS THAN ONE YEAR	DUE IN ONE TO TWO YEARS	DUE IN TWO TO FIVE YEARS	DUE AFTER FIVE YEARS	TOTAL
2022						
FIGURES IN NAMIBIA DOLLAR MILLION						
MATURITY ANALYSIS NON-INTEREST BEARING						
• TRADE AND OTHER PAYABLES (NOTE 7)		30	-	-	-	30
VARIABLE INTEREST RATE INSTRUMENTS						
• TERM LOANS (NOTE 6)	9.83	460	114	170	79	823
• AMOUNTS DUE TO RELATED PARTIES (NOTE 8)	12.08	586	1 000	-	-	1 586
		1 076	1 114	170	79	2 439

22. GOING CONCERN

The financial results have been prepared on the going concern basis which considers the continuity of normal business activities, the realisation of assets and the settlement of liabilities in the normal course of business. The board of directors, as part of their responsibilities, annually assesses the going concern of the company. As part of their assessment, the board of directors considered working capital requirements, availability of resources and reserves either from existing investing activities or further borrowings, available information about the future, financial impact of ongoing litigation, the possible outcomes of planned events and the responses to such events and conditions that would be available to the board.

The board of directors has, *inter alia*, considered the following specific factors in determining whether the company is a going concern for the foreseeable future:

- Decrease of the investments measured at fair value through profit or loss for the year ended 31 August 2023 of NAD 554 million contributing to a loss of NAD 648 million (profit for the period ended 31 August 2022: NAD 1 001 million);

- Current liabilities of the company exceed current assets as at 31 August 2023 by NAD 1 564 million, while total assets exceed total liabilities by NAD 1 312 million;
- Cash utilised from operating activities by the company for the ended 31 August 2023 amounting to NAD 15 million;
- Whether the company has sufficient cash resources from investing activities which is readily available, in order to settle its creditors and maturing liabilities as and when they fall due in the foreseeable future, whilst continuing to maintain its operating abilities for the foreseeable financial period;
- Whether there is any significant pending litigation that will threaten the going concern status of the company;
- Assessment of the existing economic conditions related to the various investees and whether the possibility exists to sufficiently scale said operations in the foreseeable future to provide additional cash resources; and
- Assessment of the solvency and liquidity position of the company in accordance with the Companies Act.

Following the above assessment, the board of directors believe that the above factors, coupled with prevailing economic conditions and forecast economic outlook presents some challenges for the foreseeable future. In response to the above factors, to address future cash flow requirements, detailed liquidity improvement initiatives have been developed and are being pursued, with the implementation thereof regularly monitored.

These conditions are considered to indicate that a material uncertainty exists which may cast significant doubt on the ability of the company to continue as a going concern in the foreseeable future. This is largely attributable to the short-term liquidity position of the company. Therefore, the ability of the company to continue as a going concern is dependent on the successful implementation or conclusion of the below noted matters in order to address the liquidity risk the company faces on an ongoing basis:

- achieving of various technical, geological and financial milestones by the mining portfolio related to the mining operations in Sierra Leone;
- raising the final USD 25 million in borrowings required to bring the mining operations of Meya Mining into full commercial production within the next 24 months;
- the mining investee to adequately scale production of its flagship asset, which will enable the company to recover its net debt and equity investment in the mining investee in the foreseeable future;
- recovery of the remaining USD 1.5 million of the USD 6 million in working capital from its mining investee in the near future which will assist with the short-term liquidity requirements of the company;
- recovery of USD 45 million in interest bearing debt from its mining investee, once Meya Mining achieves the above stated production targets, which will assist with the liquidity requirements of the company and assist with repayment of borrowings;
- continued conditional subordination of debt owing to related party investors of the company for the foreseeable future;
- successful negotiations with international lenders in order to agree revised repayments terms associated with borrowings due and payable in the foreseeable future;
- successful resolution of various ongoing legal matters in order to mitigate the potential liquidity impact thereof;
- successful conclusion of planned equity investments to increase liquidity and realise growth opportunities across the company and its investees; and
- successful conversion of related party debt into equity.

The board of directors have evaluated the plans noted above to address the material uncertainty related to the going concern assumption of the company and note these plans will alleviate the company's liquidity position should they be executed successfully.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST

The board of directors have evaluated the company’s liquidity requirements to confirm whether the company has access to sufficient resources to continue as a going concern in the foreseeable future, considering the above factors and consequently prepared a cash flow forecast covering a period of 12 months from the date of these financial statements, concluding that the company would be able to continue its operations as a going concern. The directors are not aware of any other matters that may impact the company. The directors are also not aware of any material noncompliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company. Following the above assessment, the board of directors continue to adopt the going concern basis of accounting in preparing the financial statements.

23. EVENTS AFTER THE REPORTING DATE

- 23.1 Next offered on 31 August 2023 to convert NAD 1 489 million of its debt into Trustco equity. The final terms must still be concluded and the transaction will be subject to regulatory approvals in terms of the JSE LR and shareholders’ approval.
- 23.2 The board received two offers from RVF shortly before publication of this report:
 - 23.2.1 Trustco to purchase 11.35% shareholding from RVF in Legal Shield Holdings
 - 23.2.2 To subscribe for a fresh issue of Trustco Group Holdings shares by RVF for a minimum amount of USD 25 million and maximum amount of USD 50 million.

Terms for these transactions must still be finalised, approved by the board and will be announced on SENS upon conclusion.

- 23.3 Conclusion of the debt restructuring of Trustco and its investees with respective developmental European and African lenders.

Apart from the above, the directors are not aware of any other events occurring after the reporting date and before the date of this report.

24. CONTINGENT LIABILITIES AND GUARANTEES

PENDING LEGAL CASES

- **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 for 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 applied to obtain leave to appeal against the dismissal of the TGH counterclaim from the Supreme Court. The application was refused.

Helios also issued an application in the High Court of Namibia in an attempt to register and enforce the summary judgement award obtained in London enforceable in Namibia. TGH is opposing the application and filed a counterclaim against Helios in Namibia.

TGH’s total exposure to the Helios claim (inclusive of interest and costs) is fully recognised in the financial statements.

- **BANK OF NAMIBIA V TRUSTCO GROUP HOLDINGS LIMITED**
Bank of Namibia served an application on Trustco Bank to place Trustco Bank in provisional liquidation. Trustco Bank filed a notice of opposition and an answering affidavit. The Bank of Namibia brought an application requesting the presiding judge to recuse herself, which application was dismissed by the presiding judge. Bank of Namibia is considering filing an appeal against the dismissal of their application.
- **NAMRA V TRUSTCO GROUP HOLDINGS LIMITED**
TGH and its investee companies, filed a review and constitutional challenge against the impugned decisions of the Namibia Revenue Agency (NamRA). The NamRA and the Respondents are defending the application. NamRA filed its discovery bundle in November 2023, and TGH supplemented its review application. NamRA must file its answering affidavit by the end of January 2024.

25. CAPITAL COMMITMENTS

FIGURES IN NAMIBIA DOLLAR MILLION	2023	2022
NOT YET CONTRACTED FOR BUT AUTHORISED BY DIRECTORS	4	-

The company intends to finance this expenditure from borrowing facilities. No part of this expenditure has been contracted for at reporting date.

26. IMPLEMENTATION OF MEYA TRANSACTION

During the year under review, Meya Mining issued shares to Sterling Global Limited (SGT) up to a 70% shareholding in Meya to the value of USD 25 million. Trustco received irrevocable undertakings of 63.26% of its shareholders to vote in favour of the transaction. The equity investment, together with a debt investment directly into Meya, enabled the underground development and the transition to commercial production.

In terms of the JSE Listings Requirements, a Competent Persons Report (CPR) which is SAMREC/ SAMVAL compliant is a prerequisite for the issuance of a circular to obtain the formal shareholder vote at a general meeting for the transaction. Meya is in the process of concluding a Pre-Economic Assessment Report (PEA) in terms of the Canadian mining code, which will facilitate the issuance of the shareholder circular during Q1 of 2024.

The decision to implement the transaction with SGT was made for the economic benefit of all shareholders and diluted the Trustco equity stake in Meya to 19.5%.

CHAPTER

SHAREHOLDERS

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SHAREHOLDERS' INFORMATION

ANALYSIS OF SHAREHOLDING (AS AT 31 AUGUST 2023)

SHAREHOLDING	SHAREHOLDERS	SHAREHOLDER %	SHARES	SHAREHOLDING %
0-999	2 344	56.01%	728 519	0.08%
1000-1999	701	16.75%	871 926	0.09%
2000-2999	234	5.59%	544 316	0.06%
3000-3999	96	2.29%	311 929	0.03%
4000-4999	44	1.05%	192 264	0.02%
5000-5999	142	3.39%	722 399	0.08%
6000-6999	53	1.27%	339 471	0.04%
7000-7999	58	1.39%	431 016	0.05%
8000-8999	38	0.91%	311 657	0.03%
9000-9999	12	0.29%	114 907	0.01%
>10000	463	11.06%	936 670 039	99.51%
GRAND TOTAL	4 185	100.00%	941 238 443	100.00%

* Total issued shares at 31 Aug 2023 – 987 238 581

* Treasury shares at 31 Aug 2023 – 46 000 138

* Shares calculated net of treasury shares at 31 Aug 2023 – 941 238 443

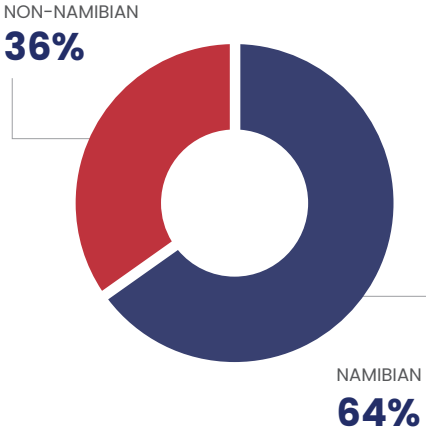
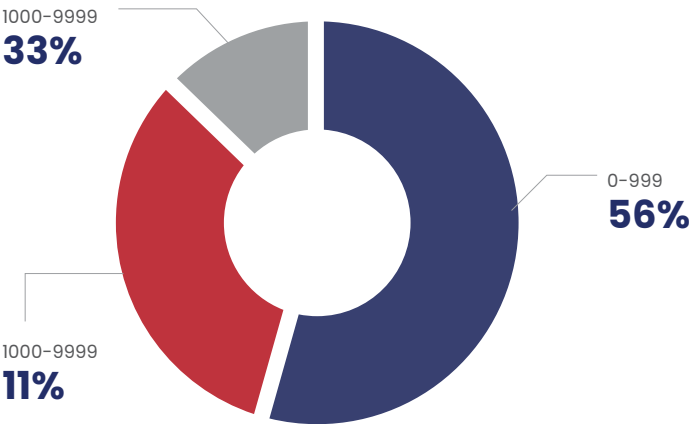
COUNTRY	SHAREHOLDERS	SHAREHOLDER %	SHARES	SHAREHOLDING %
NAMIBIAN	2 677	63.97%	512 579 811	54.46%
NON-NAMIBIAN	1 508	36.03%	428 658 632	45.54%
GRAND TOTAL	4 185	100.00%	941 238 443	100.00%

* Total issued shares at 31 Aug 2023 – 987 238 581

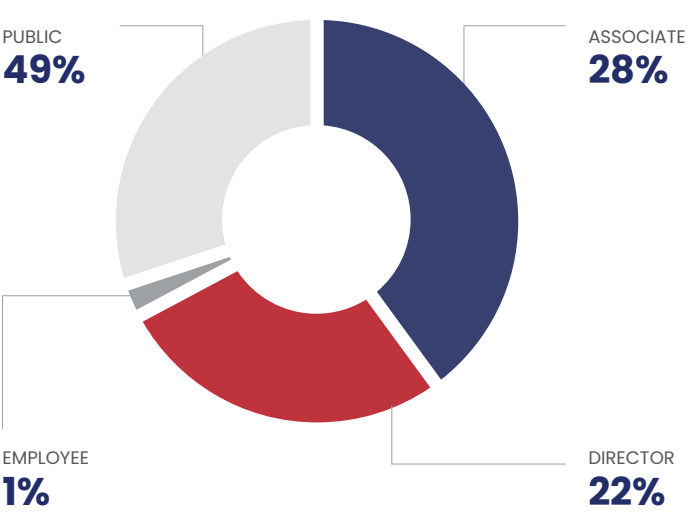
* Treasury shares at 31 Aug 2023 – 46 000 138

* Shares calculated net of treasury shares at 31 Aug 2023 – 941 238 443

SHAREHOLDERS



SHAREHOLDING



DISTRIBUTION OF SHARES (AS AT 31 AUGUST 2023)

CATEGORY	SHAREHOLDERS	SHAREHOLDER %	SHARES	SHAREHOLDING %
CORPORATE	72	1.72%	700 449 314	74.42%
INDIVIDUAL	4 093	97.80%	239 189 996	25.41%
TRUST	20	0.48%	1 599 133	0.17%
GRAND TOTAL	4185	100.00%	941 238 443	100.00%

NATURE	SHAREHOLDERS	SHAREHOLDER %	SHARES	SHAREHOLDING %
ASSOCIATE	2	0.05%	265 220 060	28.18%
DIRECTOR	12	0.29%	203 695 946	21.64%
EMPLOYEE	152	3.63%	12 138 043	1.29%
PUBLIC	4 019	96.03%	460 184 394	48.89%
GRAND TOTAL	4185	100.00%	941 238 443	100.00%

SHAREHOLDERS' INFORMATION

(CONTINUED)

LARGE SHAREHOLDERS (AS AT 31 AUGUST 2023)

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
VAN ROOYEN, QUINTON	111 980 000	265 220 060	377 200 060	40.07%
RISKOWITZ VALUE FUND	222 267 861		222 267 861	23.61%
NOTRE DAME	120 604 762		120 604 762	12.81%
GERMINATE SL LTD	85 416 666		85 416 666	9.07%
CONSTANTIA INSURANCE COMPANY LIMITED	44 856 616		44 856 616	4.77%
MIDBROOK LANE PROPRIETARY LIMITED	6 205 000		6 205 000	0.66%
GOVERNMENT EMPLOYEES PENSION FUND PUBLIC INVESTMENT CORPORATION	5 457 736		5 457 736	0.58%
SEAFWELL INVESTMENTS CC	5 006 088		5 006 088	0.53%
NILGIRI INVESTMENTS CC	5 000 000		5 000 000	0.53%
THE BANK OF NEW YORK MELLON DR	4 993 220		4 993 220	0.53%
GRAND TOTAL	611 787 949	265 220 060	877 008 009	93.16%

* Total issued shares at 31 Aug 2023 – 987 238 581
* Treasury shares at 31 Aug 2023 – 46 000 138
* Shares calculated net of treasury shares at 31 Aug 2023 – 941 238 443

LARGE SHAREHOLDERS (AS AT 31 AUGUST 2022)

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
VAN ROOYEN QUINTON	307 137 454	696 862 606	1 004 000 060	63.95%
PROTEA ASSET MANAGEMENT LLC	338 951 226			
– MIT		126 412 518	126 412 518	8.05%
– UNIVERSITY NOTRE DAME		120 604 762	120 604 762	7.68%
– SEQUOIA HERITAGE		64 476 948	64 476 948	4.11%
– RISKOWITZ VALUE FUND		27 456 998	27 456 998	1.75%
GERMINATE SL LTD	85 416 666		85 416 666	5.44%
CONSTANTIA INSURANCE COMPANY LTD	44 856 616		44 856 616	2.86%
MIDBROOK LANE (PTY) LTD	6 205 000		6 205 000	0.40%
GOVERNMENT EMPLOYEES PENSION FUND	5 461 236		5 461 236	0.35%
CITICLIENT NOMINEES				
NO 8 NY GW	5 275 621		5 275 621	0.34%
GRAND TOTAL	793 303 819	696 862 606	1 490 166 425	94.91%

* Total issued shares at 31 Aug 2022 – 1 616 038 581
* Treasury shares at 31 Aug 2022 – 46 000 138
* Shares calculated net of treasury shares at 31 Aug 2022 – 1 570 038 443

DIRECTORS' INTEREST – TRUSTCO GROUP HOLDINGS LTD (AS AT 31 AUGUST 2023)

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
ABRAHAMS, FLOORS JACOBUS	2 451 518		2 451 518	0.26%
GEYSER, WINTON JOHN	124 415		124 415	0.01%
HEATHCOTE, RAYMOND	1 354 802		1 354 802	0.14%
TALJAARD, RENIER JACOBUS	50 151		50 151	0.01%
VAN DEN HEEVER, JANENE	119 915		119 915	0.01%
VAN ROOYEN, QUINTON	111 980 000	265 220 060	377 200 060	40.07%
GRAND TOTAL	116 080 801	265 220 060	381 300 861	40.50%

* Total issued shares at 31 Aug 2023 – 987 238 581
* Treasury shares at 31 Aug 2023 – 46 000 138
* Shares calculated net of treasury shares at 31 Aug 2023 – 941 238 443

DIRECTORS' INTEREST – INVESTEE COMPANIES AND SUBSIDIARIES (AS AT 31 AUGUST 2023)

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
BRAND, ANNETTE	60 476		60 476	0.01%
CALITZ, ILANA	165 462		165 462	0.02%
JANSE VAN RENSBURG, ELMARIE	1 952 546		1 952 546	0.21%
LAMBERT, ADRIANA	9 995		9 995	0.00%
SIMILO, STANLEY BENJAMIN	10 000		10 000	0.00%
GRAND TOTAL	2 198 479	–	2 198 479	0.24%

* Total issued shares at 31 Aug 2023 – 987 238 581
* Treasury shares at 31 Aug 2023 – 46 000 138
* Shares calculated net of treasury shares at 31 Aug 2023 – 941 238 443

DIRECTORS' INTEREST (AS AT 31 AUGUST 2022)

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
ABRAHAMS, FLOORS JACOBUS	2 451 518		2 451 518	0.16%
BRAND, ANNETTE	60 476		60 476	0.00%
CALITZ, ILANA	165 462		165 462	0.01%
ERASMUS, MARCO (RESIGNED)	1 325 926		1 325 926	0.08%
GEYSER, WINTON JOHN	124 415		124 415	0.01%
HEATHCOTE, RAYMOND	1 354 802		1 354 802	0.09%
JANSE VAN RENSBURG, ELMARIE	1 952 546		1 952 546	0.12%
JOUBERT, JAN SEBASTIAN CILLIERS	1 915 602		1 915 602	0.12%
KAMARA, IBRAHIM SORIE	–	85 416 666	85 416 666	5.44%
LAMBERT, ADRIANA	46 887		46 887	0.00%
SIMILO, STANLEY BENJAMIN	10 000		10 000	0.00%
TALJAARD, RENIER JACOBUS	50 151		50 151	0.00%
VAN DEN HEEVER, JANENE	119 915		119 915	0.01%
VAN ROOYEN, QUINTON	307 137 454	696 862 606	1 004 000 060	63.95%
GRAND TOTAL	316 715 154	782 279 272	1 098 994 426	70.00%

* Total issued shares at 31 Aug 2022 – 1 616 038 581
* Treasury shares at 31 Aug 2022 – 46 000 138
* Shares calculated net of treasury shares at 31 Aug 2022 – 1 570 038 443

NOTICE OF ANNUAL GENERAL MEETING

TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia (Registration number 2003/058)
Registered as an external company in South Africa (External registration number 2009/002634/10)
JSE SHARE CODE: TTO
NSX SHARE CODE: TUC
OTCQX SHARE CODE: TSCHY
ISIN NUMBER: NA000AORF067

BUSINESS AT HAND

IMPORTANT DATES

SHAREHOLDERS ARE ADVISED OF THE FOLLOWING DATES:	2023/2024
RECORD DATE TO RECEIVE NOTICE OF AGM	FRIDAY, 8 DECEMBER 2023
POSTING OF NOTICE	MONDAY, 18 DECEMBER 2023
LAST DATE TO TRADE TO BE ELIGIBLE TO VOTE	TUESDAY, 23 JANUARY 2024
RECORD DATE TO BE ELIGIBLE TO VOTE	FRIDAY, 26 JANUARY 2024
LAST DATE FOR LODGING FORMS OF PROXY	MONDAY, 29 JANUARY 2024
ANNUAL GENERAL MEETING	THURSDAY, 1 FEBRUARY 2024 AT 12H00

Notice is hereby given that the annual general meeting (AGM) of shareholders of Trustco Group Holdings Limited (the company) in respect of the financial year ended 31 August 2023 will be held at Trustco House, 2 Keller street, Windhoek, Namibia and conducted by way of proxy and will be accessible to shareholders through electronic communication on 1 February 2024 at 12h00 (Namibian time), to deal with such business as may lawfully be dealt with at the AGM and to consider and if deemed fit, pass, with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Namibian Companies Act as amended (the Companies Act), read with the Listings Requirements (LR) of the JSE Limited (JSE) and the Namibian Stock Exchange (NSX) as required and the provisions of the company's articles of association.

The quorum requirement for the ordinary and special resolutions set out below is sufficient

persons being present to exercise, in the aggregate, at least 25% (twenty-five percent) of all voting rights that are entitled to vote on the resolutions, provided that at least three shareholders of the company are present in person or by proxy at the AGM.

Save for the special resolutions and ordinary resolutions number 8 and 9 which must be passed by at least 75% (seventy-five percent) of the voting rights exercised as determined in the JSE LR, the percentage of voting rights required to pass any of the remaining ordinary resolutions are more than 50% (fifty percent) of the voting rights exercised on any such ordinary resolution.

The integrated annual report (IAR) is available at www.tgh.na

PRESENTATIONS

Any presentations made at the meeting will be available at www.tgh.na

BUSINESS AT HAND AGENDA (ORDINARY DIVIDEND)

To note that no dividend (interim or final) will be declared by the board of directors for the financial year ended 31 August 2023.

RESOLUTIONS

1. ORDINARY RESOLUTION NUMBER 1

PRESENTATION AND ADOPTION OF ANNUAL FINANCIAL STATEMENTS (AFS) AND REPORTS.

To receive, consider and adopt the AFS of the group for the financial year ended 31 August 2023, together with the independent auditors' reports thereon. The audited AFS, together with the reports, are contained in the company's IAR.

2. ORDINARY RESOLUTION NUMBER 2

2.1 THE DETERMINATION OF THE MAXIMUM NUMBER OF DIRECTORS AND THE RE-ELECTION OF NON-EXECUTIVE DIRECTORS OF THE COMPANY.

The company's articles of association determine that the maximum number of directors shall be decided at every AGM.

Resolved that the company may appoint a maximum number of up to twelve directors and shall not have less than five directors.

2.2 ORDINARY RESOLUTION NUMBER 2.2

Resolved to approve that the following non-executive director of the company retires by rotation and being eligible, makes herself available for re-election.

MS JANENE VAN DEN HEEVER

Ms van den Heever, a Namibian citizen, is currently the managing member of a manufacturing business in Windhoek, Namibia. Ms van den Heever has more than 14 years' experience in the corporate business environment on both management and executive level. She was previously employed by Trustco until March 2013, where she served as executive director and also on the group executive committee. As head of the Namibian operations she was responsible to oversee the successful implementation of the group's strategy and thereby has notable insight into the practical objectives and operations of the group. She started a new business venture in 2013, which she has successfully managed to date. Ms van den Heever has demonstrated exceptional experience in business management, including

formation, operations, finance and systems. She serves as a director on the boards of various other companies in Namibia.

Resolved to approve the re-appointment of Ms Janene van den Heever

3. ORDINARY RESOLUTION NUMBER 3 RE-APPOINTMENT OF EXTERNAL AUDITORS.

Resolved on recommendation of the ARC to appoint Nexia SAB&T and the auditing partner, Mr. Johandré Engelbrecht at Nexia SAB&T, as the group independent external auditor for the ensuing year.

Further, that the terms of engagement and fees of the external auditors be determined by the ARC of the company.

4. ORDINARY RESOLUTION NUMBER 4 APPOINTMENT AND RE-APPOINTMENT OF THE MEMBERS OF THE ARC.

4.1 ORDINARY RESOLUTION NUMBER 4.1

Resolved to approve that the following non-executive director of the company be re-appointed as chairman of the ARC

MR WINTON GEYSER

Mr Geyser is a member of the South African Institute of Chartered Accountants. He completed his articles with the audit firm Deloitte Haskins & Sells (now Deloitte) and later joined their financial management services division. Since then he has performed accounting, taxation and consultancy work and has held various senior positions, such as the general manager finance at Agra (Co-op) Ltd and the financial director of M Pupkewitz & Sons. Mr Geyser previously held the position of group managing director of Epic Holdings (Pty) Ltd. Since his retirement, he acts as a consultant and has held and holds various other directorships in Namibian companies.

4.2 ORDINARY RESOLUTION NUMBER 4.2

Resolved to approve that the following non-executive director of the company be re-appointed as a member of the ARC.

MR RENIER TALJAARD

Mr Taljaard has vast experience, of more than 34 years, in both the short- and long-term insurance industries. After completing his FCII studies, Mr Taljaard was admitted as a fellow member of the Insurance Institute of South Africa and Namibia.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

He held various senior positions within the industry including managing director at Swabou Insurance, Nasria, Harvest Reinsurance Company, Trustco Insurance Ltd and Trustco Life Ltd. He served on the board of Trustco Insurance Ltd from 2000 to 2006. Mr Taljaard was appointed to the board of Trustco as independent non-executive director in 2012 and thereafter to various portfolio entities of Trustco.

4.3 ORDINARY RESOLUTION NUMBER 4.3

Resolved to approve that the following non-executive director of the portfolio entities of the group be appointed as member to the group ARC.

MR TOM NEWTON

of the Institute of Chartered Accountants in Namibia, Public Accountants and Auditors Board and SAICA. Mr Newton obtained a B.Com and Bachelor of Accounting at the University of the Witwatersrand, South Africa. Mr Newton was managing partner at Grant Thornton Neuhaus up to his retirement date. He is chairman and independent non-executive director of Trustco Bank Namibia Ltd. He also acts as trustee on various investment trusts globally. He offers consulting services on all aspects of business, acquisition, taxation and general financial advice.

5. ORDINARY RESOLUTION NUMBER 5

NON-BINDING ADVISORY ENDORSEMENT OF THE GROUP’S REMUNERATION POLICY AND IMPLEMENTATION REPORT.

5.1 ORDINARY RESOLUTION NUMBER 5.1

The King IV recommends and the JSE LR requires that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each AGM.

This enables shareholders to express their views on the remuneration policies adopted. Ordinary resolution number 5.1 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences on the existing remuneration arrangements. However, the board will engage with dissenting shareholders in good faith in the event that a vote of 25% or more is recorded against the remuneration

policy, to ascertain with best reasonable effort the reasons for the dissenting votes and to address legitimate and reasonable objections which may include amending the remuneration policy, or clarifying or adjusting remuneration governance and/ or processes. Dissenting shareholders are also invited to engage with the company to communicate their concerns to the company secretary, Komada Holdings (Pty) Ltd, within a reasonable period after the AGM. The board will take the outcome of the vote and any subsequent engagement with dissenting shareholders, into consideration when considering amendments to the company’s remuneration policy.

Non-binding advisory endorsement of the company’s remuneration policy.

Resolved to approve, through a non-binding advisory vote, the company’s remuneration report and remuneration policy (excluding the remuneration of the non-executive directors for their services as directors and members of the board committees). Refer to pages 66 to 75 of the remuneration report of this IAR.

5.2 ORDINARY RESOLUTION NUMBER 5.2

King IV recommends and the JSE LR require that the implementation of a company’s remuneration policy be tabled for a non-binding advisory vote by shareholders at each AGM.

This enables shareholders to express their views on the implementation of the company’s remuneration policy. Ordinary resolution number 5.2 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences on the existing remuneration arrangements. However, the board will engage with dissenting shareholders in good faith in the event that a vote of 25% (twenty five percent) or more is recorded against the remuneration implementation report, to ascertain with best reasonable effort the reasons for the dissenting votes and to address legitimate and reasonable objections which may include amending

the implementation report or clarifying or adjusting remuneration governance and/ or processes. Dissenting shareholders are also invited to engage with the company and communicate their concerns to the company secretary, Komada Holdings (Pty) Ltd, within a reasonable period after the after the AGM. The board will take the outcome of the vote and any subsequent engagement with dissenting shareholders, into consideration when considering amendments to the company’s

remuneration implementation report.

Non-binding advisory endorsement of the company’s remuneration implementation report.

Resolved to approve, through a non-binding advisory vote, the company’s remuneration implementation report. Refer to pages 67 to 75 of the remuneration implementation report of this IAR.

PROPOSED FEES FOR THE PERIOD FROM 1 SEPTEMBER 2023 TO 31 AUGUST 2024

BOARD AND BOARD COMMITTEE	FEE	CHAIRMAN	MEMBER
BOARD	ANNUAL FEE	500 000	250 000
ARC AND INVESTMENT COMMITTEES	ANNUAL FEE	250 000	200 000
REMCO, NOMCO AND SOCIAL AND ETHICS	ANNUAL FEE	50 000	50 000
INVESTMENT BOARD AND BOARD COMMITTEES	ANNUAL FEE	150 000	150 000
OUT OF OFFICE FEES	FEE PER DAY	10 000	10 000
PORTFOLIO DIRECTORS (NOT APPOINTED AS DIRECTOR OF TRUSTCO)	ANNUAL FEE	300 000	300 000

6. SPECIAL RESOLUTION NUMBER 1

REMUNERATION OF NON- EXECUTIVE DIRECTORS.

The remco recommended and the board approved that the non-executive directors’ fees remain unchanged.

SPECIAL RESOLUTION

Resolved to approve the unchanged non-executive directors’ fees for the period 1 September 2023 to 31 August 2024.

7. ORDINARY RESOLUTION NUMBER 6

APPROVAL FOR THE CONTROL OF THE AUTHORISED BUT UNISSUED ORDINARY SHARES.

Resolved that the authorised but unissued ordinary shares in the share capital of the company be and are hereby placed under the control and authority of the directors and that the directors be and are hereby authorised and empowered to allot, issue and otherwise dispose of such shares

or to issue any options in respect of, or instruments that are convertible into such shares, to such person/s on such terms and conditions and at such times as the directors may from time to time determine and at their discretion deem fit, subject to the provisions of the Companies Act, the articles of association of the company and the JSE LR, when applicable.

This general authority will be valid until the earlier of the company’s next AGM or the expiry of a period of 15 (fifteen) months from the date that this authority is given.

8. ORDINARY RESOLUTION NUMBER 7

GENERAL AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE AUTHORISED BUT UNISSUED ORDINARY SHARES.

Resolved that the directors be and are hereby authorised to allot and issue, at their discretion, the unissued share capital of the company and /or grant options to subscribe for unissued shares, for such purposes and

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

- on such terms and conditions as they may determine, subject to the provisions of the Companies Act, the memorandum and articles of association of the company and the JSE and NSX LR, as amended from time to time.
- The general authority be valid until the company's next AGM provided that it shall not extend beyond 15 (fifteen) months from the date of the passing of this ordinary resolution (whichever period is shorter).
 - The allotment and issue of the shares must be made to public shareholders as defined in the JSE LR and not to related parties, save as provided for in the LR that related parties may participate in a general issue for cash through a book build process and provided that:
 - approval is specifically received at the AGM (expressly affording Trustco the ability to allow related parties to participate in a general issue for cash through bookbuild process);
 - related parties may only participate with a maximum bid price at which they are prepared to take up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price the relevant related party will be out of book and not be allocated shares; and
 - equity securities must be allocated equitably in the book through bookbuild process and the measures to be applied must be disclosed in the SENS announcement launching the book build.
 - The shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue.
 - The general issue of shares for cash under this authority may not exceed 30% (thirty percent) of the company's listed equity securities as at the date of this notice of AGM (net of treasury shares) being 282 371 532 shares.
 - Any securities issued in terms of this general authority must be deducted from the initial number of securities available under this resolution.
 - In the event of a sub-division or consolidation of issued securities during the

- period of this general authority, the general authority must be adjusted accordingly to represent the same allocation ratio.
- The maximum discount at which ordinary shares may be issued is 10% (ten percent) of the weighted average traded price of those shares measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the securities. The JSE will be consulted for a ruling if the company's shares have not traded in such 30 (thirty) business day period.
 - Once the company has issued shares for cash which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue that may be required in such regard in terms of the JSE LR which may be applicable from time to time.
 - In terms of the JSE LR, a 75% (seventy five percent) majority of the votes cast by shareholders present or represented by proxy at the meeting is required to give effect to this resolution.

9 ORDINARY RESOLUTION NUMBER 8

- APPROVAL TO ISSUE OPTIONS OR CONVERTIBLE INSTRUMENTS FOR CASH.**
- Resolved that, in terms of paragraph 5.53(a)(ii) of the JSE LR, the directors be and are hereby authorised, by way of a general authority, to allot and issue any options in respect of, or instruments that are convertible into, any of the authorised but unissued ordinary shares in the capital of the company for cash, as and when they at their discretion deem fit, subject to the Companies Act, the memorandum and articles of association of the company and the JSE LR, when applicable, provided that:
- The options or convertible instruments must be convertible into a class of share already in issue.
 - The options or convertible instruments must be issued to public shareholders as defined in the JSE LR and not to related parties.

- The number of shares into which the options or convertible instruments may be exercised or converted into shall not, in the aggregate in any one financial year, exceed the company's relevant number of shares as at the date of this notice of AGM (net of treasury shares) as prescribed by the LR.
- This general authority will be valid until the earlier of the company's next AGM or the expiry of a period of 15 (fifteen) months from the date that this authority is given.
- If shares are issued representing, on a cumulative basis, 5% (five percent) or more of the number of shares in issue prior to that issue as a result of the exercise of options or conversion of securities issued under this general authority, an announcement containing the full details of such issue shall be published on SENS.
- In determining the strike or conversion price at which an option or convertible security may be issued in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of the ordinary shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed between the issuer and the party subscribing for the options or convertible instruments. The JSE will be consulted for a ruling if the company's shares have not traded in such 30 (thirty) business day period.
- If the strike or conversion price of the options or convertible instruments is at a discount that exceeds the maximum discount contemplated in paragraph 5.52(d) of the JSE LR, then the grant or issue may only proceed if the directors have obtained a fairness opinion, in accordance with Schedule 5 of the JSE LR, from an independent expert acceptable to the JSE confirming that the grant or issue is fair insofar as the shareholders of the company are concerned.
- In terms of the JSE LR, a 75% (seventy five percent) majority of the votes cast by shareholders present or represented by proxy at general meeting is required to give effect to this resolution.

10. SPECIAL RESOLUTION NUMBER 2

GENERAL AUTHORITY TO REPURCHASE SHARES.

- Resolved that, subject to compliance with the memorandum and articles of association of the company and its subsidiaries, of the Companies Act, the JSE LR and the requirements of any other stock exchange the company is listed on, the directors of the company are hereby authorised (at their discretion and whilst the prevailing share price does not reflect the intrinsic value of the group) to acquire on behalf of the company or any of its subsidiaries, by repurchase, on the JSE or any other stock exchange, ordinary shares issued by the company provided that:
- The repurchase of securities must be effected through the order book operated by the JSE trading system or any other exchange and done without any prior understanding or arrangement between the company and the counter party.
 - Authorisation thereto must be given by the company's and its subsidiaries' memorandum and articles of association.
 - This general authority will be valid only until the company's next AGM, provided that it does not extend beyond fifteen months from the date of the passing of this special resolution.
 - The number of shares which may be repurchased pursuant to this authority in any financial year may not in the aggregate exceed 20% (twenty percent) of the company's issued share capital as at the date of passing of this general resolution being 188 247 688 shares.
 - In determining the price at which the company's ordinary shares are repurchased by the company or its subsidiaries in terms of this general authority, the maximum premium at which such ordinary shares may be repurchased will be 10% (ten percent) of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date of the repurchase of such ordinary shares by the company or its subsidiaries.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

- Neither the company nor its subsidiaries will repurchase securities during a prohibited period, as defined in paragraph 3.67 of the JSE LR, unless a repurchase programme is in place in terms of which the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The company will instruct an independent third party, which makes its investment decisions in relation to the company's securities independently, of and uninfluenced by the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE.
- When the company has cumulatively repurchased 3% (three percent) of the initial number of the relevant class of securities and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter, an announcement will be published on SENS and in the financial press.
- At any point in time the company will appoint only one agent to effect any repurchase(s) on its behalf.
- The board will have acknowledged by resolution that the company will satisfy the solvency and liquidity test immediately after the repurchase and that since the test was done there have been no material changes to the financial position of the company and the group.

The directors of the company undertake that they will not effect a general repurchase of shares as contemplated above, unless the following conditions are met:

- The company and the group are in a position to repay their debt in the ordinary course of business for a period of 12 (twelve) months after the date of the repurchase.
- The company's and the group's assets will be in excess of the liabilities of the company

and the group for a period of 12 (twelve) months after the date of the repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited AFS, which comply with the Companies Act.

- The share capital and reserves of the company and the group are adequate for a period of 12 (twelve) months following the date of the repurchase.
- The available working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of the repurchase.

11. ORDINARY RESOLUTION NUMBER 9 APPROVAL FOR DIRECTORS' AUTHORITY TO SIGN DOCUMENTS.

The adoption of the resolutions no 1 - 11 will authorise any director of the company to execute all documents and do all such further acts and things as he/she may in his/her discretion considers appropriate to implement and give effect to the resolutions mentioned above.

Resolved that each director of Trustco be and is individually authorised to sign all such documents and do all such other things as may be necessary for or incidental to the implementation of the resolutions mentioned above, passed at the AGM.

VOTING FOR SPECIAL RESOLUTION

The percentage voting rights required for a special resolution to be adopted is at least 75% (seventy five percent) of the voting rights exercised on the resolution.

Disclosure in terms of section 11.26 of the JSE LR

The following additional information is provided in terms of paragraph 11.26 the JSE LR for purposes of the special resolution:

- There were no changes in the authorised share capital of the company during the period under review. The company is in the process to obtain shareholders' approval to increase the authorised share capital from 2 500 000 000 to 4 500 000 000.
- The company has 1 512 761 419 unissued securities (as at 31 August 2023).

- The company does not have a share incentive scheme.
- The company has 46 000 138 number of treasury shares (as at 31 August 2023)
- The company purchased nil shares during the financial year under review.

The full note on share capital is set out in the annual financial statements and contained in the integrated report.

DIRECTORS' INTEREST

Details of the beneficial direct and indirect interests of directors in the shares of the company are set out below:

31 AUGUST 2023 NAMES	DIRECT	INDIRECT	TOTAL 31 AUG '23	SHAREHOLDING %
EXECUTIVE DIRECTORS				
Q VAN ROOYEN	111 980 000	265 220 060	377 200 060	40.07
FJ ABRAHAMS	2 451 518	-	2 451 518	0.26
NON-EXECUTIVE DIRECTORS				
W GEYSER	124 415	-	124 415	0.01
R HEATHCOTE	1 354 802	-	1 354 802	0.14
R TALJAARD	50 151	-	50 151	0.01
J VAN DEN HEEVER	119 915	-	119 915	0.01

* Total issued shares at 31 Aug 2023 - 987 238 581

* Treasury shares at 31 Aug 2023 - 46 000 138

* Shares calculated net of treasury shares at 31 Aug 2023 - 941 238 443

31 AUGUST 2022 NAMES	DIRECT	INDIRECT	TOTAL 31 AUG '22	SHAREHOLDING %
EXECUTIVE DIRECTORS				
Q VAN ROOYEN	307 137 454	696 862 606	1 004 000 060	63.95
FJ ABRAHAMS	2 451 518	-	2 451 518	0.16
NON-EXECUTIVE DIRECTORS				
W GEYSER	124 415	-	124 415	0.01
R HEATHCOTE	1 354 802	-	1 354 802	0.09
R TALJAARD	50 151	-	50 151	0.00
J VAN DEN HEEVER (APPOINTED 1 NOV 2021)	119 915	-	119 915	0.01
R MARNEY (RESIGNED 5 AUG 2022)	-	-	-	0.00

The percentage of shareholding is net of treasury shares

* Total issued shares at 31 Aug 2022 - 1 616 038 581

* Treasury shares at 31 Aug 2022 - 46 000 138

* Shares calculated net of treasury shares at 31 Aug 2022 - 1 570 038 443

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

MATERIAL CHANGES

Subsequent to the reporting date and the publishing of this report, no material change in the directors’ interest has been effected.

LARGE SHAREHOLDERS (AS AT 31 AUGUST 2023)

NAME	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	TOTAL SHAREHOLDING %
VAN ROOYEN, QUINTON	111 980 000	265 220 060	377 200 060	40.07%
RISKOWITZ VALUE FUND	222 267 861		222 267 861	23.61%
NOTRE DAME	120 604 762		120 604 762	12.81%
GERMINATE SL LTD	85 416 666		85 416 666	9.07%
CONSTANTIA INSURANCE COMPANY LIMITED	44 856 616		44 856 616	4.77%
MIDBROOK LANE PROPRIETARY LIMITED	6 205 000		6 205 000	0.66%
GOVERNMENT EMPLOYEES PENSION FUND PUBLIC INVESTMENT CORPORATION	5 457 736		5 457 736	0.58%
SEAFWELL INVESTMENTS CC	5 006 088		5 006 088	0.53%
NILGIRI INVESTMENTS CC	5 000 000		5 000 000	0.53%
THE BANK OF NEW YORK MELLON DR	4 993 220		4 993 220	0.53%
GRAND TOTAL	611 787 949	265 220 060	877 008 009	93.18%

* Total issued shares at 31 Aug 2023 – 987 238 581
* Treasury shares at 31 Aug 2023 – 46 000 138
* Shares calculated net of treasury shares at 31 Aug 2023 – 941 238 443

DIRECTORS’ RESPONSIBILITY STATEMENT

The directors, whose names appear in this integrated report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to the special resolutions and certify that to the best of their knowledge and belief, there are no facts in relation to special resolutions that have been omitted which would make any statement in relation to special resolutions false or misleading and that all reasonable enquiries to ascertain such facts have been made and that special resolutions, together with this notice, contain all information required by law and the JSE LR in relation to special resolutions.

VOTING AND PROXIES

A member entitled to attend and vote at the AGM is entitled to appoint a proxy/ proxies to attend, speak and on a poll, vote in his/her stead. A proxy need not be a member of the company. A form of proxy is attached for the convenience of any certified shareholder and “own name” registered dematerialised shareholder who cannot attend the AGM, but wishes to be represented thereat. Voting will be performed by way of a poll, so that each shareholder present or represented by way of proxy will be entitled to vote the number of shares held or represented by him or her. Equity securities held by a share trust or scheme will not have their voting at the AGM considered

for the purpose of resolutions proposed in terms of the JSE LR

Shares held as treasury shares are not entitled to vote.

ELECTRONIC PARTICIPATION AT THE AGM

A shareholder, representative, or proxy for a shareholder who wishes to participate in the AGM via electronic communication (participant), should apply in writing to the group’s company secretary, by delivering the application or via email, as per the contact details provided below, at least 7 (seven) business days prior to the AGM to arrange for shareholder (or representative or proxy) to provide reasonable satisfactory identification to the company secretary with details on how to access the AGM by means of electronic participation.

komada@tgh.na
Trustco House
2 Keller Street
Windhoek
Namibia

By order of the board
KOMADA HOLDINGS (PTY) LTD
COMPANY SECRETARY
18 DECEMBER 2023

ANNEXURE A

ELECTRONIC PARTICIPATION AT THE AGM

1. A shareholder, representative, or proxy for a shareholder who wishes to participate in the AGM via electronic communication (participant), should apply in writing to the group’s company secretary, by delivering the application or send *via* email, as per the contact details provided below, at least seven (7) business days prior to the AGM to arrange for shareholder (or representative or proxy) to provide reasonable satisfactory identification to the company secretary with details on how to access the AGM by means of electronic participation.

komada@tgh.na
Trustco House
2 Keller Street
Windhoek
Namibia

2. Participants must note that they will not be able to vote during the AGM. Such Participants, should they wish to have their vote(s) counted at the AGM, must act in accordance with the voting instructions contained in this notice of the AGM, i.e. to the extent applicable:

- i. Complete the form of proxy; or
- ii. Contact their CSDP.

3. Important notice

- 3.1 Each participant will be contacted between 24 January 2024 – 31 January 2024 *via* email and/or SMS with a code to allow them to dial in.
- 3.2 The cost of the participant’s electronic communication will be for his/ her own expense and will be billed separately by his/ her own service provider.
- 3.3 The cut-off time to participate in the meeting will be 29 January 2024 at 12h00. No late dial-in will be accommodated.

TERMS AND CONDITIONS FOR PARTICIPATION AT THE AGM VIA ELECTRONIC COMMUNICATION

- The cost of dialling-in using electronic communication to participate in the AGM is for the expense of the participant and will be billed separately by the participant’s own service provider.
- The participant acknowledges the electronic communication provided by a third party and indemnifies the company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic communication, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/ she will have no claim against the company, whether for consequential damages or otherwise, arising from the use of the electronic communication or any defect in it or from total or partial failure of the electronic communication and connections linking the electronic communication to the AGM.
- The application will only be deemed successful if this application form has been completed and fully signed by the participant.

Shareholder name:

Signature:

Date:

APPLICATION FORM

FULL NAME OF THE SHAREHOLDER, AS PRESENTED ON THE SHARE REGISTER

ID NUMBER

EMAIL ADDRESS

CELL NUMBER

TELEPHONE NUMBER

NAME OF CSDP OR STOCKBROKER
(IF SHARES ARE HELD IN DEMATERIALIZED FORMAT)

CONTACT NUMBER OF CSDP/STOCKBROKER

CONTACT PERSON OF CSDP/STOCKBROKER

NUMBER OF SHARE CERTIFICATES (IF APPLICABLE)

SIGNATURE

DATE

FORM OF PROXY

Trustco Group Holdings Limited (Incorporated in the Republic of Namibia and registered as an external company in South Africa) Registration number: 2003/058; External Registration number: 2009/002634/10; OTCQX share code: TSCHY; JSE share code: TTO; NSX share code: TUC; Trustco Group Holdings Limited or 'the company'; ISIN number: NA000A0RF067

authority to attend. Should dematerialised shareholders, other than "own name" dematerialised shareholders, be unable to attend the AGM in person, but wish to vote by proxy, they must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between them and their CSDP or broker.

This form of proxy is for use by certificated ordinary shareholders and "own name" dematerialised ordinary shareholders of the company only at the AGM of the company's shareholders to be held at Trustco House, 2 Keller Street, Windhoek on 1 February 2024 at 12h00 (the annual general meeting or the AGM).

Shareholders who have dematerialised their shares, other than "own name" dematerialised shareholders, must inform their CSDP or broker of their intention to attend the AGM and request their CSDP or broker to issue them with the necessary letter of representations to attend or provide their CSDP or broker with their voting instruction should they not wish to attend the company's AGM in person. Such shareholders must not return this form of proxy to the transfer secretaries.

Dematerialised shareholders, other than "own name" dematerialised shareholders, who wish to attend the AGM must instruct their CSDP or broker to issue them with the necessary

I/We _____
Being member/s of Trustco Group Holdings Limited and holding shares entitled me/us to, _____ votes (1 vote per share) do hereby appoint:

_____ of _____ or failing him/her
_____ of _____ or failing him/her

the chairman of the AGM as my proxy to vote for me/us on my/our behalf at the AGM.

Signed at _____ on this _____ day of _____ 2024.

Address: _____

Signature: _____

Mark with an X whichever is appropriate. Unless otherwise directed, the proxy will vote or abstain as he/she deems fit in respect of the member's total holdings. A member entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and on a poll, vote in his/her stead. A proxy need not to be a member of the company.

Shareholders complete and return the form to the Transfer Secretaries (Pty) Ltd, at 4 Robert Mugabe Avenue or Computershare Investor Services (Pty) Ltd Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, by 29 January 2024 at 12h00.

RESOLUTIONS (ORDINARY AND SPECIAL)		FOR	AGAINST	ABSTAIN
1.	Approval of AFS and reports for the financial year ended 31 August 2023	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	2.1 To resolve that the company may appoint a maximum number of 12 directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2.2 To re-appoint Ms Janene van den Heever as a non-executive director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	To appoint Nexia SAB&T as independent group external auditors and Mr Johandr� Engelbrecht as the auditing partner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	4.1 To re-appoint Mr. W Geyser as chairman of the ARC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4.2 To re-appoint Mr. R Taljaard as member of the ARC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4.3 To re-appoint Mr. T Newton as member of the ARC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	5.1 Non-binding advisory endorsement of the company's remuneration policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5.2 Non-binding advisory endorsement of the company's remuneration implementation report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	To approve the remuneration of non-executive directors for the period 1 September 2023 to 31 August 2024	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	To approve the control of authorised but unissued ordinary shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	To approve the general authority to allot and issue authorised but unissued ordinary shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	To approve the issue of options or convertible instruments for cash	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	To approve the general authority to repurchase shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	To approve the director's authority to sign documents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed at _____ on this _____ day of _____ 2024.

Address: _____ Signature: _____

FORM OF PROXY (CONTINUED)

NOTES

1. All shareholders are entitled to attend, be represented and vote at the company's AGM. Each shareholder present in person or represented by proxy at the AGM shall on a poll at the AGM be entitled to vote, for each share held or represented.

2. Shareholders who have dematerialised their ordinary shares through a CSDP or broker, other than "own name" registered dematerialised shareholders and who wish to attend the AGM must request their CSDP or broker to issue them with a letter of representation. Alternatively, dematerialised shareholders other than own name registered dematerialised shareholders, who wish to be represented, must provide their CSDP or broker with their voting instructions in terms of the custody agreement between them and their CSDP or broker in the manner and by timeframe stipulated.

3. A shareholder may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the AGM." If a deletion is made such deletion must be initialled by the shareholder. The person whose name appears first on the form of proxy and who is present at the company's AGM will be entitled to act as proxy to the exclusion of those names that follow.

4. A shareholder's instructions to the proxy as to whether to vote for, against or abstain from voting and in respect of the relevant number of shares to vote in such a manner, shall, in respect of the resolution, be indicated as follows:

a) by the insertion of an "X" in the appropriate box provided to indicate whether to vote for, against, or abstain from voting. Such insertion, without the insertion of the relevant number of shares as contemplated in paragraph

(b) below, shall require the proxy to vote or abstain from voting at the company's AGM

as indicated by the "X" in respect of all (and not some) of the shareholder's votes exercisable thereat.

b) by the insertion of the relevant number of shares held by the shareholder in the company to indicate the number of shares to be voted for, against or abstain from voting (which will indicate the number of votes exercisable by the proxy on behalf of the shareholder on a poll), in the appropriate box provided. Such an insertion, with or without the insertion of an "X", shall require the proxy to vote or abstain from voting at the company's AGM as indicated by the number so inserted in respect of such inserted number (and not a portion) of shares.

c) by failure to insert anything in the appropriate box, such failure will be deemed to authorise the chairman of the AGM, if he is the proxy, to vote in favour and any other proxy to vote or abstain from voting at the company's AGM as he/she deems fit in respect of all (or a portion) of the shareholder's votes exercisable thereat.

5. A shareholder is not obliged to use all the votes exercisable by the shareholders, but the total of the votes cast and in respect of which abstention is recorded, whether by the shareholder of the proxy, may not exceed the total of the votes exercisable by the shareholder.

6. A duly completed form of proxy must be lodged with or posted to the Transfer Secretaries who must receive the proxies for all shareholders, no later than Monday, 29 January 2024 by 12h00.

7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person at the exclusion of any proxy appointed in terms thereof.

8. Documentary evidence establishing the authority of a person signing this form of

proxy, in a representative or other legal capacity, must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the AGM, as the case may be.

9. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

10. The chairman of the AGM may reject or accept any form of proxy, which is completed and/or received, other than in compliance with the notes.

11. In respect of joint holders, any such person may vote at the company's AGM in respect

of such joint shares as if he were solely entitled thereto, but if more than one of such joint holders are present or represented at the company's AGM, the person whose name appears first in the register in respect of such shares or his proxy as the case may be, is alone entitled to vote in respect thereof.

12. Equity securities held by a share trust or scheme will not have their votes at the AGM meeting considered for the purposes of resolutions proposed in terms of the JSE LR.

13. Unlisted securities (if applicable) and shares held as treasury shares may not vote.
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- INTEGRATED ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS 2023 - TRUSTCO GROUP HOLDINGS LTD

CHAPTER

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ADMINISTRATION SECTION

KEY INVESTMENT AND REGULATED PORTFOLIO ENTITIES

LEGAL SHIELD HOLDINGS LTD

J van den Heever	Independent	Non-executive	Namibian
W Geyser	Independent	Non-executive	Namibian
R Taljaard	Independent	Non-executive	Namibian
QZ van Rooyen		Executive	Namibian
F Abrahams		Executive	Namibian

TRUSTCO LIFE LTD

R Taljaard	Independent	Non-executive	Namibian
T Newton	Independent	Non-executive	Namibian
S Similo	Independent	Non-executive	Namibian
QZ van Rooyen		Executive	Namibian
A Brand		Executive	Namibian

TRUSTCO INSURANCE LTD

R Taljaard	Independent	Non-executive	Namibian
T Newton	Independent	Non-executive	Namibian
S Similo	Independent	Non-executive	Namibian
QZ van Rooyen		Executive	Namibian
A Brand		Executive	Namibian

TRUSTCO FINANCE (PTY) LTD

R Taljaard	Independent	Non-executive	Namibian
T Newton	Independent	Non-executive	Namibian
S Similo	Independent	Non-executive	Namibian
QZ van Rooyen		Executive	Namibian
A Lambert		Executive	Namibian

TRUSTCO BANK NAMIBIA LTD

T Newton	Independent	Non-executive	Namibian
W Geyser	Independent	Non-executive	Namibian
S Similo	Independent	Non-executive	Namibian
Q van Rooyen		Executive	Namibian

TRUSTCO RESOURCES (PTY) LTD

R Chetwode	Independent	Non-executive	British Citizen
W Geyser	Independent	Non-executive	Namibian
QZ van Rooyen		Executive	Namibian
F Abrahams		Executive	Namibian

MEYA MINING (MAURITIUS)

JSC Joubert		Executive	Namibian
IS Kamara		Executive	Sierra Leonean
A Maimonis	Independent	Non-executive	Hellenic
M Mohadeb		Executive	Mauritian
YC Morad		Executive	Mauritian
S Parikh	Independent	Non-executive	
QZ van Rooyen	Independent	Non-executive	Namibian

TRUSTCO RESOURCES MAURITIUS

M Mohadeb		Executive	Mauritian
Y C Morad		Executive	Mauritian
QZ van Rooyen	Independent	Non-executive	Namibian
F Abrahams	Independent	Non-executive	Namibian

MORSE INVESTMENTS MAURITIUS

M Mohadeb		Executive	Mauritian
YC Morad		Executive	Mauritian
QZ van Rooyen	Independent	Non-executive	Namibian
F Abrahams	Independent	Non-executive	Namibian

ADMINISTRATION SECTION (CONTINUED)

FINANCIAL AND OTHER DEFINITIONS AND EXPLANATIONS

A	
ADR	American Depository Receipt
AFS	Annual financial statements
AGM	Annual general meeting of Trustco
AML	Anti money laundering
ARC	Audit and risk committee
B	
Basel	Banking regulations set by the Basel commission on banking supervision
Basic earnings per	Earnings attributable to ordinary shareholders divided by the weighted average number of share (EPS) ordinary shares in issue
Board	The board of directors of TGH
BIC	Board investment committee
C	
CAE	Chief Audit Executive
CAGR	Compounded annual growth rate
Capital adequacy ratio	Capital as a percentage of risk-weighted assets
CAR	Capital Adequacy Ratio
CEO	Chief Executive Officer
COLA	Cost Of Living Adjustment
Companies Act	The Namibian Companies Act, Act, 28 of 2004
CSI	Corporate Social Investment
D	
Dr	Doctor
E	
ECL	Expected credit loss
Effective tax rate	Direct taxation as a percentage of income before taxation
Elisenheim or EPDC	The mixed-use development known as Elisenheim and registered in Elisenheim Property Development Company Ltd
ESMS	Environmental and social management system
F	
FRSC	Financial Reporting Standards Council
FSV	Financial soundness valuation
FVTPL	Fair value through profit or loss
FLI	Forward-looking information

G	
GDP	Gross Domestic Product
GM	A general meeting of shareholders called to approve a transaction
H	
Headline earnings	Determined, in terms of the circular issued by the South African Institute of Chartered Accountants at the request of JSE, by excluding from reported earnings specific separately identifiable remeasurements net of related tax and non- controlling interests
Headline earnings per share	Headline earnings divided by the weighted average number of ordinary shares in issue
HEPS	Headline earnings per share
Herboths	Herboths Property Development (Pty) Ltd situated on the remainder of Farm Herboths No 485
HR	Human resources
Huso	Huso Investments (Pty) Ltd
Huso transaction	The transaction approved by shareholders on 5 October 2015 as amended, which amendment was approved by shareholders on 13 June 2017, with regards to the acquisition by Trustco, through Trustco Resources of the entire shareholding in Huso of which Morse and NNDC are wholly owned subsidiaries
I	
IASB	International Accounting Standards Board
IBOR	Interbank offered rate
IBNR	Incurred but not reported
ICT	Information and communication technology
ICT SSC	ICT strategy and steering committee
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standards
IOL	Institute for Open Learning (Pty) Ltd
IRBA	Independent Regulatory Board for Auditors
IRBA Codes	Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors
ISA	International Standards on Auditing
J	
JSE	JSE Limited, a company duly registered and incorporated under the laws of South Africa, licenced as an exchange
K	
King IV Report	The King Code of Corporate Governance IV (2016)
KPI	Key Performance Indicator
Komada	Komada Holdings (Pty) Ltd
L	
Lafrenz	Industrial development in Windhoek, owned by TGI and the holding company of the investments in insurance and real estate
LR	Listings Requirements
LTV	Loan-to-Value

ADMINISTRATION SECTION (CONTINUED)

M	
MD	Managing director of Trustco
Meya	Meya Mining incorporated in Mauritius with registration number 141003C1/GBL
ML	Mining licence
Measurement period	Is any date on which any ratio is to be measured or a calculation made. Should any period be more or less than 12 (twelve) months, the numbers will be for comparison purposes only, be amended to a 12 (twelve) month period on a pro rata basis. The actual numbers for the period will be used for calculation of the management fee
N	
NAD	Namibia dollar
NamCode	Corporate Governance Code of Namibia
NamRA	Namibia Revenue Agency
Net asset value	Equity attributable to ordinary shareholders
Net asset value per share	Net asset value divided by the number of ordinary shares in issue at year-end
Next	Next Capital (Pty) Ltd
NNDC	Northern Namibia Development Company (Pty) Ltd
Nomco	Nomination committee
NSAP	Namibian Standard of Actuarial Practice
NSX	Namibian Stock Exchange
NTA	Namibia Tennis Association
O	
Ondangwa	Proposed mixed use land development in Ondangwa of which the Ombala development forms a part of (registered in the name of Northern Industrial Estates (Pty) Ltd)
OTCQX	The top tier of three marketplaces for the over-the-counter trading of stocks in the US
P	
PA	Per annum
PD	Probability of default
PDF	Portable Document Format

R	
Reinsurance	Insurance or investment risk that is ceded to another insurer in return for premiums
Remco	Remuneration committee
Return on equity	Headline earnings as a percentage of monthly average ordinary shareholders' funds (expressed as percentage)
Risk appetite	An expression of the maximum level of residual risk that the group is prepared to accept in order to achieve its business objectives
Riskowitz Value Fund	Riskowitz Value Fund LP a New York based partnership registered in accordance with the laws of Delaware, USA
ROE	Return on equity
S	
SAICA	The South Africa Institute of Chartered Accountants
SAN	Namibian Society of Actuaries
SENS	Stock Exchange News Service
Shares in issue	Number of ordinary shares in issue as listed on the exchange
SGT	Sterling Global Trading Limited
SICR	Significant increase in credit risk
SL	Sierra Leone
SPPI	Solely payments of principal and interest
SRK Consulting	Global mining industry experts tasked to complete the competent persons report for Meya Mining Ltd
SOTP	Sum of the parts analysis
T	
TDIP	Trustco Domestic Investment Programme
TGI	Trustco Group International (Pty) Ltd
TGH Trustco	Trustco Group Holdings Ltd
Trustco Bank	Trustco Bank Namibia Ltd
Trustco Capital	Trustco Capital (Pty) Ltd
Trustco Finance	Trustco Finance (Pty) Ltd
Trustco Insurance	Trustco Insurance Ltd
Trustco Life	Trustco Life Ltd
Trustco Properties	Trustco Property Holdings (Pty) Ltd
Trustco Resources	Trustco Resources (Pty) Ltd
TTO	Trustco JSE share code
TUC	Trustco NSX share code
TSCHY	Trustco OTCQX share code
U	
USD	United States Dollar
V	
VWAP	Volume Weighted Average Price
W	
WACC	Weighted Average Cost of Capital
Weighted average number	The weighted average number of ordinary shares in issue during the financial year as listed on the JSE

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

JSE Share Code: TTO
NSX Share Code: TUC
OTCQX Share Code: TSCHY
ISIN Number: NA000A0RF067

BUSINESS ADDRESS AND REGISTERED OFFICES

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2 Keller Street, Eros
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

SOUTH AFRICAN OFFICE

CAPE TOWN
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Somerset Links Business Park
De Beers Avenue
Somerset West, 7130
Tel: +27 21 852 08

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

BANKERS: SOUTH AFRICA

First National 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

NON-EXECUTIVE DIRECTORS

W Geyser
R Taljaard
Adv R Heathcote Sc
J van den Heever

EXECUTIVE DIRECTORS

F J Abrahams
Dr Q van Rooyen



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investing excellence

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FEEDBACK

We welcome the views of our stakeholders on the integrated annual report.

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