



NEWS RELEASE

Trustco Group Holdings Limited
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TRUSTCO PURCHASES FIDES BANK NAMIBIA LIMITED

Trustco has concluded a transaction to acquire 100% of FIDES Bank Namibia Limited, one of six licensed banks in Namibia.

FIDES Bank Namibia has its headquarters in Ongwediva, Northern Namibia, and owns five branches in Namibia including one in Windhoek. The Bank's loan portfolio currently consists of over 14,000 borrowers ranging from individuals to small businesses. FIDES's savings portfolio also includes the deposits of 40,000 individuals.

Over the short-to-medium term Trustco intends to grow the Bank's footprint and its client base, whilst continuing to target traditionally unbanked groups and individuals. Key to the expansion strategy will be the use of technology, something that Trustco is renowned for. The use of these mobile banking and alternative service channels combined with traditional infrastructure will be central to the new strategy. Furthermore, Trustco Group plans to enhance the Bank's product offering and diversify its geographical points of presence.

Client growth will be achieved by a strategy of leveraging the cross selling of banking products to Trustco's considerable existing Namibian client base. Existing and future banking clients can now look forward to being part of exciting and beneficial products in the near future.

Trustco plans to continue with the "financial inclusion" franchise model which is in line with the Government of Namibia's Financial Sector Strategy. The inclusion model will facilitate greater access to previously excluded groups, individuals and businesses. The Bank will formally apply to the Bank of Namibia to change its name to 'Trustco Bank Namibia' in due course.



TRUSTCO GROUP HOLDINGS LIMITED

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Directors: Adv. R. Heathcote (Chairman) (Non Executive), Mr. Q. van Rooyen (Managing Director), Mr. F. Abrahams (Executive), Mr. R. McDougall (Financial Director)*, Mrs. V. de Klerk (Non Executive), Mr. W. Geysler (Non Executive), Mr. R. J. Taljaard (Non Executive), Mr. J. Mahlangu (Non Executive)*, Mr. D. J. Steyn (Company Secretary)* (South African)*

SME lending will continue to be a priority for the Bank with the goal to nurture and to support local entrepreneurs. To service this segment, non-traditional approaches will be adopted. Advisory services and bridging finance products will be some of the core product offerings available to SMEs.

This acquisition is a natural progression of Trustco's business model. The Bank offers the best strategic fit and an opportunity to compliment the already successful student lending, mortgage lending and insurance businesses of Trustco. By leveraging the current student lending business and properties in the real estate portfolio, the Bank will facilitate a wide range of financing options.

Strong focus will be on offering financial assistance to Namibian Entrepreneurs. Trustco believes that the best strategy to effectively reduce unemployment in Namibia, is to assist bona fide entrepreneurs to create sustainable profitable businesses.

Trustco plans to raise additional capital in the market through a combination of debt and equity to improve the bank's balance sheet and to ensure that the Bank is well capitalised. To achieve a broad-based funding book, the aim is to achieve an optimal mix of retail, wholesale, onshore and offshore funding.

Chairman of the Trustco Group Holdings Ltd Board, Adv. Raymond Heathcote, SC, said the transaction is subject to various approvals including the Bank of Namibia and the Namibian Competition Commission. "I am extremely excited about this acquisition and believe shareholders of Trustco and the Namibian population at large will benefit greatly. It is part of Trustco's strategy to align its business models with the needs of the people and to ensure inclusivity. Banks are instruments of the government's monetary strategy and plays a vital role in the development of Namibia and its people," Heathcote said.

Quinton van Rooyen, the Group Managing Director of the Trustco Group, expressed his excitement in being part of the financial inclusive agenda and promised that access will be expanded as Trustco will leverage its track record of innovation to further promote entrepreneurship in Namibia. "Co-operation with the other five players in the market will be sought, in order to promote the concept of 'Namibian capital to Namibians first,'" van Rooyen said.

For further information please contact:

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