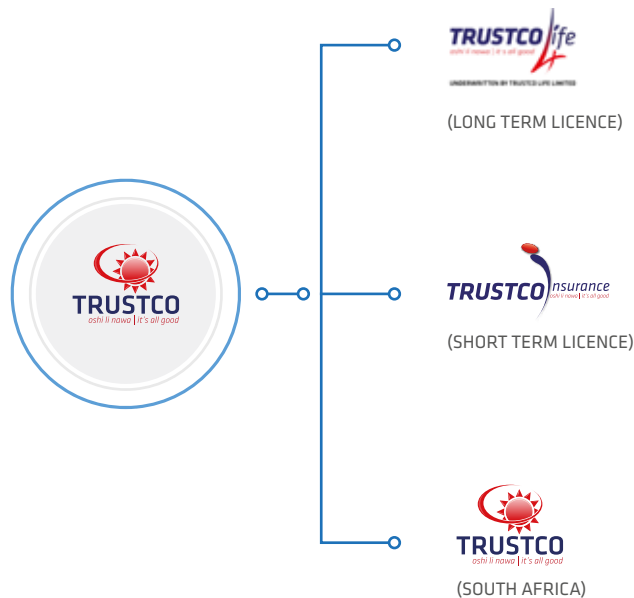




INSURANCE



NAMIBIA

Since its inception in 2000 the short term insurer of the insurance segment continues to be the leader in providing legal insurance to a very large portion of the middle to low income groups in Namibia. This feat has been accomplished by unique brand awareness campaigns over the years, such as the well known “Rather Have It” campaign.

HIGHLIGHTS

The highlights of this reporting period resulted from a team effort by the employees and management who strategised extensively to determine how product offerings can be

optimised to meet customer needs. The first ideas were not always the best ideas, but the final ideas resulted in the following highlights;

The successful launch of the “Next Generation” Legal Shield product which offers quality legal insurance to customers, with added benefits that suit the individual customer’s insurance needs. Add-on benefits are underwritten by Trustco Life, the long term insurance company of the segment, and include funeral benefits, dread disease cover, health insurance and income protection cover.

The most innovative benefit option on the Trustco 4 Life Plus, a whole life product, available since June 2016, being that a customer may claim all premium contributions back after 15 claim free years. A first in Namibia!

SOCIAL RESPONSIBILITY

As a financial services provider, it is also the duty of the segment to educate and promote the financial wellbeing of its customers. Not only are affordable insurance products offered to customers, but now they also have the opportunity to save on a monthly basis. Existing customers can save from as little as NAD 100 per month, for a period of 5 (five) years, and in the process earn an astounding 10.5% interest per annum. This is an unprecedented rate of return for investments of this nature. This interest rate is made possible through strategic investments in other segments within the group. At financial yearend, an excess of 1 000 savings policies were issued with an average savings amount of NAD 250 per month.

FUTURE

Looking into the future, both short and long term insurers will continue to develop and enhance insurance products to suit the needs and pocket of the man on the street. The segment’s underwriting expertise and the fact that it holds both short and long term licences ensure that risks in other segments within the group are covered. It also provides for opportunities to increase revenue within the group and strengthen the symbiotic relationships between these segments.

PRODUCT OFFERINGS

TRUSTCO INSURANCE PRODUCTS



Next Generation Legal Shield Policy

A short term insurance policy which covers the main member (single option) and family (family option) against legal fees relating to criminal, civil, labour, matrimonial and administrative matters up to NAD 300 000 per case. Conveyancing costs of residential property are also covered on the family option. A free funeral benefit is also included for the main member and spouse

Business Shield Policy

A short term insurance policy that covers a business against legal costs incurred due to labour related matters. A free funeral benefit is also included for every employee



BUSINESS *Shield*

Credit insurance on student loans granted by Trustco Finance which provides cover against abscondment

BENEFITS UNDERWRITTEN BY TRUSTCO LIFE

Hospital benefit

Hospital cover which pays out NAD 1 250 per adult and NAD 750 per child per day in the event of hospitalisation for 7 (seven) days or longer

Income protector benefit

Insures the main member and spouse against the loss of salary income due to illness

Dread disease benefit

A lump sum payment of NAD 50 000 if the insured is diagnosed with any of the following serious illnesses; heart attack, stroke, cancer, paraplegia, kidney failure, total blindness, organ transplant or motor neuron disease

TRUSTCO LIFE PRODUCTS



FUNERAL *Shield*

Funeral Shield Policy (single option)

Cover against the cost of a funeral. Single and family options are available, including or excluding HIV cover. Under the family option the main member, spouse and up to 5 (five) children will enjoy cover, as well as one extended family member can also be added to the policy. The main member and spouse are covered for NAD 30 000 while children and extended family members are covered for NAD 15 000. Cover is doubled in the event that the cause of death was an accident

KMC POLICY

An insurance product that covers the costs of medical consultations in the event that the insured does not have a personal medical aid. The product offers members access to 15 private doctor's consultations and the costs of acute medicine. A free funeral benefit is also included for all members



YAMBU LIFE POLICY

A term life product with an option to add dread disease and disability cover



TRUSTCO 4 LIFE PLUS POLICY

A whole life product with various premium and benefit options. Dread disease and disability cover are optional. An option for the insured to get all premiums back after 15 (fifteen) claim free years



Credit Life Protection

Cover against death, disability and retrenchment on student loans granted by Trustco Finance

Investment / Savings Policy

A 5 (five) year term investment policy

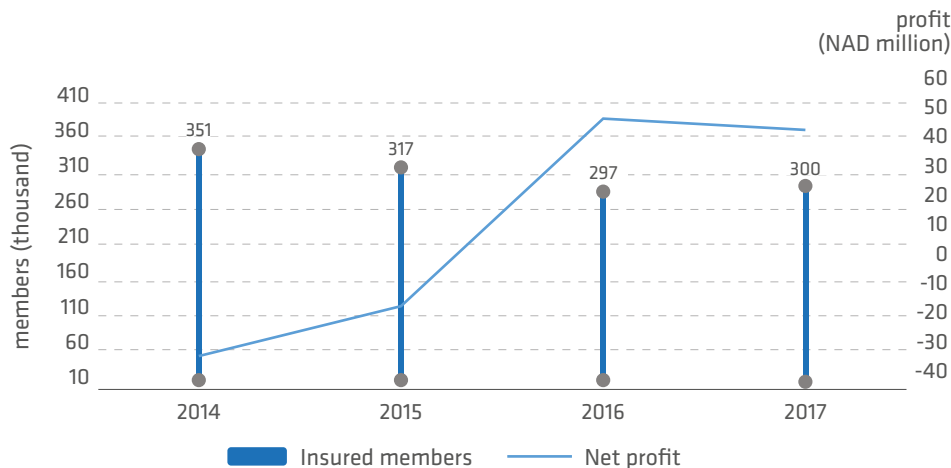


SOUTH AFRICA

The South African entities predominantly operate as registered financial services providers, offering comprehensive intermediary services to customers benefitting from its own unique bouquet of insurance products through binder arrangements with registered insurers. Short term insurance policies are marketed and administered within a cell captive held at Guardrisk Insurance Company Limited and long term insurance policies are underwritten by Constantia Life and Health Assurance Company Limited. Expected new legislative changes in South Africa, especially in relation to insurance and commission structures, will present new opportunities for expansion of the Trustco brand in the South African market. Enhanced regulatory oversight within the financial services sector reduces competition. Although the South African insurance market is highly competitive, insurance products were created under the Yambu brand that cater for specific customer needs within defined parameters, previously not optimally explored by competitors. This offers the crisp opportunity of presenting unique and affordable insurance products and to capitalise on growth within the middle to lower income customer market.

Ultimately the insurance segment aims to create sustainable value from the product range offering. By ensuring that the product offering remains affordable, yet provides excellent value and the human capital provides exceptional service, the objective is attainable.

FOUR YEAR FINANCIAL COMPARATIVES COMBINED SEGMENT



A decrease was seen in the number of insured members during 2015 as a result of a more efficient and condensed product offering.

COMBINED SEGMENT RATIO

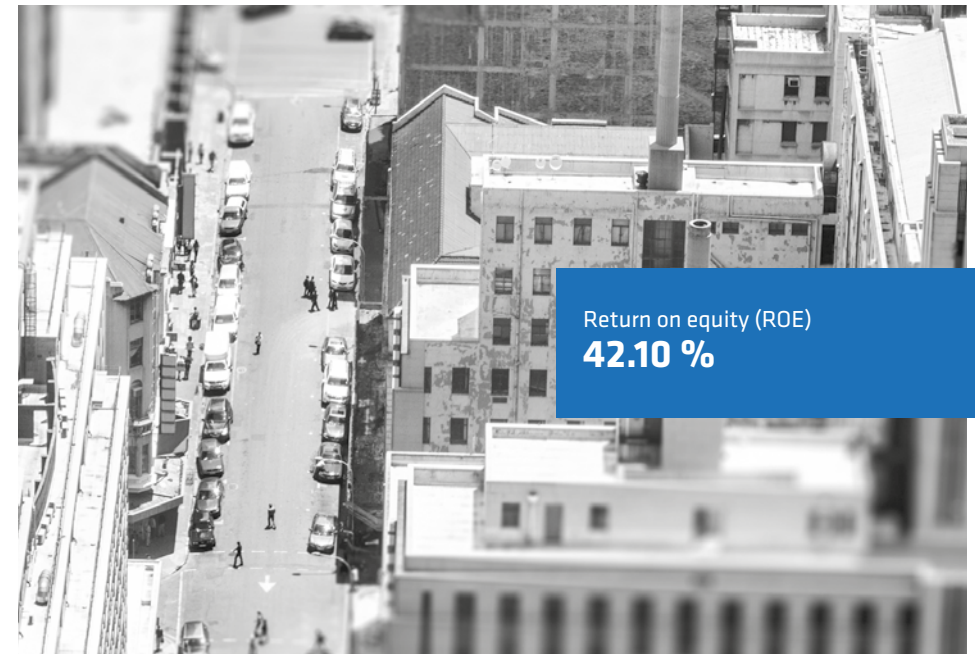
(Total expenses plus claims divided by net premium)

73.20 %

Continuous consideration is given to the development of further products, and when opportune, further initiatives will be executed in capturing increased market share. In line with the group strategy, the entrepreneurial approach of the South African business is aimed at the creation of wealth for all stakeholders, ranging from customers to shareholders. This is the very reason why the Yambu brand and product range have been developed, to enhance the wellness of customers. With the coverage of business risks faced by employers, both the employer and employee benefit.

Opportunity only graces the prepared mind. Customers who were previously neglected, or where the market failed to heed customer’s demands, are the focus areas of the segment to meeting those needs.

The unique approach in veering off the beaten track offers endless opportunities for its business. It remains imperative to stay fully compliant with all regulatory requirements and to ensure customer confidence.



Johannesburg, South Africa

Return on equity (ROE)
42.10 %