

RESULTS ANALYSIS

FOR THE YEAR ENDED
30 SEPTEMBER

2013

TRANSACTION CAPITAL



Transaction Capital

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RESULTS PRESENTATION

FOR THE YEAR ENDED
30 SEPTEMBER

2013

TRANSACTION CAPITAL



Transaction Capital

RESULTS PRESENTATION

FOR THE YEAR ENDED
30 SEPTEMBER

2013

TRANSACTION CAPITAL

NOTES

AGENDA

- Highlights
- Environment
- Financial review
- Disposal of Paycorp & Bayport
- Use of proceeds
- Restructure of board & group executive office
- Strategy & Prospects
- Conclusion

TRANSACTION CAPITAL







HIGHLIGHTS

2013

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HIGHLIGHTS

GROUP STRUCTURE – AT 30 SEPTEMBER 2013

Transaction Capital Limited – year ended 30 September 2013			
Employees: 5,386		Headline earnings: R545m (Continuing R480m)	
Lending		Services	
Total income: R3,741m		Total income: R1,331m	
Headline earnings: R362m		Headline earnings: R160m	
Asset-backed lending Income: R1,396m Headline earnings: R163m Gross loans & advances: R5,868m	Unsecured lending Income: R2,345m Headline earnings: R199m Gross loans & advances: R5,774m	Credit services Income: R806m Headline earnings: R95m Services EBITDA: R134m	Payment services (discontinued) Income: R525m Profit after tax: R50m Impact of classification to held for sale: R15m Headline earnings: R65m Services EBITDA: R142m
 driving our nation forward Financier of independent SME minibus taxi operators	 loans for you Provider of unsecured personal loans to emerging middle income clients	 MBD Credit Solutions asset intelligence Collector of distressed accounts receivables (agency & principal)	 payment services ATM Solutions: owner & operator of off-bank premises ATMs & EFT terminals Drawcard: early stage developer & issuer of pre-paid card products
 business, on your terms Provider of working capital through invoice discounting & commercial debtors management		 profitable decisions Credit risk consultancy services & software resellers (FICO)	

FINANCIAL HIGHLIGHTS

- Gross loans & advances ▲20% from R9.8 billion to R11.7 billion
- Headline earnings ▲35% from R405 million to R545 million
- Weighted average number of shares ▲12% from 519 million to 584 million
- HEPS ▲20% from 78.0 cps to 93.4 cps
- ROE ▼ from 18.6% to 17.4%
- ROA ▲ from 3.8% to 4.4%
- NAV per share ▲17% from 542.9 cps to 637.7 cps
- Capital adequacy ▲17% from 35.7% to 41.6%
- Final dividend ▲33% from 9 cps to 12 cps (FY 21 cps)

NOTES

FINANCIAL HIGHLIGHTS (CONTINUING OPERATIONS)

- Total income ▲18% from R3.9 billion to R4.6 billion
- Non-interest revenue ▲15% from R1.7 billion to R1.9 billion
- Continuing headline earnings ▲34% from R359 million to R480 million
- Continuing HEPS ▲19% from 69.1 cps to 82.3 cps

STRATEGIC & OPERATIONAL HIGHLIGHTS

- Disposal of Paycorp & Bayport
- Board considering declaring a distribution of 200 cps
- Restructure of board & group executive office

NOTES

TRANSACTION CAPITAL

ENVIRONMENT

2013

ENVIRONMENT

- **Consumer economy softened throughout 2013:**
 - employment & real wage growth slowed
 - disposable income eroded by exchange rate related inflation
 - high unsecured growth rate slowing with market saturation & credit provider caution
 - summonses ▲ judgements ▼ term & limit ▲ = consumption delayed
- **Competitive financial services sector:**
 - pursuit of market share, technological advantage, & non-interest & transactional revenues
 - deteriorating credit metrics > more conservative credit, origination, collection, provision & write-off policies to mitigate risk & losses
- **Regulatory uncertainty abated slightly:**
 - announcement of certain policies
 - moderation of regulators initial positions in response to lobbying & self-regulation
 - commitment to responsible market conduct & regulatory compliance by major lenders
- **Unsophisticated users & compliant operators threatened:**
 - poor enforcement by regulators
 - unchecked abuse by opportunistic lenders, debt counsellors & other intermediaries

NOTES

COMPANY ENVIRONMENT

- **Asset-backed lending: SA Taxi** – Specialised development financier of mini-bus taxis to SMEs
 - mini-bus taxis dominant public transport in RSA; estimated c.200,000 vehicles; c.60,000 financed; 23,453 by SA Taxi
 - **market opportunity** in renewal of aging fleet; unthreatened by public transport
- **Asset-backed lending: Rand Trust** – Invoice discounting & receivables management to SME's
 - prime client <R5m book
 - **market opportunity** in geographic expansion beyond Western Cape
- **Unsecured lending: Bayport** – Unsecured loans to households <R15k pm income
 - small book, client base & market share allows nimble tactics
 - **market opportunity** in differentiated value proposition to responsible borrowers (new/existing clients; affordability; risk bands)

COMPANY ENVIRONMENT

- **Credit Services: MBD Credit Services** – Receivables collections as agent & principal
 - fragmented industry: 2,000 debt collection agencies & 16,000 registered collectors
 - market leader: 9 call centres, assets under management of R25.8bn (44% as principal)
 - stressed consumer credit environment > more books sold but collections challenging
 - **market opportunity**: credit providers continue to outsource collections (outperformance required) & sell charged off receivables portfolios for improved cash, earnings, credit stats & costs (pricing & capital required)
- **Credit Services: Principa** – Credit risk consultancy services & software resellers
 - curtailed use of credit consulting & software purchasing in RSA
 - **market opportunity** in low cost software (SMART suite) & Middle East (Qatar)
- **Payment Services: Paycorp** – Owner & operator of 4,651 off-bank premises ATMs & EFT terminals
 - continued cash usage
 - **market opportunity** in more units, volumes, values (location & security)



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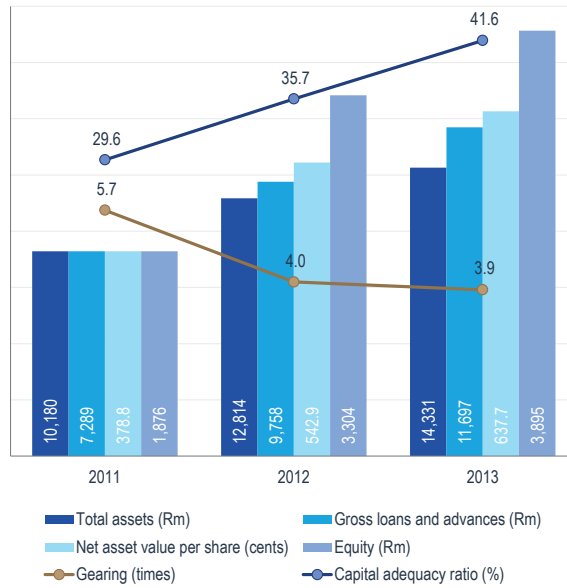
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TRANSACTION CAPITAL

FINANCIAL
REVIEW

2013

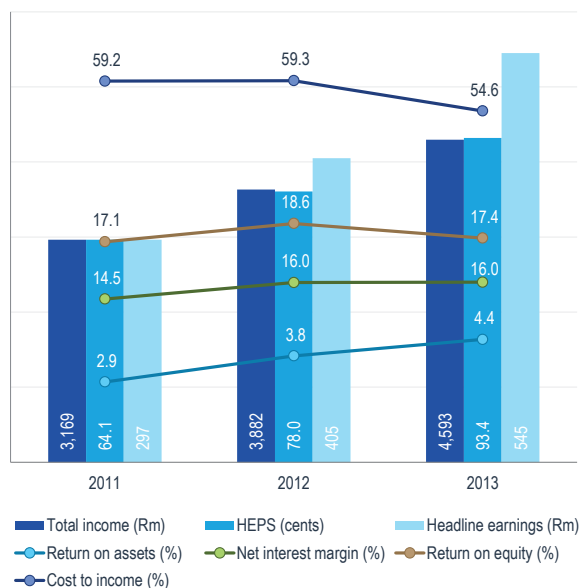
FINANCIAL POSITION



- Conservative growth of gross loans & advances from R9.8bn to R11.7bn (▲20%)
 - Asset-backed R5.9bn (▲17%)
 - Unsecured R5.8bn (▲23%)
- Slowing rate of growth of gross loans & advances
 - capital rationing constrains growth
 - origination strategies targeting improved credit quality, not book growth
 - slowing rate of growth in Unsecured lending (▲55% in 2012)
- Balanced asset portfolio
- Equity R3.9bn (▲18%)
- NAV per share 637.7 cps (▲17%)
- Capital adequacy levels ▲17% to 41.6%
 - 25.3% equity
 - 16.3% subordinated debt

NOTES

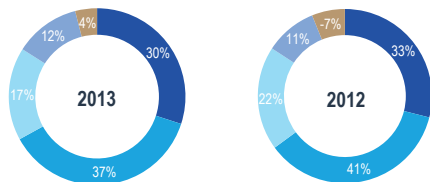
FINANCIAL PERFORMANCE



- Headline earnings ▲35% from R405m to R545m
 - growth in gross loans & advances (▲20%)
 - stable net interest margin
 - 9% ▲ in EBITDA from services
- Continuing headline earnings ▲34% from R359m to R480m
- HEPS ▲20% from 78.0 cps to 93.4 cps on increased number of shares
- Net interest margin stable at 16.0%
 - ▼ in cost of debt neutralised by ▼ yield on loans & advances
- Cost-to-income ▼ from 59.3% to 54.6%
 - efficiency improvements & cost containment across the group
 - portfolio mix tending to lending
- Return on assets ▲ from 3.8% to 4.4%
- Return on equity ▼ from 18.6% to 17.4%
 - weighted average number of shares ▲12%
 - conservative gearing of 3.9 times

PORTFOLIO MIX

Headline earnings	Rm			Growth		Contribution		
	2013	2012	2011	2013	2012	2013	2012	2011
Asset-backed lending	163	133	109	23%	22%	30%	33%	37%
Credit services	95	88	61	8%	44%	17%	22%	20%
Corporate support	23	(28)	(22)	>100%	28%	4%	(7%)	(7%)
Continuing ex-unsecured lending	281	193	148	46%	30%	52%	48%	50%
<i>Cents per share</i>	48.1	37.1	32.0	30%	16%			
Unsecured lending	199	166	138	20%	20%	37%	41%	46%
Continuing	480	359	286	34%	25%	88%	89%	96%
<i>Cents per share</i>	82.3	69.1	61.4	19%	13%			
Payment services - operational	50	46	37	9%	24%	9%	11%	12%
Payment services - resulting from sale	15	-	-	n/a	n/a	3%	0%	0%
Mortgage capital - resulting from sale	-	-	(26)	n/a	n/a	0%	0%	(8%)
Total	545	405	297	35%	36%	100%	100%	100%
<i>Cents per share</i>	93.4	78.0	64.1	20%	22%			

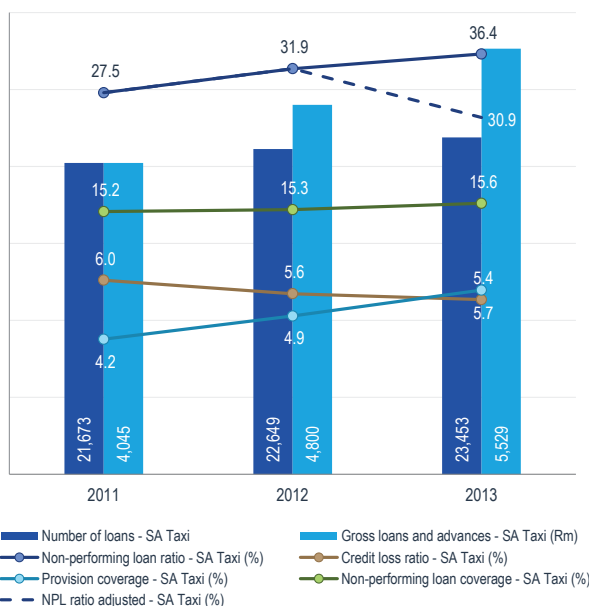


■ Asset backed lending ■ Unsecured lending ■ Credit services ■ Payment services ■ Corporate support

- HEPS from continuing operations ex-unsecured lending ▲ 30% from 37.1 cps to 48.1 cps
- Maintained segmental mix of headline earnings
 - Asset-backed lending contribution ▼ from 33% to 30%
 - Unsecured lending contribution ▼ from 41% to 37%
 - stable performance from credit services in a challenging environment
 - strong cash generation from services divisions, Services EBITDA ▲ 9% from R254m to R277m
- Corporate support profitable on management of excess capital

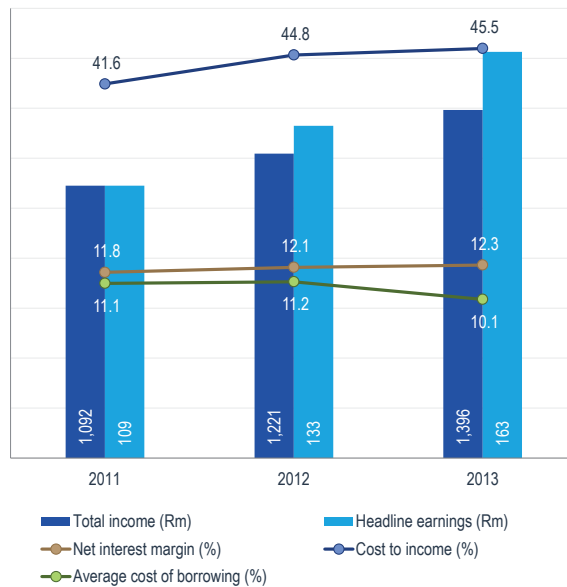
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ASSET-BACKED LENDING – SA TAXI



- Gross loans & advances ▲ 15% to R5.5bn
 - number of accounts ▲ 4%
 - refurbishment & finance of entry level vehicles discontinued with write offs accelerated
- Non-performing loan ratio ▲ from 31.9% to 36.4%
 - more comprehensive refurbishments & discontinue entry level refurbishment
 - slower rate of refinancing repo vehicles
 - ▲ NPL matched by ▲ provision
 - provision coverage ▲ from 4.9% to 5.7%
 - NPL coverage ▲ from 15.3% to 15.6%
 - NPL ratio of 30.9% based on 3 cumulative payments (not consecutive)
- Credit loss ratio ▼ from 5.6% to 5.4%
 - credit quality ▲; more stringent scoring; new origination bias 97% to premium vehicles
 - improved Taximart productivity & refurbished vehicle quality to mitigate risk
 - stable demand for used refurbished vehicles

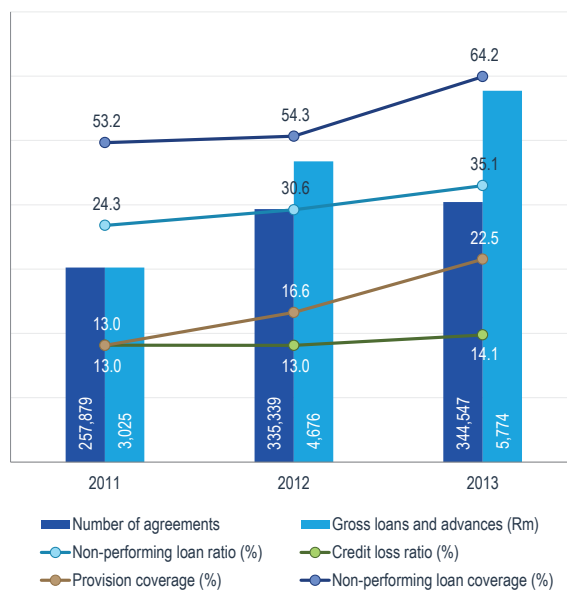
ASSET-BACKED LENDING – SA TAXI; RAND TRUST



- **Headline earnings** ▲23% to R163m
 - total income up 14%
 - net interest margin ▲ to 12.3%
 - ▼ average cost of borrowings
 - lower credit loss ratio in SA Taxi of 5.4%
 - strong growth from Rand Trust
- **Marginal** ▲ in cost-to-income ratio to 45.5%
 - broaden value proposition to client base
 - investment into client service (Shiyela SA Taxi client rewards programme)
 - continued investment in Taximart
 - operational efficiencies accruing from relocation to a single site
 - economies of scale realised in Rand Trust
- **Rand Trust:**
 - continued to invest to diversify client base, increase client utilisation of facilities & improve client retention
 - Gauteng office established
 - innovation in distribution channels, marketing strategies & client offerings

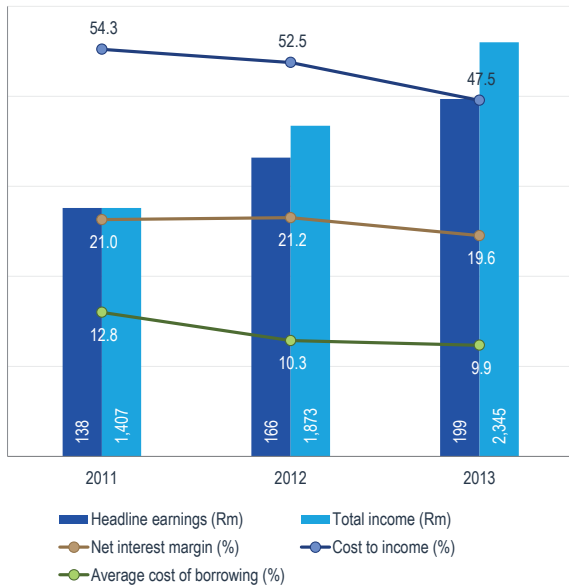
NOTES

UNSECURED LENDING – BAYPORT



- **Gross loans & advances** ▲23% from R4.7bn to R5.8bn
 - slowing & cautious rate of growth (55% in 2012)
- **Conservative origination strategy** determined by
 - capital rationing
 - ▼ credit risk appetite
 - ave. monthly disbursements 2013: R170m (2012: R226m)
 - low risk product offering
 - ave. disbursement R14,308 (NCR ave. R18,211)
 - ave. term at origination 47 months (NCR ave. 45 months)
- **Number of active agreements** ▲3% to 344,547
- **NPL ratio** ▲ from 30.6% to 35.1%
 - consumer economy softened throughout 2013
 - continued lower disbursement levels
 - seasoning of the portfolio; credit metrics decline as advances slow
 - slowdown in late stage collections
- **Continued prudence**
 - NPL coverage ▲ from 54.3% to 64.2%
 - provision coverage ▲ from 16.6% to 22.5%

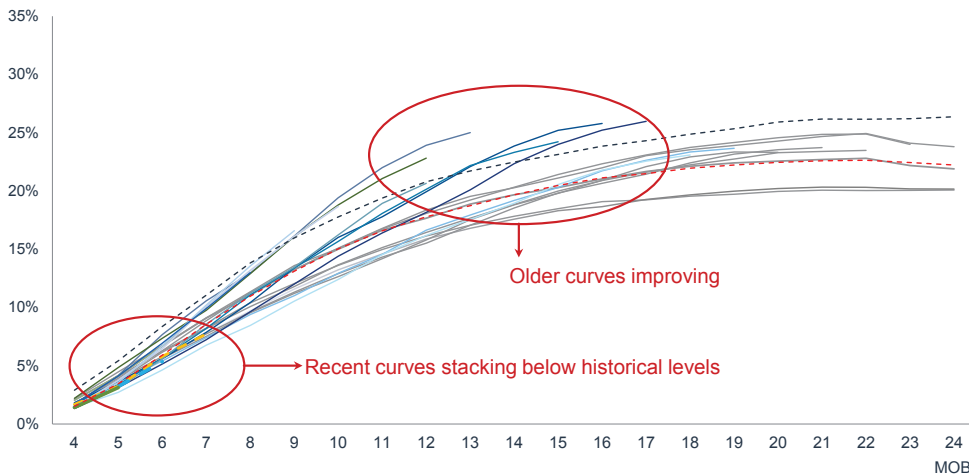
UNSECURED LENDING – BAYPORT



- Headline earnings ▲20% to R199m
 - total income ▲ 25%
 - net interest margin ▼ to 19.6%
 - ▼ ave. cost of borrowings
 - Cost-to-income ▼ to 47.5% on improved efficiency
- Credit loss ratio ▲ to 14.1%
 - significant ▲ in NPL coverage & provision coverage due to ▲ in NPLs & consumer environment deterioration
 - higher write off rate
 - written off book valued at R135m (9c/R1)
- Continued investment
 - ICT systems & processes
 - Credit IP

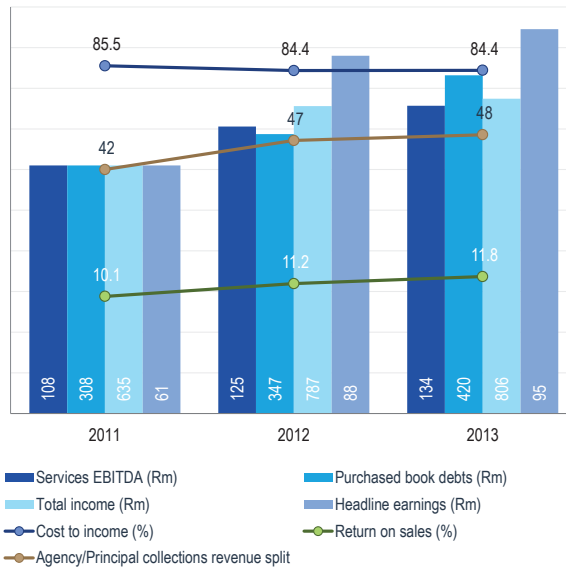
NOTES

UNSECURED LENDING – BAYPORT



- Vintage curves from the H1 of 2013 revealed deterioration in the credit environment
- "Flares" in December 2012 & April 2013 in line with industry-wide NAEDO success rates
- Elevated NPL levels addressed by conservative provisioning, increased capital adequacy & continued tightening of credit criteria
- Collection activity rehabilitating NPLs; older curves improve & recent curves stack below historical levels

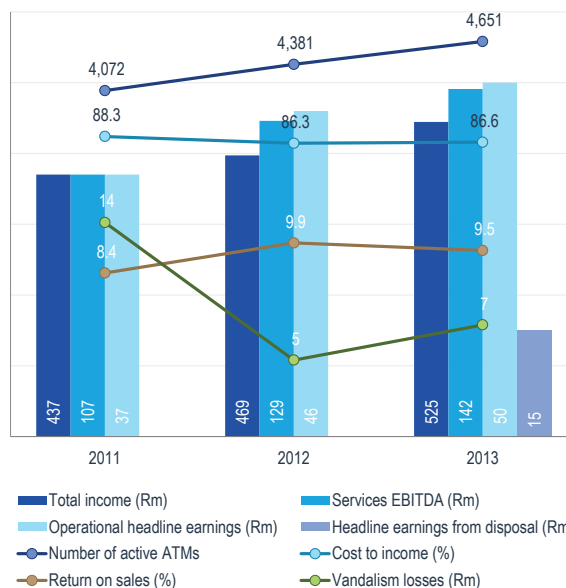
CREDIT SERVICES – MBD CREDIT SOLUTIONS; PRINCIPA DECISIONS



- Headline earnings ▲ 8% to R95m
 - challenging collections environment
 - earnings growth continue to lag large purchases of book debts
 - modest revenue growth of 2%
 - stringent cost management; stable cost to income ratio of 84.4%
- Purchased book debts ▲21% from R347m to R420m
 - books acquired in advantageous buying environment
 - acquisitions of R119 million
 - necessitated investment into expanded call centre capacity
 - revenue bias of 48% to secure principal collections
- Return on sales ▲ from 11.2% to 11.8%
 - revenue growth
 - cost containment
 - lower effective tax rate
- Principa Decisions
 - Softening SA consumer credit economy effected revenue generation abilities
 - strong USD revenues earned from Qarar joint venture in Middle East

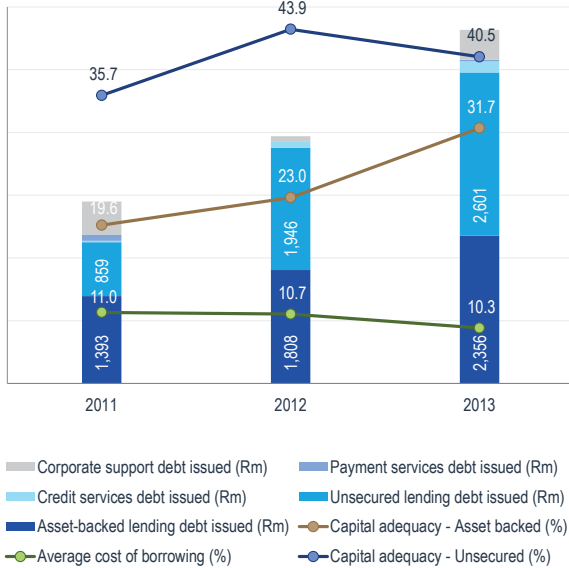
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PAYMENT SERVICES – PAYCORP (DISCONTINUED OPERATION)



- Proceeds of R937m disposal received 1 November 2013
- Headline earnings ▲41% to R65m
 - strong performance from core ATM business
 - Includes R15m of earnings related to disposal
- Active ATM fleet ▲6% to 4,651
 - high network uptime levels
 - continued relocation of underperforming ATMs to better sites
 - 24% increase in ATM disbursements
- Marginal ▲ in cost-to-income ratio from 86.3% to 86.6%
 - vandalism costs increasing
 - fee structure pressure from banking partners
- Return on sales ▼ from 9.9% to 9.5%

FUNDING

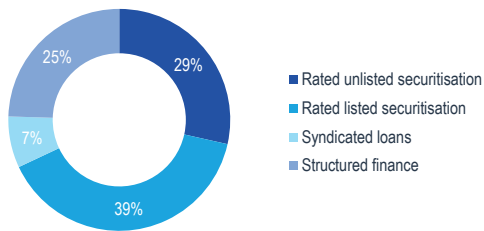


- 21 institutions invested R5.6bn of debt capital
 - Asset-backed lending: R2.6bn
 - Unsecured lending: R2.4bn
 - Corporate support: R477m
- New debt investors:
 - 4 new to group
 - 3 new to asset classes
- Cost of borrowing ▼ from 10.7% to 10.3%
- ▲ capital adequacy ratios
 - Asset-backed lending 31.7%
 - Unsecured lending 40.5%
- Maintain robust ratings
 - BaySec: S&P rating of zAa-1(sf) on senior notes
 - SA Taxi Securitisation: Moody's rating of Aa2.za (sf) on senior notes, & mezzanine notes upgraded by three notches to A3.za (sf)

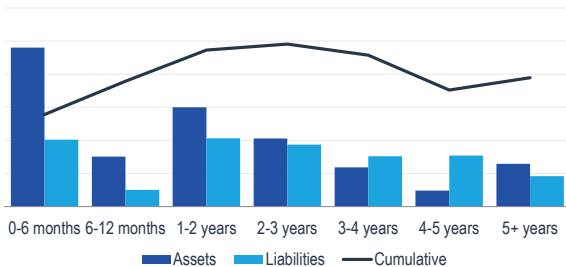
NOTES

FUNDING PHILOSOPHY

Diversification by funding structure



Positive liquidity mismatch



- Proven wholesale funding model
 - "positive liquidity mismatch" between asset & liability cash flows
 - no exposure to overnight debt instruments & limited exposure to 12-month instruments
 - direct relationships with debt capital markets
 - diversification by debt investor, funding structure & credit rating
 - ring-fenced funding structures per individual asset class
 - targeted capital adequacy levels per asset class

TRANSACTION CAPITAL

DISPOSAL OF PAYCORP & BAYPORT

2013

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DISPOSAL OF PAYCORP AND BAYPORT

DISPOSALS – PAYCORP

- Acquired from founder Steven Kark in 2006 to form Transaction Capital
- In Q2 FY13 Actis made unsolicited offer for Paycorp
- On 6 August 2013 Transaction Capital entered into an agreement to dispose of 100% of Paycorp for R937m (18.7 times earnings to September 2013; 18% IRR excluding gearing benefits)
- All conditions precedent fulfilled 31 October 2013
- Sale proceeds of R937m received effective date 1 November 2013
- Paycorp accounted for as “held for sale” asset in FY2013 (this classification contributing R15m to discontinued operations headline earnings)

DISPOSALS – BAYPORT

- March 2010 82.65% of Bayport Financial Services (BFS) acquired for R537m
- Transaction held potential for later acquisition of Bayport Management Services (BML) & re-integration of BML & BFS under management of founding partners Kurland & Stone (respective leaders & minorities in both businesses)
- By mid 2013, the higher earnings & ratings of BML, TC's low PE multiple, & prospect of TC being dominated by unsecured lending, made envisaged transaction dilutive with a diminution of risk adjusted returns for shareholders
- Following due consideration & an offer from BML (precipitated by an investment into BML by Helios), the board elected to reverse its initial ambition by disposing of its interest in BFS to BML
- Disposal for R1.33bn announced 23 October 2013 (6.7 PE to September 2013; 33% IRR excluding gearing benefits)
- Outstanding CP's: Competitions Commission & Shareholder approvals
- Effective date of disposal expected to be late 2013 / early 2014

NOTES

TRANSACTION CAPITAL

USE OF
PROCEEDS

2013

USE OF PROCEEDS

- Sufficient portion of proceeds will be retained to optimise equity & debt structures of the continuing subsidiaries, fund organic growth, & underpin significant acquisitive activity in medium term
- Balance of R1.2bn returned to shareholders
- Absent any unforeseen capital requirements arising in the interim, board's intention to consider declaring a distribution of 200 cents per share, subject to the closure of the Bayport transaction, expected by the end of January 2014

NOTES

TRANSACTION CAPITAL

RESTRUCTURE OF
BOARD & GROUP
EXECUTIVE OFFICE

2013

RESTRUCTURE OF BOARD & GROUP EXECUTIVE OFFICE

RESTRUCTURE OF BOARD & GROUP EXECUTIVE OFFICE

- Coincident with & allied to the expiry of the CEO's service contract on 30 November 2013
- Effective 26th November:
 - Steven Kark & Cedric Ntumba tendered resignations
- With effect from the 15th January 2014:
 - Christopher Seabrooke will stand down as independent non-executive chairman to become lead independent non-executive director
 - Mark Lamberti will resign as CEO to become non-executive chairman of the Board
 - David Hurwitz will be appointed CEO
 - Mark Herskovits will be appointed to the board as CFO
 - The nature, chairmanship & membership of the board's sub-committees will be altered to ensure the optimal deployment of director's independence & capabilities
 - Jonathan Jawno will stand down as Deputy CEO to become an executive director
 - Michael Mendelowitz & Roberto Rossi will retain their positions as CIO & CLO

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RESTRUCTURE OF BOARD & GROUP EXECUTIVE OFFICE

RESTRUCTURE OF BOARD & GROUP EXECUTIVE OFFICE

- All directors' fees or compensation will be altered concomitant with their new responsibilities
- All group office functions have been devolved to subsidiaries or reduced to support the smaller portfolio
- The result: a board of 11 directors (six non-executive, five of whom are independent) & substantially reduced group office, both resized to meet the necessary governance, leadership & affordability requirements, without compromising the strategy espoused at the time of listing

TRANSACTION CAPITAL

STRATEGY & PROSPECTS

2013

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STRATEGY & PROSPECTS

STRATEGY

Invest in organic & acquisitive growth of non-deposit taking niched financial services businesses to render acceptable risk adjusted returns to shareholders

- Ensure a defensible competitive stance for each business unit through the definition & delivery of a compelling value proposition to stakeholders
- Deliver value beyond that which the business units would generate as free standing entities: acquisitions & disposals; direction; collaboration; sharing
- Subsequent to the disposal of Bayport, Transaction Capital will comprise:
 - SA Taxi & Rand Trust in the asset-backed SME finance division
 - MBD Credit Solutions & Principa Decisions in the credit services division
- These subsidiaries epitomise the unique characteristics (differentiation; scale; proprietary IP) necessary to sustain leadership within their chosen market niches
- Using the retained proceeds of the disposals, the group has a solid platform for the organic & acquisitive growth of earnings & returns

TRANSACTION CAPITAL CONTINUING OPERATIONS – FY2013

Transaction Capital Limited – year ended 30 September 2013			
Employees: 3,673 Headline earnings: R282m			
Lending		Services	
Total income: R1,396m	Headline earnings: R163m	Total income: R806m	Headline earnings: R95m
Asset-backed lending		Credit services	
Income: R1,396m		Income: R806m	
Headline earnings: R163m		Headline earnings: R95m	
Gross loans & advances: R5,868m		Services EBITDA: R134m	
 SA Taxi <i>driving our nation forward</i> Financier of independent SME minibus taxi operators		 MBD Credit Solutions <i>asset intelligence</i> Collector of distressed accounts receivables (agency & principal)	
 Rand Trust <i>business, on your terms</i> Provider of working capital through invoice discounting & commercial debtors management		 Principa <i>profitable decisions</i> Credit risk consultancy services & software resellers (FICO)	

NOTES

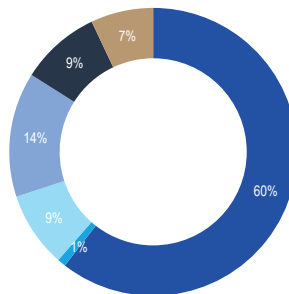
FINANCIAL POSITION – PRO-FORMA

		YE Sep 2013 as reported	Post Paycorp disposal	Post Bayport disposal	Post dividend of 200 cps
Disposal consideration	Rm		937	1,333	
Headline earnings	Rm	545	480	281	281
Loans and advances	Rm	10,232	10,232	5,624	5,624
Cash and cash equivalents	Rm	673	1,512	2,466	1,301
Other assets	Rm	3,426	3,106	2,031	2,031
Total assets	Rm	14,331	14,850	10,121	8,956
Equity attributable to ordinary equity holders of the parent	Rm	3,715	4,130	4,052	2,887
Non-controlling interest	Rm	180	180	-	-
Interest bearing liabilities and bank overdrafts	Rm	9,601	9,601	5,472	5,472
- Senior	Rm	7,470	7,470	4,099	4,099
- Subordinated	Rm	2,131	2,131	1,373	1,373
Other liabilities	Rm	835	939	597	597
Total funding	Rm	14,331	14,850	10,121	8,956
TNAV	cps	532.1	603.3	668.7	468.7
HEPS	cps	93.4	82.3	48.1	48.1
Capital adequacy ratio	%	41.6	45.9	70.3	54.8

- Paycorp disposal
 - PE on FY2013 earnings 18.7
 - IRR 18%, excluding gearing benefits
- Bayport disposal
 - PE on FY2013 earnings 6.7
 - IRR 33%, excluding gearing benefits
- Distribution of 200 cps under consideration; capital adequacy ratio of 54.8%
- ▲ TNAV of 128.4cps (including release of R333m of goodwill) generated by Paycorp disposal, proceeds received 01 November 2013
- Reduced range & complexity of risks
- Solid platform for organic & acquisitive growth
- Basis of preparation
 - 2013 results as reported
 - Pre restructure of the group office

SHAREHOLDING

30 September 2013



- Directors of Transaction Capital and its subsidiaries and their associates
- Transaction Capital employees including other employee funded share ownership
- Old Mutual Life Assurance Co. South Africa Ltd.
- Remaining institutional shareholders
- Ethos Private Equity
- Retail investors

- Percentage held by institutional investors
 - ▲ from 10% to 14%
 - Paycorp staff exiting share scheme
 - Excludes OMLACSA
- Percentage held by retail investors
 - ▲ from 6% to 7%
- Share Appreciation Rights plan successfully introduced

NOTES

PROSPECTS

- New leadership from 15 January 2014
- Decision & announcement on distribution when Bayport proceeds received
- Despite challenging environment, early 2014 performance of Transaction Capital is in line with the guidance on revenue & profit growth rates provided on listing, albeit off a lower base

TRANSACTION CAPITAL

CONCLUSION

2013

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ADDENDA

PRESENTERS' DETAILS

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AUDITED RESULTS

FOR THE YEAR ENDED
30 SEPTEMBER

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TRANSACTION CAPITAL



Transaction Capital

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HEADLINE EARNINGS

▲ 34.6% TO **R545 million**

HEADLINE EARNINGS PER SHARE

▲ 19.8% TO **93.4 cents**

NET ASSET VALUE PER SHARE

▲ 17.5% TO **637.7 cents**

WEIGHTED AVERAGE NUMBER OF SHARES

▲ 12.4% TO **583.6 million**

RETURN ON ASSETS

▲ 15.8% TO **4.4%**RETURN ON EQUITY **17.4%****18.6%** ACHIEVED IN 2012

FINAL DIVIDEND ▲ 33.3%

TO **12 cents per share**DISTRIBUTION OF **200 cents**

PER SHARE UNDER CONSIDERATION

COMMENTARY

OVERVIEW

In its first full year as a public company, Transaction Capital achieved the strategic, operational and financial objectives envisaged on the listing of the group. In addition, the disposal of Paycorp and Bayport (the latter still subject to approval) has substantially increased tangible net asset value and reduced the range and complexity of risks for stakeholders.

FINANCIAL HIGHLIGHTS

- headline earnings increased 34.6% to R545 million
- weighted average number of shares increased 12.4% to R583.6 million
- headline earnings per share increased 19.8% to 93.4 cents
- net asset value per share increased 17.5% to 637.7 cents
- return on average assets increased 15.8% to 4.4%
- return on average equity of 17.4% was achieved, down from 18.6% in 2012
- continued headline earnings increased 33.7% to R480 million, and continued headline earnings per share grew 19.1% to 82.3 cents, driven by
 - total income increasing 18.3% to R4 593 million
 - non-interest revenue increasing 15.1% to R1 910 million
 - gross loans and advances growing 19.8% to R11 697 million
- final dividend declared per share increased 33.3% to 12 cents per share
- distribution of 200 cents per share under consideration by the board

ENVIRONMENT

Despite decade long interest rate lows, and a continued migration of lower income consumers to middle income segments, the South African consumer economy softened throughout the year as employment and real wage growth slowed, exchange rate related inflation eroded disposable income, labour unrest escalated, and lenders decreased the growth rate of unsecured credit extension to generally over indebted lower and middle income consumers.

The financial services environment remained competitive as participants pursued market share, technological advantage and non-interest and transactional revenues. As predicted at the half year, major lenders reported deteriorating credit metrics and, in keeping with their commitment to regulatory compliance and responsible market conduct, implemented more conservative credit, origination, collection, provision and write-off policies.

Regulatory uncertainty abated slightly as certain policies were announced and the authorities moderated initial positions in response to established lender's lobbying and self-regulation. Poor enforcement by regulators, and unchecked abuse by opportunistic lenders, debt counsellors and other intermediaries, remains a threat to unsophisticated users and compliant operators throughout the financial services sector.

FINANCIAL PERFORMANCE

Transaction Capital's 34.6% growth of headline earnings to R545 million was achieved through a combination of revenue growth and cost containment in all divisions.

Net interest income grew 28.7% to R1 735 million, with a net interest margin of 16.0% unchanged. The reduction in cost of debt due to higher equity levels was neutralised by a lower yield on gross loans and advances, reflective of the stressed South African consumer credit economy.

The group's credit loss ratio increased from 8.8% to 9.6%, due to the increased weighting of unsecured loans and advances within the loan portfolio, which has a higher credit loss ratio associated with these loans. Encouragingly, the credit loss ratio of asset-backed lending declined from the prior year's levels.

Non-interest revenue grew 15.1% to R1 910 million due to the 19.8% growth in gross loans and advances, which drove fee, commission and insurance related income.

The cost-to-income ratio improved from 59.3% to 54.6% as a result of excellent cost control across the group and an increased weighting towards the lower cost-to-income ratio lending operations. Total expenses grew 11.5% to R1 990 million as both assets in the lending divisions and revenue generating activities in the services divisions expanded, with a concomitant investment in human capital and technology.

With a capital adequacy ratio of 41.6%, Transaction Capital is well positioned to take advantage of, and fund growth opportunities. Since the start of the financial year 21 institutions invested more than R5.6 billion of debt capital.

OPERATIONAL HIGHLIGHTS

ASSET-BACKED LENDING – SA TAXI AND RAND TRUST

The division increased headline earnings 22.6% to R163 million from a 16.9% growth in gross loans and advances to R5.9 billion.

SA Taxi is a specialist financier of mini-bus taxis to SMEs. Growth in net interest margin was driven by increased loan sizes due to inflationary increases in the cost price of the new vehicles, and by an improved net interest margin of 11.8% resulting from the reduced cost of debt.

Credit quality improved due to more stringent credit scoring, improved collections and an origination strategy biased increasingly towards premium vehicles, resulting in lower credit losses of 5.4%, compared to 5.6% a year ago. The rate of refinancing repossessed vehicles has slowed as more comprehensive refurbishments were required to ensure the requisite quality. This has resulted in an increase in the number of repossessed vehicles causing the non-performing loan ("NPL") ratio to increase from 31.9% to 36.4%. NPL coverage was concomitantly strengthened from 15.3% to 15.6%, as was provision coverage from 4.9% to 5.7%. Operational efficiencies are accruing from the relocation of SA Taxi's businesses to a single site.

Rand Trust provides receivables discounting and commercial debtor management to SMEs. Rand Trust invested heavily in its distribution channel, marketing mechanisms and client offering to create scale, diversify its client base, increase client's utilisation of available facilities and improve retention of long-term clients. The result was a 56.1% growth in loans and advances and a 33.7% growth in net interest income.

UNSECURED LENDING – BAYPORT

Bayport is a provider of unsecured personal loans to middle market consumers. The division increased headline earnings 19.9% to R199 million from a 23.5% growth in gross loans and advances to R5.8 billion.

Vintage curves from the first half of the 2013 financial year revealed a deterioration of credit quality. This triggered a further tightening of lending criteria resulting in lower disbursement levels for the year. Growth in gross loans and advances slowed to 23.5%, compared to 54.6% in 2012, accelerating the seasoning of the book. This, together with the slow-down in the late stage collection process for the year due to the implementation of system improvements, resulted in the adverse movement in the NPL ratio to 35.1%. This was addressed through an improvement in the NPL coverage from 54.3% to 64.2% and the provision coverage from 16.6% to 22.5%.

Bayport will remain conservative in targeting client and employer segments while actively monitoring credit quality, loan size (average at origination: R14 308) and term (average at origination: 47 months).

On 23 October 2013 Transaction Capital announced the sale of its 82.65% interest in Bayport to Bayport Management Limited, subject to various conditions and approvals. The transaction price of R1 330 million was 6.7 times earnings to September 2013, providing a 32.6% IRR excluding gearing benefits. The effective date of the disposal is expected to be before the end of 2013. As the transaction was approved by the board subsequent to the financial year end and not all conditions precedent have been met, Bayport is accounted for as a continuing operation.

CREDIT SERVICES – MBD CREDIT SOLUTIONS AND PRINCIPA DECISIONS

The division increased headline earnings 8.0% to R95 million.

MBD CS collects distressed consumer and commercial debt as agent for credit providers and as principal on acquired book debts. Earnings grew as a result of modest revenue growth enhanced by stringent cost management. Book acquisitions of R118.6 million in the current financial year and acquisitions of R42.6 million late in the last quarter of FY12, necessitated an increase in MBD CS's facilities and personnel in an expanded Johannesburg CBD call centre, and the optimisation of existing collection capacity and strategies. It is expected that the benefits of the investment in purchased book debts together with MBD CS's augmented collections capability will be realised during the 2014 financial year.

Principa Decisions provides credit risk consultancy services and software. A weakening local credit consumer economy has had a negative effect on Principa Decision's traditional revenue generation abilities. The Qarar joint venture with Simah in the Middle East however is now fully operational with strong revenues being earned during the last half of 2013.

PAYMENT SERVICES – PAYCORP (DISCONTINUED OPERATION)

Paycorp comprises ATM Solutions, which owns, installs, operates and maintains a fleet of off bank premise ATMs and EFT terminals, and DrawCard, a prepaid card issuer. Earnings grew 8.7% to R50 million.

A combination of the active ATM fleet growing 6.2% to 4 651 machines, continued relocation of underperforming ATMs to better sites, and high network uptime levels, yielded a 24.5% increase in ATM disbursements. Payment based income grew 11.2% suppressed by slightly increased vandalism levels and fee structure pressure from banking partners.

COMMENTARY *continued*

On 6 August 2013 Transaction Capital entered into an agreement to dispose of 100% of Paycorp to a company owned by funds of emerging market private equity firm Actis, with minority ownership by the Paycorp management team. The transaction price of R937 million was 18.7 times earnings to September 2013, providing an 18.2% IRR excluding gearing benefits. All conditions precedent were fulfilled on 31 October 2013 with the effective date of the transaction being 1 November 2013, when the net sale proceeds were received by Transaction Capital. Paycorp is thus accounted for as a non-current asset held for sale in the 2013 financial year, with the impact of this classification contributing an additional R15 million to the discontinued operations headline earnings.

USE OF PROCEEDS

It is the intention of the board to retain a sufficient portion of the proceeds arising from the disposal of Paycorp and Bayport to optimise the equity and debt structures in the continuing subsidiaries, fund organic growth and facilitate an underpin for significant acquisitive activity in the medium term.

Subject to the closure of the Bayport transaction expected by the end of January 2014, and having taken full account of the medium term requirements of the group as described above, it is the further intention of the board to consider declaring a distribution of 200 cents per share, absent any unforeseen capital requirements arising in the interim. This is not a commitment and is intended only to provide shareholders with the board's deliberations on the use of proceeds.

RESTRUCTURE OF THE BOARD AND GROUP OFFICE

Coincident with, and allied to, the expiry of the chief executive's service contract, the board and group office has been restructured and resized to accommodate the requirements of the smaller Transaction Capital group.

Effective 26th November 2013:

- Steven Kark and Cedric Ntumba have tendered their resignations

With effect from the 15th January 2014:

- Christopher Seabrooke will stand down as independent non-executive chairman to become lead independent non-executive director
- Mark Lamberti will resign as chief executive officer to become non-executive chairman of the board
- David Hurwitz will be appointed chief executive officer
- Mark Herskovits will be appointed to the board as chief financial officer
- The nature, chairmanship and membership of the board's sub-committees will be altered to ensure the optimal deployment of director's independence and capabilities
- Jonathan Jawno will stand down as deputy chief executive officer to become an executive director while Michael Mendelowitz and Roberto Rossi will retain their positions as chief investment officer and chief legal officer respectively

All directors' fees or compensation will be altered concomitant with their new responsibilities and all group office functions have either been devolved to subsidiaries or reduced to support the smaller portfolio.

The above changes will position Transaction Capital with a board of 11 directors (six non-executive, five of whom are independent) and a substantially reduced group office, both resized to meet the necessary governance, leadership and affordability requirements, without compromising the strategy espoused at the time of listing.

STRATEGY AND PROSPECTS

Transaction Capital remains committed to investing in the organic and acquisitive growth of non-deposit taking niched financial services businesses, with a view to rendering acceptable risk adjusted returns to shareholders.

Subsequent to the disposals mentioned above, Transaction Capital will comprise SA Taxi and Rand Trust in the asset-backed SME finance division and MBD Credit Solutions and Principa in the credit services division. These subsidiaries epitomise the unique characteristics necessary to sustain leadership within their chosen niches and, fuelled by the retained proceeds of the recent disposals, provide a solid platform for the organic and acquisitive growth of earnings and returns.

Notwithstanding the challenging environment, the early 2014 performance of Transaction Capital is in line with the guidance on revenue and profit growth rates provided on listing, albeit off a lower base.

DIVIDEND DECLARATION

In line with the stated dividend policy of 4 to 5 times cover and following the interim dividend of 9 cents per share, the board has declared a final gross cash dividend of 12 cents per share for the six months ended 30 September 2013, to those members recorded in the register of members on the record date, appearing below. The dividend is declared out of income reserves. The company will utilise STC credits to the value of 11.1 cents per share. A dividend withholding tax of 15% will be applicable to the remaining balance of

0.9 cents per share to all shareholders that are not exempt, resulting in a net dividend of 11.865 cents per share. The company will have no remaining STC credits available. The salient features applicable to the final dividend are as follows:

Issued shares as at declaration date	582 581 177
Declaration date	Tuesday, 26 November 2013
Last day to trade cum dividend	Thursday, 12 December 2013
First day to trade ex dividend	Friday, 13 December 2013
Record date	Friday, 20 December 2013
Payment date	Monday, 23 December 2013

Share certificates may not be dematerialised or rematerialised between Friday, 13 December 2013, and Friday, 20 December 2013, both dates inclusive.

On Monday, 23 December 2013, the cash dividend will be electronically transferred to the bank accounts of all certificated shareholders where this facility is available. Where electronic fund transfer is not available or desired, cheques dated 23 December 2013 will be posted on that date. Shareholders who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Monday, 23 December 2013.

SUBSEQUENT EVENTS

The sale of Paycorp became effective on 1 November 2013.

The group announced, on 23 October 2013, its intention to dispose of its interest in Bayport subject to the following remaining material conditions precedent; approval from the Competition Commission and approval from the shareholders of Transaction Capital.

No other events which would have a material impact on either the financial position or operating results of the group have taken place between 30 September 2013 and the date of the release of this report.

On behalf of the board of directors:

M J Lamberti
Chief executive officer

D M Hurwitz
Chief financial officer

26 November 2013

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2013

	2013 Audited Rm	2012 Audited Rm	Change %
Assets			
Cash and cash equivalents	673	1 101	(38.9)
Tax receivables	64	28	128.6
Trade and other receivables	505	410	23.2
Inventories	85	203	(58.1)
Loans and advances	10 232	8 780	16.5
Purchased book debts	420	347	21.0
Other loans receivable	280	228	22.8
Equity accounted investments	4	-	100.0
Other investments	481	316	52.2
Intangible assets	21	36	(41.7)
Property and equipment	96	308	(68.8)
Goodwill	594	927	(35.9)
Deferred tax assets	107	130	(17.7)
Non-current assets classified as held for sale	769	-	100.0
Total assets	14 331	12 814	11.8
Liabilities			
Bank overdrafts	71	158	(55.1)
Tax payables	2	13	(84.6)
Trade and other payables	386	827	(53.3)
Provisions	2	3	(33.3)
Interest-bearing liabilities	9 601	8 353	14.9
Senior debt	7 470	6 876	8.6
Subordinated debt	2 131	1 477	44.3
Deferred tax liabilities	194	156	24.4
Liabilities directly associated with non-current assets classified as held for sale	180	-	100.0
Total liabilities	10 436	9 510	9.7
Equity			
Ordinary share capital and premium	1 779	1 792	(0.7)
Other reserves	385	268	43.7
Retained earnings	1 551	1 112	39.5
Equity attributable to ordinary equity holders of the parent	3 715	3 172	17.1
Non-controlling interests	180	132	36.4
Total equity	3 895	3 304	17.9
Total equity and liabilities	14 331	12 814	11.8

SUMMARISED CONSOLIDATED INCOME STATEMENT

for the year ended 30 September 2013

	2013 Audited Rm	2012 Audited Rm	Change %
Interest and other similar income	2 683	2 222	20.7
Interest and other similar expense	(948)	(874)	8.5
Net interest income	1 735	1 348	28.7
Impairment of loans and advances	(1 038)	(740)	40.3
Risk adjusted net interest income	697	608	14.6
Non-interest revenue	1 910	1 660	15.1
Operating costs	(1 990)	(1 784)	11.5
Equity accounted earnings	4	-	100.0
Profit before tax	621	484	28.3
Income tax expense	(100)	(96)	4.2
Profit from continuing operations	521	388	34.3
Profit from discontinued operations	65	46	41.3
Profit for the year	586	434	35.0
Attributable to ordinary equity holders of the parent	544	401	35.7
Attributable to non-controlling equity holders	42	33	28.7
Basic earnings per share	93.2	77.3	20.6
Diluted basic earnings per share	93.2	77.3	20.6
Headline and diluted headline earnings per share	93.4	78.0	19.8
Headline and diluted headline earnings per share – continuing operations	82.3	69.1	19.1
Headline and diluted headline earnings per share – discontinued operations	11.1	8.9	24.7

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 September 2013

	2013 Audited Rm	2012 Audited Rm	Change %
Profit for the year	586	434	35.0
Other comprehensive income	122	149	(18.1)
Fair value gains/(losses) arising during the year on cash flow hedge	10	(6)	
Amount removed from other comprehensive income and recognised in profit and loss	-	4	
Fair value gains arising on valuation of available-for-sale investment	115	149	
Deferred tax	(3)	2	
Total comprehensive income for the year	708	583	21.4
Attributable to ordinary equity holders of the parent	659	523	26.0
Attributable to non-controlling equity holders	49	60	(18.3)

SUMMARISED HEADLINE EARNINGS RECONCILIATION

for the year ended 30 September 2013

	2013 Audited Rm	2012 Audited Rm	Change %
Profit attributable to ordinary equity holders of the parent	544	401	35.7
Headline earnings adjustable items added			
Losses on disposal of properties and equipment	-	1	(100.0)
Impairment of assets	-	3	(100.0)
Impairment of goodwill	1	-	100.0
Headline earnings	545	405	34.6

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2013

	Share capital and premium	Other reserves	Retained earnings	Ordinary shareholders equity	Non- controlling interests	Total equity
Balance at 30 September 2011	908	146	731	1 785	91	1 876
Total comprehensive income	-	122	401	523	60	583
Profit for the year	-	-	401	401	33	434
Other comprehensive income for the year	-	122	-	122	27	149
Dividends paid	-	-	-	-	(4)	(4)
Transactions with non-controlling equity holders	-	-	(20)	(20)	(15)	(35)
Issue of shares	913	-	-	913	-	913
Repurchase of shares	(11)	-	-	(11)	-	(11)
Share issue costs	(18)	-	-	(18)	-	(18)
Balance at 30 September 2012	1 792	268	1 112	3 172	132	3 304
Total comprehensive income	-	115	544	659	49	708
Profit for the year	-	-	544	544	42	586
Other comprehensive income for the year	-	115	-	115	7	122
Dividends paid	-	-	(105)	(105)	-	(105)
Transactions with non-controlling equity holders	-	-	-	-	(1)	(1)
Issue of share appreciation rights	-	2	-	2	-	2
Repurchase of shares	(13)	-	-	(13)	-	(13)
Balance at 30 September 2013	1 779	385	1 551	3 715	180	3 895

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 September 2013

	2013 Audited Rm	2012 Audited Rm	Change %
Net cash utilised by operating activities	(31)	(372)	91.7
Net cash utilised by investing activities	(165)	(4)	(4 025.0)
Net cash (utilised)/raised by financing activities	(13)	849	(101.5)
Net increase/(decrease) in cash and cash equivalents	(209)	473	(155.4)
Cash and cash equivalents at beginning of the year	943	470	100.6
Cash and cash equivalents at beginning of the year relating to discontinued operations	(132)	-	(100.0)
Cash and cash equivalents at beginning of the year from continuing operations	811	470	71.5
Cash and cash equivalents at end of year	602	943	(36.2)

SUMMARISED SEGMENT REPORT

	Asset-backed lending		Credit services		Group executive office	
	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm
Summarised income statement for the year ended 30 September 2013						
Net interest income	667	552	(1)	4	20	(17)
Impairment of loans and advances	(281)	(245)	(2)	(1)	-	-
Non-interest revenue	218	191	790	769	15	(25)
Total operating costs	(403)	(333)	(666)	(652)	(2)	6
Equity accounted earnings	-	-	4	-	-	-
Profit before tax	200	165	125	120	33	(36)
Impact of classification to held for sale	-	-	-	-	-	-
Profit from discontinued operations	-	-	-	-	-	-
Headline earnings	163	133	95	88	23	(28)
Total headline earnings	163	133	95	88	23	(28)
Return on average assets (ROA) (%)	2.7	2.5	12.2	12.4		
Return on average equity (ROE) (%)	32.3	39.3	27.3	28.8		
Services: EBITDA			134	125		
Net interest margin (%)	12.3	12.1				
Cost-to-income ratio (%)	45.5	44.8	84.4	84.4		
Average cost of borrowing (%)	10.1	11.2	8.2	8.2		
Credit loss ratio (%)	5.2	5.4				
ATM disbursements (Rb)						
Number of employees	564	555	3 039	2 518	70	56

Group before unsecured lending		Unsecured lending		Group – continuing		Payment services – discontinued		Group	
2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm
686	539	1 049	809	1 735	1 348	-	-	1 735	1 348
(283)	(246)	(755)	(494)	(1 038)	(740)	-	-	(1 038)	(740)
1 023	935	887	724	1 910	1 660	-	-	1 910	1 660
(1 071)	(980)	(919)	(805)	(1 990)	(1 784)	-	-	(1 990)	(1 784)
4	-	-	-	4	-	-	-	4	-
359	249	262	234	621	484	-	-	621	484
-	-	-	-	-	-	15	-	15	-
-	-	-	-	-	-	50	46	50	46
282	193	199	166	480	359	-	-	480	359
282	193	199	166	480	359	65	46	545	405
134	125	4.3	4.6	3.9	3.4	12.3	12.1	4.4	3.8
		17.7	23.2	15.3	16.4	30.3	30.5	17.4	18.6
		19.6	21.2	16.0	16.0	-	-	134	125
		47.5	52.5	54.6	59.3	86.6	86.3	16.0	16.0
		9.9	10.3	10.3	11.0	10.3	9.6	54.6	59.3
		14.1	13.0	9.6	8.8	-	-	10.3	11.0
						35.6	28.6	9.6	8.8
3 673	3 129	1 326	1 179	4 999	4 308	387	389	5 386	4 697

SUMMARISED SEGMENT REPORT continued

	Asset-backed lending		Credit services		Group executive office	
	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm
Summarised statement of financial position at 30 September 2013						
Assets						
Cash and cash equivalents	226	528	32	57	36	92
Loans and advances	5 577	4 801	47	59	-	-
Purchased book debts	-	-	420	347	-	-
Other investments	175	57	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-	769	-
Other assets and receivables	453	388	234	255	300	514
Total assets	6 431	5 774	733	718	1 105	606
Liabilities						
Bank overdrafts	71	137	-	-	-	-
Interest-bearing liabilities	4 398	4 468	151	140	922	449
Senior debt	3 947	4 103	151	140	-	-
Subordinated debt	451	365	-	-	922	449
Group	1 078	410	-	22	(1 295)	(901)
Liabilities directly associated with non-current assets classified as held for sale	-	-	-	-	180	-
Other liabilities and payables	185	267	204	226	71	47
Total liabilities	5 732	5 282	355	388	(122)	(405)
Total equity	699	492	378	330	1 227	1 011
Capital adequacy ratio (%)	31.7	23.0	48.7	47.9		
Provision coverage (%)	5.5	4.7				
Non-performing loan ratio (%)	34.3	30.7				
Non-performing loan coverage (%)	15.9	15.5				
Assets under management (Rb)			25.8	23.2		
Number of collection agents			2 744	1 983		
Number of active ATMs						

* Assets classified as held for sale comprises R418 million of Paycorp assets, R332 million of goodwill related to Paycorp and R19 million increase in assets due to the held for sale depreciation and amortisation reversal required.

** Liabilities held for sale comprise R247 million of Paycorp liabilities, less R67 million of intergroup loans which eliminates on consolidation.

Group before unsecured lending		Unsecured lending		Group – continuing		Payment services – discontinued		Group	
2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm
						*			
294	677	379	270	673	947	-	154	673	1 101
5 624	4 860	4 608	3 920	10 232	8 780	-	-	10 232	8 780
420	347	-	-	420	347	-	-	420	347
175	57	305	259	481	316	-	-	481	316
769	-	-	-	769	-	-	-	769	-
987	1 157	770	810	1 756	1 967	-	303	1 756	2 270
8 269	7 098	6 062	5 259	14 331	12 357	-	457	14 331	12 814
						**			
71	137	-	-	71	137	-	21	71	158
5 471	5 057	4 129	3 229	9 601	8 286	-	67	9 601	8 353
4 098	4 243	3 371	2 566	7 470	6 809	-	67	7 470	6 876
1 373	814	758	663	2 131	1 477	-	-	2 131	1 477
(217)	(469)	217	469	-	-	-	-	-	-
180	-	-	-	180	-	-	-	180	-
460	540	125	254	584	794	-	205	584	999
5 965	5 265	4 471	3 952	10 436	9 317	-	293	10 436	9 510
2 304	1 833	1 591	1 307	3 895	3 140	-	164	3 895	3 304
		40.5	43.9	40.1	35.7	53.4	54.0	41.6	35.7
		22.5	16.6	13.9	10.5			13.9	10.5
		35.1	30.6	34.5	30.4			34.5	30.4
		64.2	54.3	40.4	34.4			40.4	34.4
						4 651	4 381		

GROUP DATA SHEET

FOR THE YEAR ENDED
30 SEPTEMBER

2013

TRANSACTION CAPITAL



Transaction Capital

TRANSACTION CAPITAL DATA SHEET

at 30 September 2013

		Twelve months ended 30 September			Movement	
		2013	2012	2011	2013	2012
TRANSACTION CAPITAL GROUP						
Consolidated income statement						
Interest and other similar income	Rm	2 683	2 222	1 776	21%	25%
Interest and other similar expense	Rm	(948)	(874)	(789)	8%	11%
Net interest income	Rm	1 735	1 348	987	29%	37%
Impairment of loans and advances	Rm	(1 038)	(740)	(566)	40%	31%
Risk-adjusted net interest income	Rm	697	608	421	15%	44%
Non-interest revenue	Rm	1 910	1 660	1 393	15%	19%
Total operating costs	Rm	(1 990)	(1 784)	(1 410)	12%	27%
Employee expenses	Rm	(796)	(712)	(597)	12%	19%
Cashing, transaction, processing and bank charges	Rm	(53)	(49)	(38)	8%	29%
Cost of sale of goods	Rm	(287)	(152)	(106)	89%	43%
Communication	Rm	(111)	(114)	(102)	(3%)	12%
Depreciation and amortisation	Rm	(51)	(49)	(45)	4%	9%
Consulting, professional, legal and audit	Rm	(104)	(106)	(82)	(2%)	29%
Commission expense	Rm	(108)	(107)	(79)	1%	35%
Rentals	Rm	(61)	(52)	(41)	17%	27%
VAT apportionment disallowed	Rm	(60)	(57)	(47)	5%	21%
Information technology	Rm	(37)	(29)	(35)	28%	(17%)
Other	Rm	(322)	(357)	(238)	(10%)	50%
Operating income	Rm	617	484	404	27%	20%
Equity accounted earnings	Rm	4	–	–	100%	n/a
Profit before tax	Rm	621	484	404	28%	20%
Income tax expense	Rm	(100)	(96)	(94)	4%	2%
Profit from continuing operations	Rm	521	388	310	34%	25%
Profit/(loss) from discontinued operations	Rm	65	46	(34)	41%	(235%)
Profit for the year	Rm	586	434	276	35%	57%
Profit for the year attributable to:						
Ordinary equity holders of the parent	Rm	544	401	250	36%	60%
Non-controlling equity holders	Rm	42	33	26	27%	27%
Headline earnings						
Profit attributable to ordinary equity holders of the parent	Rm	544	401	250	36%	60%
Adjustments for:						
Loss on disposal of tangible assets	Rm	–	1	–	(100%)	100%
Impairment of assets	Rm	–	3	2	(100%)	50%
Impairment of goodwill	Rm	1	–	–	100%	n/a
Capital loss on discontinued operations	Rm	–	–	45	n/a	(100%)
Headline earnings	Rm	545	405	297	35%	36%
Adjustment for:						
Trading profit on discontinued operations	Rm	(65)	(46)	(12)	41%	283%
Headline earnings from continuing operations	Rm	480	359	284	34%	26%
Listing costs	Rm	–	19	1	(100%)	1 800%
Normalised headline earnings	Rm	480	378	285	27%	33%
Number of shares	Number	582 581 177	584 304 184	471 176 222	0%	24%
Weighted average number of shares in issue	m	583.6	519.4	462.5	12%	12%

		Twelve months ended 30 September			Movement	
		2013	2012	2011	2013	2012
TRANSACTION CAPITAL GROUP continued						
Consolidated statement of financial position						
Assets						
Loans and advances	Rm	10 232	8 780	6 720	17%	31%
Purchased book debts	Rm	420	347	308	21%	13%
Property and equipment	Rm	96	308	279	(69%)	10%
Inventories	Rm	85	203	156	(58%)	30%
Goodwill	Rm	594	927	930	(36%)	0%
Intangible assets	Rm	21	36	40	(42%)	(10%)
Cash and cash equivalents	Rm	673	1 101	653	(39%)	69%
Other investments	Rm	481	316	167	52%	89%
Non-current assets classified as held for sale	Rm	769	–	–	100%	n/a
Other assets	Rm	960	796	927	21%	(14%)
Total assets	Rm	14 331	12 814	10 180	12%	26%
Liabilities						
Interest-bearing liabilities	Rm	9 601	8 353	7 469	15%	12%
Senior debt	Rm	7 470	6 876	5 867	9%	17%
Subordinated debt	Rm	2 131	1 477	1 602	44%	(8%)
Bank overdrafts	Rm	71	158	183	(55%)	(14%)
Liabilities directly associated with non-current assets classified as held for sale	Rm	180	–	–	100%	n/a
Other liabilities	Rm	584	999	652	(42%)	53%
Total liabilities	Rm	10 436	9 510	8 304	10%	15%
Equity						
Equity attributable to ordinary equity holders of the parent	Rm	3 715	3 172	1 785	17%	78%
Non-controlling interest	Rm	180	132	91	36%	45%
Total equity	Rm	3 895	3 304	1 876	18%	76%
Total equity and liabilities	Rm	14 331	12 814	10 180	12%	26%
Shareholder statistics						
Basic earnings per share	cents	93.2	77.3	64.1	21%	21%
Basic earnings per share from continuing operations	cents	82.1	69.2	64.1	19%	8%
Headline earnings per share	cents	93.4	78.0	64.1	20%	22%
Headline earnings per share from continuing operations	cents	82.3	69.1	61.4	19%	13%
Net asset value per share	cents	637.7	542.9	378.8	17%	43%
Tangible net asset value per share	cents	532.1	378.1	173.0	41%	119%
Interim dividend per share	cents	9.0	–	–	100%	n/a
Final dividend per share	cents	12.0	9.0	–	33%	100%
Capital adequacy ratio						
Equity	Rm	3 895	3 304	1 876	18%	76%
Subordinated debt capital	Rm	2 131	1 477	1 602	44%	(8%)
Total capital	Rm	6 026	4 781	3 478	26%	37%
Less: goodwill	Rm	(594)	(927)	(930)	(36%)	0%
Total capital less goodwill	Rm	5 432	3 854	2 548	41%	51%
Total assets less goodwill and cash and cash equivalents	Rm	13 064	10 786	8 597	21%	25%
Capital adequacy ratio	%	41.6	35.7	29.6	17%	21%
Equity	%	25.3	22.0	11.0	15%	100%
Subordinated debt	%	16.3	13.7	18.6	19%	(26%)

TRANSACTION CAPITAL DATA SHEET

at 30 September 2013

		Twelve months ended 30 September			Movement	
		2013	2012	2011	2013	2012
TRANSACTION CAPITAL GROUP continued						
Performance indicators						
Gross loans and advances	Rm	11 697	9 758	7 289	20%	34%
Carrying value of written off book	Rm	165	43	–	284%	100%
Impairment provision	Rm	(1 630)	(1 021)	(569)	60%	79%
Provision coverage	%	13.9	10.5	7.8	32%	35%
Non-performing loan ratio	%	34.5	30.5	25.4	13%	20%
Non-performing loan coverage	%	40.4	34.4	30.8	17%	12%
Non-performing loans	Rm	4 039	2 967	1 848	36%	61%
Average assets	Rm	13 509	11 293	9 236	20%	22%
Average tangible assets	Rm	12 548	10 325	8 549	22%	21%
Average equity	Rm	3 123	2 161	1 459	45%	48%
Average tangible equity	Rm	2 162	1 193	497	81%	140%
Average gross loans and advances	Rm	10 848	8 447	6 809	28%	24%
Average interest-bearing liabilities	Rm	9 201	8 137	7 105	13%	15%
Total income	Rm	4 593	3 882	3 169	18%	22%
Net interest margin	%	16.0	16.0	14.5	0%	10%
Credit loss ratio	%	9.6	8.8	8.3	9%	6%
Non-interest revenue as a % of total income	%	41.6	42.8	44.0	(3%)	(3%)
Cost-to-income ratio	%	54.6	59.3	59.2	(8%)	0%
Effective tax rate	%	16.1	19.8	23.3	(19%)	(15%)
Return on average assets (ROA)	%	4.4	3.8	2.9	16%	31%
Return on average assets (ROA) – Continuing operations	%	3.9	3.4	3.3	15%	3%
Return on average tangible assets	%	4.7	4.2	3.2	12%	31%
Return on average tangible assets – Continuing operations	%	4.2	3.8	3.6	11%	6%
Return on average equity (ROE)	%	17.4	18.6	17.1	(6%)	9%
Return on average equity (ROE) – Continuing operations	%	15.3	16.4	19.5	(7%)	(16%)
Return on average tangible equity	%	25.1	33.6	50.3	(25%)	(33%)
Return on average tangible equity – Continuing operations	%	22.1	29.8	57.1	(26%)	(48%)
Services: EBITDA	Rm	277	254	215	9%	18%
Services: EBITDA – Continuing operations	Rm	135	125	108	8%	16%
Gearing	Times	3.9	4.0	5.7	(3%)	(30%)
Debt issued	Rm	5 635	3 941	2 900	43%	36%
Gross yield on average assets	%	34.0	34.4	33.3	(1%)	3%
Gross yield on average gross loans and advances	%	42.3	46.0	46.5	(8%)	(1%)
Return on total sales (ROS)	%	11.3	10.0	9.8	13%	2%
Return on total sales (ROS) – Continuing operations	%	10.2	8.9	8.6	15%	3%
Average cost of borrowing	%	10.3	10.7	11.0	(4%)	(3%)
Employees	Number	5 386	4 697	4 305	15%	9%
ASSET-BACKED LENDING						
Condensed income statement						
Interest and other similar income	Rm	1 178	1 030	936	14%	10%
Interest and other similar expense	Rm	(512)	(478)	(442)	7%	8%
Net interest income	Rm	667	552	494	21%	12%
Impairment of loans and advances	Rm	(281)	(245)	(242)	15%	1%
Non-interest revenue	Rm	218	191	156	14%	22%
Total operating costs	Rm	(403)	(333)	(271)	21%	23%
Profit before tax	Rm	200	165	137	21%	20%
Total income	Rm	1 396	1 221	1 092	14%	12%
Profit after tax	Rm	163	133	110	23%	21%
Headline earnings	Rm	163	133	109	23%	22%

		Twelve months ended 30 September			Movement	
		2013	2012	2011	2013	2012
ASSET-BACKED LENDING continued						
Other information						
Depreciation	Rm	7	6	6	17%	0%
Amortisation of intangible assets	Rm	1	1	2	0%	(50%)
Statement of financial position						
Assets						
Cash and cash equivalents	Rm	226	528	182	(57%)	190%
Other investments	Rm	175	57	65	207%	(12%)
Loans and advances	Rm	5 577	4 801	4 011	16%	20%
Property and equipment	Rm	28	16	15	75%	7%
Goodwill and intangibles	Rm	65	60	63	8%	(5%)
Goodwill	Rm	60	60	62	0%	(3%)
Intangibles	Rm	5	–	1	100%	(100%)
Other assets	Rm	360	312	412	15%	(24%)
Total assets	Rm	6 431	5 774	4 748	11%	22%
Liabilities						
Bank overdrafts	Rm	71	137	180	(48%)	(24%)
Interest-bearing liabilities	Rm	4 398	4 468	3 891	(2%)	15%
Senior debt	Rm	3 947	4 103	3 467	(4%)	18%
Subordinated debt	Rm	451	365	424	24%	(14%)
Group	Rm	1 078	410	197	163%	108%
Other liabilities	Rm	185	267	155	(31%)	72%
Total liabilities	Rm	5 732	5 282	4 423	9%	19%
Segment net assets	Rm	699	492	325	42%	51%
Capital adequacy						
Equity	Rm	699	492	325	42%	51%
Group	Rm	855	398	197	115%	102%
Subordinated debt capital	Rm	451	365	424	24%	(14%)
Total capital	Rm	2 005	1 255	946	60%	33%
Less: goodwill	Rm	(60)	(60)	(62)	0%	(3%)
Total capital less goodwill	Rm	1 945	1 195	884	63%	35%
Total assets less goodwill and cash and cash equivalents	Rm	6 145	5 187	4 505	18%	15%
Capital adequacy ratio	%	31.7	23.0	19.6	38%	17%

TRANSACTION CAPITAL DATA SHEET

at 30 September 2013

		Twelve months ended 30 September			Movement	
		2013	2012	2011	2013	2012
ASSET-BACKED LENDING continued						
Financial measures						
Net interest margin	%	12.3	12.1	11.8	2%	3%
Cost-to-income ratio	%	45.5	44.8	41.6	2%	8%
Return on average assets (ROA)	%	2.7	2.5	2.4	8%	4%
Gross yield on average gross loans and advances	%	25.7	26.8	26.1	(4%)	3%
Return on average equity (ROE)	%	32.3	39.3	53.9	(18%)	(27%)
Average cost of borrowing	%	10.1	11.2	11.1	(10%)	1%
Credit loss ratio	%	5.2	5.4	5.8	(4%)	(7%)
Provision coverage	%	5.5	4.7	4.0	17%	18%
Non-performing loan ratio	%	34.3	30.7	26.6	12%	15%
Non-performing loan coverage	%	15.9	15.5	15.5	3%	0%
Debt issued	Rm	2 356	1 808	1 393	30%	30%
Average assets	Rm	5 989	5 220	4 659	15%	12%
Average gross loans and advances	Rm	5 440	4 555	4 188	19%	9%
Average equity	Rm	504	338	204	49%	66%
Average interest-bearing liabilities	Rm	5 080	4 264	3 965	19%	8%
Employees	Number	564	555	411	2%	35%
Operational measures						
SA Taxi						
Status						
Number of loans	Number	23 453	22 649	21 673	4%	5%
Gross loans and advances	Rm	5 529	4 800	4 045	15%	19%
Carrying value of written off book	Rm	30	22	-	36%	100%
Impairment provision	Rm	(315)	(235)	(169)	34%	39%
Loans and advances	Rm	5 243	4 587	3 876	14%	18%
% Leases/Repossessions (loans and advances, on value)	%	93/7	94/6	96/4	(1%)	(2%)
% Premium/Entry Level (gross loans and advances, on value)	%	80/20	79/21	78/22	1%	1%
Face value of written off book recognised	Rm	600	440	n/a	36%	n/a
Average gross loans and advances	Rm	5 181	4 387	4 030	18%	9%
Originations						
Number of loans originated	Number	5 811	6 248	6 389	(7%)	(2%)
Value of loans originated	Rm	1 560	1 533	1 415	2%	8%
% New/Existing client (on value)	%	80/20	81/19	77/23	(1%)	5%
New vehicle originations	Rm	1 217	1 134	1 058	7%	7%
% Premium/Entry Level (new vehicle disbursements, value)	%	97/3	92/8	79/21	5%	16%
Average origination value	R	268 479	245 378	222 030	9%	11%
Credit performance						
Non-performing loans	Rm	2 013	1 538	1 114	31%	38%
Credit loss ratio	%	5.4	5.6	6.0	(4%)	(7%)
Provision coverage	%	5.7	4.9	4.2	16%	17%
Non-performing loan ratio	%	36.4	31.9	27.5	14%	16%
Non-performing loan coverage	%	15.6	15.3	15.2	2%	1%
Impairment provision % repossessions	%	30.7	32.8	29.7	(6%)	10%
Rand Trust						
Gross loans and advances	Rm	339	217	139	56%	56%
Impairment provision	Rm	(5)	(3)	(4)	67%	(25%)
Loans and advances	Rm	334	214	135	56%	59%
Average debtor days outstanding	Days	44	41	41	7%	0%

		Twelve months ended 30 September			Movement	
		2013	2012	2011	2013	2012
UNSECURED LENDING						
Condensed income statement						
Interest and other similar income	Rm	1 458	1 149	798	27%	44%
Interest and other similar expense	Rm	(409)	(340)	(274)	20%	24%
Net interest income	Rm	1 049	809	524	30%	54%
Impairment of loans and advances	Rm	(755)	(494)	(323)	53%	53%
Non-interest revenue	Rm	887	724	609	23%	19%
Total operating costs	Rm	(919)	(805)	(616)	14%	31%
Profit before tax	Rm	262	234	194	12%	20%
Total income	Rm	2 345	1 873	1 407	25%	33%
Profit after tax	Rm	239	198	158	21%	25%
Headline earnings	Rm	199	166	138	20%	20%
Other information						
Depreciation	Rm	20	16	10	25%	60%
Amortisation of intangible assets	Rm	12	16	16	(25%)	0%
Statement of financial position						
Assets						
Cash and cash equivalents	Rm	379	270	131	40%	106%
Other investments	Rm	305	259	102	18%	154%
Inventories	Rm	83	173	132	(52%)	31%
Loans and advances	Rm	4 608	3 920	2 633	18%	49%
Property and equipment	Rm	48	42	30	14%	40%
Goodwill and intangibles	Rm	459	465	476	(1%)	(2%)
Goodwill	Rm	446	446	447	0%	0%
Intangibles	Rm	13	19	29	(32%)	(34%)
Other assets	Rm	180	130	121	38%	7%
Total assets	Rm	6 062	5 259	3 625	15%	45%
Liabilities						
Interest-bearing liabilities	Rm	4 129	3 229	2 448	28%	32%
Senior debt	Rm	3 371	2 566	1 947	31%	32%
Subordinated debt	Rm	758	663	501	14%	32%
Group	Rm	217	469	285	(54%)	65%
Other liabilities	Rm	125	254	144	(51%)	76%
Total liabilities	Rm	4 471	3 952	2 877	13%	37%
Segment net assets	Rm	1 591	1 307	748	22%	75%
Capital adequacy						
Equity	Rm	1 591	1 307	748	22%	75%
Group	Rm	217	469	285	(54%)	65%
Subordinated debt capital	Rm	758	663	501	14%	32%
Total capital	Rm	2 566	2 439	1 535	5%	59%
Less: goodwill	Rm	(446)	(446)	(447)	0%	0%
Total capital less goodwill	Rm	2 120	1 994	1 088	6%	83%
Total assets less goodwill and cash and cash equivalents	Rm	5 237	4 543	3 047	15%	49%
Capital adequacy ratio	%	40.5	43.9	35.7	(8%)	23%

TRANSACTION CAPITAL DATA SHEET

at 30 September 2013

		Twelve months ended 30 September			Movement	
		2013	2012	2011	2013	2012
UNSECURED LENDING continued						
Financial measures						
Net interest margin	%	19.6	21.2	21.0	(8%)	1%
Cost-to-income ratio	%	47.5	52.5	54.3	(10%)	(3%)
Return on average assets (ROA)	%	4.3	4.6	5.1	(7%)	(10%)
Gross yield on average gross loans and advances	%	43.8	49.1	56.5	(11%)	(13%)
Return on average equity (ROE)	%	17.7	23.2	24.2	(24%)	(4%)
Average cost of borrowing	%	9.9	10.3	12.8	(4%)	(20%)
Credit loss ratio	%	14.1	13.0	13.0	8%	0%
Provision coverage	%	22.5	16.6	13.0	36%	28%
Non-performing loan ratio	%	35.1	30.6	24.3	15%	26%
Non-performing loan coverage	%	64.2	54.3	53.2	18%	2%
Debt issued	Rm	2 601	1 946	859	34%	127%
Average assets	Rm	5 542	4 280	3 083	29%	39%
Average equity	Rm	1 123	712	561	58%	27%
Average interest-bearing liabilities	Rm	4 131	3 305	2 140	25%	54%
Employees	Number	1 326	1 179	964	12%	22%
Operational measures						
Bayport						
Distribution						
Branches	Number	55	56	55	(2%)	2%
Kiosks	Number	33	33	33	0%	0%
Mobile agents	Number	1 743	2 211	1 580	(21%)	40%
Status						
Number of loans	Number	344 547	335 339	257 879	3%	30%
Gross loans and advances	Rm	5 774	4 676	3 025	23%	55%
Carrying value of written off book	Rm	135	21	–	543%	100%
Impairment provision	Rm	(1 301)	(777)	(392)	67%	98%
Loans and advances	Rm	4 608	3 920	2 633	18%	49%
% Retail loans/Cellular (loans and advances, on value)	%	93/7	92/8	91/9	1%	1%
Face value of written off book recognised	Rm	1 473	926	–	59%	100%
Non-performing loans	Rm	2 026	1 429	734	42%	95%
Average gross loans and advances	Rm	5 348	3 814	2 490	40%	53%
Originations						
Number of agreements originated	Number	142 719	202 744	155 887	(30%)	30%
Value of agreements originated	Rm	2 042	2 719	1 850	(25%)	47%
New/Existing client (on value)	%	32/68	39/61	52/48	(18%)	(25%)
Average disbursement	R	14 308	13 412	11 869	7%	13%
Average term (on value)	Months	47	44	35	7%	26%

		Twelve months ended 30 September			Movement	
		2013	2012	2011	2013	2012
CREDIT SERVICES						
Condensed income statement						
Interest and other similar income	Rm	16	18	3	(11%)	500%
Interest and other similar expense	Rm	(16)	(14)	(11)	14%	27%
Net interest income	Rm	(1)	4	(8)	(125%)	(150%)
Impairment of loans and advances	Rm	(2)	-	-	(100%)	n/a
Non-interest revenue	Rm	790	769	632	3%	22%
Total operating costs	Rm	(666)	(652)	(533)	2%	22%
Equity accounted earnings	Rm	4	-	-	100%	n/a
Profit before tax	Rm	125	120	91	4%	32%
Total income	Rm	806	787	635	2%	24%
Profit after tax	Rm	95	88	64	8%	38%
Headline earnings	Rm	95	88	61	8%	44%
Services: EBITDA	Rm	134	125	108	7%	16%
Other information						
Depreciation	Rm	8	8	8	0%	0%
Amortisation of intangible assets	Rm	1	-	1	100%	(100%)
Statement of financial position						
Assets						
Cash and cash equivalents	Rm	32	57	48	(44%)	19%
Inventories	Rm	-	2	-	(100%)	100%
Loans and advances	Rm	47	59	-	(20%)	100%
Gross loans and advances	Rm	56	65	-	(14%)	100%
Impairment provision	Rm	(9)	(6)	-	50%	(100%)
Purchased book debts	Rm	420	347	308	21%	13%
Property and equipment	Rm	19	15	14	27%	7%
Goodwill and intangibles	Rm	73	72	65	1%	11%
Goodwill	Rm	71	71	64	0%	11%
Intangibles	Rm	2	1	1	100%	0%
Other assets	Rm	142	167	105	(15%)	59%
Total assets	Rm	733	718	540	2%	33%
Liabilities						
Interest-bearing liabilities	Rm	151	140	71	8%	97%
Senior debt	Rm	151	140	71	8%	97%
Subordinated debt	Rm	-	-	-	n/a	n/a
Group	Rm	-	22	-	(100%)	100%
Other liabilities	Rm	204	226	185	(10%)	22%
Total liabilities	Rm	355	388	256	(9%)	52%
Segment net assets	Rm	378	330	284	14%	17%

TRANSACTION CAPITAL DATA SHEET

at 30 September 2013

		Twelve months ended 30 September			Movement	
		2013	2012	2011	2013	2012
CREDIT SERVICES continued						
Financial measures						
Cost-to-income ratio	%	84.4	84.4	85.5	0%	(1%)
Return on average assets (ROA)	%	12.2	12.4	12.2	(2%)	2%
Return on average equity (ROE)	%	27.3	28.8	22.4	(5%)	29%
Capital adequacy ratio	%	48.7	47.9	51.3	2%	(7%)
Average cost of borrowing	%	8.2	8.2	9.0	0%	(9%)
Return on sales (ROS)	%	11.8	11.2	10.1	5%	11%
Debt issued	Rm	176	107	20	64%	435%
Average assets	Rm	779	711	525	10%	35%
Average equity	Rm	346	306	272	13%	13%
Average interest-bearing liabilities	Rm	196	158	94	24%	68%
Employees	Number	3 039	2 518	2 518	21%	0%
Operational measures						
MBD Credit Solutions						
Number of agency clients	Number	66	52	45	27%	16%
Number of collection agents	Number	2 744	1 983	2 269	38%	(13%)
Call centres	Number	9	9	8	0%	13%
Assets under management	Rb	25.8	23.2	22.4	11%	4%
Agency	Rb	14.4	13.6	13.4	6%	1%
Principal	Rb	11.4	9.5	9.0	20%	6%
Average book value of purchased book debts	Rm	393	314	263	25%	19%
Principal revenue as % of average book value of purchased book debts	%	65.1	87.6	84.0	(26%)	4%
% Agency/Principal collections revenue split	%	52/48	53/47	58/42	(2%)	(9%)
Employees	Number	2 962	2 444	2 451	21%	0%
Principa Decisions						
Employees	Number	77	74	67	4%	10%
PAYMENT SERVICES						
Condensed income statement						
Interest and other similar income	Rm	2	2	9	0%	(78%)
Interest and other similar expense	Rm	(9)	(9)	(9)	0%	0%
Net interest income	Rm	(7)	(7)	-	0%	(100%)
Non-interest revenue	Rm	523	467	428	12%	9%
Total operating costs	Rm	(447)	(397)	(378)	13%	5%
Profit before tax	Rm	68	63	50	8%	26%
Total income	Rm	525	469	437	12%	7%
Profit after tax	Rm	50	46	37	9%	24%
Impact of classification to held for sale	Rm	15	-	-	100%	n/a
Headline earnings of discontinued operation	Rm	65	46	37	41%	24%
Services: EBITDA	Rm	142	129	107	10%	21%
Other information						
Depreciation	Rm	64	55	55	16%	0%
Amortisation of intangible assets	Rm	7	4	2	75%	100%

		Twelve months ended 30 September			Movement	
		2013	2012	2011	2013	2012
PAYMENT SERVICES continued						
Statement of financial position						
Assets						
Cash and cash equivalents	Rm	98	154	82	(36%)	88%
Inventories	Rm	28	28	23	0%	22%
Property and equipment	Rm	243	233	219	4%	6%
Goodwill and intangibles	Rm	14	13	11	8%	18%
Goodwill	Rm	-	-	1	n/a	(100%)
Intangibles	Rm	14	13	10	8%	30%
Other assets	Rm	35	29	23	21%	26%
Total assets	Rm	418	457	358	(9%)	28%
Liabilities						
Bank overdrafts	Rm	29	21	3	38%	600%
Interest-bearing liabilities	Rm	-	67	91	(100%)	(26%)
Senior debt	Rm	-	67	91	(100%)	(26%)
Subordinated debt	Rm	-	-	-	n/a	n/a
Group	Rm	67	-	-	100%	n/a
Other liabilities	Rm	151	205	125	(26%)	64%
Total liabilities	Rm	247	293	219	(16%)	34%
Segment net assets	Rm	171	164	139	4%	18%
Financial measures						
Cost-to-income ratio	%	86.6	86.3	88.3	0%	(2%)
Return on average assets (ROA)	%	12.3	12.1	9.7	2%	25%
Return on average equity (ROE)	%	30.3	30.5	23.6	(1%)	29%
Capital adequacy ratio	%	53.4	54.0	50.2	(1%)	8%
Average cost of borrowing	%	10.3	9.6	9.0	7%	7%
Return on sales (ROS)	%	9.5	9.9	8.4	(4%)	18%
Debt issued	Rm	25	-	101	100%	(100%)
Average assets	Rm	408	380	381	7%	0%
Average equity	Rm	165	154	148	7%	4%
Average interest-bearing liabilities	Rm	78	83	99	(6%)	(16%)
Employees	Number	387	389	369	(1%)	5%
Operational measures						
Paycorp Holdings						
Number of active ATMs	Number	4 651	4 381	4 072	6%	8%
ATM disbursements	Rb	35.6	28.6	25.1	24%	14%
ATM revenue	Rm	476	428	384	11%	11%
Vandalism losses	Rm	7	5	14	40%	(64%)

TRANSACTION CAPITAL DATA SHEET

at 30 September 2013

		Twelve months ended 30 September			Movement	
		2013	2012	2011	2013	2012
GROUP EXECUTIVE OFFICE						
Condensed income statement						
Interest and other similar income	Rm	31	25	39	24%	(36%)
Interest and other similar expense	Rm	(11)	(42)	(62)	(74%)	(32%)
Net interest income	Rm	20	(17)	(23)	(218%)	(26%)
Non-interest revenue	Rm	15	(25)	(4)	(160%)	525%
Total operating costs	Rm	(2)	6	10	(133%)	(40%)
Profit before tax	Rm	33	(36)	(19)	(192%)	89%
Total income	Rm	46	–	35	100%	(100%)
Profit after tax	Rm	23	(31)	(23)	(174%)	35%
Headline earnings	Rm	23	(28)	(22)	(182%)	27%
Headline earnings – Mortgage Capital (discontinued)	Rm	–	–	(26)	n/a	(100%)
Other information						
Depreciation	Rm	–	–	1	n/a	(100%)
Amortisation of intangible assets	Rm	2	2	2	0%	0%
Statement of financial position						
Assets						
Cash and cash equivalents	Rm	36	92	210	(61%)	(56%)
Inventories	Rm	–	–	1	n/a	(100%)
Loans and advances	Rm	–	–	76	n/a	(100%)
Gross loans and advances	Rm	–	–	80	n/a	(100%)
Impairment provision	Rm	–	–	(4)	n/a	(100%)
Property and equipment	Rm	1	2	1	(50%)	100%
Goodwill and intangibles	Rm	19	353	355	(95%)	(1%)
Goodwill	Rm	18	350	355	(95%)	(2%)
Intangibles	Rm	1	3	–	(67%)	100%
Other assets	Rm	1 049	159	266	560%	(40%)
Total assets	Rm	1 105	606	909	82%	(33%)
Liabilities						
Interest-bearing liabilities	Rm	922	449	968	105%	(54%)
Senior debt	Rm	–	–	291	n/a	(100%)
Subordinated debt	Rm	922	449	677	105%	(34%)
Group	Rm	(1 295)	(901)	(482)	44%	87%
Other liabilities	Rm	251	47	44	434%	7%
Total liabilities	Rm	(122)	(405)	529	(70%)	(177%)
Segment net assets	Rm	1 227	1 011	380	21%	166%
Debt issued	Rm	477	80	527	496%	(85%)
Employees	Number	70	56	43	25%	30%

		Twelve months ended 30 September			Movement	
		2013	2012	2011	2013	2012
ENVIRONMENT						
General environment						
Average repo rate	%	5.0	5.4	5.6	(7%)	(4%)
CPI	%	6.2	5.5	5.7	13%	(4%)
Average GDP growth (June for 2013)	%	1.8	2.6	2.9	(31%)	(10%)
Unemployment rate	%	24.7	24.9	25.0	(1%)	0%
Specific environment						
Estimated minibus taxi market	Vehicles	200 000	200 000	200 000	0%	0%
Estimated minibus taxi market – financed	Vehicles	60 000	60 000	60 000	0%	0%
Unsecured debtors book at September (June for 2013) NCR	Rb	168.1	140.0	101.1	20%	39%
Unsecured credit granted to September (June for 2013) NCR	Rb	99.7	100.2	73.7	0%	35%
Consumers with impaired records NCR (June for 2013)	%	48.0	47.0	46.2	2%	2%
NCR industry average months originated (year ended 30 June for 2013)	Months	45	43	39	5%	10%
NCR Industry average balance originated (year ended 30 June for 2013)	R000	18	18	16	0%	13%



Transaction Capital

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