

## TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia

(Registration number 2003/058)

NSX share code: TUC

JSE share code: TTO

ISIN Number: NA000A0RF067

("Trustco" or "the Group")

### UPDATE FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015

The board of directors of Trustco is pleased to update shareholders in respect of the financial quarter ended 31 December 2015.

Total group revenue for the 9 months ended 31 December 2015 was NAD750 million (2014: NAD612 million) representing an increase of 22.5% from the prior comparative period.

Total headline earnings for the 9 months ended 31 December 2015 was NAD155.5 million (2014: NAD125.3 million) representing growth of 24.1% from the prior comparative period.

Total net profit after tax for the 9 months ended 31 December 2015 was NAD155.3 million (2014: NAD146.6 million) representing growth of 5.9% from the prior comparative period.

The above resulted in headline earnings per share ("HEPS") of 20.64 cents and basic earnings per share ("EPS") of 20.61 cents for the 9 months to 31 December 2015. The comparative 9 month period in the 2015 financial year generated HEPS of 17.99 cents and EPS of 21.06 cents.

#### Segmental commentary

##### Insurance segment

The group's core insurance business contributed 4.2 cents per share to EPS for the 9 months to 31 December 2015, which represents a 475.3% increase on the prior comparative period (2014: 0.73 cents per share). The increase is attributed to growth in the Namibian insurance revenues, as well as the reduction in operating costs in the South African insurance operations.

The group adopts an active investment strategy which involves strategic management of various insurance investment subsidiaries in areas including education, air charter, media, and properties. During the 9 months ended 31 December 2015, revenue derived from property sales grew by 10% to NAD311 million compared to the prior comparative period. The investment portfolio in the Insurance segment contributed 8.19 cents per share to EPS for the period (2014: 12.65 cents per share). The decrease in the profitability of the investments portfolio is attributable to a NAD25 million reduction in fair value gains recognised on investment properties compared to the prior comparative period.

##### Banking and finance segment

The banking segment in Namibia contributed 8.22 cents per share to EPS for the period which represents 7% growth on the prior comparative period (2014: 7.68 cents per share).

Total gross advances as at 31 December 2015 was NAD908 million compared to NAD839 million as at 31 December 2014, a growth of 8.2%.

As at 31 December 2015, the total regulatory capital adequacy ratio of Trustco Bank Namibia Ltd was 53.85% (Tier 1 ratio of 53.02%).

##### Resources segment

At the time of publishing this update, Trustco's acquisition of Huso Investments (Pty) Ltd had not been fully concluded and therefore the financial results of the acquiree have not been consolidated into the group's quarter end performance.

## Outlook and Prospects

The group's results show resilience in the face of recent emerging markets turmoil. This can be partly attributed to the fact that the Namibian economy has remained resilient to this negative sentiment. The Namibian central bank continues to forecast Namibian GDP growth in 2016 of 4.3%, attributing some of this anticipated growth to arise from a robust mining sector, amongst other factors.

Trustco continues to operate a diversified business model which has fared well in the recent past showing growth in its core financial services segments and solid returns in its investments portfolio.

At the time of reporting, one Namibian Dollar ("NAD") was equivalent to one South African Rand ("ZAR").

The financial information on which this quarterly update is based has not been reviewed or reported on by the Group's auditors.

Sandra Miller  
Company Secretary  
1 February 2016

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