

ANNUAL FINANCIAL INFORMATION FOR THE YEAR 2021

Statement of Profit or Loss and Other Comprehensive Income

Figures in Namibia Dollar ('000)	Note(s)	2021	2020
Income			
Interest and similar income		3 453	5 932
Interest expense and similar charges		(2 621)	(2 290)
Net interest income before impairment of advances		832	3 642
Credit impairment charges	2	(527)	(1 547)
Net Interest income after impairment		305	2 095
Other income		578	4 008
Fee and commission income		1 058	321
Operating expenses		(40 409)	(37 537)
Loss before taxation		(38 467)	(31 113)
Taxation	3	-	-
Loss for the year		(38 467)	(31 113)
Other comprehensive income		-	-
Total comprehensive loss for the year		(38 467)	(31 113)

Statement of Financial Position

Figures in Namibia Dollar ('000)	Note(s)	2021	2020
Assets			
Cash and cash equivalents		11 462	20 017
Accounts receivables		55 475	5 426
Advances	1	29 065	40 602
Property plant and equipment		1 670	2 951
Intangible assets		804	42 926
Total Assets		98 476	111 922
Current Liabilities			
Deposits		15 015	34 334
Trade and other payables		30 460	18 937
Borrowings		9 115	8 511
Lease liabilities		1 543	2 629
		56 133	64 411
Equity			
Share capital		233 300	200 000
Reserves		20 471	20 471
Accumulated loss	4	(211 428)	(172 961)
		42 343	47 511
Total Equity and Liabilities		98 476	111 922

Statement of Cash Flows

Figures in Namibia Dollar ('000)	2021	2020
Cash flows from operating activities		
Cash used in operations	(24 903)	(3 192)
Net decrease/(increase) in loans and advances	12 063	8 444
Net increase in deposits	(19 319)	1 789
Net cash generated from operating activities	(32 159)	7 041
Cash flows from investing activities		
Purchase of property plant and equipment	-	(253)
Purchase of other intangible assets	(8 174)	(11 688)
Net cash utilised by investing activities	(8 174)	(11 941)
Cash flows from financing activities		
Proceeds on share issue	33 300	-
Borrowings repaid	(213)	-
Repayment of lease liabilities	(1 309)	(1 132)
Net cash generated (utilised) by financing activities	31 778	(1 132)
Net decrease in cash and cash equivalents	(8 555)	(6 032)
Cash at the beginning of the year	20 017	26 049
Total cash and cash equivalents at end of the year	11 462	20 017

Statement and Availability

Trustco Bank Namibia Ltd prepares the financial statements in accordance with International Financial Reporting Standards (IFRS) and the Namibian Companies Act. The principal accounting policies are consistent in all material aspects with those applied in the previous year.

The auditors issued an unqualified opinion on the annual financial statements with an emphasis of matter relating to non-compliance with the Banking Institutions Act regarding approval of the sale of the Core Banking System. The core banking system was disposed during the period to a related party for NS48 mil, the Bank applied for approval and at the date of signing of the annual financial statements, the approval was pending.

This unaudited announcement is only a summary of the audited annual financial statements, the full version of the results are available on the group's website or at our registered office for inspection during working hours, at no charge.

Registered office: Trustco House, 2 Keller street, Windhoek.

Overview of the 2021 financial results

Nature of business

Trustco Bank Namibia Ltd provides innovative banking products, which promote economic development and cater for the banking needs of individuals in growing sectors of the Namibian economy.

The bank operates primarily in the retail banking and micro-finance sectors servicing individuals, families and entrepreneurs.

There has been no material changes to the nature of the company's business from the prior year.

Trustco Bank Namibia Ltd has representation in Windhoek, with its head office situated at 2 Keller Street, Windhoek.

Going concern

At 31 March 2021, the company had accumulated losses of NS211,427,865 (2020: NS172,960,581), current financial year loss was NS38,467,284 (2020 NS31,113,368). Due to the accumulated losses, the auditors raised a material uncertainty issue on going concern in the audit report. To remain a going concern the controlling company has committed to a capital injection of NS100 million over a three-year period. The first tranche amounting to NS33.3 mil was received in February 2021 and the second tranche is expected on or before 31 March 2022.

Financial results

The operating environment continued to be a challenge due to COVID-19 during the period. The rollout of vaccines is however expected to put the economy on a recovery trajectory.

The loan book has significantly decreased, and coupled with the depressed interest rates net interest income decreased to NS0,832m from NS3.6m. The Bank's cost of funding increased to 6.08% in 2021 (2020: 5.3%). The Net Interest Margin decreased to 24% in 2021 (2020: 61%). The primary source of funding for the Bank remains its capital base, and growing its funding base remains a priority for the coming years. The bank enhanced its debit order collection systems;

this has enabled the company to onboard more clients during the period resulting in an increase in transactional revenue of 329%.

The future strategy of the bank is to fully digitalise its operations, and in line with this business model, the Oshakati and Windhoek branches were closed after financial year-end. The Bank switched over to a new Core Banking System after the reporting period on 1 July 2021. The new system will enable the bank to roll out robust internet and mobile banking platforms in the not so distant future.

To align the reporting period with its controlling company the bank changed its financial year-end to 31 August of each year.



Esme Izaaks
Chief Executive Officer



Tom Newton
Board Chairman



Company Secretary
Komada Holdings (Pty) Ltd
Windhoek
8 December 2021

Grand Namibia

Registered Accountants and Auditors
Chartered Accountants (Namibia)

	For the year ended 31 March 2021	For the year ended 31 March 2020		
	NAD '000	NAD '000		
Note 1 - Advances				
Gross advances opening balance	42 748	51 192		
New advances	2 622	2 552		
Interest repaid	(3 167)	(5 385)		
Advances repaid	(10 660)	(5 611)		
Impaired amounts written off	(858)	-		
Gross advances closing balance	30 685	42 748		
Impairment	(1 620)	(2 146)		
Net advances	29 065	40 602		
Note 2 - Advances				
	Stage 1	Stage 2	Stage 3	Total
Opening balance at 1 April 2020	447	4	1 695	2 146
Transfer to (from) stage 1	(329)	37	292	-
Transfer to (from) stage 2	-	(1)	1	(0)
Transfer to (from) stage 3	-	-	-	-
Subsequent changes in ECL	298	268	(867)	(301)
ECL on new exposures raised	35	3	(242)	35
Impaired amounts written off	(15)	(3)	(242)	(260)
Closing balance at 31 March 2021	436	305	879	1 620
Note 3 - Taxation				
No provision has been made for tax as the company has no taxable income.				
A deferred tax asset (arising from cumulative assessed losses) of NS75 838 746 (2020: NS57 206 452) was not recognised. The estimated tax loss available for set off against future taxable income is NS215 564 713 (2020: NS 195 683 672).				
Note 4 - Accumulated loss				
Opening balance as previously reported	(172 961)	(141 719)		
IFRS 16 transitional adjustment	-	(129)		
Opening balance as restated	(172 961)	(141 848)		
Loss for the year	(38 467)	(31 113)		
Closing balance	(211 428)	(172 961)		
Note 5 - Capital adequacy				
Total Risk Weighted Capital Ratio (minimum 15%)	47%	50%		
Tier 1 risk based capital (minimum 7%)	45%	48%		
Tier 1 leverage ratio (minimum 6%)	43%	42%		
Net - Total Tier 1 Capital	42 323	47 511		
Total Qualifying Capital	43 962	49 657		
Aggregate Risk-Weighted Assets	93 832	99 444		