Trustco Group Holdings
FY15 Initial Impression

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (N$mn)</td>
<td>713.3</td>
<td>595.2</td>
<td>843.6</td>
<td>1,017</td>
<td>1,030</td>
</tr>
<tr>
<td>Profit/ (Loss) (N$mn)</td>
<td>206.7</td>
<td>39.4</td>
<td>252.7</td>
<td>303.2</td>
<td>427.7</td>
</tr>
<tr>
<td>HEPS (c)</td>
<td>20.27</td>
<td>4.65</td>
<td>18.80</td>
<td>39.6</td>
<td>22.75</td>
</tr>
<tr>
<td>P/E (x)</td>
<td>14.88</td>
<td>83.18</td>
<td>13.40</td>
<td>10.32</td>
<td>6.78</td>
</tr>
<tr>
<td>DPS (c)</td>
<td>3.75</td>
<td>4.15</td>
<td>2.00</td>
<td>5.75</td>
<td>2.00</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>15.8</td>
<td>2.3</td>
<td>13.6</td>
<td>15.8</td>
<td>3.3</td>
</tr>
</tbody>
</table>

Source: BWK, IJG

FY15 Results
Trustco (TUC) released results for the year ended 31 March 2015. The interim results reflect a strong operational performance with profit for the period up 20% y/y, which is combination of an increase in revenue together with profit margins opening up. Basic EPS rose 30% y/y to 43.6c and HEPS increased 111% y/y to 39.6c. The board declared a final dividend of 4cps, taking the total dividends for FY15 to 7.00c per share, up from 4.75c paid in FY14.

Operational and Segmental Highlights
Trustco’s current operations are broadly categorised in four main segments, namely: insurance & investments, banking & finance, resources and emerging markets.

Banking & Finance
After the acquisition of Fides the banking operations now run a portfolio of lending assets and deposits across five branches in Namibia. Trustco managed to increase revenue for the banking division by 59.3% to N$173.1m in FY15, while net profit after tax is up 11.7% to N$52.5m. Total advances stood at N$806.9m by the end of FY15, up 15.3% from the previous year, predominantly due to the increased demand for student loans, but also an increase in secured lending.

Insurance & Investments
Total revenue from this category increased 19.9% to N$828.8m, while profit for year was up 4.0%, to N$354.1m. This division benefited from substantial gains in its investment portfolio. During the year the group acquired investment property at a cost of N$13.3m. The property portfolio as a whole saw a revaluation gain of N$103.2m.

Emerging Markets
Performance from the rest of the African operations remained a drag on revenue growth, with revenue in this category down 65.4% to N$15.2m. However, the loss after tax decreased to N$103.4m from N$134.9m last year. The South African insurance business closed branches marketing a free term life product linked to cellphone spending and certain insurance products during the financial year under review, in order to realign the products towards more technology-based solutions. According to the annual report, the closure of the branches has had the effect of a substantial reduction in costs and a minimal reduction in sales, resulting in South African operations reaching a cash break-even point on a month-to-month basis.

Resources
Trustco has entered into an option agreement with Quinton van Rooyen, which gives Trustco the option to buy Huso Investments. Huso is the holding company of Northern Namibian Development Company (Pty) Ltd, a diamond mining and exploration entity in Namibia, and Morse investments (Pty) Ltd, a licensed diamond processing and polishing factory in Namibia. Huso is owned by the van Rooyen family who are also the majority shareholders of Trustco.

It appears that the option agreement provides minority shareholders of Trustco with the opportunity to decide whether or not to proceed with the proposed transaction. The exercise of the option by the Company is subject to the conclusion of a share purchase agreement between the parties and Trustco obtaining sufficient irrevocable undertakings to vote in favour of the transaction from remaining shareholders of Trustco. The share purchase agreement will be announced on SENS on or about 14 July 2015.

Valuation
We are currently reviewing our Trustco valuation model and will update our forecasts and target price accordingly.

TUC Ltd>>FY15 Initial Impression

29 June 2015
Managing Director
Romé Mostert
Tel: +264 (61) 383 520
rome@ijg.net

Sales and Research
Rowland Brown
Tel: +264 (61) 383513
rowland@ijg.net

Jan-Hendrik Conradie
Tel: +264 (61) 383 523
janhendrik@ijg.net

Money Market & Administration
Leon Maloney
Tel: +264 (61) 383 521
leon@ijg.net

Tashiya Shekutamba
Tel: +264 (61) 383 511
tashiya@ijg.net

Director
Mark Späth
Tel: +264 (61) 383 510
mark@ijg.net

Financial Manager
Jakob de Klerk
Tel: +264 (61) 383 517
jakob@ijg.net

IJG Direct
Naïke Burger
Tel: +264 (61) 383 515
naïke@ijg.net

Equity & Fixed Income Dealing
Nigel Mubita
Tel: +264 (61) 383 514
nigel@ijg.net

Stuart Main
Tel: +264 (61) 383 512
stuart@ijg.net

No representation is given about, and no responsibility is accepted, for the accuracy or completeness of this document. Any views reflect the current views of IJG Securities (Pty) Ltd. The views reflected herein may change without notice. IJG Securities (Pty) Ltd provides this document to you for information purposes only and should not be constructed as and shall not form part of an offer or solicitation to buy or sell securities or derivatives. It may not be reproduced, distributed or published by any recipient for any purposes.