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Trustco Group Holdings Limited

Namibian Financial Institution Analysis **July 2012**

Security class	Rating scale	Rating	Rating outlook	Expiry date
Long term	National	BBB-$_{(NA)}$	Stable	07/2013
Short term	National	A3$_{(NA)}$		

Financial data:

(US$'m)

	31/03/11	31/03/12
N$/US$ (avg.)	7.00	7.35
N$/US$ (close)	6.81	7.72
Total assets	179.5	196.9
Total capital	107.6	118.3
Cash & equiv.	12.1	13.1
Net advances	30.5	32.4
Total debt	36.4	33.4
NPAT	27.1	32.6
Op cash flow	26.5	24.2
Market cap*	N$886m	
Market share	n.a	

* As at 18 July 2012, Trustco is dual listed on the Namibian Stock Exchange and JSE Limited.

Rating history:

Initial Rating (July 2012)
Long term national scale: BBB-$_{(NA)}$
Short term national scale: A3$_{(NA)}$
Rating outlook: Stable

Last Rating
n.a.

Related methodologies/research:

Banking criteria (updated 2012)
Insurance criteria (updated 2012)

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Rating rationale

The ratings are based on the following key factors:

- Being a dual listed entity, Trustco Group Holdings Ltd ("Trustco" or "the Group") conforms to a high level of corporate governance in line with the King Reports on Corporate Governance. The Board reflects a well-qualified and experienced directorate of 8 members, including 5 non-executive directors, all of which are considered to be independent.
- In terms of its core insurance operations, the Group dominates its target market in Namibia.
- The approach to managing liquidity is to finance relatively short-term assets with longer term liabilities, thereby creating a positive liquidity mismatch. The Group's education focused funding model has enabled it to source funding from Development Finance Institutions ("DFIs"). To date, the IFC has provided a N$80m facility, all of which has been deployed. Funding lines from the AfDB and another DFI are currently being negotiated.
- To augment total funding, the Group has also embarked on the phased sale of acquired properties (with N$105m realized in F12), as well as tapping capital markets in the form of issuing medium term paper, a listed note programme and/or securitisation vehicles. Net gearing levels at FYE12 were low at 17% (F11: 23%).
- The Group has taken a conservative approach to managing capital. As part of the IFC funding agreement, Trustco Finance has undertaken to maintain a Risk Weighted Capital Adequacy Ratio ("RWCAR") of 25%. The ratio of 64% as at 31 March 2012 offers a substantial buffer over the minimum requirement. Based on high levels of retained earnings, group capitalisation ratios are expected to remain high (equity to total assets amounted to 60% as at FYE12).
- Although a solid earnings growth trend is evidenced, the performance analysis is distorted by both realised and unrealised fair value gains, as well as once off items. Core annuity income increased 2.5%, compared to an increase of 8.3% in gross profit in F12 . The Group is in discussions, which if concluded, are expected to drive a sharp growth in earnings going forward.

What could trigger a rating action

The success of planned initiatives and meeting aggressive forecasts will support an upgrade. Conversely, failing to implement these initiatives in the face of rising gearing levels and subdued profitability from core operations, may place ratings under pressure.

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Business profile

History and ownership

Trustco is a diversified financial services company with its core focus on micro insurance, micro finance for education and technology solutions aimed at the financial services sector. Trustco is headquartered in Namibia, with operations in South Africa and Namibia, and aspirations to expand its business to other African countries.

The company is a family-owned business that was founded in 1992 by the current Managing Director, Quinton van Rooyen, as a property development company. Although the property portfolio continues to comprise a significant portion of the balance sheet, the business has since diversified into financial services and education. Today, the core strategy of the group is to provide affordable financial services to the mass market. Entry into this market was initially secured through providing affordable legal assistance to all Namibians through establishing Legal Shield in 2000. Trustco Insurance Limited obtained its short-term insurance license in terms of the Short-term Insurance Act No. 4 of 1998 on 21 June 2000. Education and microfinance was introduced through the acquisition of the Open Learning Group in 2005. In March 2006, Trustco Life Limited was registered as a long-term insurance company in terms of the Long-term Insurance Act No. 5 of 1998.

Trustco listed on the Namibian Stock Exchange in September 2006, whilst the company was the first listing on the Africa Board of the JSE Limited in February 2009. Trustco mobile was launched in 2008 to expand access to insurance through mobile telephony. This initiative was expanded into Zimbabawe in partnership with Econet Wireless, whilst a partnership was entered into with Shoprite Namibia in 2011. Through the mobile telephony platform, Trustco intends to develop into a pan-African group.

In terms of ownership, the founder has maintained a controlling share of the Group. Staff are incentivised and retained by way of an annual bonus scheme, whereby a portion of the bonus is used to acquire shares on behalf of employees.

Table 1: Largest shareholders as at June 2012	(%)
Quinton van Rooyen (Group MD and founder)	56.0
Renaissance Investment Management	14.0
Snowball Wealth	3.0
RECM	2.0
Manhattan Financial	2.0

Operations

Current operations broadly encompass three business segments, each of which is discussed below:

Micro insurance and technology:

Trustco Insurance and Trustco Life

Trustco Insurance Limited ("TIL") is the flagship company of the Group. With high legal fees, few Namibians have access to legal representation. Legal Shield, the first of its kind in Namibia, offers legal cover at an affordable premium to all Namibians. Other niche products launched include insurance against specific illnesses, with the inclusion of a hospital benefit, a product covering SMEs against labour related matters (including assistance with debt collecting and free funeral policies for employees) and insurance against the loss of salary due to illness. A further Shield product available provides cover, inclusive of HIV, in the event of the death of a breadwinner for household expenses, school fees, accidental functional impairment and a funeral benefit. As an added benefit on all short term Shield products, a policy holder and their spouse receives a free funeral benefit equal to 100x the monthly premium. As a result, the Insurance Group has grown to the largest funeral insurer in Namibia since 2008, with over 260,000 individuals (of a total employed population of around 400,000 people) covered under the Shield policies as of January 2012. The Insurance Group also offers the drafting of wills and administration of estates for members.

Trustco Financial Services SA

South African operations commenced with the acquisition of an insurance claims administration business in 2007. Trustco Financial Services South Africa ("TFSSA") services large insurance companies in South Africa and 750 brokers by offering the critical back office services that ensure a smooth integration between broker and insurer. TFSSA is based in Johannesburg and employs in-house developed technology to collect more than R1.4bn in premiums on behalf of its clients annually. Since net margins on premium collections are relatively low, management is in the process of restructuring this business to replicate the Namibian offering for the South African market. Although South Africa has well established competitors, the size of this market offers room for further competition, whilst the Trustco mobile offering remains untapped.

Trustco Mobile

To leverage off of the explosion in mobile phone use, the group launched Trustco Mobile in 2008, incorporated in Mauritius. Since most African people are now in possession of a cell phone, but most are unable to afford funeral or life cover, this company provides free life cover to customers of specified mobile phone operators in different countries. Life cover is offered for 30 days after the purchase of airtime by the subscriber, and must therefore be recharged monthly to maintain the cover. The cost of the insurance is paid by the mobile operator, out of the resultant increased average revenue per user ("ARPU") and lower churn. ARPU is the amount of money, on average, that the mobile operator brings in for each of its customers, and is calculated by dividing the total revenue of the mobile operator by the number of subscribers. Churn is the percentage of subscribers of a mobile operator that discontinue their subscription to that operator. Trustco Life underwrites the cover in Namibia, whilst local insurers will be contracted in other countries. Trustco intends to acquire a re-insurer that will be suitably capitalised, so that the company can participate in the risk of the various roll out regions off one balance sheet. The systems driving this product have been developed internally, providing a paperless environment and the ability to mass-underwrite in a short time.

The African expansion was initiated in August 2010, with the signing of an 18 month partnership contract with Econet Wireless to offer free life cover to subscribers on an opt-in basis. Trustco provided the back-end administration in return for commission as a percentage of the air time purchased. The cover was underwritten by the First Mutual Life Assurance Company. The uptake of the product significantly exceeded expectations, reaching 2 million subscribers by June 2011, when Econet cancelled the agreement and prevented Trustco from accessing the system. The contract expired in February 2012 and Trustco has lodged a damages claim of the estimate for the earnings lost following the contract breach.

Despite the outcome in Zimbabwe, the success of the product has been demonstrated and Trustco has consequently patented the system globally. The Group is currently in negotiations with a global cellular provider to offer a similar service to subscribers, having learnt from the Zimbabwean experience. An aggressive African roll out strategy is planned, with discussions underway in SA, Nigeria, Kenya, Cameroon, Ghana and Zambia, amongst others. Since this product is not offered globally, other emerging markets such as Brazil and India offer significant growth potential.

Trustco has developed several platforms to expand this service in a number of industries. Amongst others, the Trustco Mobile concept can be used in the banking and retail industries and a retail project is already underway in Namibia with Shoprite.

Micro finance and Education
Trustco Education (Pty) Ltd was established subsequent to the acquisition of the Namibian operation of The Open Learning Group in 2005. Both Trustco Finance (Pty) Ltd and the Institute for Open Learning (Pty) Ltd are subsidiaries of Trustco Education.

Institute for Open Learning (Pty) Ltd ("IOL")
The Open Learning Group was renamed IOL and offers certificate, diploma and degree programs with more than 400 course offerings throughout the country. Courses range from academic and business studies, to information technology fields. It is notable that the amount of students enrolled at IOL grew from 2,500 to over 28,000 since the acquisition, making IOL the largest private distance tertiary educational institution in Namibia.

Trustco Finance (Pty) Ltd
Trustco Finance is the financier that provides educational loans to IOL students. Lack of access to educational financing is a significant barrier to students and working professionals seeking further education in Namibia. The Trustco Education segment has successfully addressed this barrier by offering students the complete package of education and financing, having granted more than 58,000 educational loans to date. The loan book value has grown from N$4m in 2005 to N$264m as at FYE12. Micro finance legislation allows interest to be charged at twice the prime rate, currently totalling 19.5%. Other allowed charges include credit insurance at 15% and service costs of 5%, both calculated on the loan amount.

Properties and mortgage loans
The Group's property portfolio comprises mainly of strategic virgin land in the Windhoek area and in the northern town of Ondangwa. This includes land for industrial, commercial and residential purposes. Acquisitions were opportunistic and at a relatively low cost, so that the potential exists to realise significant value through developing and selling portions of this land. A phased sale programme was initiated in F11 towards generating the funds for expanding other areas of the business. There is no intention to add to this portfolio in the near term, although opportunistic propositions will be considered. During F12, a portion of the land (2.5% of the total portfolio of sellable land) was sold, with further sales planned for F13. Management intend to accelerate the sales once properties have been taken up the value chain (through developing the land and adding services). Trustco Capital will facilitate the sale of land through registering a first mortgage bond to qualifying purchasers and against appropriate security. Historically, around 30% of sales have been financed by Trustco Capital. It is anticipated that this

may increase to around 40% going forward, which will lead to the establishment of a mortgage book.

Other subsidiaries include the following:

Informante
A media company that publishes a weekly newspaper, with a web based news portal covering significant events in Namibia. The newspaper has its origins as a marketing leaflet that was distributed in rural areas to promote the company's services. Although not core to the business, this operation continues to be a useful channel towards marketing and developing the Trustco brand. Although the newspaper is free, sufficient earnings are generated through advertising to cover production costs.

Trustco Air Services
Due to the difficulty and vast distances in accessing rural areas in Namibia, the company acquired three aircraft to allow management to reach these areas timeously. Costs of running the aircraft are covered through chartering the planes to other businesses.

Trustco Support Services
Support functions are housed in this subsidiary, which includes fleet management, and head office support services.

Information technology
The rapid growth of this unit has been facilitated by in-house developed bespoke software and systems, and is the platform driving the competitive advantage the Group enjoys in its target markets. Trustco primarily employs 2 major platforms to host its various systems, being the AS/400 iSeries and Blades running Windows Servers. The Group uses the latest blade technology to drive virtualised environments and operates using a centralised model with consolidated resources, clustered and load balanced off of a fibre backbone. Users connect using terminal server clients to access the secured network and their applications and systems. The development division consists of 18 specialised developers to maintain the systems and continuously develop new software and systems. Trustco's full IT team is currently 31 strong. Infrastructure, Data and Security is paramount, and as a technology driven company, Trustco IT is constantly researching new trends and possible threats to ensure it can evolve in securing its infrastructure, whilst providing a suitable platform for it clients and users. Trustco have currently deployed 2 primary sites for hosting, with another co-location site. It has 2 data recovery sites and an eye on a 3rd site for further redundancy with substantial infrastructure.

Corporate governance
Being a dual listed entity, Trustco conforms to a high level of corporate governance in line with the King Reports on Corporate Governance. The Board reflects a well-qualified and experienced directorate of 8 members, including 5 non-executive directors, all of which are considered to be independent. One third of the non-executives are subject, by rotation, to retirement and re-election, which is not automatic. The Board is assisted by various committees to promote the segregation of duties & transparency and generally advance corporate governance initiatives. The Executive Committee meets weekly to cover day-to-day operational issues. It is chaired by the Group MD, comprises the executive directors and has regular input from divisional heads. The remuneration Committee meets at least three times a year and in terms of the Charter should comprise of three non-executive directors. The Group MD attends by invitation. Similarly, all members (2) of the Audit and Risk Management Committee are independent. Meetings are held at least three times per year, and are also attended by the Group MD, FD, Corporate Finance Director and a representative of the external auditor, BDO Namibia, internal audit and other members of executive management when necessary.

A Credit Committee ("CreditCo") and Group Capital Adequacy Committee ("GCAC") support the Executive Committee in respect of credit and group financial risk respectively. In addition, an Audit and Risk Committee (including non-executives) meets at least four times per year to cover audit/reporting and risk management issues. Other committees include the Remuneration (executive & senior management remuneration) and Nomination Committees (recommending Board appointments).

Management and staffing
In respect of key management, Trustco displays an experienced and stable contingent, with succession plans in place. Overall, the number of employees amounted to 595 as at 31 March 2012, having increased substantially in line with the growth of the business. There were no senior resignations during the past year other than that of the Group Legal Advisor position and staff turnover levels are reasonable at 23% per annum. Remuneration is market related, whilst shares are offered to all staff members as part of the Trustco Bonus Scheme and also as part of the Group's retention policy.

Financial reporting
The company's Annual Financial Statements have been audited by BDO Namibia for the past 8 years, none of which have been qualified. Accounts are prepared in accordance with International Financial Reporting Standards (IFRS). This report is based on the consolidated Group financials.

Financial flexibility

Likelihood of support

To date, the company has been well supported by shareholders via a dividend policy supportive of a company in its expansion phase. The dividend is recommended by the GCAC taking into consideration the capital requirements for the group.

Funding and liquidity

The significant funding requirement is to maintain and grow the loan book within Trustco Finance. The average tenor of loans is 3 years, whilst funding facilities average between 5 and 7 years. Trustco Finance is funded by a combination of Group loans, facilities from development finance institutions and bank loans.

The Group's education focused funding model has enabled it to source funding from DFIs. To date, the IFC has provided a N$80m facility, all of which has been deployed. Funding lines from the AfDB and Proparco/DEG are currently being negotiated. At a Group level, traditional banking facilities in the form of asset backed financing and overdraft facilities are utilised. To augment total funding, the Group has also embarked on the phased sale of acquired properties (with N$105m realised in F12), as well as tapping capital markets in the form of issuing medium term paper, a listed note programme and/or securitisation vehicles.

The Group's approach to managing liquidity is to finance relatively short-term assets with longer term liabilities, thereby creating a positive liquidity mismatch. The group's liquidity policy focuses both on managing its short term liquidity requirements over the forthcoming 365 days, as well as its long term requirements up to 5 years. Interest rate risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts.

Capital adequacy

The Group takes a conservative approach to managing capital. As part of the IFC funding agreement, the Group has undertaken to maintain a Risk Weighted Capital Adequacy Ratio ("RWCAR") of 25%. The ratio of 64% as at 31 March 2012 offers a substantial buffer over the minimum requirement. Total capital and reserves increased 24.6% in F12, predominantly due to retained income. The Group's dividend policy is set at conservative levels - which has helped underpin its strong capitalisation levels over the past few years - with a N$25.8m dividend paid in F12 (11% of attributable earnings). Based on high levels of retained earnings, capitalisation ratios are expected to remain high going forward.

Asset composition and quality

Total assets increased 24% to N$1.5bln as at 31 March 2012 and reflects a compound average annual growth of 24% over the past 4 years. Growth in assets was largely driven by a 208% increase in the investment property portfolio, which was attained by both increases in the value of existing properties and also strategic acquisitions where pockets of value were identified. A breakdown of total assets by business division is shown in table 2. The Group's property portfolio comprised 1.7m sqm of saleable land in Windhoek, 303k sqm of land in Ondangwa and 1.6m sqm in Herboths.

Gross educational loans increased 18% to N$266m in F12, after an additional N$154m was advanced in F12 (a 29% increase on F11). Loans are targeted to government employees and their families, with repayments via direct salary deductions.

Table 2: Asset Mix	March F11		March F12	
	N$'m	%	N$'m	%
Micro insurance & tech	292	23.9	374	24.6
Namibia	60	4.9	89	5.9
South Africa	217	17.7	253	16.6
Zimbabwe	15	1.2	32	2.1
Micro finance & edu	221	18.1	272	17.9
Property	183	14.9	648	42.7
Namibia	169	13.8	637	41.9
South Africa	13	1.1	11	0.7
Head office & support	527	43.1	226	14.8
Total assets	**1,222**	**100**	**1,520**	**100**

Asset quality: Impaired educational loans declined 10% during F12 following a tightening of the credit criteria for loans granted to debit order clients, which now comprises less than 1% of the new business written. Impaired loans, defined as loans where three consecutive instalments have been missed, dropped from 7.9% to 6% of gross loans. This compares favourably with peer averages and reflects the fact that the bulk of loans are collected via salary deduction. Impairments occur primarily from death and retrenchment. Furthermore, provisioning is conservative, having been set in consultation with the IFC at 100% of impaired loans.

Financial performance

Appended to this report is a group consolidated financial synopsis for the 5-year period ended 31 March 2012, based on audited financial statements.

Although a solid earnings growth trend is evidenced, the performance analysis is distorted by both realised and unrealised fair value gains, as well as once off items. The diverse nature of the Group's operations across several industries is a further challenge. In order to determine the core annuity income from operations, GCR has restated the performance on a segmental basis, as shown in table 3. On this basis, core annuity income increased 2.5%, compared to an increase of 8.3% on total Group income. The difference is mainly due to fair value gains on the investment portfolio, with N$104m (excluding the cost of sales) realised on the sale of properties in F12. Earnings were further distorted by head office and support income that included significant once off items. In F11, N$29.5m was reflected as the awarded amount from a successful legal action against the SABC (including costs), with a further N$24.7m (F12: N$20.9m) shown as interest accrued on the SABC award. The bulk of the core annuity income is attributed to the flagship operations under the insurance and technology division.

Table 3: Segmental income (N$'m)	F11	%	F12	%
Insurance	**198.7**	**41.4**	**202.3**	**38.9**
Trustco Life & Insurance	111.5	23.3	126.3	24.3
Trustco Mobile	45.3	9.4	29.1	5.6
Trustco Fin Services SA	41.9	8.7	46.9	9.0
Microfinance & education	74.6	15.5	77.8	15.0
Core annuity income	**273.2**	**57.0**	**280.1**	**53.9**
Properties	**105.1**	**21.9**	**201.1**	**38.7**
Realised fair value gains	41.6	8.7	104.0	20.0
Unrealised fair value gains	63.5	13.2	97.1	18.7
Head office and support	**101.4**	**21.1**	**38.2**	**7.4**
Other income	72.1	15.0	13.7	2.6
Interest income	29.3	6.1	24.5	4.8
Total group income	**479.8**	**100**	**519.4**	**100**

Future prospects

Given the number of new initiatives, the earnings profile of the Group is expected to change somewhat going forward. The primary profit drivers are expected to be Trustco Mobile and Legal SA, divisions that are currently both in their infancy. Trustco Mobile, although proven a viable business concept following the successes achieved in Namibia and Zimbabwe, remains contingent on signing a deal with a leading international cellular provider. Once concluded, this venture is expected to contribute the bulk of increased revenue. Legal SA is contingent on the successful roll out of the Namibian model to the South African market, with a rapid uptake of the legal insurance product expected

Trustco Group Holdings Limited

(N$ in millions except as noted)

Year end: March

Income Statement	2008	2009	2010	2011	2012
Total annuity type income	**346.0**	**519.3**	**556.3**	**622.3**	**625.3**
Realised Fair value gains/(losses)	0.0	4.1	25.9	59.1	117.3
Unrealised Fair value gains/(losses)	0.0	0.0	88.3	63.5	97.1
Total income	**346.0**	**523.4**	**670.5**	**744.9**	**839.7**
Cost of sales	(118.9)	(257.2)	(279.1)	(265.1)	(320.3)
Total income (excl. cost of sales)	**227.1**	**266.2**	**391.4**	**479.8**	**519.4**
Administrative expenses	(109.6)	(153.8)	(189.6)	(208.3)	(202.7)
Insurance benefits and claims	(19.7)	(21.8)	(16.9)	(21.4)	(18.9)
Transfer to policyholder liabilities	(0.3)	(0.5)	(2.4)	(3.4)	(2.4)
Change in unearned premium provision	(0.8)	(0.2)	(0.4)	(0.6)	(0.5)
Finance charges	(38.2)	(25.4)	(20.5)	(22.1)	(30.1)
Exceptional items	0.0	0.0	0.0	0.0	0.0
NPBT	**58.5**	**64.5**	**161.6**	**224.0**	**264.8**
Taxation charge	19.4	28.9	(24.0)	(34.2)	(25.0)
Attributable earnings	**77.9**	**93.4**	**137.6**	**189.8**	**239.8**
Dividends paid	(3.0)	(6.7)	(14.1)	(10.2)	(25.8)
Retained earnings	**74.9**	**86.7**	**123.5**	**179.6**	**214.0**

Cash Flow Statement					
Cash generated by operations	**69.8**	**95.7**	**82.7**	**185.4**	**178.1**
Working Capital (increase)/decrease	0.0	0.0	(9.0)	(169.3)	(79.0)
Net education loans advanced	(28.2)	(41.0)	(45.3)	(29.4)	(42.2)
Net interest/dividends received	22.4	4.5	7.9	29.3	24.5
Finance costs	(38.2)	(25.4)	(20.5)	(22.1)	(30.1)
Taxation paid	(0.1)	(0.1)	(0.4)	(5.5)	(12.8)
Net cash flow from operations	**25.7**	**33.7**	**15.4**	**(11.6)**	**38.5**
Dividends paid - Ordinary shares	(3.0)	(6.7)	(14.2)	(10.2)	(25.8)
Net cash retained	**22.7**	**27.0**	**1.2**	**(21.8)**	**12.7**
Net investment (cost)/proceeds	**131.8**	**(30.5)**	**(31.3)**	**(76.3)**	**8.9**
Acquisitions/Additions to assets	(1.9)	(31.8)	(40.3)	(77.2)	(42.0)
Proceeds on sale of assets/investments	133.7	1.3	9.0	0.9	50.9
Decrease in policyholder under insurance contracts	0.3	0.5	2.4	3.4	2.4
Shares issued/(redeemed)	(0.5)	18.0	0.5	0.0	21.2
Net cash available/(consumed)	**154.0**	**15.0**	**(27.2)**	**(94.7)**	**45.2**
Borrowings raised/(repaid)	(76.8)	(4.9)	3.0	66.9	2.6
Net increase/(decrease) in cash and cash equivalents	**77.2**	**10.1**	**(24.2)**	**(27.8)**	**47.8**

Balance Sheet					
Total shareholders' interest	**260.8**	**370.5**	**478.6**	**732.8**	**913.3**
Total interest-bearing debt	172.7	164.1	168.9	247.8	257.8
Policyholders liability under insurance contracts	2.0	2.5	4.9	8.3	10.7
Income tax liabilities	26.9	27.2	59.1	35.4	59.7
Accounts payable	159.4	179.4	187.6	167.3	256.3
Other liabilities	14.2	18.6	22.0	30.7	22.2
Total liabilities & equity	**636.0**	**762.3**	**921.1**	**1,222.3**	**1,520.0**
Fixed assets	142.5	154.2	139.4	129.7	160.5
Intangible assets	174.6	186.9	194.7	240.9	261.5
Educational microloans	92.1	133.0	178.3	207.8	249.9
Investment property	36.8	33.8	143.2	232.8	318.0
Receivables	33.4	31.0	46.5	197.5	317.4
Cash and cash equivalent	98.9	108.5	91.0	82.7	101.0
Other assets	57.7	114.9	128.0	130.9	111.7
Total assets	**636.0**	**762.3**	**921.1**	**1,222.3**	**1,520.0**

Ratios	2008	2009	2010	2011	2012
Cash flow:					
Operating cash flow : total debt (%)	14.9	20.5	9.1	(4.7)	14.9
Operating cash flow : Interest bearing debt (%)	14.9	20.5	9.1	(4.7)	14.9
Profitability:					
Annuity income growth (%)	181.4	50.1	7.1	11.9	0.5
Total income growth (%)	137.2	51.3	28.1	11.1	12.7
Effective tax rate (%)	(33.2)	(44.8)	14.9	15.3	9.4
Coverage:					
Dividend cover	26.0	13.9	9.8	18.6	9.3
Interest coverage (Total income excl. cost of sales)	16.8	9.5	5.2	4.6	5.8
Capitalisation:					
Equity : Total assets (%)	41.0	48.6	52.0	60.0	60.1
Retention rate (%)	96.1	92.8	89.8	94.6	89.2
Total debt : equity (%)	66.2	44.3	35.3	33.8	28.2
Net debt : equity (%)	28.3	15.0	16.3	22.5	17.2