

# Trustco Group Holdings Ltd

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**(TTO)**

GCR Namibian Dollar Rating:  
Long Term Rating: BBB- (Na)  
Short Term Rating: A3 (Na)  
Outlook: Stable



**2010**

80 Million in IFC Funding Secured for micro-loan book

Microinsurance for Namibian Mobile clients launched

Monetization of Land Bank started

**2012**

165 Million Line of Credit Secured for microloan book (AfDB/DEG/Proparco)

R1 Billion JSE listed corporate bond issue approved

Microinsurance expanded to South Africa

**2013**  
**Expansion Into Africa**

839 Employees

**2005**

Microfinance operations (Namibia) acquired

**2007**

Trustco expands into South Africa

**2011**

Microinsurance expanded to include retail clients

**2009**

Trustco Lists on JSE

Trustco Life becomes the largest life insurer in Namibia

**2006**

Trustco Lists on the NSX

**2000**







Trustco is granted its first insurance license: Micro insurance operations commence

**1992**

Trustco Group Founded

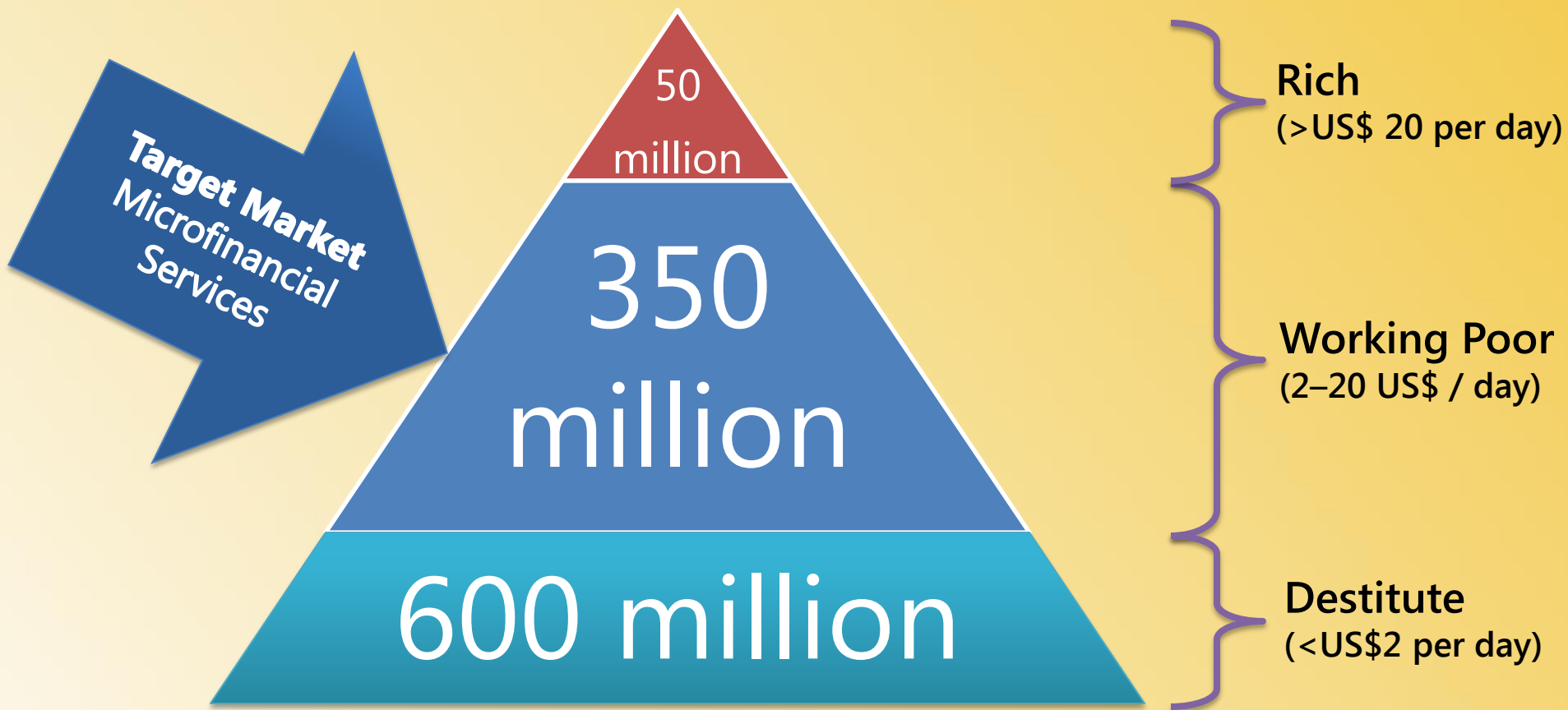
**How we got here**

# Segment Summary

Trustco Group Holdings	Microfinancial Services	Micro Finance & Education		Trustco Finance provides Educational Loans to students, giving access to education not otherwise available. IOL (Trustco's education institute) provides accredited academic and skilled courses.
		Micro Insurance	 	Short term, Life & Funeral insurance, including the innovative Trustco Mobile project (i.e. Mobile Operators & Retailers)
	Group Support	Land Bank		Trustco's "Land Bank"; a portfolio of developed investment property and undeveloped land which is to be monetized in phases
		Head Office Services	 	Human Resources, Media, Marketing, Fleet Management, Security Services, Internal Audit, Group Legal, Risk & Compliance, Group Finance, IT







Source: AfDB Briefing Note: Income Inequality in Africa (2012)

***“Only 5% to 6% of Africa's  
over 800 Million people have insurance”  
Vijay Kalavakonda (World Bank, Mar 2009)***



# Target Market



**Employed  
Population:  
878 000**

**Paying  
Clients:  
58%**

**Employed  
Population:  
13 180 000**

**Potential  
Clients**

**Paying Clients: 0.1%**



**Market Penetration**



## Strengths

- 21 years of Operational History
- Listed on Best Governed Stock Exchange in the World (JSE)
- Innovative Management Culture

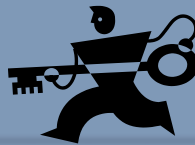
## Weaknesses



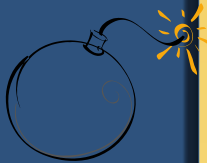
- Growth restricted by sluggish Capital Availability
- Skills Limitation due to rapid expansion

## Opportunities

- Massive Underserved Market in Africa
- Easy rollout of business model for expansion



## Threats



- Potential of IP infringement
- African Skills Shortage



**SWOT analysis**

# Strategy

**Trustco's Strategy** is to

**Focus on Micro Financial Services**

whilst

**Creating Sustainable Wealth**

by

**Expanding into Africa**





## TGH Board



### Board Subcommittees



## Group Exco

Group MD  
Country CEO's  
Group Legal, Risk & Compliance  
Group FD  
Group Corporate Affairs  
Group Corporate Communications

## Country Exco Members:

Country CEO  
Country CFO  
Country Legal, Risk & Compliance



### Group Support



### In-Country Sales, Support & Ops



# Governance Structure



# Corporate governance

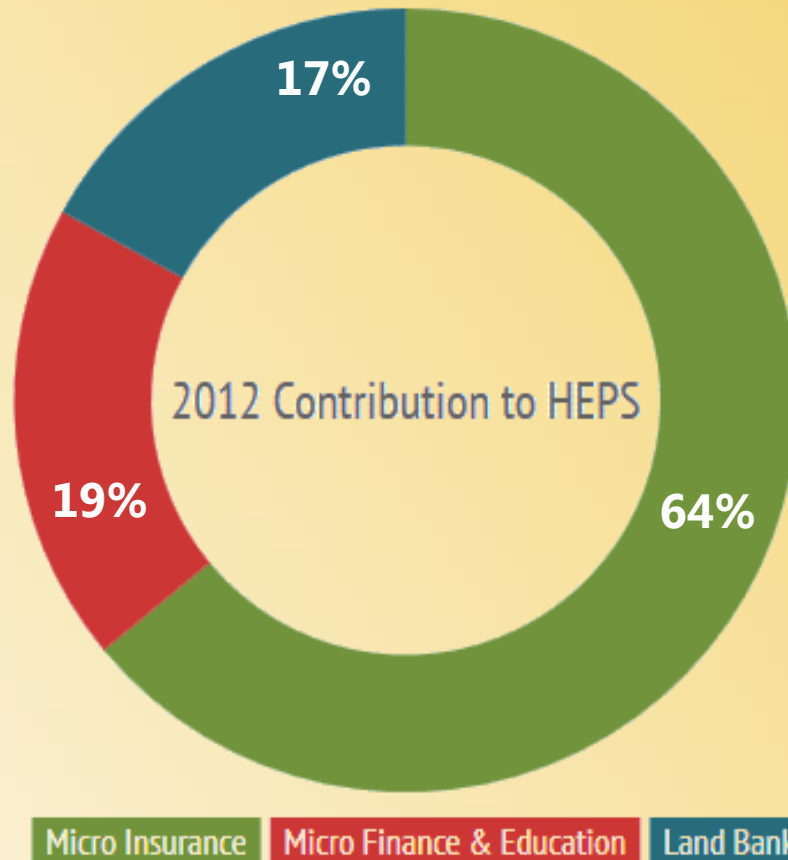
## King code on Corporate Governance - III

Now a JSE requirement for all listed entities to adopt

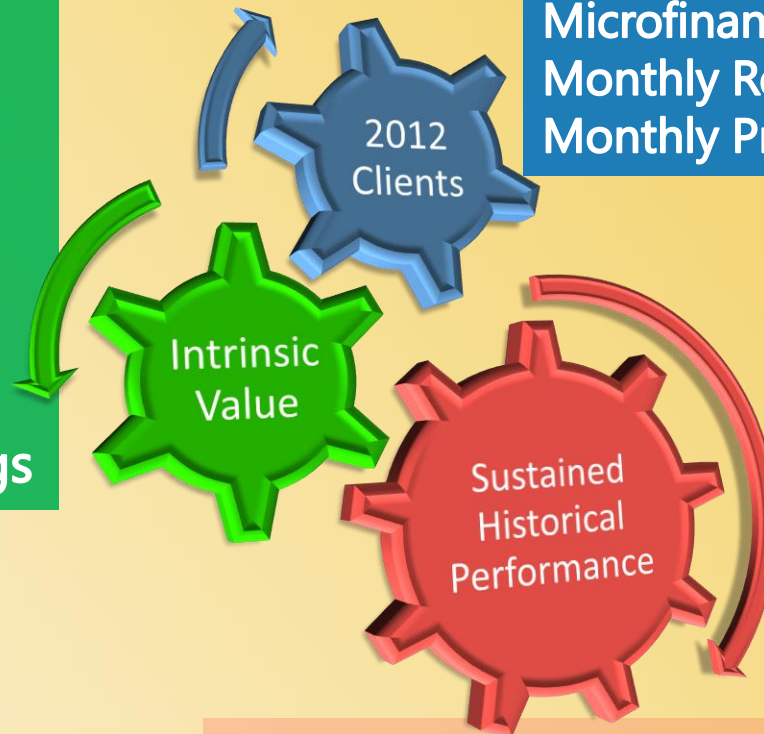
- ✓ Board composition
- ✓ Appointment and assessment of directors
- ✓ Remuneration and Audit committees
- ✓ Risk management
- ✓ IT governance
- ✓ Compliance
- ✓ Internal audit function
- ✓ Stakeholder management
- ✓ Integrated reporting



# Segment Contribution to Group



- Stock liquidity at 36% for the 2012/13 Financial Year
- Trailing PE Ratio: 5.6
- Annual Dividend Paid Since Listing
- Predictable and Consistent Core Earnings



## 2012

Microfinancial Clients: 509 210  
 Monthly Revenue/Client: \$13  
 Monthly Profit/Client: \$4

5 Yr Average ROE:	29%
5 Yr Average Revenue Growth:	32%
5 Yr Average HL Earnings Growth:	46%
5 Yr Average Book Value Growth:	48%



# Market data

	2006	2007	2008	2009	2010	2011	2012	2013
	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Unaudited
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	Interim
								USD'000s
Revenue	20 836	27 528	39 969	54 883	70 540	81 833	96 116	36 308
Cost of sales	(9 416)	(10 333)	(19 660)	(31 668)	(38 291)	(36 962)	(43 169)	(15 873)
Gross profit	11 420	17 196	20 309	23 215	32 248	44 870	52 947	20 435
Administration expenses	(8 326)	(13 384)	(15 427)	(17 421)	(24 291)	(32 585)	(30 249)	(12 881)
Investment & Other Income	2 057	4 105	8 738	4 616	15 365	22 021	17 037	316
Finance costs	(1 010)	(3 528)	(5 378)	(2 874)	(2 626)	(3 086)	(4 055)	(1 596)
Profit before taxation	4 140	4 389	8 243	7 536	20 696	31 220	35 680	6 274
Taxation	(508)	99	2 726	3 042	979	(1 734)	(3 365)	(110)
Profit for the year	3 632	4 487	10 969	10 577	21 675	29 486	32 316	6 164

## Summarized Income Statement





	2006	2007	2008	2009	2010	2011	2012	2013
	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Unaudited
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	Interim
								USD'000s
Non-current assets	22 719	48 861	53 598	54 251	91 352	118 645	128 653	122 553
Current assets	9 002	14 877	24 971	24 596	33 669	60 304	69 329	64 347
<b>Total Assets</b>	<b>31 721</b>	<b>63 738</b>	<b>78 569</b>	<b>78 848</b>	<b>125 021</b>	<b>178 949</b>	<b>197 982</b>	<b>186 900</b>
Capital & reserves	10 997	18 696	32 226	38 319	70 192	107 278	118 952	118 667
Non-current liabilities	12 088	33 364	21 096	17 039	21 521	27 474	33 085	33 505
Current liabilities	8 636	11 678	25 247	23 490	33 309	44 197	45 945	34 728
<b>Total Equity &amp; Liabilities</b>	<b>31 721</b>	<b>63 738</b>	<b>78 569</b>	<b>78 848</b>	<b>125 021</b>	<b>178 949</b>	<b>197 982</b>	<b>186 900</b>



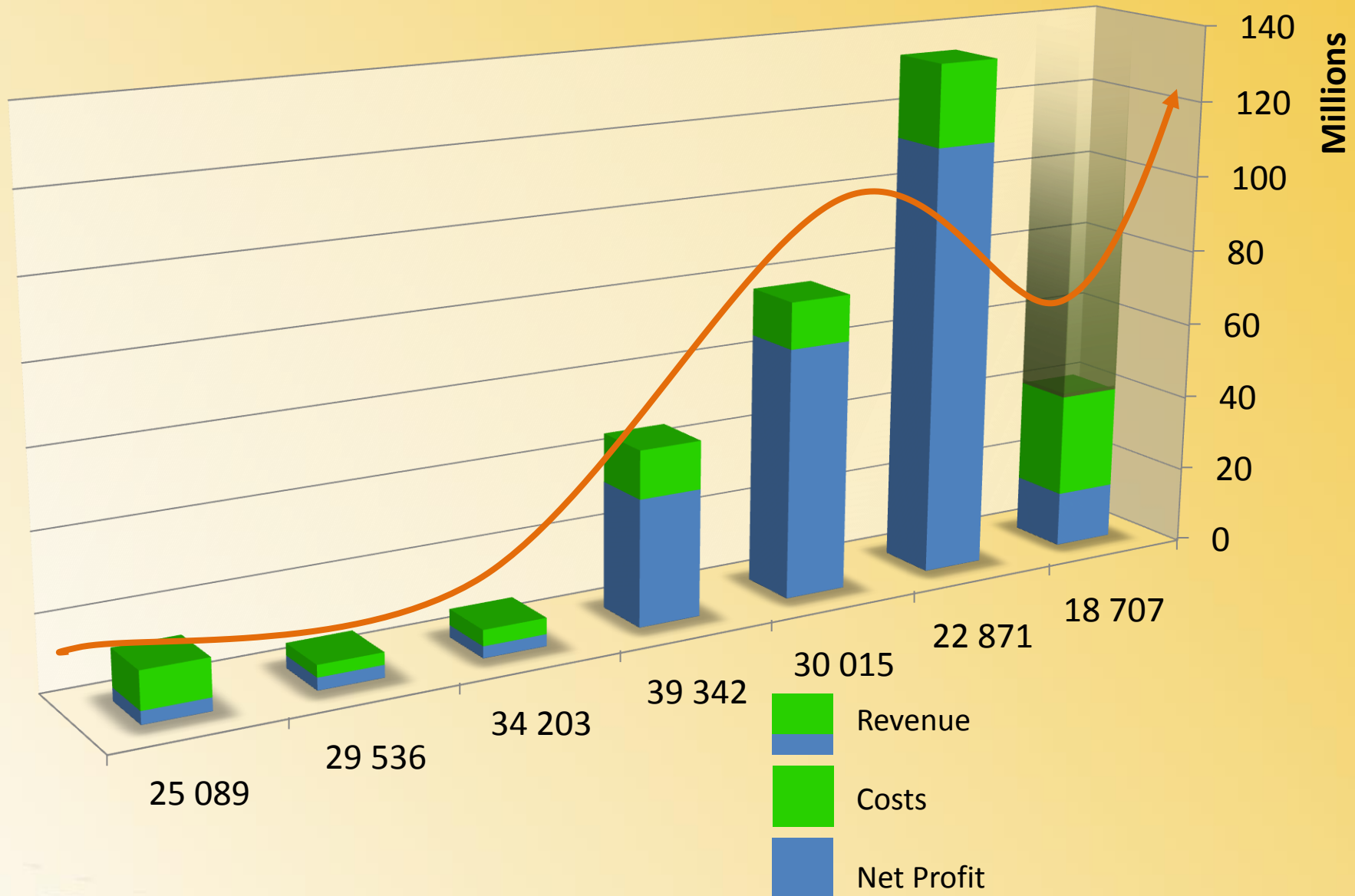
## Summarized Balance Sheet



# Micro Insurance



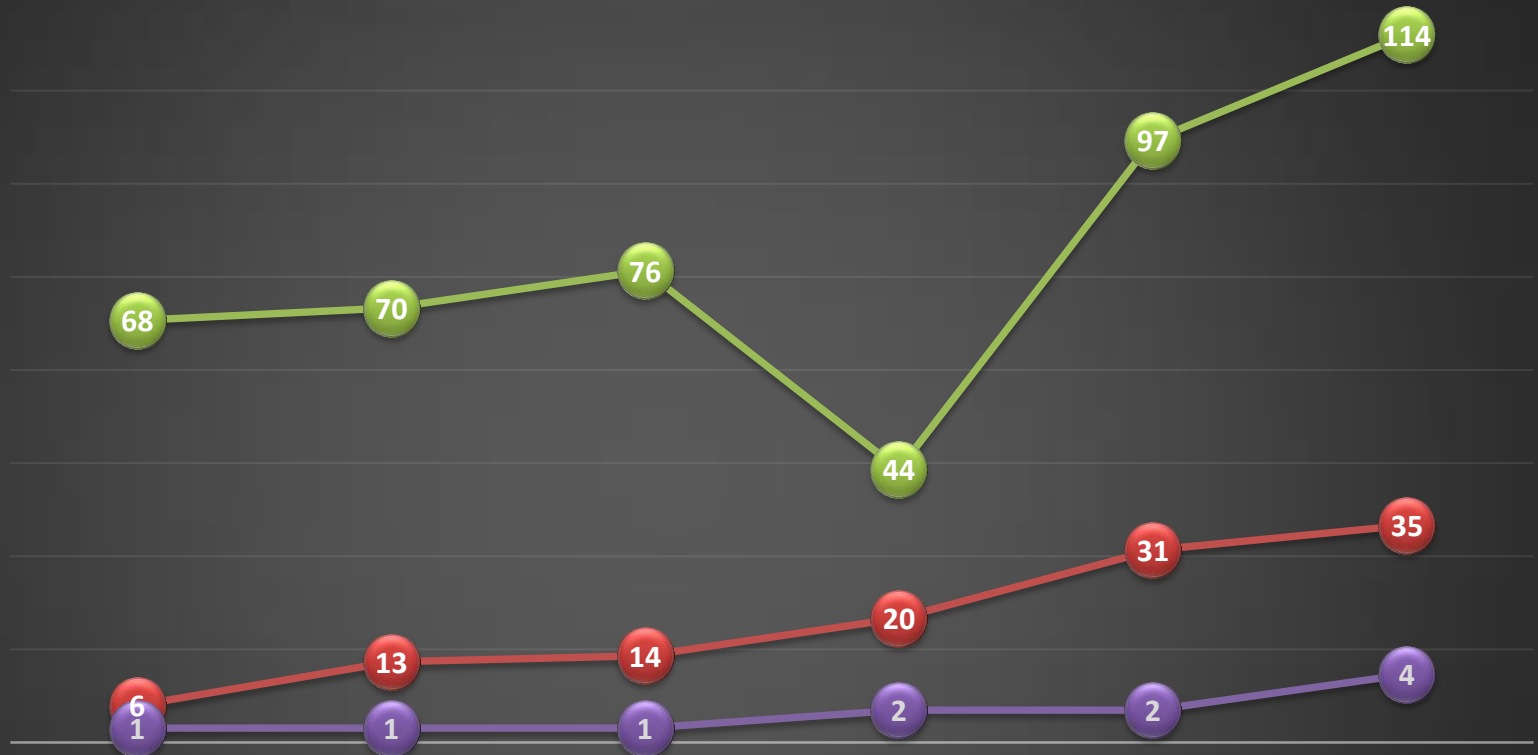
# Microfinance & Education



# Land Bank



## Per Share Data (c)

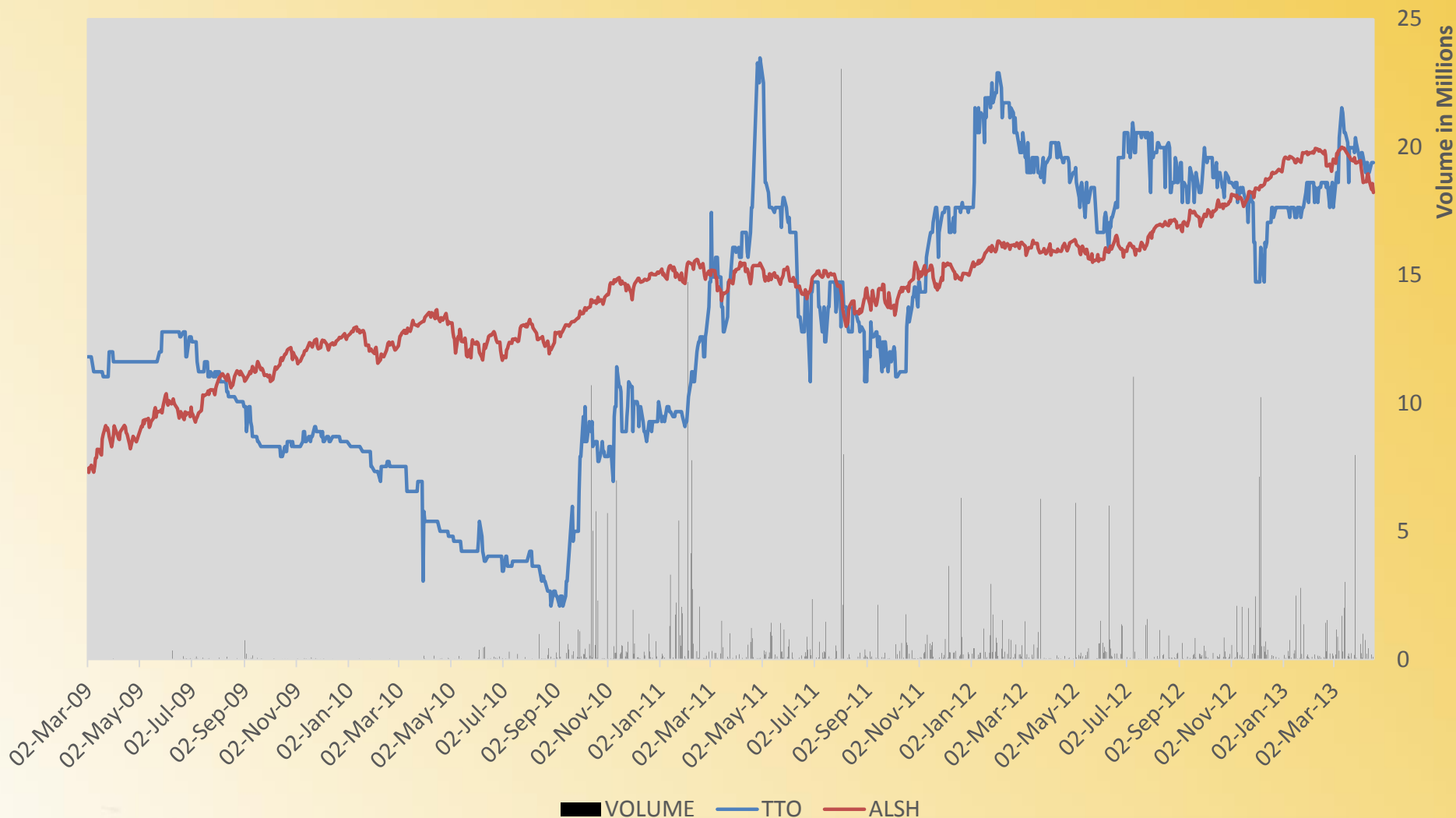


	2007	2008	2009	2010	2011	2012
EPS	6	13	14	20	31	35
Price	68	70	76	44	97	114
Dividend	1	1	1	2	2	4



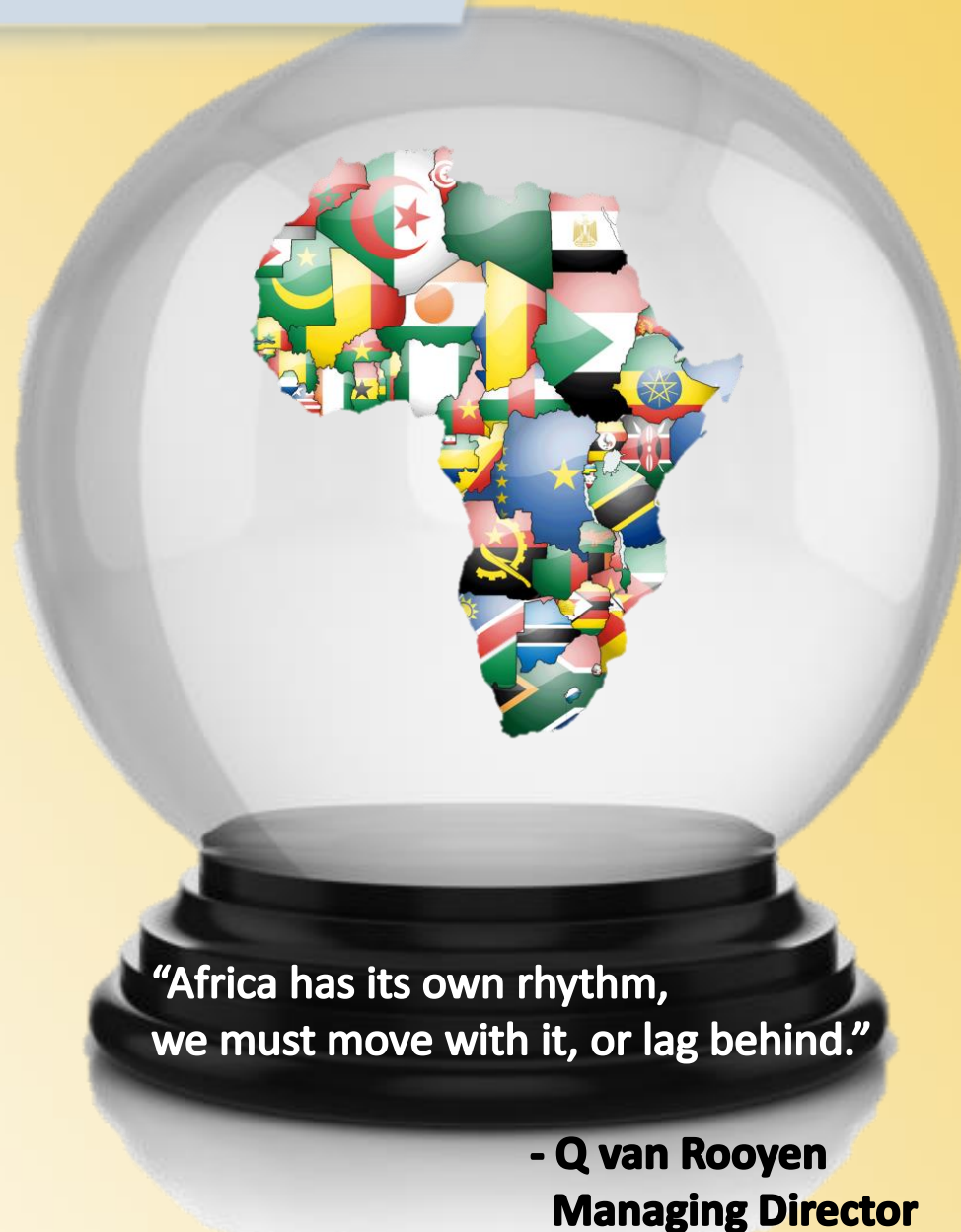
## Market performance

## TTO vs JSE All Share



## Performance vs Market

# Next For Trustco?



**“Africa has its own rhythm,  
we must move with it, or lag behind.”**

**- Q van Rooyen  
Managing Director**



# Investor relations contact details

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