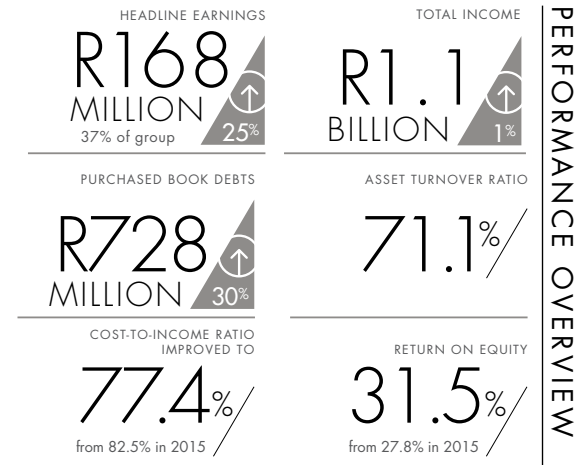
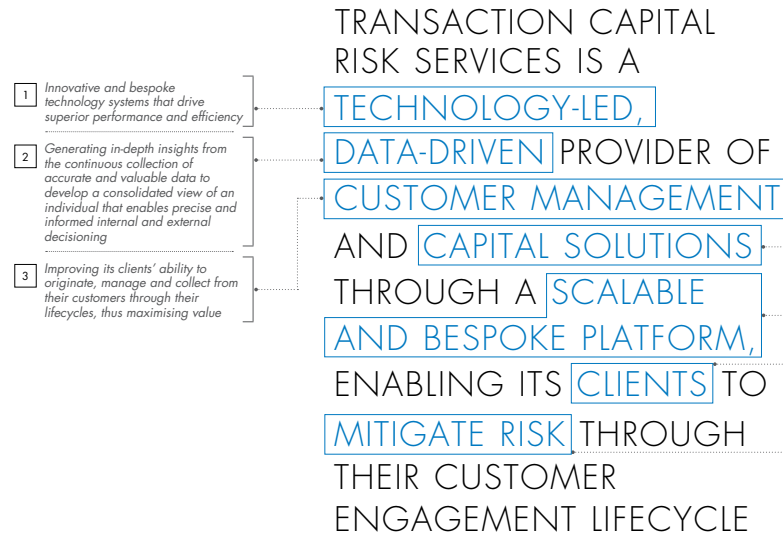


DIVISIONS *continued*

TRANSACTION CAPITAL RISK SERVICES



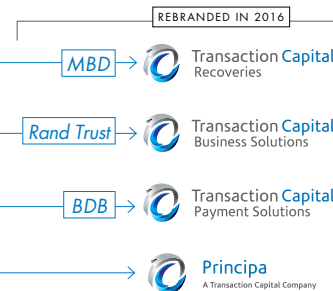
DIVISIONAL OVERVIEW



IMPROVES ITS CLIENTS' ABILITY TO ORIGINATE, MANAGE AND COLLECT FROM THEIR CUSTOMERS.

Its operational competencies include:

- > Collection and recovery services and debt purchasing
- > Working capital, property and trade finance and commercial receivables management solutions to small- and medium-sized enterprises (SMEs)
- > Payment processing services
- > Data analytics and technology capabilities for customer management



SOCIETAL RELEVANCE

The activities of Transaction Capital Risk Services (TCRS) broadly contribute to the efficiency and effectiveness of the South African credit system. This includes the acquisition of distressed book debts, which assists clients to strengthen their balance sheets by accelerating cash flow and removing non-performing loans, thus improving their ability to continue providing debt finance into the consumer market. It also assists clients to lend responsibly, to identify which consumers to lend to, and to then collect successfully. This supports the affordability of credit by mitigating unnecessary pricing for risk.

In undertaking collections, the primary focus is on rehabilitating indebted consumers by helping them understand the importance of repaying their debts as a legal obligation, and structuring payments in a manner they can afford. This contributes to indebted consumers remaining active participants in the credit system.

Through Transaction Capital Business Solutions, SMEs that may not otherwise have access to credit, gain access to working capital finance.

DIVISIONS: TRANSACTION CAPITAL RISK SERVICES *continued*

MARKET CONTEXT

A challenging consumer credit environment

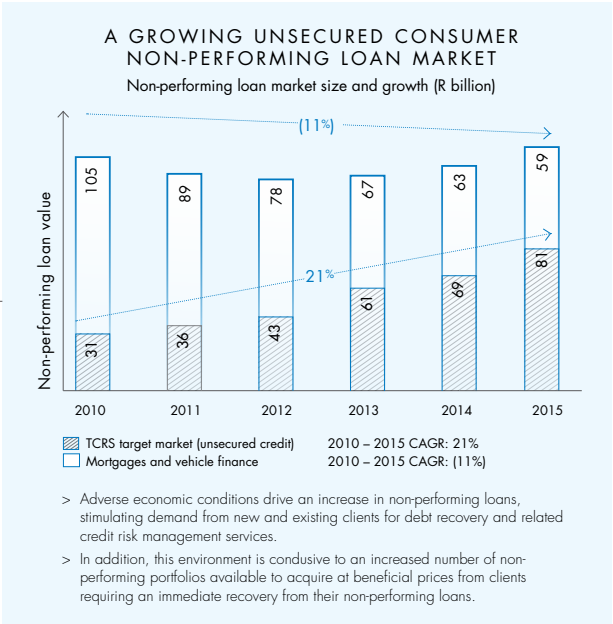
OF THE 35 MILLION ADULTS* IN SOUTH AFRICA, THERE ARE:

24 MILLION
CREDIT ACTIVE CONSUMERS

9.7 MILLION
NON-PERFORMING CREDIT CONSUMERS (NCR Q2 2016)

OVER **11 MILLION** SOUTH AFRICANS DESCRIBED AS "OVER-INDEBTED" (UP FROM 5 MILLION IN 2014)

Household debt to disposable income remains high at **75%**
Between 2013 and 2014 **86%** of South Africans borrowed money (COMPARED TO 40% WORLDWIDE)
2014: South Africans were the biggest borrowers in the world (WORLD BANK REPORT)



Transaction Capital Recoveries

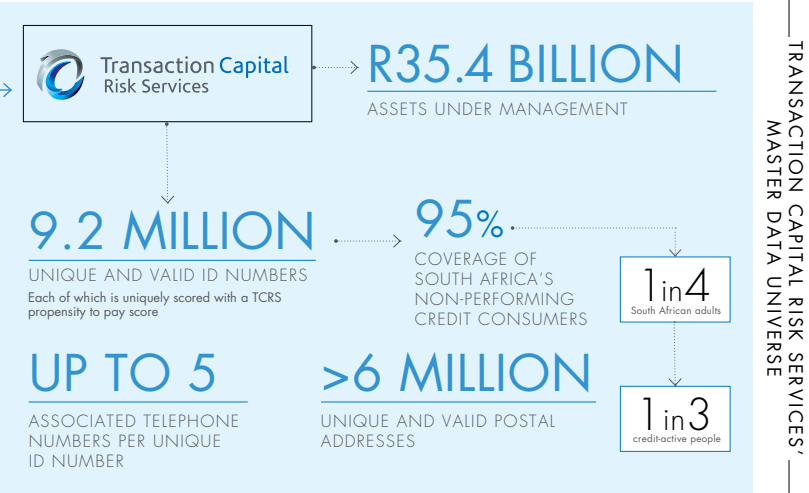
~R300 MILLION collected each month, resulting from

- ~400 000 payments received each month
- ~300 000 debit orders processed each month
- ~4.2 MILLION voice interactions each month
- ~25 MILLION outbound calls from the dialer each month

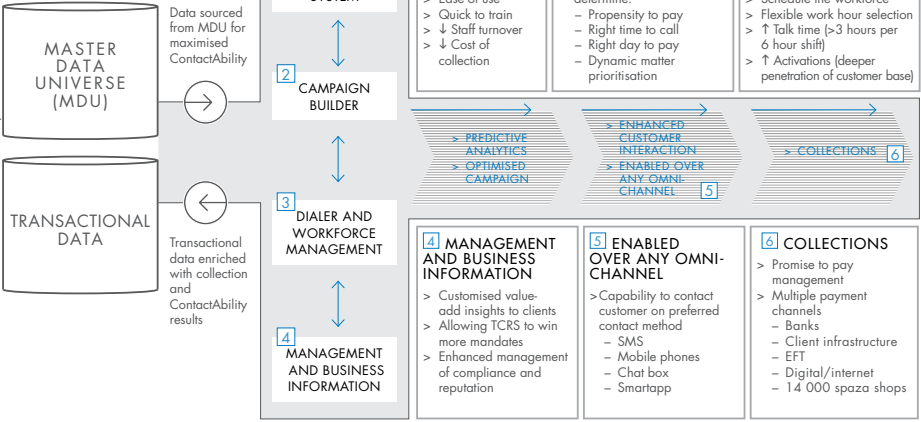
⊕38% revenue per employee in 2016

Transaction Capital Payment Solutions

- ~200 000 disbursements for clients each month
- ~300 000 debit orders and NAEDO transactions processed for clients each month



TCRS's SCALABLE TECHNOLOGY PLATFORM



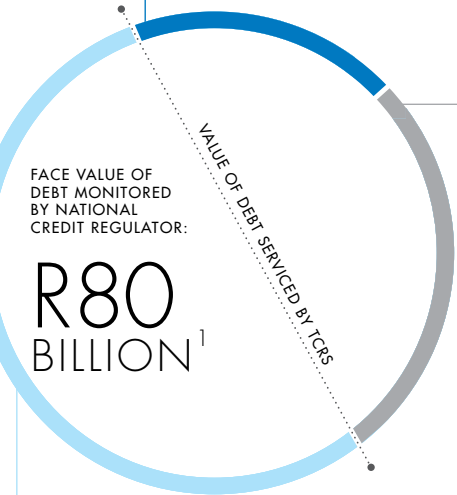
* Aged 15 to 65
Source: Statistics South Africa, National Credit Regulator (NCR), Accountancy SA February 2016, World Bank report, Global Findex database.

DIVISIONS: TRANSACTION CAPITAL RISK SERVICES *continued*

BUSINESS ACTIVITIES

R16 BILLION CUSTOMER MANAGEMENT SOLUTIONS
Leverages leading technology and data analytics capabilities to enable clients to effectively originate, manage and collect from their customers.

Ranked **1st or 2nd** by clients in 91% of 254 mandates (up 41%) on panels where TCRS is represented.



Other fragmented participants in addressable market

ORIGINATE

IDENTIFY AND WIN NEW CUSTOMERS USING DATA ANALYTICS

LEAD GENERATION AND CUSTOMER ACQUISITION

Principa
A Transaction Capital Company

- Lead generation
- Predictive analytics
- Segmentation modelling
- Systems (Smart and FICO)

Telecommunications (Telcos) 9%
Insurance 42%
Credit retail 49%
Other 21%

MANAGE

ENABLE PAYMENT PROCESSING AND CUSTOMER MANAGEMENT

PAYMENT AND ACCOUNT MANAGEMENT

Transaction Capital Payment Solutions

- Payment processing

Principa
A Transaction Capital Company

- Customer retention and profitability modelling
- Predictive analytics
- Systems (Smart and FICO)

Transaction Capital Business Solutions

- Receivables management

Specialised lending 22%
Banking 21%
Insurance 3%
Credit retail 31%
Other 21%
Telcos 2%

COLLECT

SOLVE CLIENTS' IMPAIRED DEBT PROBLEM THROUGH COLLECTIONS, RECOVERIES, ACQUISITIONS OF NON-PERFORMING LOANS AND OTHER CAPITAL SOLUTIONS

COLLECTION SERVICES

Transaction Capital Recoveries

- Early stage rehabilitation
- Late stage collections
- Legal recoveries
- Business-to-business collections

Principa
A Transaction Capital Company

- Predictive analytics
- Segmentation modelling
- Systems (Smart and FICO)

Banking 7%
Telcos 11%
Specialised lending 25%
Credit retail 52%
Public sector 5%

CAPITAL SOLUTIONS

Applies technology and data analytics capabilities to acquire and collect on debt portfolios.

Provides financing and working capital solutions to SMEs.

- Fair value of purchased book debts of **R728 million**, with estimated remaining collections of **R1.3 billion**
- 13 books purchased** this year for **R184 million**
- Asset turnover ratio is **71.1%**

SME FINANCING

Transaction Capital Business Solutions

- Invoice discounting
- Trade finance
- Property finance

SMEs 100%

DEBT PURCHASING

Transaction Capital Recoveries

- Spot book acquisitions
- Bespoke capital solutions
- Forward flow and gain share agreements

Banking 13%
Telcos 2%
Specialised lending 20%
Education and SMEs 2%
Credit retail 27%
Public sector 36%

Sectors split by revenue per segment as at 30 September 2016.

Global Credit Ratings Co. upgraded Transaction Capital Recoveries' primary and special servicer ratings to SQ1-(ZA) and SQ1(ZA) respectively.

¹ R80 billion comprises credit monitored by the National Credit Regulator as at 30 June 2016. TCRS's target market also includes SMEs, education, insurance, public sector, telecommunications, state-owned entities (SOEs) and utilities.

CLIENT ENGAGEMENT MODEL