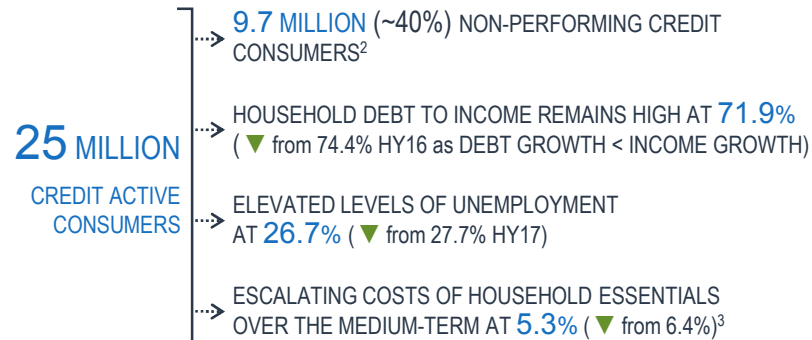


ENVIRONMENT & MARKET CONTEXT

CHALLENGING CONSUMER CREDIT ENVIRONMENT WITH UPSIDE POTENTIAL

IN SOUTH AFRICA, OF THE 35 MILLION ADULTS¹ THERE ARE:



MACRO-AND SOCIO-ECONOMIC ENVIRONMENT

- Increased business confidence stimulating direct foreign investment & local business investment
- Stable inflation
- Lower interest rate environment

OUTLOOK ON SA'S CONSUMER

- Medium term effects signalling an improvement
 - › Improving employment levels
 - › Improving consumer spend
 - › Increase in credit extension

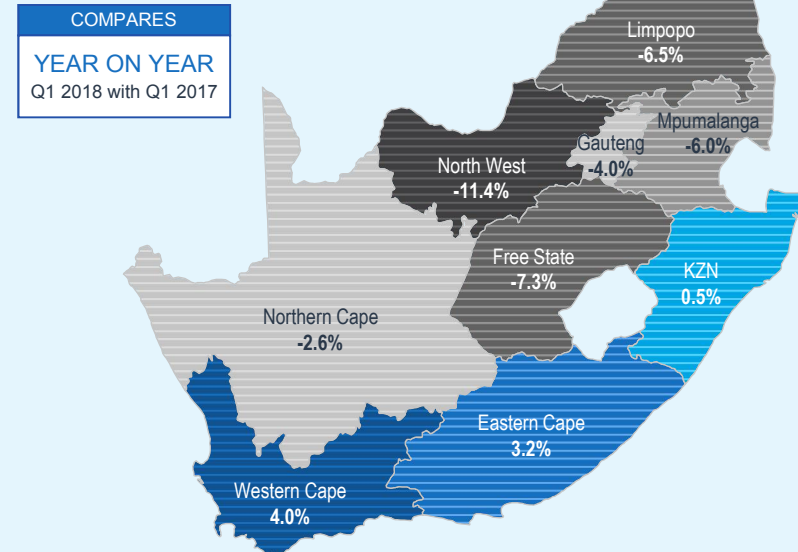
EFFECT ON TCRS

- Increase in the number of matters handed over in agency mandates
- Increasing yield on previously acquired NPL portfolios

CREDIT REHABILITATION IS A CRUCIAL ELEMENT IN GROWING AN INCLUSIVE ECONOMY

TRANSACTION CAPITAL'S CONSUMER CREDIT REHABILITATION INDEX

% CHANGE IN REHABILITATION PROSPECT FOR Q1 2018



- TCRS algorithm to score propensity to repay debt
- Empirically based sample of >5 million SA consumers in credit default
- National rehabilitation prospects:
 - › ▲ by 0.4% (Q2 17 vs. Q3 17)
 - › ▲ by 1.0% (Q3 17 vs. Q4 17)
 - › ▼ by 0.8% (Q4 17 vs. Q1 18)
- Rehabilitation allows:
 - › Consumers to access credit & re-enter consumer market
 - › Lenders to maintain cleaner B/S to continue extending credit at affordable costs

SOURCE: Stats SA 2017

1. Aged 15 to 65 | 2. NCR data at 31 December 2017 | 3. Inflation measured at 31 December 2017 & 31 December 2016

TCRS MARKET POSITIONING

COMPETITIVE ADVANTAGES

