



## **TRUSTCO GROUP HOLDINGS LIMITED**

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

(Registration number 2003/058)

(External registration number 2009/002634/10)

NSX share code: TUC

JSE share code: TTO

ISIN Number: NA000AORF067

("Trustco" or "the Group")

## **TRADING STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

Trustco shareholders ("**Shareholders**") are advised that the Group is finalising its audited annual financial statements ("**AFS**") for the year ended 31 March 2019.

The Group expects to report the following for the year ended 31 March 2019:

- Group consolidated revenue increased by between 67% and 85%, being revenue of between NAD 1.340 billion and NAD 1.480 billion, compared to the financial year ended 31 March 2018 ("**prior year**"). The prior year's revenue was NAD 0.801 billion;
- Group consolidated profit after tax increased by between 164% and 178%, being profit of between NAD 723 million and NAD 762 million, compared to the financial year ended 31 March 2018 ("**prior year**"). The prior year's profit was NAD 274 million;
- Headline earnings per share increased between 157% and 176%, being headline earnings per share of between 70 cents and 75 cents compared to the prior year. The prior year's headline earnings per share was 27.19 cents;
- Basic earnings per share increased by between 199% and 216%, being basic earnings per share of between 71 cents and 75 cents compared to the prior year. The prior year's basic earnings per share was 23.74 cents;



- Group consolidated cash on hand increased 151% to NAD 173 million compared to the prior year; and
- At the reporting date the US Dollar to Namibian Dollar exchange rate was 14.20.

The individual segment results, which do not eliminate intercompany revenues or profits, for the 2019 financial period were as follows:

- The INSURANCE AND ITS INVESTMENTS SEGMENT achieved an increase in revenue and profitability during the reporting period. On an individual segmental basis, revenue increased to between NAD 1.22 billion and NAD 1.3 billion which represents growth of between 205% and 225% from NAD 0.4 billion in the prior year, while profit after tax increased to between NAD 670 million and NAD 740 million which represents growth of between 81% and 100% compared to NAD 370 million in the prior year. The segment contributed between 16 to 26 cents per share to Group EPS and Group HEPS. The contributions came from the reassessment of the underlying insurance investments, restructuring marginal business lines and cost-saving measures. Cash collection from the core insurance and underlying insurance investments has remained consistent and in line with expectations, despite the adverse regional economic environment.
- The BANKING AND FINANCE SEGMENT continued its upward trajectory, which resulted in profit after tax ranging between NAD 260 million and NAD 268 million for the reporting period on an individual segmental basis, compared to NAD 41 million loss in the prior year representing growth of between 734% and 754%. The initial adoption of IFRS 9 amounted to a provision of between NAD 238 and NAD 264 million that was accounted for through equity, with an additional provision of between NAD 39 million and NAD 43 million for the subsequent evaluation of the IFRS 9 calculation for the reporting period. Mortgage loan advances showed positive growth of between 56% and 66% from NAD 15 million in the prior year. The operational costs of the banking segment decreased by between 10% and 20% year-on-year as the segment introduced cost-saving initiatives. The segment continued to build momentum to enhance the spectrum of its online capabilities.



- The RESOURCES SEGMENT profit after tax increased between 420% and 439%, which translates to between NAD 468 million and NAD 485 million for the reporting period, compared to NAD 90 million in the prior year. The performance of the segment contributed between 51 and 65 cents to Group EPS, with a contribution of between 42 and 52 cents to Group HEPS. During the reporting period the resources segment successfully concluded the Huso transaction, which was perfected on 31 August 2018 after a 15 year mining licence was issued by the Ministry of Mines and Energy of Namibia to Northern Namibia Development Company (Pty) Ltd. Meya Mining submitted an application for a Large Scale Mining Licence in Sierra Leone, on 20 May 2019.

Further details will be provided in the provisional Group results, for the year ended 31 March 2019, which will be released on or about 11 June 2019.

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

Windhoek, Namibia

6 June 2019

Amanda Bruyns

Company Secretary: Trustco Group Holdings Limited

**JSE Sponsor**

Vunani Corporate Finance

**NSX Sponsor**

Simonis Storm Securities Proprietary Limited