

RESULTS

FOR THE HALF YEAR ENDED 31 MARCH

2014

TRANSACTION CAPITAL



Transaction Capital

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RESULTS PRESENTATION

FOR THE HALF YEAR ENDED 31 MARCH

2014


TRANSACTION CAPITAL



Transaction Capital

UNAUDITED RESULTS FOR THE HALF YEAR **2014**

TRANSACTION CAPITAL



Transaction Capital

PRESENTATION 6 MAY

NOTES

TRANSACTION CAPITAL

HIGHLIGHTS

UNAUDITED RESULTS FOR THE HALF YEAR **2014**

STRATEGIC & OPERATIONAL HIGHLIGHTS

- Change in leadership
- Change in portfolio of assets
- Disposal of Paycorp and Bayport

	Proceeds	Profit on sale	PE	IRR
Paycorp	R937m	R425m	18.7 times	18.2%
Bayport	R1,336m	R234m	6.7 times	32.6%

- Capital distribution of 210 cps
- Restructure of the board's sub-committees and downsize of the group office

NOTES

TRANSACTION CAPITAL GROUP PROFILE – AT 31 MARCH 2014*

TRANSACTION CAPITAL LIMITED – half year ended 31 March 2014 | Employees: **3,586** | Headline earnings: **R148m**

ASSET-BACKED LENDING	CREDIT SERVICES
TOTAL INCOME 60% OF GROUP HEADLINE EARNINGS 46% OF GROUP	TOTAL INCOME 34% OF GROUP HEADLINE EARNINGS 28% OF GROUP
GROSS LOANS & ADVANCES R6,101m HEADLINE EARNINGS R78m EMPLOYEES 634	INCOME R407m HEADLINE EARNINGS R47m EMPLOYEES 2,913



Financier of independent SMEs in the minibus taxi industry

SOCIETAL RELEVANCE: SA Taxi finances SMEs that may not otherwise have access to credit from traditional banks, contributing to job creation, and enabling and improving the safety of public transport in South Africa

CEO: Terry Kier, subsidiary tenure 6 years



Provider of working capital to SMEs through invoice discounting & commercial debtors' management

SOCIETAL RELEVANCE: Rand Trust provides finance to SMEs that may not otherwise have access to credit from traditional banks, thereby facilitating SME growth

CEO: Deon Plenaar, subsidiary tenure 6 years



MBD CS collects distressed consumer and commercial debt as agent on behalf of South Africa's leading credit providers, and as principal on purchased book debts

SOCIETAL RELEVANCE: MBD CS provides comprehensive credit reports, financial education & debt negotiation services to individuals. MBD CS is a large scale employer providing training and career opportunities for South Africans

CEO: Charl van der Walt, subsidiary tenure 13 years



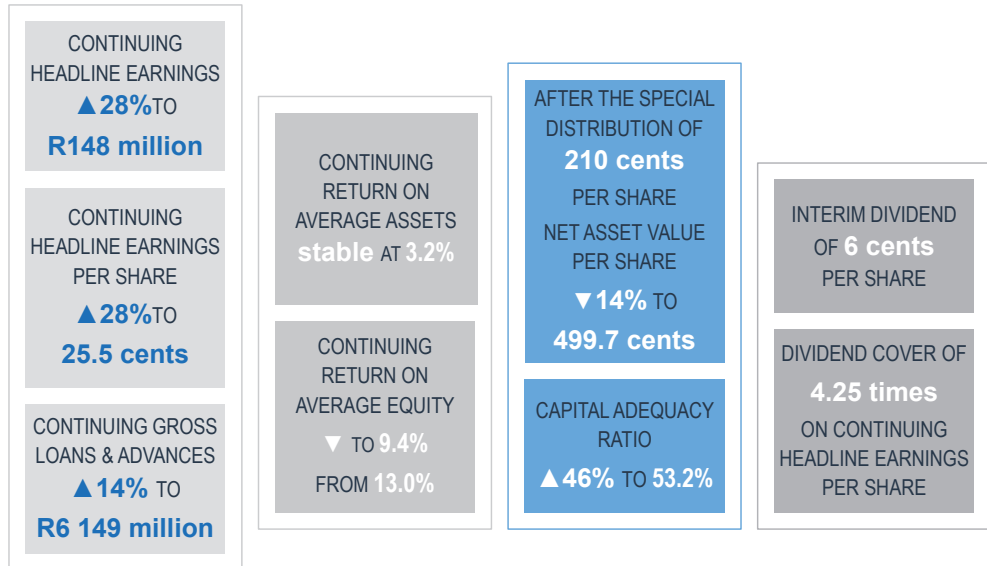
Provider of credit lifecycle consulting services, predictive modelling and related software to credit providers

SOCIETAL RELEVANCE: Principa Decisions works with a wide range of credit providers in South Africa to ensure credit is granted responsibly and only marketed and provided to individuals who have the appropriate financial capacity and ability to repay

CEO: Ian Read, subsidiary tenure 5 years

* Continuing operations

FINANCIAL HIGHLIGHTS



NOTES



ENVIRONMENT – ASSET-BACKED LENDING

- SA consumer economy continued to soften; but an underserved and growing SME finance market continues to present significant opportunity
- Strategic shift in the lending division from funding consumption to funding income-producing assets
- **SA Taxi** – Specialised development financier of independent SMEs in the minibus taxi industry
 - minibus taxis dominant public transport in RSA; estimated c.200,000 vehicles; c.70,000 financed; 23,519 by SA Taxi
 - **market opportunity:** renewal of ageing fleet; unthreatened by other public transport initiatives
- **Rand Trust** – Invoice discounting and commercial debtors management to SMEs
 - typical client <R5m book
 - **market opportunity:** underserved and growing SME market

NOTES

ENVIRONMENT – CREDIT SERVICES

- **SA consumer economy continued to soften**
 - employment and real wage growth slowed
 - fuel and electricity prices increased
 - exchange rate related inflation eroded disposable income
 - labour unrest escalated
 - repo interest rate increased by 50 basis points to 5.5%
- **MBD Credit Solutions** – Collector of distressed debt as agent & principal
 - fragmented industry: 2,000 debt collection agencies & 16,000 registered collectors
 - market leader
 - collections subdued in a difficult consumer environment
 - **market opportunity:** credit providers continue to outsource collections (AUM increased by 25% to R29.7bn); advantageous book buying environment
- **Principa Decisions** – Credit lifecycle consulting services & software resellers
 - curtailed spend on credit consulting and software purchasing in South Africa
 - **market opportunity:** inexpensive software (SMART suite) & Middle East JV (Qarar)

REGULATORY ENVIRONMENT

- **Exit from unsecured lending**
 - significant reduction in various regulatory risks faced by Transaction Capital
- **Residual regulatory uncertainty remains**
 - National Credit Amendment Bill
 - little response to business comment on proposed legislation
 - inadequate assessment of the consequences of proposed legislation
 - uncoordinated legislation from multiple and sometimes competing ministries
- **Ineffective enforcement of existing laws by regulators**
- **Transaction Capital continues to engage regularly with its regulators**

NOTES



STRATEGY

Invest in organic & acquisitive growth of specialist financial services businesses, operating in underserved or niched sectors of the financial services market, 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: intervention; direction; portfolio management (acquisitions)

NOTES

ORGANIC GROWTH PROSPECTS – ASSET-BACKED LENDING

- **SA Taxi**
 - Leverage its market positioning by enhancing its value proposition to clients
 - new product offerings (SA Taxi Media, Khusela Taxi Insurance, Shayela rewards)
 - financing the newly introduced Nissan minibus taxi in March 2014
 - Leverage its core skill set
 - “bakkie” finance pilot
 - improved efficiencies and production at Taximart
- **Rand Trust**
 - Distribution strategy directed at increasing scale
 - Design innovative products aimed at extending the clients’ life cycle
 - Geographic expansion from the Western Cape into other regions

ORGANIC GROWTH PROSPECTS – CREDIT SERVICES

- **MBD Credit Solutions**

- Revenues subdued in a difficult consumer environment, offset by cost containment
- Advantageous book buying environment (more than 140 diversified principal book portfolios)
- Efficiencies and scale
 - 10 call centres
 - more than 2,500 collection agents
 - more than 60 agency clients including local banks, credit retailers, municipalities, government entities, parastatal entities and other blue chip companies

- **Principa Decisions**

- Continued expansion of proprietary Smart software product suite
- Joint venture in the Middle East (Qarar)
- Recent signing of a new five year contract with FICO

NOTES

ACQUISITIVE GROWTH PROSPECTS

Following the reorganisation of the group, Transaction Capital has:

- **Robust balance sheet**
 - capital adequacy ratio of 53.2%
 - gearing of 3.1 times
- **Significantly reduced risk profile (regulatory, consumer credit and capital)**
- **Efficient cost structures**
- **Approximately R1bn of cash to effect significant acquisitive activity**
- **Sound M&A track record**

TRANSACTION CAPITAL

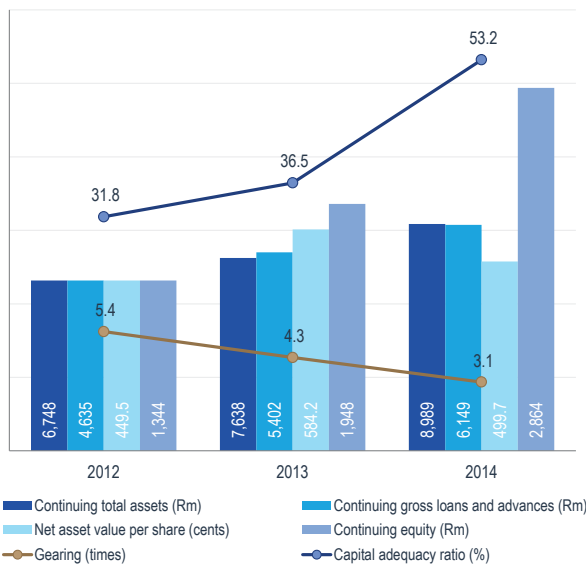
FINANCIAL REVIEW

UNAUDITED RESULTS FOR THE HALF YEAR

2014

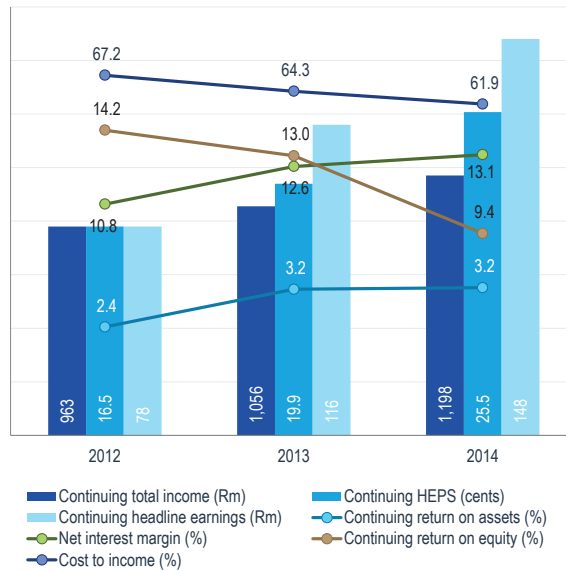
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FINANCIAL POSITION



- Conservative growth of gross loans & advances from R5.4bn to R6.1bn (▲ 14%)
 - origination strategies targeting improved credit quality, not book growth
- Equity R2.9bn (▲ 47%)
 - excess equity held centrally for growth opportunities
- NAV per share 499.7 cps (▼ 14%)
 - Capital distribution following sale of Paycorp and Bayport
- Capital adequacy levels ▲ 46% to 53.2%
 - 35.4% equity
 - 17.8% subordinated debt
- Gearing level ▼ significantly to 3.1 times

FINANCIAL PERFORMANCE

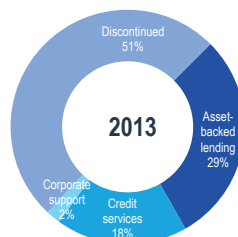
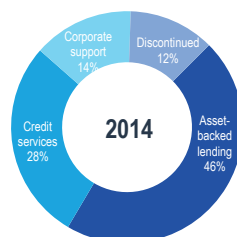


- Continuing HEPS ▲28% from 19.9 cps to 25.5 cps
- Continuing headline earnings ▲28% from R116m to R148m
 - growth in gross loans & advances (▲14%)
 - increasing net interest margin ▲ to 13.1%
 - largely due to additional interest earned on proceeds from disposals
 - 19% ▲ in EBITDA from services
 - Cost-to-income ▼ from 64.3% to 61.9%
 - efficiency improvements & cost containment across the group
- Continuing return on assets stable at 3.2%
- Continuing return on equity ▼ to 9.4%
 - excludes once-off profit on sale of operations
 - includes the effect of low returns earned on excess capital generated by the sales
 - most appropriate benchmark for group ROE found by looking at the underlying divisional metrics

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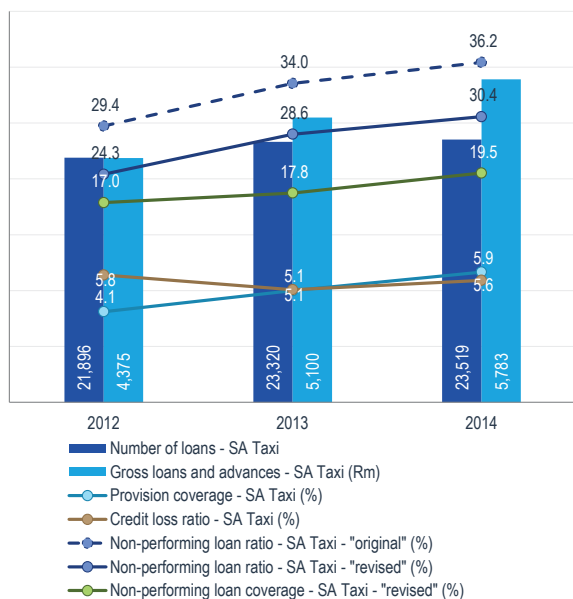
PORTFOLIO MIX

Headline earnings	Rm			Growth		Contribution		
	2014	2013	2012	2014	2013	2014	2013	2012
Asset-backed lending	78	68	58	15%	17%	46%	29%	34%
Credit services	47	43	39	9%	10%	28%	18%	23%
Corporate support	23	5	-19	>100%	>100%	14%	2%	-11%
Continuing	148	116	78	28%	49%	88%	49%	46%
Cents per share	25.5	19.9	16.5	28%	21%			
Discontinued	21	117	93	-82%	26%	12%	51%	54%
Total	169	233	171	-27%	36%	100%	100%	100%



- Significant change to the segmental mix of headline earnings due to sale of Paycorp and Bayport
 - Asset-backed lending contribution ▲ from 29% to 46%
 - Credit services contribution ▲ from 18% to 28%
 - Corporate support contribution on management of un-deployed capital
- Asset-backed lending is now the dominant contributor to the group's earnings and includes SA Taxi and Rand Trust; both focused on SME market which is a particular interest of the group
- The future portfolio mix will be dependant on the nature of acquisitions concluded

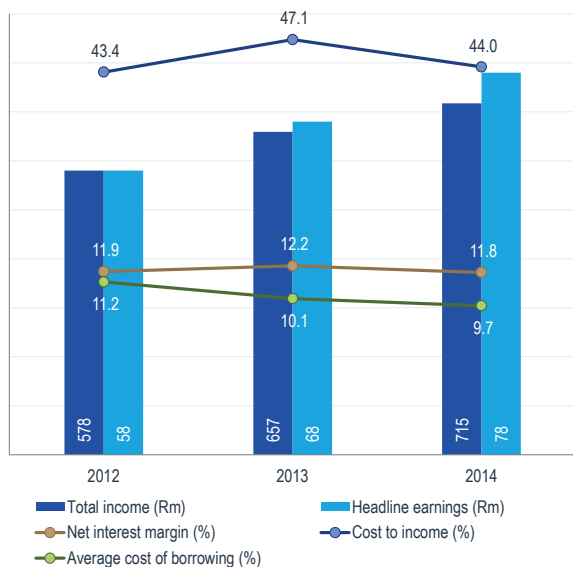
ASSET-BACKED LENDING – SA TAXI



- Gross loans & advances ▲ 13% to R5.8bn
 - number of accounts ▲ 1%
 - exclusive focus on premium vehicles
 - write offs of discontinued entry level vehicles accelerated
- Non-performing loan ratio ▲ from 28.6% to 30.4%
 - revised NPL ratio more appropriate following disposal of Bayport:
 - 3 cumulative qualifying payments in last 3 months
 - original was 3 consecutive qualifying payments in last 3 months
 - greater control of sales through "direct" channel (as opposed to dealers)
 - ▲ NPL more than matched by ▲ provision
 - provision coverage ▲ from 5.1% to 5.9%
 - NPL coverage ▲ from 17.8% to 19.5%
- Credit loss ratio ▲ from 5.1% to 5.6%
 - well within tolerance level of 6%
 - greater efficiencies in Taximart

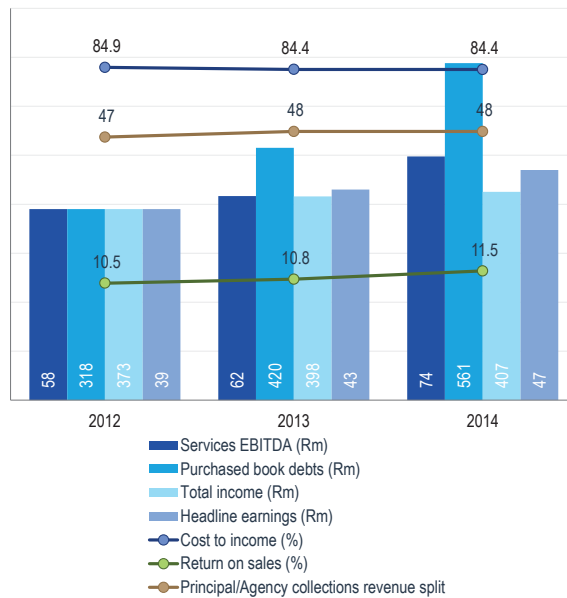
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ASSET-BACKED LENDING – SA TAXI; RAND TRUST



- Headline earnings ▲ 15% to R78m
 - total income ▲ 9%
 - net interest margin ▼ marginally to 11.8%
 - ▼ average cost of borrowings
 - strong growth from Rand Trust
- ▼ in cost-to-income ratio to 44.0%
 - investment into client service ("Shayela" SA Taxi client rewards programme)
 - maintained investment in Taximart
 - economies of scale realised in Rand Trust
- Rand Trust:
 - continued to diversify client base & improve client retention
 - innovation in distribution channels, marketing strategies & client offerings

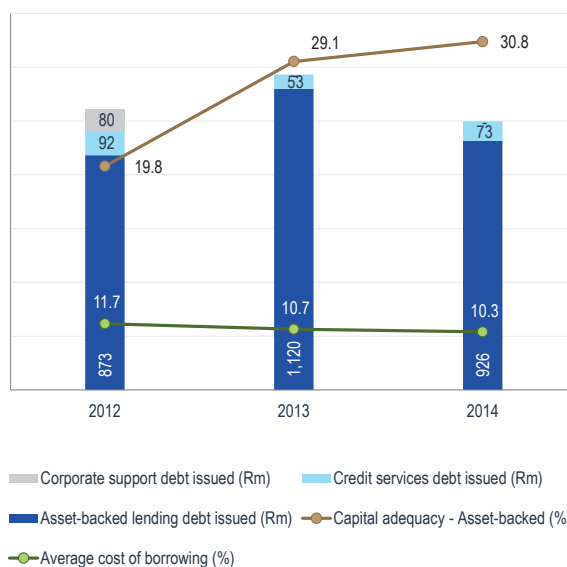
CREDIT SERVICES – MBD CREDIT SOLUTIONS; PRINCIPA DECISIONS



- **Headline earnings ▲ 9% to R47m**
 - challenging collections environment
 - earnings growth continues 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 ▲ 34% from R420m to R561m**
 - books of R160m acquired in advantageous buying environment
 - secure principal collection revenue preference
 - Return on sales ▲ from 10.8% to 11.5%
 - revenue growth
 - cost containment
- **Principa**
 - Softening SA consumer credit economy affected revenue generation ability
 - strong USD revenues earned from Qarar joint venture in Middle East

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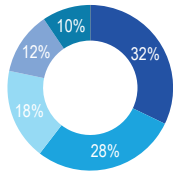
FUNDING



- **4 institutions invested R999m of debt capital**
 - Asset-backed lending: R926m
 - Credit services: R73m
- **New debt investors:**
 - 1 new to group
 - 1 new to asset classes
- **Cost of borrowing ▼ from 10.7% to 10.3%**
- **Maintain robust credit ratings**
 - SA Taxi Securitisation: Moody's rating of Aa2.za (sf) on senior notes, & mezzanine of A3.za (sf)
- **Intention to offer new SA Taxi JSE listed, Standard & Poor's rated securitisation in May 2014 ("Transsec")**

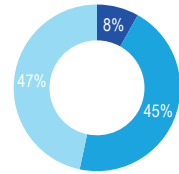
FUNDING PHILOSOPHY

Diversification by funder category



- Specialised asset managers and debt funds
- Life Companies
- Banks
- Traditional asset managers
- DFIs

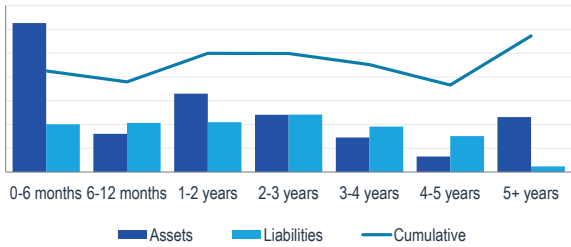
Diversification by funding structure



- Rated unlisted securitisation
- Syndicated loans
- Structured finance

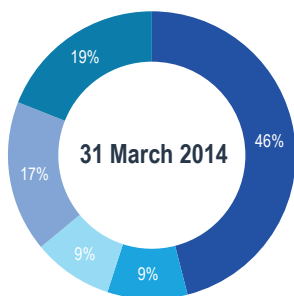
- Proven wholesale funding model
 - “positive liquidity mismatch” between asset & liability cash flows
 - no exposure to overnight debt instruments & limited exposure to 12-month instruments
 - direct relationships with debt capital markets
 - diversification by debt investor, funding structure & credit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

Positive liquidity mismatch



NOTES

SHAREHOLDING



- Directors of Transaction Capital and its subsidiaries and their associates
- Old Mutual Life Assurance Co. South Africa Ltd.
- Ethos Private Equity
- Remaining institutional shareholders
- Retail investors

- Percentage held by institutional investors
 - ▲ from 14% to 17%
 - Excludes Old Mutual (OMLACSA)
- Percentage held by retail investors
 - ▲ from 7% to 19%
- Increased share liquidity

TRANSACTION CAPITAL

SUMMARY

UNAUDITED RESULTS FOR THE HALF YEAR

2014

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ADDENDA

DISCLAIMER

This presentation may contain certain "forward-looking statements" regarding beliefs or expectations of the TC Group, its directors and other members of its senior management about the TC Group's financial condition, results of operations, cash flow, strategy and business and the transactions described in this presentation. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words "believe", "expect", "anticipate", "intend", "estimate", "forecast", "project", "will", "may", "should" and similar expressions identify forward-looking statements but are not the exclusive means of identifying such statements. Such forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the TC Group and are difficult to predict, that may cause the actual results, performance, achievements or developments of the TC Group or the industries in which it operates to differ materially from any future results, performance, achievements or developments expressed by or implied from the forward-looking statements. Each member of the TC Group expressly disclaims any obligation or undertaking to provide or disseminate any updates or revisions to any forward-looking statements contained in this announcement.

UNAUDITED FINANCIAL RESULTS

FOR THE HALF YEAR ENDED 31 MARCH

2014

TRANSACTION CAPITAL



Transaction Capital

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CONTINUING HEADLINE
EARNINGS ▲ 28% TO
R148 million

CONTINUING HEADLINE
EARNINGS PER SHARE
▲ 28% TO **25.5 cents**

CONTINUING GROSS LOANS
& ADVANCES ▲ 14% TO
R6 149 million

AFTER THE CAPITAL
DISTRIBUTION OF
210 cents PER SHARE
NET ASSET VALUE
PER SHARE ▼ 14%
TO **499.7 cents**

CAPITAL ADEQUACY
RATIO ▲ 46% TO
53.2%

HIGHLIGHTS

CONTINUING RETURN
ON AVERAGE ASSETS
STABLE AT **3.2%**

CONTINUING RETURN
ON AVERAGE EQUITY ▼
TO **9.4%** FROM **13.0%**

INTERIM DIVIDEND OF
6 cents PER SHARE

DIVIDEND COVER OF
4.25 times ON
CONTINUING HEADLINE
EARNINGS PER SHARE

COMMENTARY

OVERVIEW

During the first half of the 2014 financial year Transaction Capital operated a portfolio of assets substantially different from those reported on at the end of the 2013 financial year. The change in portfolio, occasioned by the sale of two subsidiaries, was a response to emergent opportunities to realise value for shareholders while reducing the range and complexity of risks facing the group.

The sale of Paycorp became effective on 1 November 2013, on which date proceeds of R937 million were received, representing 18.7 times earnings to September 2013, resulting in a profit on sale of R425 million and yielding an internal rate of return of 18.2%.

The sale of Bayport was effective on 31 December 2013, with proceeds of R1.3 billion for Transaction Capital's 82.65% stake received on 10 January 2014, representing 6.7 times earnings, yielding a profit of R234 million and a 32.6% internal rate of return. This disposal enabled Transaction Capital to significantly reduce the various regulatory, consumer credit and capital risks it faced.

Subsequent to the two sale transactions, the board took a decision to return a portion of the capital generated through a capital distribution of 210 cents per share. On 17 March 2014 Transaction Capital distributed R1.2 billion to shareholders, resulting in an improved and more efficient capital structure but a reduced net asset value.

ENVIRONMENT

The South African consumer economy continued to soften during the first half of the 2014 financial year as employment and real wage growth slowed, fuel and electricity prices increased, exchange rate related inflation eroded disposable income and labour unrest escalated. The Monetary Policy Committee increased the repo interest rate by 50 basis points to 5.5% for the first time since 2008, placing added pressure on the South African consumer. The possibility of further rate hikes was emphasised by the Reserve Bank Governor. It is important to note that following the sale of Bayport, Transaction Capital is less exposed to the consumer credit environment and the regulations pertaining thereto.

Residual regulatory uncertainty does however remain. The process followed in approving the National Credit Amendment Bill was uncoordinated from multiple and sometimes competing ministries, assessment of the consequences of the proposed legislation was inadequate, and little response was afforded to business comment on the proposed legislation. Poor enforcement of existing laws by regulators remains a threat to unsophisticated users and compliant operators throughout the financial services sector. Transaction Capital thus continues to engage regularly with its regulators, particularly the National Credit Regulator and Financial Services Board.

Notwithstanding the challenging consumer environment, the underserved and growing small and medium-sized enterprise ("SME") finance market continues to present Transaction Capital with significant opportunity. According to SBP business environment specialists' February 2014 SME growth index, almost 40% of all SMEs experienced working capital funding constraints during 2013, supporting increased demand by SMEs for Transaction Capital's products.

FINANCIAL PERFORMANCE

Transaction Capital's continuing operations performed in line with expectations for the first half of the financial year.

Headline earnings grew by 28% to R148 million through solid results achieved in each of the divisions. Net interest income increased by 20% to R395 million, driven by a 14% growth in gross loans and advances to R6 149 million and an increased net interest margin of 13.1%, effected in part by a lower average cost of borrowings of 10.3%. Non-interest revenue increased by 11% to R523 million, whilst the cost-to-income ratio improved from 64.3% to 61.9% through the restructure of the group executive office, and excellent cost containment and efficiencies in all divisions.

In line with the group's strategy to grow its book in the mid-teens while focusing on credit quality, the credit loss ratio increased marginally from 4.9% to 5.3% due to the active write-off of entry level vehicles in SA Taxi, and remains well within the stated medium-term upper tolerance level of 6%. It is encouraging to note that the group non-performing loan ("NPL") ratio has remained stable since September 2013 at about 28.6%. The NPL ratio increased year-on-year from 27.0% to 28.6% as a result of SA Taxi holding repossessed vehicles for longer time periods than historically, to refurbish vehicles to a higher quality before disposal. The current and comparative NPL ratio is calculated according to a revised definition, considered to be more appropriate for SA Taxi and adopted during the first half of the 2014 financial year.

Following the disposal of Paycorp and Bayport, as well as the capital distribution, Transaction Capital's equity and debt capital position remains robust. The capital adequacy level of 53.2% is significantly higher than the medium term target of 30%, and the group is well positioned to take advantage of and fund organic and acquisitive growth opportunities.

OPERATIONAL HIGHLIGHTS AND PROSPECTS

ASSET-BACKED LENDING – SA TAXI AND RAND TRUST

The division increased headline earnings by 15% to R78 million, driven by a 14% increase in gross loans and advances.

SA Taxi is a financier of independent SMEs in the minibus taxi industry.

The estimated national fleet of 200 000 privately owned minibus taxis remains the primary means of transport for most South African commuters. The replacement of ageing vehicles continues to create a robust demand for the minibus taxi finance provided by SA Taxi.

Growth in gross loans and advances continues in the mid-teens notwithstanding new vehicle origination entirely comprised of premium vehicles and a tightening of credit-lending criteria. This together with recent strong collection trends have been encouraging, resulting in a credit loss ratio of 5.6% which is below SA Taxi's upper tolerance level of 6%. Provision coverage improved from 5.1% to 5.9%.

SA Taxi's cost-to-income ratio improved marginally resulting from continued operational efficiencies. Due to the discontinued refurbishment and refinance of repossessed entry level vehicles, and the accelerated write-off and related insurance claims against these vehicles, greater efficiencies have been achieved in the repair and resale operations of Taximart, which now focuses exclusively on premium vehicles.

The NPL ratio has remained stable since September 2013 at 30.4%. It has, however increased year-on-year from 28.6% following decisions to discontinue the refurbishment and finance of entry level vehicles and the implementation of a strategy to improve the quality of refurbished premium repossessed vehicles. This strategy resulted in vehicles remaining on-hand for longer. Encouragingly, NPL coverage was strengthened from 17.8% to 19.5%.

The NPL definition has been amended¹ to take account of the irregularity and cash nature of payments made by minibus taxi owners thereby better aligning the classification of NPLs with customers that exhibit real risk of impairment. The original and revised definitions of NPLs will be tracked in the public domain for a period of time, and have proven to be highly correlated.

SA Taxi continues to leverage its market position by enhancing its value proposition to clients through: new product offerings such as SA Taxi Media (i.e. advertising in taxis) and a stand-alone insurance offering branded Khusela Taxi Insurance. The business also started financing the newly introduced Nissan minibus taxi in March 2014. In addition, SA Taxi continues to leverage its core skill set (being credit, collections and capital management) via its "bakkie" finance pilot.

The capital structure of SA Taxi was enhanced through the capitalisation of loans from Transaction Capital to the value of R250 million. SA Taxi also intends to launch its new Standard & Poor's credit rated and listed debt program during May 2014.

Rand Trust is a provider of working capital to SMEs through invoice discounting and commercial debtors' management.

Rand Trust's headline earnings grew by 33%.

The business continues to invest in a distribution strategy directed at increasing scale, to design innovative products aimed at extending the clients' life cycle with Rand Trust, and to expand beyond of its traditional Western Cape business into other regions. As the business targets larger clients in an expanded geographic region with new tailor-made product offerings, management is applying the necessary caution to mitigate any resultant credit and operational risk.

CREDIT SERVICES – MBD CREDIT SOLUTIONS AND PRINCIPA DECISIONS

The division increased headline earnings by 9% to R47 million.

MBD CS collects consumer and commercial distressed debt as agent for credit providers and as principal on purchased book debts.

Revenues have been subdued in a difficult consumer environment, which was offset by cost containment. The business continues to be an active bidder on most books that come to market and in line with management's vision of investing to increase revenue and profitability, purchased book debts to the value of R160 million were acquired during this six month period. Regulatory uncertainty has been introduced via the recent National Credit Amendment Bill which seeks to prohibit both the sale and collection of prescribed debt. Despite this uncertainty, MBD CS does not anticipate any material impact on the business at this time.

Principa Decisions provides credit life cycle consulting services, predictive modelling and related software to credit providers.

Headline earnings remained flat for the period. Growth prospects for the second half of this year will be driven by continued revenue growth from its Middle East joint venture, the continued expansion of its proprietary *Smart* software product suite and the relationship with FICO, which has been re-affirmed with the recent signing of a new five year contract.

¹ Original NPL definition: NPLs are those customers that had more than three outstanding contractual installments and who had not made three consecutive qualifying payments in each of the past three months.

Revised NPL definition: NPLs are those customers that have more than three outstanding contractual installments and have made less than a total of three cumulative qualifying payments during the past three months.

COMMENTARY *continued*

STRATEGY

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

Following the sales of Paycorp and Bayport, the reorganisation of the group executive office and the capital distribution, Transaction Capital has significantly reduced the level of regulatory, consumer credit and capital risks faced; has realigned its cost structures to be more favourable; is well capitalised and positioned to fund organic growth opportunities; holds approximately R1 billion of cash to effect significant acquisitive activity; and has appropriate access to the debt capital markets.

The acquisitive strategy seeks to augment the group's existing businesses either through "bolt-on" opportunities or through the addition of a new divisional pillar in a related but separate industry. The group's core competencies of credit risk management, collections capabilities and capital management must be prevalent to successfully leverage any acquisition opportunity.

RESTRUCTURING OF THE BOARD AND GROUP OFFICE

David Hurwitz was appointed as group chief executive officer and Mark Herskovits as group chief financial officer on 16 January 2014. Mark Lamberti resigned as non-executive chairman, effective 5 March 2014 and was replaced by Christopher Seabrooke. Roberto Rossi was appointed as a non-executive director effective 5 March 2014. Concurrently, the board's sub-committees and the group executive office were restructured and downsized to support the strategic objectives and accommodate the requirements of the smaller group.

DIVIDEND DECLARATION

In line with the stated dividend policy of 4 to 5 times cover, the board has declared an interim gross cash dividend of 6 cents per share for the six months ended 31 March 2014 (2013: 9 cents per share), to those members recorded in the register of members on the record date appearing below. The dividend is declared out of income reserves. A dividend withholding tax of 15% will be applicable to the dividend to all shareholders that are not exempt, resulting in a net dividend of 5.10 cents per share. The company has no remaining STC credits available. The salient features applicable to the interim dividend are as follows:

Issued shares as at declaration date (including 2 642 883 treasury shares)	575 791 194
Declaration date	Tuesday 6 May 2014
Last day to trade cum dividend	Friday 30 May 2014
First day to trade ex dividend	Monday 2 June 2014
Record date	Friday 6 June 2014
Payment date	Monday 9 June 2014

Share certificates may not be dematerialised or rematerialised between Monday, 2 June 2014 and Friday, 6 June 2014, both dates inclusive.

On Monday, 9 June 2014 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 9 June 2014 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, 9 June 2014.

BASIS FOR PREPARATION

The results of the group for the half year ended 31 March 2014 are unaudited and have been prepared in accordance with the requirements of International Financial Reporting Standards ("IFRS"), IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listing Requirements, the going concern principle and the requirements of the South African Companies Act, 71 of 2008.

The accounting policies and their application are in terms of IFRS and are consistent, in all material respects, with those detailed in Transaction Capital's prior year annual financial statements.

APPROVAL BY THE BOARD OF DIRECTORS

Signed on behalf of the board of directors:

D M Hurwitz

Chief executive officer

6 May 2014

M D Herskovits

Chief financial officer

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2014

	1H14 Unaudited Rm	1H13 Unaudited Rm	Change %	FY13 Audited Rm
Assets				
Cash and cash equivalents	1 243	1 260	(1)	673
Tax receivables	25	30	(17)	64
Trade and other receivables	506	624	(19)	505
Inventories	1	170	(99)	85
Loans and advances	5 820	9 594	(39)	10 232
Purchased book debts	561	420	34	420
Other loans receivable	311	291	7	280
Equity accounted investments	7	–	100	4
Other investments	158	382	(59)	481
Intangible assets	15	34	(56)	21
Property and equipment	48	331	(85)	96
Goodwill	192	927	(79)	594
Deferred tax assets	102	127	(20)	107
Non-current assets classified as held for sale	–	–	0	769
Total assets	8 989	14 190	(37)	14 331
Liabilities				
Bank overdrafts	107	233	(54)	71
Tax payables	12	22	(45)	2
Trade and other payables	259	747	(65)	386
Provisions	1	6	(83)	2
Interest-bearing liabilities	5 556	9 458	(41)	9 601
Senior debt	4 209	7 720	(45)	7 470
Subordinated debt	1 347	1 738	(22)	2 131
Deferred tax liabilities	190	159	19	194
Liabilities directly associated with non-current assets classified as held for sale	–	–	0	180
Total liabilities	6 125	10 625	(42)	10 436
Equity				
Ordinary share capital and premium	505	1 786	(72)	1 779
Reserves	122	330	(63)	385
Retained earnings	2 237	1 293	73	1 551
Equity attributable to ordinary equity holders of the parent	2 864	3 409	(16)	3 715
Non-controlling interests	–	156	(100)	180
Total equity	2 864	3 565	(20)	3 895
Total equity and liabilities	8 989	14 190	(37)	14 331

SUMMARISED CONSOLIDATED INCOME STATEMENT

for the half year ended 31 March 2014

	1H14 Unaudited Rm	1H13 Unaudited Rm	Change %	FY13 Restated Rm
Interest and other similar income	675	586	15	1 225
Interest and other similar expense	(280)	(256)	9	(539)
Net interest income	395	330	20	686
Impairment of loans and advances	(161)	(130)	24	(283)
Risk adjusted net interest income	234	200	17	403
Non-interest revenue	523	470	11	1 023
Operating costs	(568)	(514)	11	(1 071)
Equity accounted earnings	3	–	100	4
Profit before tax	192	156	23	359
Income tax expense	(44)	(40)	10	(76)
Profit from continuing operations	148	116	28	283
Profit from discontinued operations	607	135	350	303
Profit for the period	755	251	201	586
Attributable to non-controlling equity holders	–	18	(100)	42
Attributable to ordinary equity holders of the parent	755	233	224	544
Basic earnings per share	130.3	39.9	226	93.2
Diluted basic earnings per share	130.3	39.9	226	93.2
Headline earnings per share	29.1	39.9	(27)	93.4
Headline earnings per share – continuing operations	25.5	19.9	28	48.7
Headline earnings per share – discontinued operations	3.6	20.0	(82)	44.7

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 31 March 2014

	1H14 Unaudited Rm	1H13 Unaudited Rm	Change %	FY13 Restated Rm
Profit for the period	755	251	201	586
Other comprehensive income	(16)	99	(116)	122
Fair value gains on cash flow hedge arising during the period	1	29	(97)	10
Amount removed from other comprehensive income and recognised in the profit and loss	–	(18)	(100)	–
Deferred tax	<1	(8)	(100)	(3)
Fair value (losses)/gains arising on valuation of available-for-sale investment	(17)	96	(118)	115
Total comprehensive income for the period	739	350	111	708
Attributable to non-controlling equity holders	–	24	(100)	49
Attributable to ordinary equity holders of the parent	739	326	127	659

SUMMARISED HEADLINE EARNINGS RECONCILIATION

for the half year ended 31 March 2014

	1H14 Unaudited Rm	1H13 Unaudited Rm	Change %	FY13 Restated Rm
Profit attributable to ordinary equity holders of the parent	755	233	224	544
Headline earnings adjustable items added				
Profit on sale of subsidiary companies	(659)	-	(100)	-
De-grouping tax payable on sale of subsidiary company	73	-	100	-
Impairment of goodwill	-	-	n/a	1
Headline earnings	169	233	(27)	545
Headline earnings from discontinued operations	(21)	(117)	(82)	(261)
Headline earnings from continuing operations	148	116	28	284

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 March 2014

	Share capital and premium	Other reserves	Retained earnings	Ordinary shareholders equity	Non- controlling interests	Total equity
Balance at 31 March 2013	1 787	330	1 292	3 409	156	3 565
Total comprehensive income	-	53	311	364	24	388
Profit for the period	-	-	311	311	22	333
Other comprehensive income for the period	-	53	-	53	2	55
Dividends paid	-	-	(52)	(52)	-	(52)
Issue of share appreciation rights	-	2	-	2	-	2
Repurchase of shares	(8)	-	-	(8)	-	(8)
Share issue costs	-	-	-	-	-	-
Balance at 30 September 2013	1 779	385	1 551	3 715	180	3 895
Total comprehensive income	-	(16)	755	739	-	739
Profit for the period	-	-	755	755	-	755
Other comprehensive income for the period	-	(16)	-	(16)	-	(16)
Dividends paid	-	-	(69)	(69)	-	(69)
Issue of share appreciation rights	-	6	-	6	-	6
Repurchase of shares	(71)	-	-	(71)	-	(71)
Capital distribution	(1 203)	-	-	(1 203)	-	(1 203)
Disposal of subsidiary companies	-	(253)	-	(253)	(180)	(433)
Balance at 31 March 2014	505	122	2 237	2 864	-	2 864

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 March 2014

	1H14 Unaudited Rm	1H13 Unaudited Rm	Change %	FY13 Restated Rm
Net cash utilised by operating activities of continuing operations	(124)	(60)	110	(173)
Net cash generated/(utilised) by investing activities of continuing operations	2 312	(87)	(2 757)	(132)
Net cash utilised by financing activities of continuing operations	(1 274)	(5)	25 380	(13)
Net increase in cash and cash equivalents	914	(152)	(705)	(318)
Cash and cash equivalents at the beginning of the period from continuing operations	222	540	(59)	540
Cash and cash equivalents at the beginning of the period	671	943	(29)	943
Less: Cash and cash equivalents at the beginning of the period relating to discontinued operations	(449)	(403)	11	(403)
Cash and cash equivalents at the end of the period relating to continuing operations	1 136	388	192	222

SUMMARISED SEGMENT REPORT

	Asset-backed lending		Credit services		Group executive office	
	1H14 Unaudited Rm	1H13 Unaudited Rm	1H14 Unaudited Rm	1H13 Unaudited Rm	1H14 Unaudited Rm	1H13 Unaudited Rm
Condensed income statement for the half year ended 31 March 2014						
Net interest income	353	318	(4)	1	46	11
Impairment of loans and advances	(160)	(128)	(1)	(2)	-	-
Non-interest revenue	104	92	401	390	18	(12)
Total operating costs	(201)	(193)	(335)	(330)	(32)	8
Equity accounted earnings	-	-	3	-	-	-
Profit before tax	96	89	64	59	32	7
Impact of classification to held for sale	-	-	-	-	-	-
Headline earnings – discontinued operations	-	-	-	-	-	-
Headline earnings – continuing operations	78	68	47	43	23	5
Total headline earnings	78	68	47	43	23	5
Condensed statement of financial position at 31 March 2014						
Assets						
Cash and cash equivalents	162	483	34	25	1 047	68
Loans and advances	5 782	5 104	38	51	-	-
Purchased book debts	-	-	561	420	-	-
Other investments	158	88	-	-	-	-
Other assets and receivables	555	491	275	299	377	609
Total Assets	6 657	6 166	908	795	1 424	677
Liabilities						
Bank overdrafts	100	100	7	4	-	84
Interest-bearing liabilities	4 428	4 579	205	185	923	450
Senior debt	4 004	4 078	205	185	-	-
Subordinated debt	424	501	-	-	923	450
Group	935	630	55	61	(990)	(908)
Other liabilities and payables	197	281	232	194	33	30
Total liabilities	5 660	5 590	499	444	(34)	(344)
Total Equity	997	576	409	351	1 458	1 021

	Group – continuing		Discontinued operations		Group	
	1H14 Unaudited Rm	1H13 Unaudited Rm	1H14 Unaudited Rm	1H13 Unaudited Rm	1H14 Unaudited Rm	1H13 Unaudited Rm
	395	330	–	–	395	330
	(161)	(130)	–	–	(161)	(130)
	523	470	–	–	523	470
	(568)	(514)	–	–	(568)	(514)
	3	–	–	–	3	–
	192	156	–	–	192	156
	–	–	11	–	11	–
	–	–	10	117	10	117
	148	116	–	89	148	205
	148	116	21	206	169	322
	1 243	576	–	684	1 243	1 260
	5 820	5 155	–	4 439	5 820	9 594
	561	420	–	–	561	420
	158	88	–	293	158	382
	1 207	1 399	–	1 136	1 207	2 534
	8 989	7 638	–	6 552	8 989	14 190
	107	188	–	45	107	233
	5 556	5 214	–	4 244	5 556	9 458
	4 209	4 263	–	3 457	4 209	7 720
	1 347	951	–	787	1 347	1 738
	–	(217)	–	217	–	–
	462	505	–	429	462	934
	6 125	5 690	–	4 935	6 125	10 625
	2 864	1 948	–	1 617	2 864	3 565

GROUP DATA SHEET

FOR THE HALF YEAR ENDED 31 MARCH

2014

TRANSACTION CAPITAL



Transaction Capital

TRANSACTION CAPITAL DATA SHEET

at 31 March 2014

		Half year ended 31 March			Movement		September 2013
		2014	2013	2012	2014	2013	
TRANSACTION CAPITAL GROUP							
Consolidated income statement							
Interest and other similar income	Rm	675	586	509	15%	15%	1,225
Interest and other similar expense	Rm	(280)	(256)	(270)	9%	(5%)	(539)
Net interest income	Rm	395	330	239	20%	38%	686
Impairment of loans and advances	Rm	(161)	(130)	(122)	24%	7%	(283)
Risk-adjusted net interest income	Rm	234	200	117	17%	71%	403
Non-interest revenue	Rm	523	470	454	11%	4%	1 023
Total operating costs	Rm	(568)	(514)	(465)	11%	11%	(1 071)
Employee expenses	Rm	(283)	(264)	(279)	7%	(5%)	(552)
Transaction, processing and bank charges	Rm	(12)	(8)	(14)	50%	(43%)	(17)
Cost of sale of goods	Rm	(10)	(5)	(5)	100%	0%	(10)
Communication	Rm	(34)	(39)	(38)	(13%)	3%	(77)
Depreciation and amortisation	Rm	(10)	(10)	(9)	0%	11%	(19)
Consulting, professional, legal and audit	Rm	(20)	(23)	(33)	(13%)	(30%)	(48)
Commission expense	Rm	(12)	(16)	(11)	(25%)	45%	(32)
Rentals	Rm	(18)	(15)	(13)	20%	15%	(31)
VAT apportionment disallowed	Rm	(16)	(16)	(15)	0%	7%	(31)
Information technology	Rm	(12)	(10)	(9)	20%	11%	(22)
Other	Rm	(141)	(109)	(38)	29%	187%	(232)
Operating income	Rm	189	156	106	21%	47%	355
Equity accounted earnings	Rm	3	–	–	100%	n/a	4
Profit before tax	Rm	192	156	106	23%	47%	359
Income tax expense	Rm	(44)	(40)	(32)	10%	25%	(76)
Profit from continuing operations	Rm	148	116	74	28%	57%	283
Profit from discontinued operations	Rm	607	135	110	350%	23%	303
Profit for the period	Rm	755	251	184	201%	36%	586
Profit for the period attributable to:							
Ordinary equity holders of the parent	Rm	755	233	171	224%	36%	544
Non-controlling equity holders	Rm	–	18	13	(100%)	38%	42

		Half year ended 31 March			Movement		September 2013
		2014	2013	2012	2014	2013	
TRANSACTION CAPITAL GROUP							
continued							
Headline earnings							
Profit attributable to ordinary equity holders	Rm	755	233	171	224%	36%	544
Adjustments for:							
Impairment of goodwill	Rm	-	-	-	n/a	n/a	1
Loss/(profit) on disposal of business	Rm	(659)	-	-	100%	n/a	-
De-grouping tax payable on sale of subsidiary	Rm	73	-	-	100%	n/a	-
Headline earnings	Rm	169	233	171	(27%)	36%	545
Adjustment for:							
Headline earnings of discontinued operations	Rm	(21)	(117)	(93)	(82%)	26%	(261)
Profit on sale of assets	Rm	-	-	-	n/a	n/a	-
Headline earnings from continuing operations	Rm	148	116	78	28%	49%	284
Listing costs	Rm	-	-	9	n/a	(100%)	-
Normalised headline earnings	Rm	148	116	87	28%	33%	284
Number of shares	Number	573 148 331	583 569 521	502 832 693	(2%)	16%	582 581 177
Weighted average number of shares in issue	m	579.4	583.8	473.4	(1%)	23%	583.6
Consolidated statement of financial position							
Assets							
Loans and advances	Rm	5 820	9 594	7 717	(39%)	24%	10 232
Purchased book debts	Rm	561	420	318	34%	32%	420
Property and equipment	Rm	48	331	292	(85%)	13%	96
Inventories	Rm	1	170	172	(99%)	(1%)	85
Goodwill	Rm	192	927	930	(79%)	(0%)	594
Intangible assets	Rm	15	34	38	(56%)	(11%)	21
Cash and cash equivalents	Rm	1 243	1 260	938	(1%)	34%	673
Other investments	Rm	158	382	286	(59%)	34%	481
Non-current assets classified as held for sale	Rm	-	-	-	n/a	n/a	769
Other assets	Rm	951	1 072	965	(11%)	11%	960
Total assets	Rm	8 989	14 190	11 656	(37%)	22%	14 331

TRANSACTION CAPITAL DATA SHEET continued

at 31 March 2014

		Half year ended 31 March			Movement		September 2013
		2014	2013	2012	2014	2013	2013
TRANSACTION CAPITAL GROUP continued							
Consolidated statement of financial position continued							
Liabilities							
Interest bearing liabilities	Rm	5 556	9 458	8 351	(41%)	13%	9 601
Senior debt	Rm	4 209	7 720	6 668	(45%)	16%	7 470
Subordinated debt	Rm	1 347	1 738	1 683	(22%)	3%	2 131
Bank overdrafts	Rm	107	233	180	(54%)	29%	71
Liabilities directly associated with non-current assets classified as held for sale	Rm	–	–	–	n/a	n/a	180
Other liabilities	Rm	462	934	761	(51%)	23%	584
Total liabilities	Rm	6 125	10 625	9 292	(42%)	14%	10 436
Equity							
Equity attributable to ordinary equity holders of the parent	Rm	2 864	3 409	2 260	(16%)	51%	3 715
Non-controlling interest	Rm	–	156	104	(100%)	50%	180
Total equity	Rm	2 864	3 565	2 364	(20%)	51%	3 895
Total equity and liabilities	Rm	8 989	14 190	11 656	(37%)	22%	14 331
Shareholder statistics							
Basic earnings per share from continuing operations	cents	25.5	19.9	16.5	28%	21%	48.5
Headline earnings per share from continuing operations	cents	25.5	19.9	16.5	28%	21%	48.7
Normalised headline earnings per share from continuing operations	cents	25.5	19.9	18.4	28%	8%	48.7
Net asset value per share	cents	499.7	584.2	449.5	(14%)	30%	637.7
Tangible net asset value per share	cents	463.6	419.5	257.0	11%	63%	532.1
Interim dividend per share	cents	6.0	9.0	–	(33%)	100%	9.0
Final dividend per share	cents	–	–	–	n/a	n/a	12.0
Capital adequacy ratio							
Equity	Rm	2 864	3 565	2 364	(20%)	51%	3 895
Subordinated debt capital	Rm	1 347	1 738	1 683	(22%)	3%	2 131
Total capital	Rm	4 211	5 303	4 047	(21%)	31%	6 026
Less: Goodwill	Rm	(192)	(927)	(930)	(79%)	(0%)	(594)
Total capital less goodwill	Rm	4 019	4 376	3 117	(8%)	40%	5 432
Total assets less goodwill and cash and cash equivalents	Rm	7 554	12 003	9 788	(37%)	23%	13 064
Capital adequacy ratio	%	53.2	36.5	31.8	46%	15%	41.6
Equity	%	35.4	22.0	14.7	61%	50%	25.3
Subordinated debt	%	17.8	14.5	17.2	23%	(16%)	16.3

		Half year ended 31 March			Movement		
		2014	2013	2012	2014	2013	September 2013
TRANSACTION CAPITAL GROUP							
continued							
Performance indicators *							
Gross loans and advances	Rm	6 149	5 402	4 635	14%	17%	5 923
Carrying value of written off book	Rm	32	25	–	28%	100%	30
Impairment provision	Rm	(361)	(272)	(191)	33%	42%	(329)
Provision coverage	%	5.9	5.0	4.1	18%	22%	5.6
Non-performing loan ratio – “original”	%	34.1	32.1	27.8	6%	15%	34.0
Non-performing loan coverage – “original”	%	17.2	15.7	14.8	10%	6%	16.3
Non-performing loans – “original”	Rm	2 095	1 733	1 288	21%	35%	2 013
Non-performing loan ratio – “revised”	%	28.6	27.0	22.9	6%	18%	29.0
Non-performing loan coverage – “revised”	Rm	20.5	18.7	18.0	11%	6%	19.2
Non-performing loans – “revised”	%	1 760	1 457	1 063	21%	37%	1 716
Capital adequacy ratio – total	%	53.2	36.5	31.8	46%	15%	41.6
Average assets	Rm	9 232	7 315	6 290	26%	16%	7 563
Average tangible assets	Rm	8 929	7 161	6 135	25%	17%	7 399
Average equity	Rm	3 140	1 778	1 039	77%	71%	1 835
Average tangible equity	Rm	2 837	1 624	884	75%	84%	1 672
Average gross loans and advances	Rm	6 029	5 258	4 428	15%	19%	5 500
Average interest bearing liabilities	Rm	5 442	4 764	4 606	14%	3%	4 992
Total income	Rm	1 198	1 056	963	13%	10%	2 248
Net interest margin	%	13.1	12.6	10.8	4%	17%	12.5
Credit loss ratio	%	5.3	4.9	5.5	8%	(11%)	5.1
Non-interest revenue as a % of total income	%	43.7	44.5	47.1	(2%)	(6%)	45.5
Cost-to-income ratio	%	61.9	64.3	67.2	(4%)	(4%)	62.7
Effective tax rate	%	22.9	25.6	30.2	(11%)	(15%)	21.2
Return on average assets (ROA)	%	3.2	3.2	2.4	0%	33%	3.7
Return on average tangible assets (ROTA)	%	3.3	3.2	2.4	3%	33%	3.8
Return on average equity (ROE)	%	9.4	13.0	14.2	(28%)	(8%)	15.4
Return on average tangible equity (ROTE)	%	10.4	14.3	16.7	(27%)	(14%)	16.9
Services: EBITDA	Rm	74	62	58	19%	7%	135
Gearing	times	3.1	4.3	5.4	(28%)	(20%)	4.0
Debt issued	Rm	999	1 173	1 044	(15%)	12%	3 009
Gross yield on average assets	%	26.0	28.9	30.6	(10%)	(6%)	29.7
Gross yield on average gross loans and advances	%	39.7	40.2	43.5	(1%)	(8%)	40.9
Return on total sales (ROS)	%	12.4	11.0	7.6	13%	45%	12.6
Average cost of borrowing	%	10.3	10.7	11.7	(4%)	(9%)	10.8
Employees	Number	3 586	3 535	2 974	1%	19%	3 673

* All Transaction Capital group performance indicators are calculated on a continuing operations basis unless otherwise stated.

TRANSACTION CAPITAL DATA SHEET continued

at 31 March 2014

		Half year ended 31 March			Movement		September 2013
		2014	2013	2012	2014	2013	
ASSET-BACKED LENDING							
Condensed income statement							
Interest and other similar income	Rm	611	565	489	8%	16%	1 178
Interest and other similar expense	Rm	(258)	(247)	(230)	4%	7%	(512)
Net interest income	Rm	353	318	259	11%	23%	667
Impairment of loans and advances	Rm	(160)	(128)	(122)	25%	5%	(281)
Non-interest revenue	Rm	104	92	89	13%	3%	218
Total operating costs	Rm	(201)	(193)	(151)	4%	28%	(403)
Profit before tax	Rm	96	89	75	8%	19%	200
Total Income	Rm	715	657	578	9%	14%	1 396
Profit after tax	Rm	78	68	58	15%	17%	163
Headline earnings	Rm	78	68	58	15%	17%	163
Other information							
Depreciation	Rm	4	5	3	(20%)	67%	7
Amortisation of intangible assets	Rm	1	-	-	100%	n/a	1
Statement of financial position							
Assets							
Cash and cash equivalents	Rm	162	483	476	(66%)	1%	226
Other investments	Rm	158	88	45	80%	96%	175
Loans and advances	Rm	5 782	5 104	4 370	13%	17%	5 577
Property and equipment	Rm	30	29	16	3%	81%	28
Goodwill and intangibles	Rm	71	63	60	13%	5%	65
Goodwill	Rm	60	60	60	0%	0%	60
Intangibles	Rm	11	3	-	267%	100%	5
Other assets	Rm	454	399	442	14%	(10%)	360
Total assets	Rm	6 657	6 166	5 409	8%	14%	6 431
Liabilities							
Bank overdrafts	Rm	100	100	162	0%	(38%)	71
Interest bearing liabilities	Rm	4 428	4 579	4 459	(3%)	3%	4 398
Senior debt	Rm	4 004	4 078	4 043	(2%)	1%	3 947
Subordinated debt	Rm	424	501	416	(15%)	20%	451
Group	Rm	935	630	208	48%	203%	1 078
Other liabilities	Rm	197	281	177	(30%)	59%	185
Total liabilities	Rm	5 660	5 590	5 006	1%	12%	5 732
Segment net assets	Rm	997	576	403	73%	43%	699
Capital adequacy							
Equity	Rm	997	576	403	73%	43%	699
Group funding	Rm	623	618	206	1%	200%	855
Subordinated debt	Rm	424	501	416	(15%)	20%	451
Total capital	Rm	2 044	1 695	1 025	21%	65%	2 005
Less: Goodwill	Rm	(60)	(60)	(60)	0%	0%	(60)
Total capital less goodwill	Rm	1 984	1 635	965	21%	69%	1 945
Total assets less goodwill and cash and cash equivalents	Rm	6 435	5 623	4 873	14%	15%	6 145
Capital adequacy ratio	%	30.8	29.1	19.8	6%	47%	31.7

		Half year ended 31 March			Movement		
		2014	2013	2012	2014	2013	September 2013
Financial measures							
Net interest margin	%	11.8	12.2	11.9	(3%)	3%	12.3
Cost-to-income ratio	%	44.0	47.1	43.4	(7%)	9%	45.5
Return on average assets (ROA)	%	2.4	2.4	2.3	0%	4%	2.7
Return on average tangible assets (ROTA)	%	2.4	2.4	2.2	0%	9%	2.8
Gross yield on average gross loans and advances	%	23.9	25.3	26.6	(6%)	(5%)	25.7
Return on average equity (ROE)	%	16.6	29.6	41.1	(44%)	(28%)	32.3
Return on average tangible equity (ROTE)	%	20.7	34.3	42.0	(40%)	(18%)	37.8
Average cost of borrowing	%	9.7	10.1	11.2	(4%)	(10%)	10.1
Credit loss ratio	%	5.4	4.9	5.6	10%	(13%)	5.2
Provision coverage	%	5.8	4.9	4.1	18%	20%	5.5
Non-performing loan ratio – “original”	%	34.3	32.4	28.3	6%	14%	34.3
Non-performing loan coverage – “original”	%	16.8	15.2	14.4	11%	6%	15.9
Non-performing loan ratio – “revised”	%	28.8	27.3	23.3	5%	17%	29.2
Non-performing loan coverage – “revised”	%	19.9	18.1	17.4	10%	4%	18.6
Debt issued	Rm	926	1 120	873	(17%)	28%	2 356
Average assets	Rm	6 632	5 729	5 016	16%	14%	5 989
Average tangible assets	Rm	6 442	5 667	5 160	14%	10%	5 916
Average gross loans and advances	Rm	5 977	5 196	4 346	15%	20%	5 440
Average equity	Rm	942	459	282	105%	63%	504
Average tangible equity	Rm	753	397	276	90%	44%	431
Average interest bearing liabilities	Rm	5 324	4 884	4 164	9%	17%	5 080
Employees	Number	634	572	511	11%	12%	564
Operational measures							
SA Taxi							
Status							
Number of loans	Number	23 519	23 320	21 896	1%	7%	23 453
Gross loans and advances	Rm	5 783	5 100	4 375	13%	17%	5 529
Carrying value of written off book	Rm	32	26	–	23%	100%	30
Impairment provision	Rm	(344)	(260)	(181)	32%	44%	(315)
Loans and advances	Rm	5 471	4 866	4 194	12%	16%	5 243
% Leases/Repossessions (Loans and advances, on value)	%	94/6	95/5	95/5	(1%)	0%	93/7
% Premium/Entry Level (gross loans and advances, on value)	%	82/18	81/19	78/22	1%	4%	80/20
Face value of written off book recognised	Rm	640	520	n/a	23%	n/a	600
Average gross loans and advances	Rm	5 652	4 976	4 346	14%	14%	5 181
Originations							
Number of loans originated	Number	2 759	2 972	3 228	(7%)	(8%)	5 811
Value of loans originated	Rm	826	771	784	7%	(2%)	1 560
% New/existing client (on value)	%	78/22	82/18	77/23	(5%)	6%	80/20
New vehicle originations	Rm	648	598	581	8%	3%	1 217
% Premium/Entry Level (new vehicle disbursements on value)	%	100/0	96/4	90/10	(90%)	6%	97/3
Average origination value	R	299 458	259 421	242 875	15%	7%	268 479

TRANSACTION CAPITAL DATA SHEET continued

at 31 March 2014

	Half year ended 31 March			Movement		September 2013	
	2014	2013	2012	2014	2013		
ASSET-BACKED LENDING continued							
Operational measures continued							
Credit performance							
Credit loss ratio	%	5.6	5.1	5.8	10%	(12%)	5.4
Provision coverage	%	5.9	5.1	4.1	16%	24%	5.7
Non-performing loans – “original”	Rm	2 095	1 733	1 288	21%	35%	2 013
Non-performing loan ratio – “original”	%	36.2	34.0	29.4	6%	16%	36.4
Non-performing loan coverage – “original”	%	16.4	15.0	14.1	9%	6%	15.6
Non-performing loans – “revised”	Rm	1 760	1 457	1 063	21%	37%	1 716.0
Non-performing loan ratio – “revised”	%	30.4	28.6	24.3	6%	18%	31.0
Non-performing loan coverage – “revised”	%	19.5	17.8	17.0	10%	5%	18.4
Impairment provision % repossessions	%	39.2	38.4	29.1	2%	32%	30.7
Rand Trust							
Gross loans and advances	Rm	318	242	180	31%	34%	339
Impairment provision	Rm	(7)	(4)	(4)	75%	0%	(5)
Loans and advances	Rm	311	238	176	31%	35%	334
Average debtor days outstanding	Days	42	43	44	(2%)	(2%)	44
CREDIT SERVICES							
Condensed income statement							
Interest and other similar income	Rm	6	8	8	(25%)	0%	16
Interest and other similar expense	Rm	(10)	(7)	(9)	43%	(22%)	(16)
Net interest income	Rm	(4)	1	–	(500%)	100%	(1)
Impairment of loans and advances	Rm	(1)	(2)	–	(50%)	100%	(2)
Non-interest revenue	Rm	401	390	365	3%	7%	790
Total operating costs	Rm	(335)	(330)	(310)	2%	6%	(666)
Equity accounted earnings	Rm	3	–	–	100%	n/a	
Profit before tax	Rm	64	59	54	8%	9%	125
Total income	Rm	407	398	373	2%	7%	806
Profit after tax	Rm	47	43	39	9%	10%	95
Headline earnings	Rm	47	43	39	9%	10%	95
Services: EBITDA	Rm	74	62	58	19%	7%	134
Other information							
Depreciation	Rm	4	4	4	0%	0%	8
Amortisation of intangible assets	Rm	–	–	–	n/a	n/a	1
Statement of financial position							
Assets							
Cash and cash equivalents	Rm	34	25	66	36%	(62%)	32
Loans and advances	Rm	38	51	68	(25%)	(25%)	47
Gross loans and advances	Rm	48	59	74	(19%)	(20%)	56
Impairment provision	Rm	(11)	(8)	(6)	38%	33%	(9)
Purchased book debts	Rm	561	420	318	34%	32%	420
Property and equipment	Rm	18	15	16	20%	(6%)	19
Goodwill and intangibles	Rm	75	73	72	3%	1%	73
Goodwill	Rm	71	71	71	0%	0%	71
Intangibles	Rm	4	2	1	100%	100%	2
Other assets	Rm	182	211	122	(14%)	73%	142
Total assets	Rm	908	795	662	14%	20%	733

		Half year ended 31 March			Movement		September 2013
		2014	2013	2012	2014	2013	September 2013
CREDIT SERVICES continued							
Statement of financial position continued							
Liabilities							
Bank overdrafts	Rm	7	4	–	75%	100%	–
Interest bearing liabilities	Rm	205	185	139	11%	33%	151
Senior debt	Rm	205	185	137	11%	35%	151
Subordinated debt	Rm	–	–	2	n/a	(100%)	–
Group	Rm	55	61	19	(10%)	221%	–
Other liabilities	Rm	232	194	188	20%	3%	204
Total liabilities	Rm	499	444	346	12%	28%	355
Segment net assets	Rm	409	351	316	17%	11%	378
Financial measures							
Cost-to-income ratio	%	84.4	84.4	84.9	0%	(1%)	84.4
Return on average assets (ROA)	%	11.3	11.7	11.2	(3%)	4%	12.2
Return on average equity (ROE)	%	24.2	25.5	26.4	(5%)	(3%)	27.3
Capital adequacy ratio	%	48.9	48.8	50.3	0%	(3%)	48.7
Average cost of borrowing	%	9.4	7.1	12.5	32%	(43%)	8.2
Return on sales (ROS)	%	11.5	10.8	10.5	6%	3%	11.8
Debt issued	Rm	73	53	92	38%	(42%)	176
Average assets	Rm	831	733	698	13%	5%	779
Average equity	Rm	389	337	296	15%	14%	346
Average interest bearing liabilities	Rm	212	198	128	7%	55%	196
Employees	Number	2 913	2 824	2 410	3%	17%	3 039
Operational measures							
MBD Credit Solutions							
Number of agency clients	Number	63	58	49	9%	18%	66
Number of collection agents	Number	2 548	2 547	2 159	0%	18%	2 744
Call centres	Number	10	9	9	11%	0%	9
Assets under management	Rb	29.7	23.7	21.8	25%	9%	25.8
Agency	Rb	16.2	12.6	12.0	29%	5%	14.4
Principal	Rb	13.5	11.1	9.8	22%	13%	11.4
Average book value of purchased book debts	Rm	498	378	347	32%	9%	393
Principal revenue as % of average book value of purchased book debts	%	55.8	66.1	80.7	(16%)	(18%)	65.1
Agency/Principal collections revenue split	%	52/48	52/48	53/47	0%	(2%)	52/48
Employees	Number	2 834	2 759	2 341	3%	18%	2 962
Principa Decisions							
Employees	Number	79	72	69	10%	4%	77

TRANSACTION CAPITAL DATA SHEET continued

at 31 March 2014

		Half year ended 31 March			Movement		September 2013
		2014	2013	2012	2014	2013	
GROUP EXECUTIVE OFFICE							
Condensed income statement							
Net interest income	Rm	46	11	(20)	318%	(155%)	20
Non-interest revenue	Rm	18	(12)	–	250%	(100%)	15
Total operating costs	Rm	(32)	8	(3)	(500%)	367%	(2)
Profit before tax	Rm	32	7	(23)	357%	130%	33
Total Income	Rm	76	1	12	7 500%	(92%)	46
Profit after tax	Rm	23	5	(23)	360%	122%	23
Headline earnings	Rm	23	5	(19)	360%	126%	23
Headline earnings – Mortgage Capital (discontinued)	Rm	–	–	(26)	n/a	100%	
Other information							
Depreciation	Rm	–	–	–	n/a	n/a	–
Amortisation of intangible assets	Rm	1	1	1	0%	0%	2
Statement of financial position							
Assets							
Cash and cash equivalents	Rm	1 047	68	68	1 440%	0%	36
Loans and advances	Rm	–	–	5	n/a	(100%)	–
Property and equipment	Rm	1	1	1	0%	0%	1
Goodwill and intangibles	Rm	62	352	355	(82%)	(1%)	19
Goodwill	Rm	61	350	352	(83%)	(1%)	18
Intangibles	Rm	1	2	3	(50%)	(33%)	1
Other assets	Rm	314	256	248	23%	3%	1 049
Total assets	Rm	1 424	677	677	110%	0%	1 105
Liabilities							
Bank overdrafts	Rm	–	84	–	(100%)	100%	–
Interest bearing liabilities	Rm	923	450	710	105%	(37%)	922
Senior debt	Rm	–	–	–	n/a	n/a	–
Subordinated debt	Rm	923	450	710	105%	(37%)	922
Group	Rm	(990)	(908)	(700)	9%	30%	(1 295)
Other liabilities	Rm	33	30	41	10%	(27%)	251
Total liabilities	Rm	(34)	(344)	51	(90%)	(775%)	(122)
Segment net assets	Rm	1 458	1 021	626	43%	63%	1 227
Debt issued	Rm	–	–	80	n/a	(100%)	477
Employees	Number	39	67	53	(42%)	26%	70

	Half year ended 31 March			Movement		September 2013	
	2014	2013	2012	2014	2013		
ENVIRONMENT							
General environment							
Average repo rate	%	5.2	5.0	5.5	4%	(9%)	5.0
CPI	%	5.7	5.9	6.4	(3%)	(8%)	6.2
Average GDP growth	%	3.8	2.6	2.9	46%	(10%)	1.8
Unemployment rate	%	24.1	25.5	23.9	(5%)	7%	24.7
Specific environment							
Estimated minibus taxi market	Vehicles	200 000	200 000	200 000	0%	0%	200 000
Estimated minibus taxi market – financed	Vehicles	70 000	60 000	60 000	17%	0%	60 000
Consumers with impaired records NCR	%	48.1	46.8	46.4	3%	1%	48.0

CONTINUING BALANCE SHEET

The following comparative balance sheets have been normalised to exclude the discontinued operations. These balance sheets are not presented in terms of IFRS.

	Half year ended 31 March			Movement		September 2013	
	2014	2013	2012	2014	2013		
Assets							
Loans and advances	Rm	5 820	5 155	4 443	13%	16%	5 624
Purchased book debts	Rm	561	420	318	34%	32%	420
Property and equipment	Rm	48	45	32	7%	41%	48
Inventories	Rm	1	2	2	(50%)	0%	2
Goodwill	Rm	192	192	192	(0%)	(0%)	192
Intangible assets	Rm	15	6	5	150%	20%	8
Cash and cash equivalents	Rm	1 243	576	611	116%	(6%)	294
Other investments	Rm	158	88	45	80%	96%	175
Other assets	Rm	951	1 154	1 100	(18%)	5%	737
Total assets	Rm	8 989	7 638	6 748	18%	13%	7 500
Liabilities							
Interest bearing liabilities	Rm	5 556	5 214	5 308	7%	(2%)	5 472
Senior debt	Rm	4 209	4 263	4 180	(1%)	2%	4 099
Subordinated debt	Rm	1 347	951	1 128	42%	(16%)	1 373
Bank overdrafts	Rm	107	188	163	(43%)	15%	71
Other liabilities	Rm	462	505	406	(9%)	24%	459
Total liabilities	Rm	6 125	5 690	5 404	8%	5%	5 785
Equity							
Equity attributable to ordinary equity holders of the parent	Rm	2 864	1 948	1 344	47%	45%	1 715
Non-controlling interest	Rm	–	–	–	n/a	n/a	–
Total equity	Rm	2 864	1 948	1 344	47%	45%	1 715
Total equity and liabilities	Rm	8 989	7 638	6 748	18%	13%	7 500

ITEMS	DEFINITIONS
AVERAGE EQUITY ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	Sum of equity attributable to ordinary equity holders of the parent at the end of each month from September to March divided by 7
AVERAGE GROSS LOANS AND ADVANCES	Sum of gross loans and advances at the end of each month from September to March divided by 7
AVERAGE INTEREST-BEARING LIABILITIES	Sum of interest-bearing liabilities at the end of each month from September to March divided by 7
AVERAGE TANGIBLE ASSETS	Sum of tangible assets at the end of each month from September to March divided by 7. Tangible assets excludes investments fair valued through equity for accounting purposes
AVERAGE TANGIBLE EQUITY ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	Sum of equity attributable to ordinary equity holders of the parent less goodwill, intangible assets and fair value movements through equity relating to investments at the end of each month from September to March divided by 7
AVERAGE TOTAL ASSETS	Sum of total assets at the end of each month from September to March divided by 7
AVERAGE COST OF BORROWING	Interest expense expressed as a percentage of average interest-bearing liabilities
CAPITAL ADEQUACY RATIO	Total equity plus subordinated debt capital less goodwill expressed as a percentage of total assets less goodwill and cash and cash equivalents
COST-TO-INCOME RATIO	Total operating costs expressed as a percentage of net interest income plus non-interest revenue
CREDIT LOSS RATIO	Impairment of loans and advances expressed as a percentage of average gross loans and advances
EBITDA	Profit before net interest income, tax, depreciation and amortisation of intangible assets (specifically excluding amortisation of purchased book debts) for the credit services and payment services segments only
EFFECTIVE TAX RATE	Income tax expense expressed as a percentage of profit before tax
ENTRY-LEVEL VEHICLES	Vehicle brands: CAM, CMC, Jinbei, King Long, Polar Sun, Foton, Force Traveller, Peugeot
GEARING	Total assets divided by equity attributable to ordinary equity holders of the parent expressed in times
GROSS LOANS AND ADVANCES	Gross loans and advances specifically exclude the value of the written off book brought back on to the balance sheet
HEADLINE EARNINGS	Headline earnings is defined and calculated as per the guidance issued by the South African Institute of Chartered Accountants (SAICA) in Circular 2/2013 of August 2009, currently being basic earnings attributable to ordinary shareholders adjusted for goodwill impairments, capital profits and losses and other non-headline items
HEADLINE EARNINGS FROM CONTINUING OPERATIONS	Headline earnings adjusted for non-headline items arising from discontinued operations as defined in SAICA Circular 2/2013
HEADLINE EARNINGS PER SHARE	Headline earnings divided by weighted average number of ordinary shares in issue
HEADLINE EARNINGS PER SHARE FROM CONTINUING OPERATIONS	Headline earnings from continuing operations divided by weighted average number of ordinary shares in issue
NET ASSET VALUE PER SHARE	Equity attributable to ordinary equity holders of the parent divided by number of ordinary shares in issue

ITEMS	DEFINITIONS
NET INTEREST MARGIN	Net interest income as a percentage of average gross loans and advances
NON-PERFORMING LOAN COVERAGE	Impairment provision expressed as a percentage of non-performing loans
NON-PERFORMING LOAN RATIO	Non-performing loans expressed as a percentage of gross loans and advances
NON-PERFORMING LOANS – “REVISED”	(a) the balance outstanding of loans and advances with a contractual delinquency greater than three months including repossessed stock on hand (b) reduced by the balance of such outstanding loans and advances for which three cumulative qualifying payments have been received in the three month period preceding the measurement date
NON-PERFORMING LOANS – “ORIGINAL”	(a) the balance outstanding of loans and advances with a contractual delinquency greater than three months, including repossessed stock on hand (b) reduced by the balance of such outstanding loans and advances for which three consecutive payments have been received in the three-month period preceding the measurement date
NORMALISED HEADLINE EARNINGS	Headline earnings adjusted for non-headline items arising from discontinued operations as defined in SAICA circular 3/2009 and the cost of listing equity and debt instruments on an exchange
NORMALISED HEADLINE EARNINGS PER SHARE	Normalised headline earnings divided by weighted average number of ordinary shares in issue
PREMIUM VEHICLES	Non-entry level vehicles
PROVISION COVERAGE	Impairment provision expressed as a percentage of gross loans and advances
RETURN ON AVERAGE ASSETS	Profit for the period (annualised) expressed as a percentage of average total assets
RETURN ON AVERAGE TANGIBLE ASSETS	Profit for the period (annualised) expressed as a percentage of average tangible assets
RETURN ON AVERAGE EQUITY	Profit for the period (annualised) attributable to ordinary equity holders of the parent expressed as a percentage of average equity attributable to ordinary equity holders of the parent
RETURN ON AVERAGE TANGIBLE EQUITY	Profit for the period (annualised) attributable to ordinary equity holders of the parent expressed as a percentage of average tangible equity attributable to ordinary equity holders of the parent
STRUCTURALLY SUBORDINATED DEBT	Senior debt issued by a holding company within the group
SUBORDINATED DEBT	Debt subordinated by agreement with the lender plus structurally subordinated debt
TANGIBLE ASSETS	Total assets less goodwill and other intangible assets
TANGIBLE NET ASSET VALUE PER SHARE	Equity attributable to ordinary equity holders of the parent less goodwill and other intangible assets divided by number of ordinary shares in issue
TOTAL INCOME	Interest and other similar income plus non-interest revenue
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES IN ISSUE	The number of ordinary shares in issue at the beginning of the period increased by shares issued during the period, weighted on a time basis for the period during which they have participated in the income of the group excluding treasury shares





Transaction Capital

SANDHAVON OFFICE PARK, 14 PONGOLA CRESCENT, EASTGATE EXT, 17 SANDTON, 2199

PO BOX 41888, CRAIGHALL, 2024, REPUBLIC OF SOUTH AFRICA

TEL: +27 (0) 11 531 5485

FAX: +27 (0) 11 262 3713

www.transactioncapital.co.za