

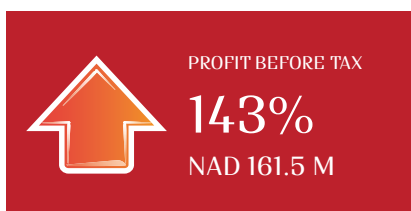
ABOUT TRUSTCO



# FINANCIAL HIGHLIGHTS

“the proof is in  
the pudding”





The 2010 financial year will be remembered for the solid organic growth and robustness shown by the diversified Trustco business model in challenging economic conditions. This is evident in the growth achieved in Group revenue and headline earnings. The incremental increase in headline earnings in relation to revenue was the result of stricter expense control and organic growth. No acquisitions were made during the year under review. The Group continued with its strategy to divest from all non-financial services activity by disposing of its non-core businesses and

assets. The strategic business and assets that fuel the core operations i.e. properties and education were retained. The Company believes that the foundation has now been laid to move the business to the next phase and to achieve its 5/5 business objective which is to achieve a market capitalisation of NAD 5 billion by the end of FY 2014. At the time of this report, the Company was trading under a cautionary announcement regarding its micro insurance business role out of Trustco Mobile into the rest of Africa.

2010 AT A GLANCE

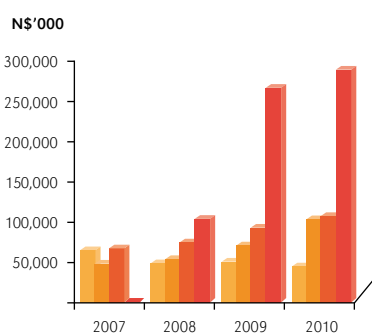
Group revenue increased by 14% to NAD 550.5 million and headline earnings increased by 20% to NAD 85.3 million from 2009. Earnings increased by 47% to NAD 137.5 million (2009: NAD 93.3 million). This was achieved through the core business that continued on its path of organic growth and the fair value adjustment of the Lafrenz property. This increased earnings of the Private equity segment by NAD 58.2 million. Total assets also increased by 21%, which

can be largely contributed to the exceptional growth shown by the micro finance loan book of 34%. EBITDA increased by 83% to NAD 188.4 million.

In view of the fact that Trustco is a Namibian incorporated company, the results set out as per this Annual Report are reflected in Namibian Dollar ("NAD"/"N\$"). The NAD trades at an exchange rate of NAD 1 (one) for 1 (one) South African Rand.

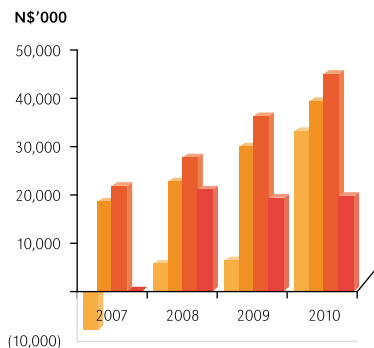
FINANCIAL HIGHLIGHTS

REVENUE PER SEGMENT



Private Equity
Micro Finance & Education
Micro Insurance
Financial Services outside Namibia

EARNINGS PER SEGMENT



Private Equity
Micro Finance & Education
Micro Insurance
Financial Services outside Namibia



## FINANCIAL SERVICES

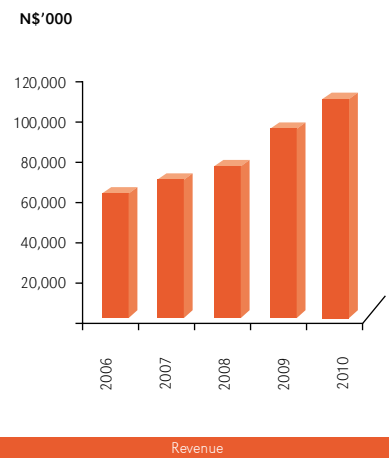
### MICRO INSURANCE

#### LIFE AND SHORT TERM

This segment's strong positioning has enabled it to endure and prosper through the prevalent economic climate and continues along its growth trajectory, having recorded a growth of 15% and 24% in revenue and earnings respectively compared to the 2009 financial year. The significant growth in earnings is largely a product of increased sales and cost efficiencies.

This segment consists of niche short term and life products offered mostly to the working poor in Namibia. The size of the customer base is in excess of 100 000 where as the average premium per customer is averaging NAD 110.14 (2009: NAD 109.76). Since inception ten years ago, 77 744 claims have been processed and close to NAD 100 million was expended in benefits to members.

#### REVENUE: MICRO INSURANCE



#### TRUSTCO MOBILE

This is a new and exciting product, the latest innovation in mobile telephony! Many people in Africa are in possession of a cell phone but many are unable to afford basic life insurance. This application has been tested in Namibia for the last two years and is now ready for deployment beyond Namibian borders. This application is also usable in the mobile banking sector.

Trustco Mobile affords free life cover to customers who purchase airtime from a mobile operator. The amount of cover is valid for 30 days in respect of each purchase and is linked to the amount of airtime purchased. Payment of the underwriting fee to the insurer is directly from the mobile operator. Trustco Mobile earns a licence fee per subscriber per month and carries no underwriting risk outside of Namibia.

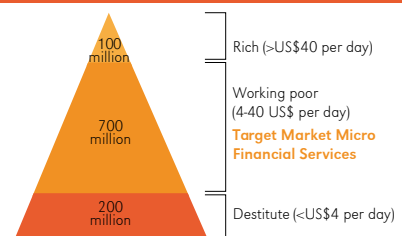
Financial Technology, Africa's Prime Financial Tech News Portal, selected Trustco Mobile as one of the Top 10 products/services that have proven to be innovative both in design and implementation. Further they have envisioned Trustco Mobile to be a transformational power

to revolutionise the financial services sector in the Africa continent.

"Approximately 1 billion people live in Africa, of which an estimated 60% live below USD 2 per day. These low income households are particularly vulnerable to risks. Illness, death, natural disasters, damage to property, and accidents all can have devastating effects on livelihoods without a buffer to mitigate the financial impact."- International Labour Organization.

The Group strategy is to implement Trustco Mobile firstly in a new country and then to explore the market for other Trustco business applications.

#### TARGET MARKET (AFRICA)



(Source: UN Human Development Report)

This segment comprises of the micro finance lending portfolio and education. Education is represented by The Institute for Open Learning ("IOL") that performs a key role in this segment, as it serves as the engine room to power growth of the micro finance loan book. Total revenue derived from micro finance has exhibited a meaningful increase, growing by 31%. This growth was achieved whilst there was a significant drop in the average effective interest rate earned on the micro finance loan book as a result of lower prime rates. The balance of the micro finance loan book grew by 34% for the period under review. This was possible through the exceptional growth in revenue (primarily tuition fees) of 71% for IOL compared to 2009.

The average outstanding loan size as on 31 March 2010 was NAD 6 081 (2009: NAD 4 278) with an average tenor of 35 months (2009: 35 months).

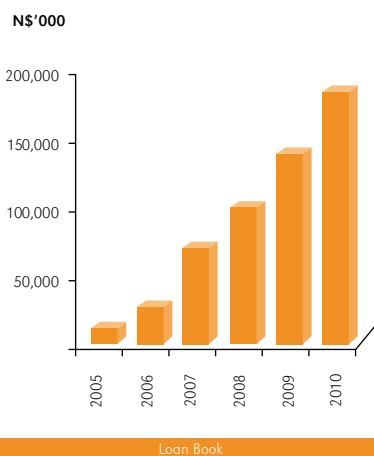
Trustco Finance offers a unique offering in the form of micro financing for educational purposes, which is aligned with the Group's strategies to foster quality education for all. The reality within the market dictates that numerous students with the desire to enhance their education and skills are unable to access the education system due to the absence of funding for tuition purposes. Trustco Finance advances a loan to the student for the upfront

Trustco Financial Services (Pty) Ltd: South Africa ("TFS") provides administration facilities for small to large brokers, systems and back office processing to corporate brokers, UMA's and insurers. TFS has four main business units:

- Trustco Intermediary Solutions (Broker division): Providing administrator and UMA facilities to intermediaries
- Trustco Corporate Solutions: Providing IT systems, services and back office processing to large corporate brokers, UMA's and insurers
- Trustco Claims Solutions: Providing claims administration including salvage and recovery management; and
- Trustco Informatix: IT systems and hosting solutions.

settlement of tuition fees to IOL or other third party services provided, with loan repayments secured by direct salary deductions. These students in turn are equipped with the skills and qualifications required, not only to enhance their own net income but particularly to plough back their knowledge and experience into their relevant communities. Founded in 2001, and acquired by the Trustco Group in 2005, IOL has positioned itself as the prime distance education establishment in Namibia.

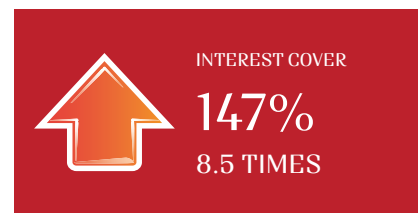
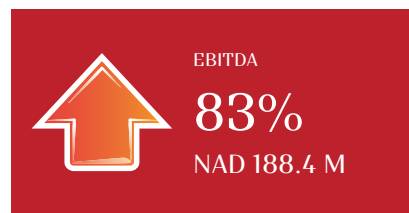
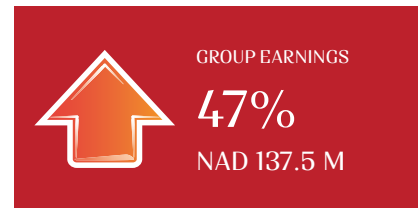
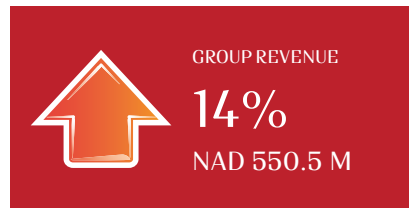
### STUDENT LOAN BOOK



## MICRO FINANCE (& EDUCATION)

## FINANCIAL SERVICES OUTSIDE NAMIBIA

TFS contributed 53.0% of Group revenue amounting to R 291.7 million and posted a net profit after tax of R 19.9 million (2% growth). The acquisition price-earn out, relating to the purchase of TFS was achieved by 31 March 2009. The Group subsequently appointed a new management team from April 2009. For the period under review, TFS administered ZAR 1.4 billion with 750 brokers registered on the books.



## PRIVATE EQUITY

### PROPERTY, DEVELOPMENT & MEDIA

#### PROPERTY

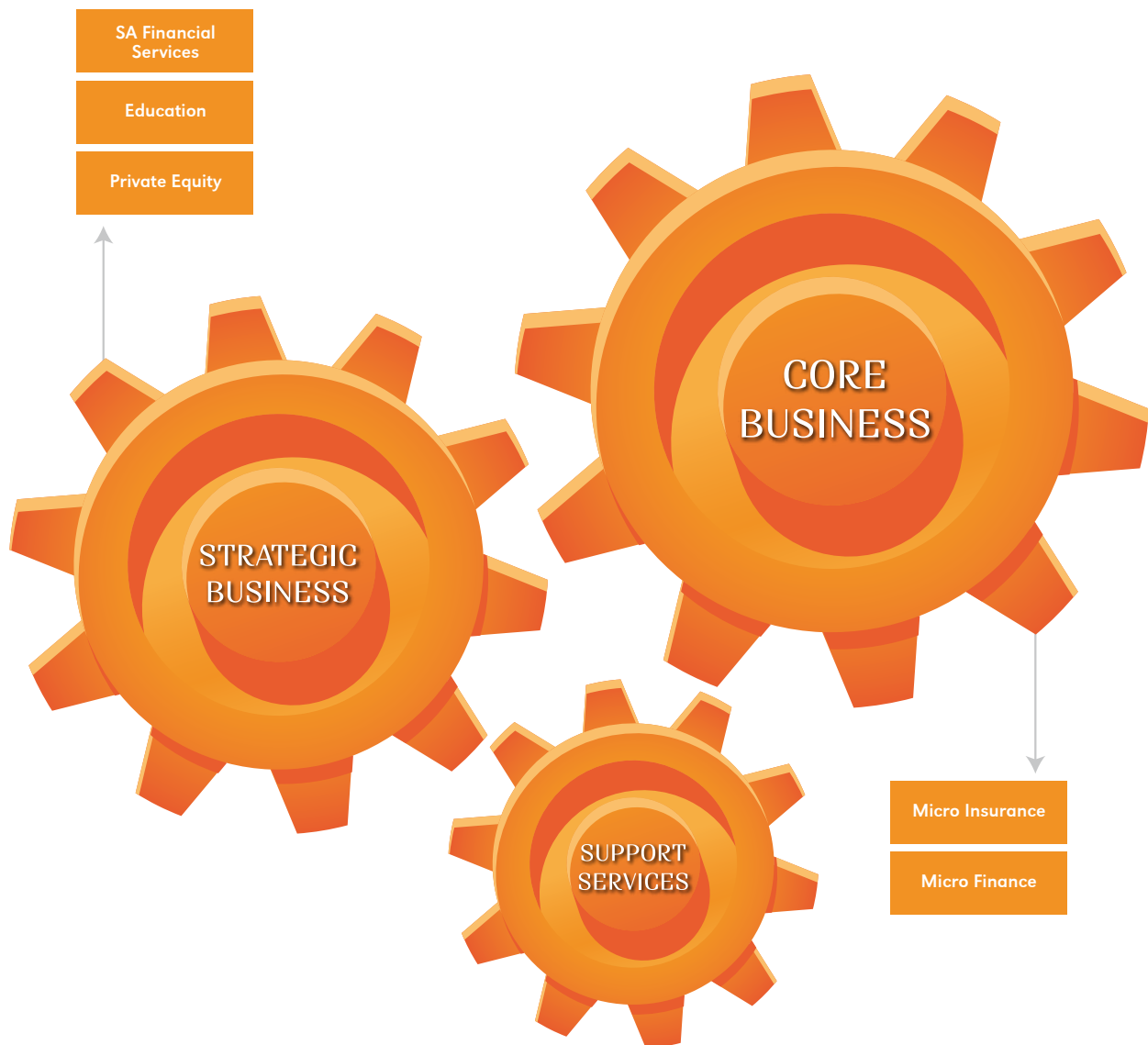
The property portfolio consists primarily of industrial, commercial and residential property situated in Namibia and South Africa with a carrying value of NAD 209.9 million (2009: NAD 102.7 million). The increase is as a result of the fair value adjustment on investment properties of N\$ 89.2 million. Management revised their decision to no longer develop the residential land but to keep it for investment purposes. Plans are underway

to provide municipal services for 70% of the available 350 hectares Lafrenz land. This project will play a key role in future earnings for this and other segments in the Group as the land in Windhoek is currently selling for N\$ 1,200 m<sup>2</sup> and cost of providing municipal services is estimated at N\$ 250 m<sup>2</sup>. Trustco will provide first mortgages for the sold erven without financing any further subsequent constructional developments.

#### OTHER STRATEGIC SUPPORT UNITS

This primarily consists of the Informante newspaper, Trustco Air Services and the head office operations.

# TRUSTCO GROUP STRUCTURE



## QUINTON VAN ROOYEN



Group Managing Director (Executive)

DOB: 16 April 1965

B. Iuris, LLB

Trustco, 2 Keller Street, Windhoek

Q. van Rooyen completed his studies part time whilst employed in the judicial department of the Government of Namibia. He obtained the position of public prosecutor before entering the private sector. After joining Trustco in

1992, he proceeded to build the Group from a humble property company to where it is today. Q. van Rooyen became managing director of the Group in 2000.

## JOHANNES JONES



Alternate director to Q. van Rooyen (Executive)

DOB: 2 August 1971

Group Exco, Media & Business Development

Trustco, 2 Keller Street, Windhoek

J. Jones has a wide range of experience in business management, ranging from operational and client management in several firms in Pretoria, to sales and marketing management (as well as co-owner) with firms in Namibia. Of particular note was his rise from IT manager for Wise Computer Solutions to his eventual buy-out

of their most successful product, Schoolwrite, a student administration system that had sole mandate for schools in the Western Cape. Since starting at Trustco in 2000, J. Jones has moved up from being IT manager, to general manager and Company director in 2003, before accepting the position of deputy Group CEO.





# VERONICA DE KLERK

Acting Chairperson (Non-executive)

DOB: 26 November 1954

Women's Action for Development

Swabou Building, 25 Schonlein Street,

Windhoek West



Veronica Cecilia de Klerk was educated at the Good Hope Training College in Cape Town, South Africa, and gained extensive experience in the Private Sector while working for an auditors firm in Namibia for 11 years as Executive Secretary. During the 1980's she worked as a television news presenter and actuality radio programme presenter with the erstwhile SWABC and NBC in Namibia and subsequently obtained a Diploma in the "Promotion of Women's Self-help programmes in developing countries", in Germany. During 1996 De Klerk was appointed the first Executive Director of the Women's Action for Development (WAD) - the most prominent non partisan, non-profitmaking women's movement in Namibia, which is widely recognised as one of the most effective NGO's in Namibia. Under her leadership, WAD trained thousands of unemployed rural people to acquire various skills, which enabled them to successfully enter the labour market, while assisting others to establish various income-generating projects, country-wide. During 2004 De Klerk was acknowledged in the publication: "Guide to Namibian Politics" as one of the 109 Namibian key-players that influences political direction in the country. During 2005 she was nominated by the Namibian media as the "Spokesperson of the Year - Public and NGO sectors"; while during the same year, she was nominated by the "French Association of Friendship and Solidarity with African Peoples" as one of 52 African women "Who make Africa Move"! During 2006, De Klerk was, together with Bishop Dr. Zephania Kameeta, nominated by the "Global Call to

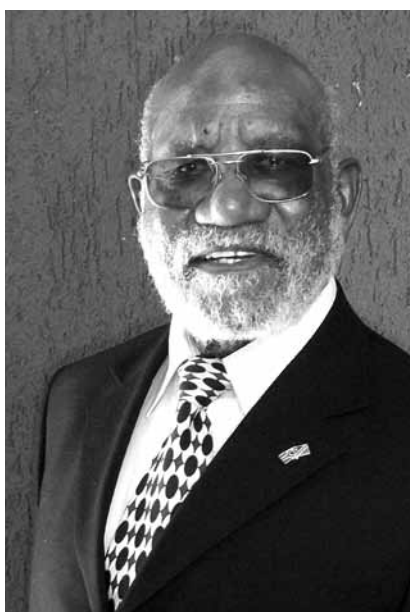
Action Against Poverty" (GCAP), as "Goodwill Ambassador" for Namibia, in honour of exemplary work performed in the reduction of poverty in Namibia. Under her leadership, WAD commissioned a two-year research project during 2006, on determining the root causes of violence against women and girls, together with the University of Namibia and the Ministry of Safety and Security and subsequently trained thousands of community members in the causes and consequences of Gender Based Violence.

She further contributed towards the publications: "Women and Custom - Cultural practices versus Gender Equality" and "Children's Rights in Namibia", in conjunction with the Law Faculty of the University of Namibia and composed the educational Anti-corruption song during 2006: "Save our Nation", after which time WAD commissioned an anti-corruption television choir competition, in which a noteworthy number of choirs competed country-wide and in which thousands of viewers participated. WAD furthermore, co-hosted, with the Anti-Corruption Commission, the educative and awareness-raising "Great Walk against Corruption" in which 2 000 people of all walks of life participated in the capital during May 2009. WAD has a membership of close to 50 000.

De Klerk serves on various directorships and has presented various papers at local and international conferences on the advancement of rural communities.



## ANDIMBA TOIVO YA TOIVO



(Non-executive)

DOB: 22 August 1924

A.H. Toivo Ya Toivo graduated as a teacher in 1950. Shortly thereafter he left for Cape Town and in 1952 he joined the railway police. In 1954 he joined the Modern Youth Society and acted as organizing secretary. In 1966 he was arrested by the South African security forces for assisting SWAPO and sentenced to 20 years imprisonment. He was released on 1 March 1984. He became a member of the Politbureau, Central Committee and Secretary General of SWAPO. In 1990 he was

appointed as Minister of Mines and Energy and in 1999 he was appointed as Minister of Labour. In 2002 he was appointed as Minister of Prisons and Correctional Services. He held the position until he retired on 21 March 2005. On 1 April 2005 he joined J&P Group Holdings as executive chairman. He resigned as chairman at J&P Holdings upon his appointment as non-executive director for Trustco.

## FLOORS ABRAHAMS



Group Financial Director (Executive)

DOB: 19 June 1975

B. Com

Trustco, 2 Keller Street, Windhoek

F.J. Abrahams completed his B.Com degree in 1996, started his articles in 1997 and completed them in 1999. During this time he participated in the audits of Trustco. In

2000 he was appointed as Group financial manager. On 1 April 2004, F.J. Abrahams became Group financial director, where he has served since.



## MONICA NASHANDI

Acting Chairperson (Non-executive)

DOB: 12 October 1959

MA Diplomatic Studies

(Westminster University UK: 2002),

Diploma in Youth and Development

(University of Zambia: 1983)

Ministry of Foreign Affairs, Government Offices,

Robert Mugabe Avenue, Windhoek



M. Nashandi is a veteran diplomat with over 20 years experience in the diplomatic affairs. Prior to the independence she worked at the United Nations Headquarters in New York. After independence she worked at the Ministry of Foreign Affairs as Deputy Chief of Protocol, Head of Department of Political and Economic Affairs and Head of the Department of Multilateral Affairs. From

1995 to 1999 she served as Ambassador to Sweden, Finland, Denmark, Norway and Iceland. From 1999 to 2004 she served as High Commissioner to the United Kingdom of Great Britain and Northern Ireland and Ambassador of the Republic of Ireland. She also worked as Deputy Executive Director in the Office of the President from 2005 to 2009.

## GORDEN WALTERS

CEO: Trustco Group International

(SA) (Executive)

DOB: 16 June 1969

B. Com (Honours), B. Compt,

Trustco, 2 Keller Street, Windhoek



G.R.I. Walters has over 17 years of finance, accounting and business development experience. He started his work as a trainee accountant with NamDeb in 1990. He served his articles with Ernst & Young and was general manager of group finance at NamPower from 2002 until July 2006. In August 2006 he was appointed as the chief

financial officer (Africa) for TMP in which he procured the funding for the second GSM mobile operator in Namibia, CellOne. He joined Trustco as a non-executive director in June 2007 and then as an executive director in September 2007. He is a certified public accountant and has attended the EMBA at the University of Cape Town.



EXECUTIVE  
COMMITTEE



QUINTON  
VAN ROOYEN



JOHANNES  
JONES



FLOORS  
ABRAHAMS



JANENE  
VAN DEN HEEVER



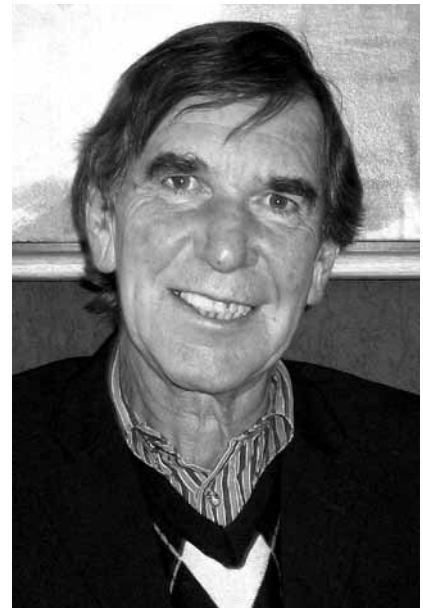
NEVILLE  
BASSON



CORNE  
POWELL



KOBUS  
MILLER



EXECUTIVE  
COMMITTEE

