INTERIM RESULTS

FOR THE HALF YEAR ENDED 31 MARCH 2015

Transaction Capital

HIGHLIGHTS

INTERIM RESULTS FOR THE HALF YEAR ENDED 31 MARCH 2015

FINANCIAL HIGHLIGHTS

CONTINUING HEADLINE EARNINGS PER SHARE
▲ **22%** TO
31.1 cents

CONTINUING HEADLINE EARNINGS
▲ **20%** TO
R177 million

CONTINUING GROSS LOANS & ADVANCES
▲ **15%** TO
R7 056 million

NON-PERFORMING LOAN RATIO
improved
TO **24.3%**
FROM **28.6%**

CREDIT LOSS RATIO
improved
TO **4.8%**
FROM **5.3%**

CONTINUING RETURN ON AVERAGE EQUITY
▲ TO **11.9%**
FROM **9.4%**

CONTINUING RETURN ON AVERAGE ASSETS
▲ TO **3.7%**
FROM **3.2%**

NON-INTEREST REVENUE
▲ **10%**
TO
R573 million

INTERIM DIVIDEND
▲ **67%**
TO
10 cents
PER SHARE

STRATEGIC AND OPERATIONAL HIGHLIGHTS

- Reconstitution of operating divisions (asset-backed lending & risk services)
  - Occupy leading market positions
  - Experienced & skilled management teams
  - Platforms to develop new products & expand into new markets
- Group executive office (GEO) simplified
  - Embedded skills & intellectual property into subsidiaries
  - Devolved authority & responsibility to subsidiaries
  - Enabled cost savings
- Deployment of capital
  - Reinvesting into organic capital deployment opportunities within existing divisions
  - Asset-backed lending: new pilot to fund “bakkies” utilised by consumers for utility purposes
  - Risk services: structured capital deployment into client base
  - Group executive office: effective cash management
- Continued improvement in credit quality

ENVIRONMENT

INTERIM RESULTS FOR THE HALF YEAR ENDED 31 MARCH 2015

ENVIRONMENT

- Economic environment
  - South Africa's macro- & socio-economic growth remains constrained
  - Undersupply of electricity & increased electricity costs
  - Little or no improvement in employment levels or real wage growth
  - Stable interest rates & reduced fuel prices eased financial pressure
- Capital markets
  - Recent corporate failures created heightened awareness of credit risk by debt investors
- Regulatory environment
  - Environment has stabilised
  - Changes to the National Credit Act now enacted

ENVIRONMENT

- Defensive positioning enables group to prosper despite a challenging & low growth environment in South Africa
- Asset-backed lending
  - Replacement of ageing national minibus taxi fleet stimulates demand for taxi finance
  - Commuters' use of minibus taxis remains consistent
  - Reduced fuel price benefit captured within the minibus taxi industry
  - Uninterrupted access to debt capital markets
- Risk services
  - Credit providers display an increased demand for services, products & capital to manage consumer credit risk aggravated by the adverse environment
  - Processes aligned for the amendments to the National Credit Act

STRATEGY AND PROSPECTS

INTERIM RESULTS FOR THE HALF YEAR ENDED 31 MARCH 2015

TRANSACTION CAPITAL GROUP PROFILE – at 31 March 2015

TRANSACTION CAPITAL LIMITED – half year ended 31 March 2015 | Employees: 3 877 | Headline earnings: R177m

ASSET-BACKED LENDING

An unconventional asset-backed lender, currently focusing predominantly on the financing of independent SMEs mainly in the minibus taxi industry, but with the intention to expand into adjacent markets or asset classes

CEO: Terry Kier

HEADLINE EARNINGS **R97m** (▲ 31%)
GROSS LOANS & ADVANCES **R6 576m** (▲ 14%)
EMPLOYEES **569**

SA Taxi – driving our nation forward

Innovative asset-backed lender, focusing predominantly on the financing of independent SMEs mainly in the minibus taxi industry

CEO: Terry Kier (49),
BA (Hons)
Group/subsidiary tenure: 8 years

RISK SERVICES

A provider of a comprehensive range of structured credit risk management, debtor management, collection, customer engagement & capital solutions, focusing predominantly on the consumer credit lifecycle as well as commercial solutions for SMEs

CEO: David McAlpin

HEADLINE EARNINGS **R61m** (▲ 20%)
TOTAL INCOME **R523m** (▲ 16%)
EMPLOYEES **3 276**

Rand Trust – business, on your terms

Provider of working capital & commercial debtor management solutions to SMEs

CEO: Deon Pienaar (43),
BCom (Hons), CA (SA)
Group/subsidiary tenure: 8 years

MBD

The challenging SA consumer credit environment provides substantial opportunity to leverage capital solutions, collection services, business process outsourcing, data & analytical services, software solutions & financial services to consumer credit providers

CEO: David McAlpin (53),
BCom, MBA, ACMA
Group/subsidiary tenure: 7 years

Principa – profitable decisions

Provider of customer engagement solutions, focusing predominantly on the consumer credit lifecycle

CEO: Ian Read (49),
UK Finance House Diploma
Group/subsidiary tenure: 9 years

ASSET-BACKED LENDING *distinctive competencies*

DISTINCTIVE COMPETENCIES	ESTABLISHED: *16 seater minibus taxi* [1]	ESTABLISHED: *Long distance minibus taxi* [2]	ESTABLISHED: *New taxi brand* [3]	ESTABLISHED: *Income producing bakkie* [4]	PILOT: *Utility purpose bakkie* [4]	FUTURE POSSIBILITIES (Research phase)
EQUITY & DEBT CAPITAL MANAGEMENT	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY IN PLACE BUT REQUIRES REFINEMENT	COMPETENCY UNDERDEVELOPED
LOAN ORIGINATION/ SALES CHANNEL	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY UNDERDEVELOPED
CREDIT MANAGEMENT	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY UNDERDEVELOPED
Credit scoring	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY IN PLACE BUT REQUIRES REFINEMENT	COMPETENCY UNDERDEVELOPED
Collections	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY UNDERDEVELOPED
Repossession	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY UNDERDEVELOPED
INSURANCE	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY UNDERDEVELOPED
REFURBISHMENT OF VEHICLES TO HIGH QUALITY	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY IN PLACE BUT REQUIRES REFINEMENT	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY UNDERDEVELOPED
Procurement of high quality parts at low value	COMPETENCY ADVANCED	COMPETENCY IN PLACE BUT REQUIRES REFINEMENT	COMPETENCY UNDERDEVELOPED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY UNDERDEVELOPED
Refurbishment capabilities	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY IN PLACE BUT REQUIRES REFINEMENT	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY UNDERDEVELOPED
PROCUREMENT OF VEHICLES FOR DIRECT SALE (thereby retaining a margin)	COMPETENCY ADVANCED	COMPETENCY IN PLACE BUT REQUIRES REFINEMENT	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY UNDERDEVELOPED
RESALE OF PRE-OWNED VEHICLES	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY UNDERDEVELOPED
TELEMATICS & DATA ANALYSIS	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY ADVANCED	COMPETENCY UNDERDEVELOPED

MARKETS: ESTABLISHED / PILOT / FUTURE POSSIBILITIES (Research phase)

COMPETENCY ADVANCED · COMPETENCY IN PLACE BUT REQUIRES REFINEMENT · COMPETENCY UNDERDEVELOPED

1. Mainly Toyota 2. e.g. Mercedes Benz 22-seater 3. Nissan 4. Toyota Hilux

RISK SERVICES *distinctive competencies*

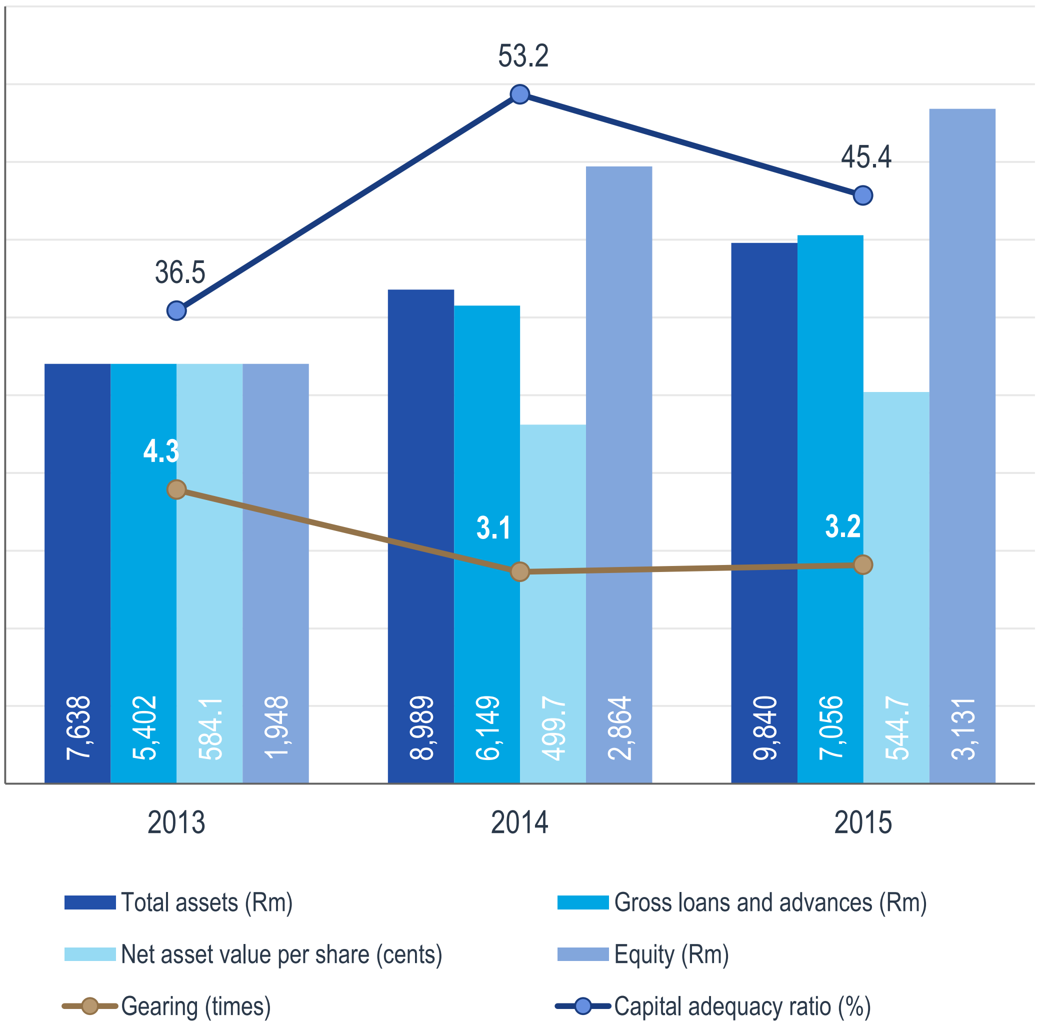
DISTINCTIVE COMPETENCIES	MARKETS					
	CONSUMER					SME
	Retail	*Banking*	*Insurance*	*Public sector*	*Other*	
DATA SERVICES						
New client acquisitions	Competency advanced	Competency in place but requires refinement	Competency advanced	Competency in place but requires refinement	Competency in place but requires refinement	Growth opportunity
CREDIT LIFECYCLE CONSULTING	Competency advanced	Competency in place but requires refinement	Growth opportunity	Growth opportunity	Competency advanced	Growth opportunity
COLLECTION SERVICES: AGENCY	Competency advanced	Competency advanced	Growth opportunity	Competency advanced	Competency advanced	Competency advanced
CAPITAL SOLUTIONS						
Book acquisitions	Competency advanced	Competency advanced	Growth opportunity	Not a current focus area	Competency advanced	Not a current focus area
Invoice discounting	Not a current focus area	Not a current focus area	Not a current focus area	Not a current focus area	Not a current focus area	Competency advanced
Hybrid (including other capital solutions)	Growth opportunity	Growth opportunity	Growth opportunity	Competency advanced	Growth opportunity	Growth opportunity
INFORMATION TECHNOLOGY						
Software sales & development	Competency advanced	Competency advanced	Growth opportunity	Growth opportunity	Competency advanced	Growth opportunity
Software implementation	Competency advanced	Competency advanced	Growth opportunity	Growth opportunity	Competency advanced	Growth opportunity
Consulting	Competency advanced	Competency advanced	Growth opportunity	Growth opportunity	Competency advanced	Growth opportunity
BUSINESS PROCESS OUTSOURCING	Growth opportunity	Growth opportunity	Growth opportunity	Competency in place but requires refinement	Growth opportunity	Competency advanced

COMPETENCY ADVANCED | COMPETENCY IN PLACE BUT REQUIRES REFINEMENT | GROWTH OPPORTUNITY | NOT A CURRENT FOCUS AREA

FINANCIAL REVIEW

INTERIM RESULTS FOR THE HALF YEAR ENDED 31 MARCH **2015**

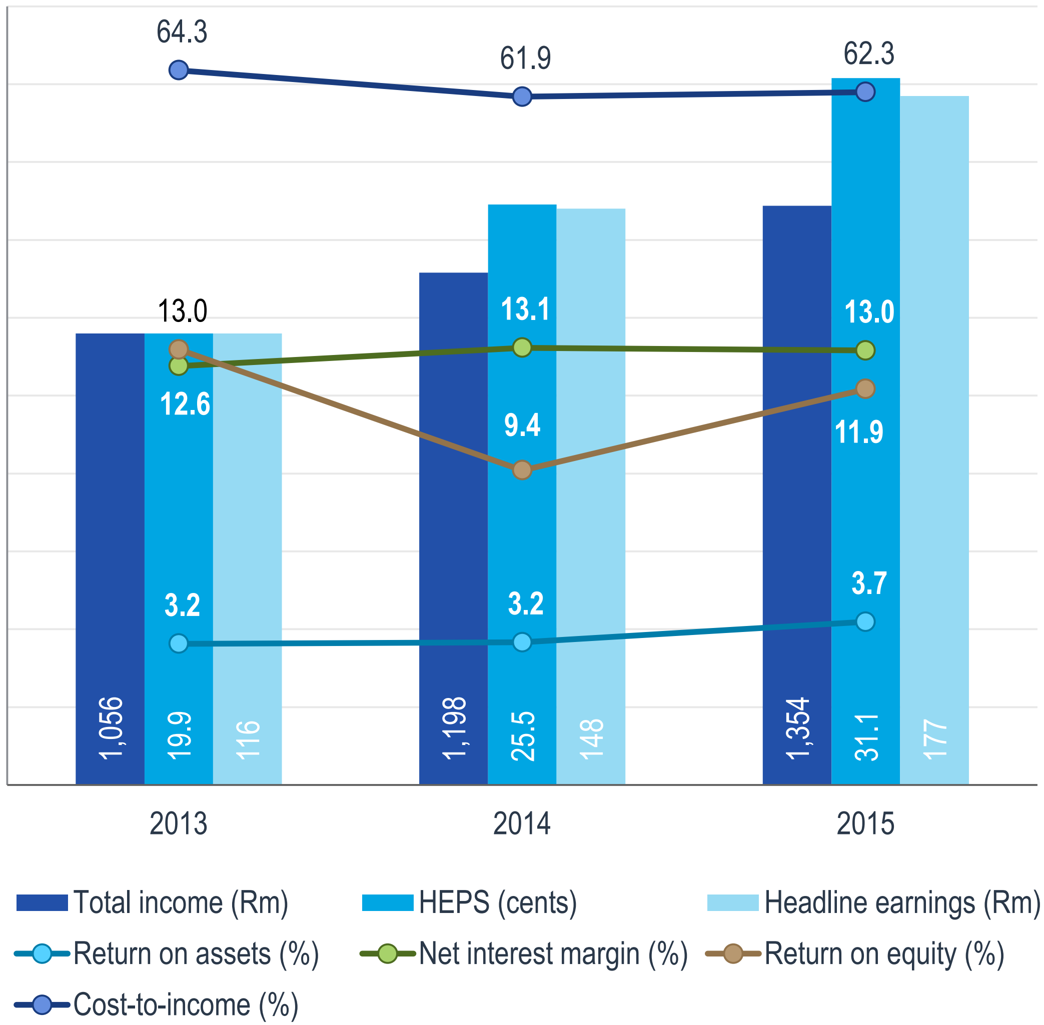
FINANCIAL POSITION - GROUP



- Solid growth of gross loans & advances from R6.1bn to R7.1bn (▲15%)
  - Origination strategies targeting improved credit quality, new product lines including bakkie & Nissan minibus
  - Notable growth in Rand Trust of 37%
- Equity R3.1bn (▲9%)
  - Earnings growth less dividends paid
- NAV per share 544.7 cps (▲9%)
- Capital adequacy levels ▼ 15% to 45.4%
  - 32.8% equity
  - 12.6% subordinated debt
  - Growth in assets
  - Repayment of subordinated debt
- Gearing level ▲ marginally to 3.2 times

Values have been restated for continuing operations only

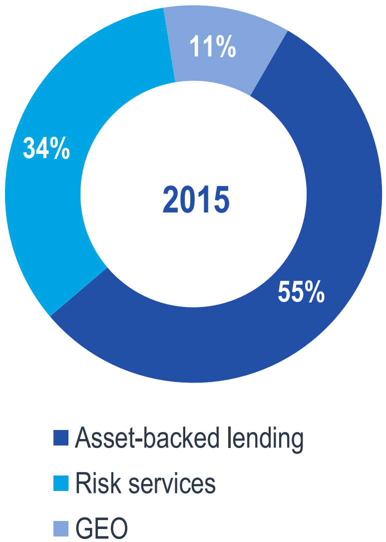
FINANCIAL PERFORMANCE - GROUP

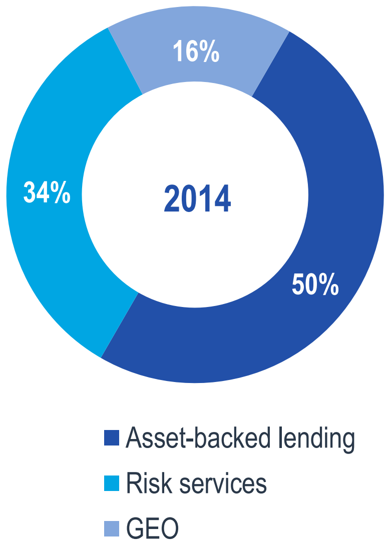


- HEPS from continuing operations ▲22% from 25.5 cps to 31.1 cps
  - Organic in nature
- Headline earnings from continuing operations ▲20% from R148m to R177m
  - Growth in gross loans & advances (▲15%)
  - Stable net interest margin around 13.0%
  - Cost-to-income ▲ marginally to 62.3%
    - Continued cost investment in asset-backed lending
    - Cost containment & economies of scale in risk services
- Return on assets ▲ to 3.7%
  - Strong earnings growth
  - Decrease in lower yielding cash
- Return on equity ▲ to 11.9%
  - Relatively lower equity levels post the special distribution of 210c
  - Improved yield from efficient cash management

PORTFOLIO MIX

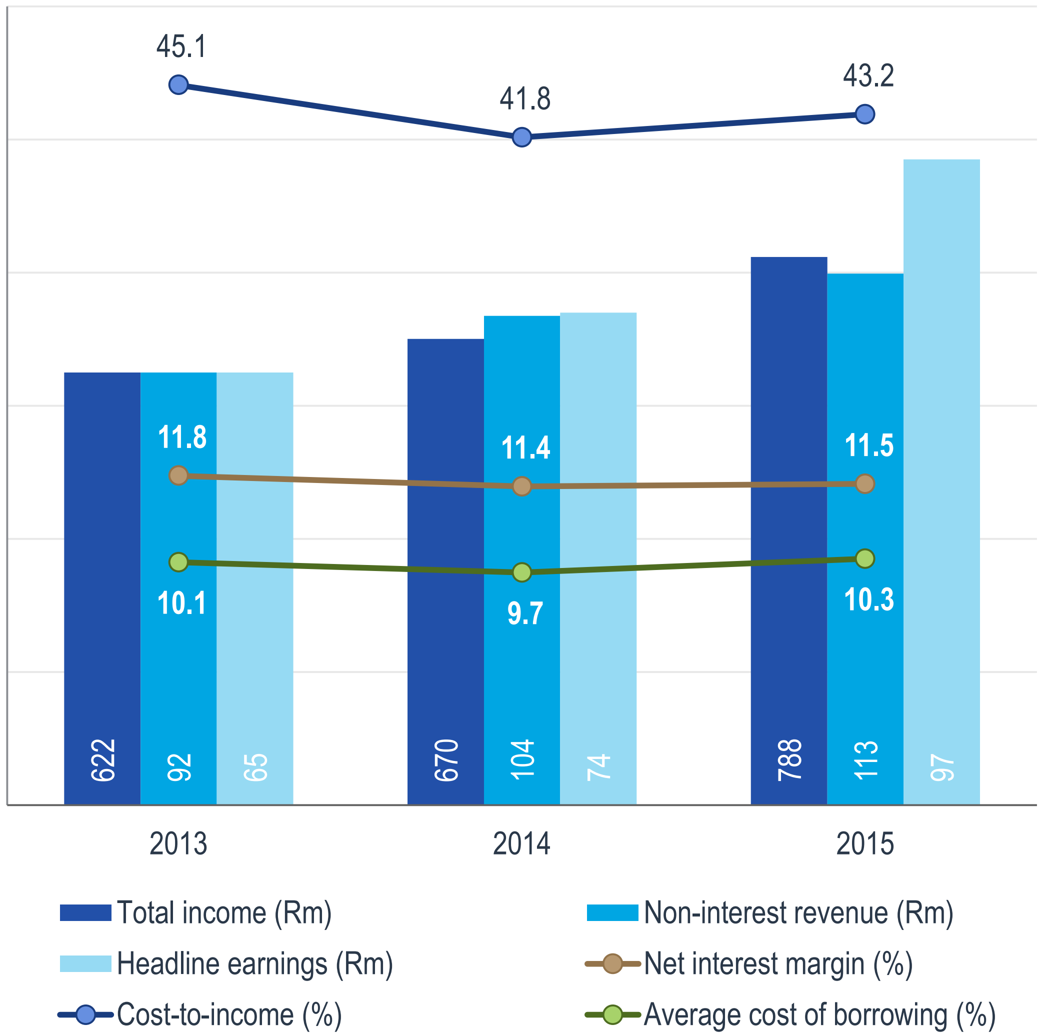
Headline earnings	Rm			Growth		Contribution		
	2015	2014	2013	2015	2014	2015	2014	2013
Asset-backed lending	97	74	65	31%	14%	55%	50%	56%
Risk services	61	51	46	20%	11%	34%	34%	40%
GEO	19	23	5	-17%	>100%	11%	16%	4%
Group	**177**	**148**	**116**	**20%**	**28%**	**100%**	**100%**	**100%**
Cents per share	***31.1***	***25.5***	***19.9***	***22%***	***28%***			





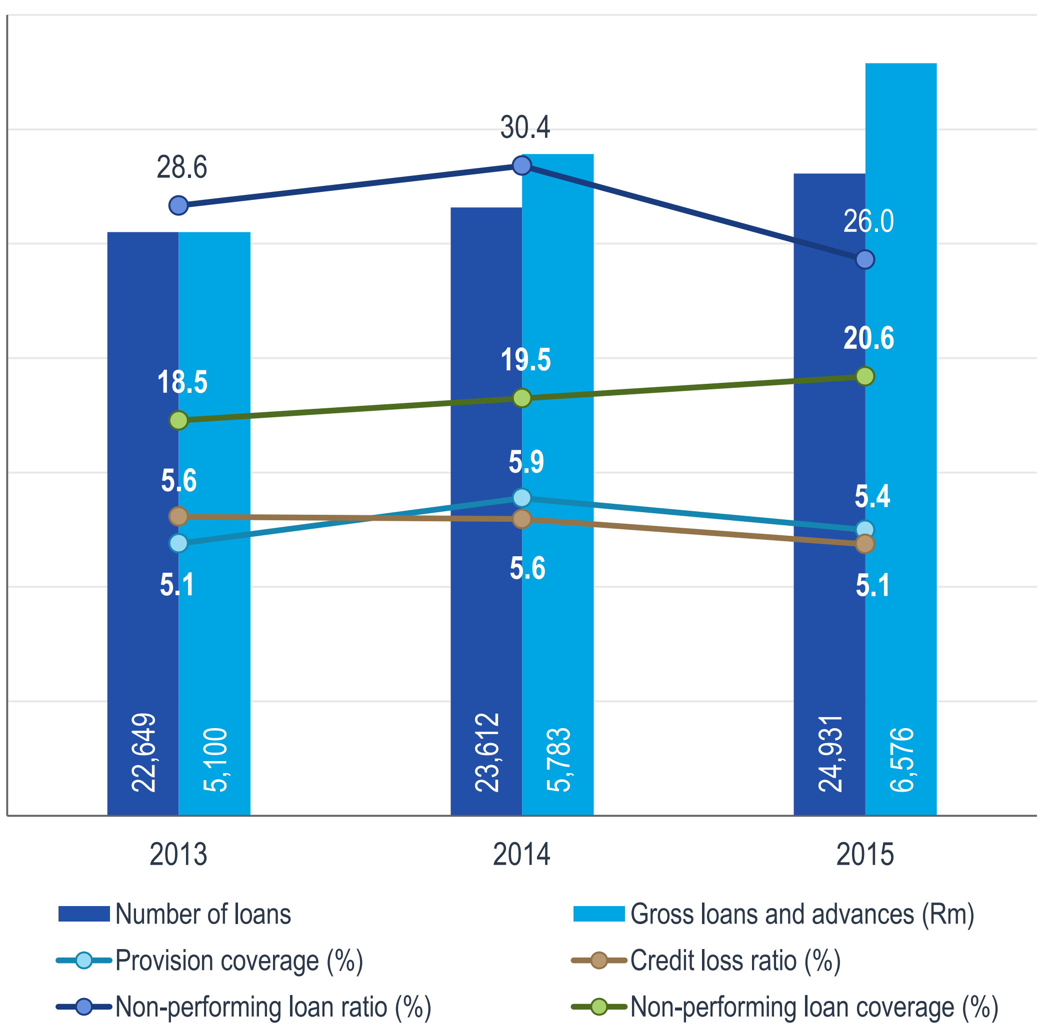
- Change to the segmental mix of headline earnings due to:
  - Asset-backed lending contribution grew more quickly than risk services or GEO
  - GEO contribution ▼
    - Expenses continue to fall with the devolvement of responsibilities to subs
    - Lower recoveries post Bayport & Paycorp sales more than offset the savings
- The future portfolio mix will be dependant on the nature of any future acquisitions and organic growth initiatives
  - No third pillar currently being considered

ASSET-BACKED LENDING – PERFORMANCE



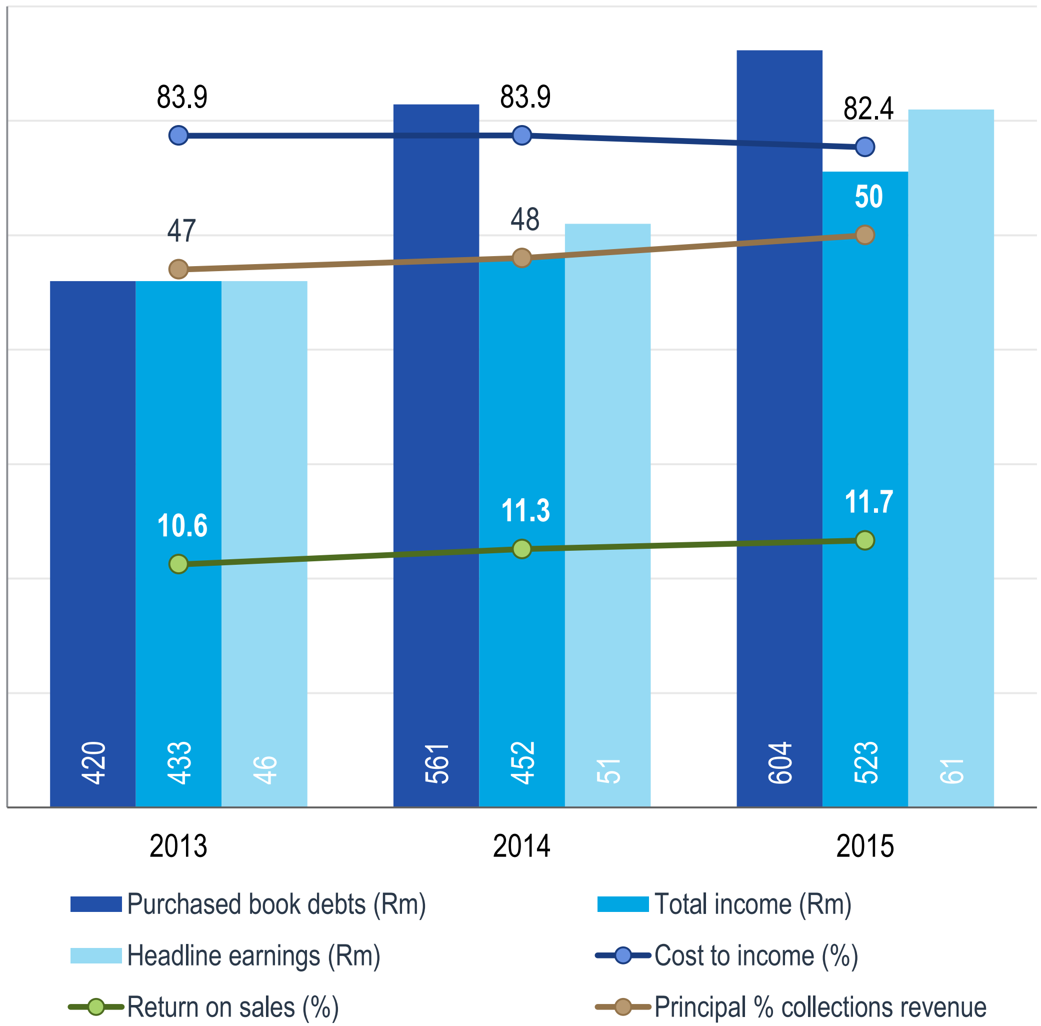
- Headline earnings ▲31% to R97m
  - Net interest margin ▲ slightly to 11.5%
  - Non-interest revenue ▲ 9%
    - ▲ Vehicle tracking revenue
    - ▲ Revenue from direct vehicle sales
  - ▼Credit loss ratio from 5.6% to 5.1%
  - Marginal ▲ in cost-to-income ratio to 43.2%
    - Investment in people, marketing, systems & processes especially in direct sales and insurance
  - ▼ Effective tax rate to 10% from 19% on insurance dividend income from new insurance cell captive structure.
    - All income is fully taxed and this is a sustainable tax rate

ASSET-BACKED LENDING – CREDIT



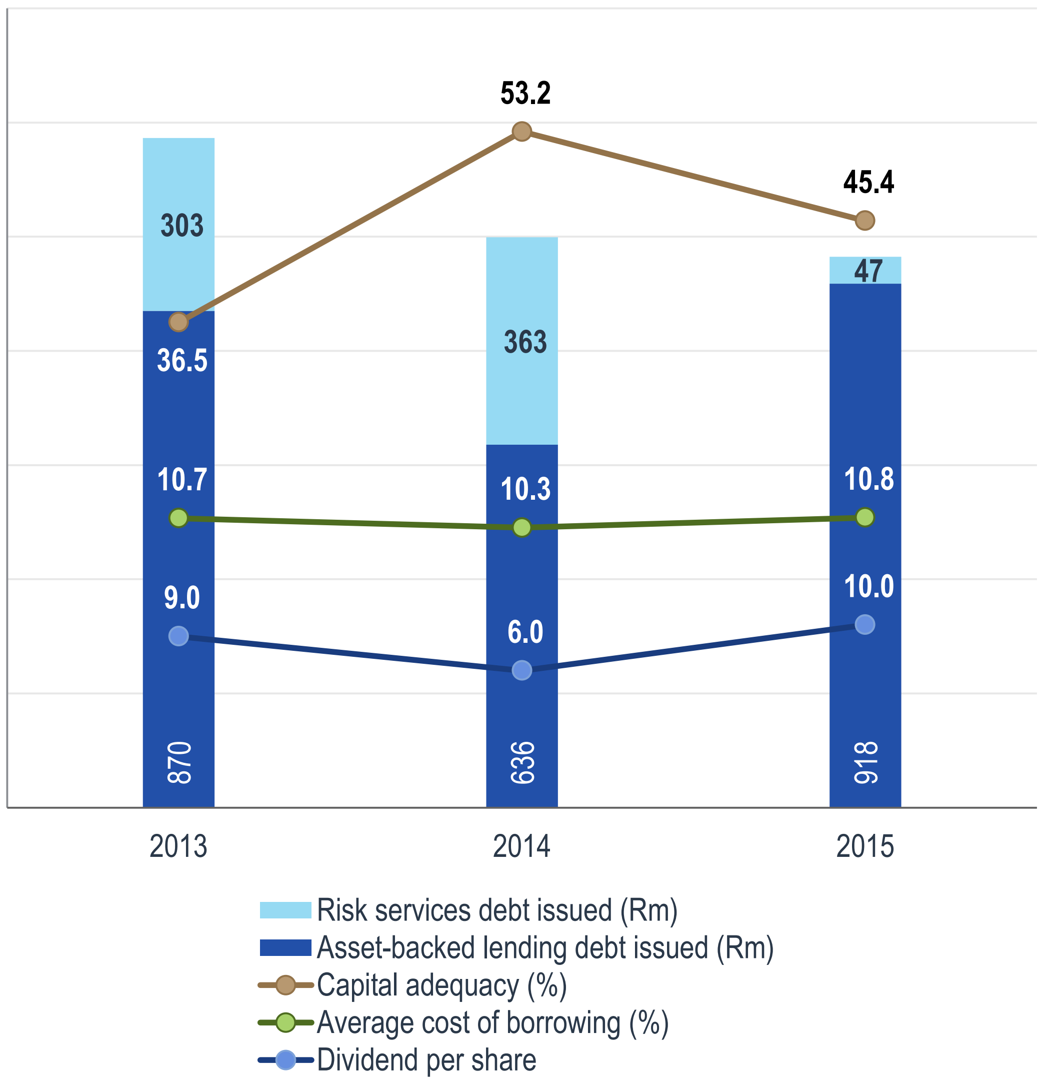
- Gross loans & advances ▲14% to R6.6bn
  - Number of loans ▲6%
  - Exclusive focus on premium vehicles
  - Write-offs of discontinued entry-level vehicles accelerated
  - Increased bakkie & Nissan minibus taxi originations
- Non-performing loan ratio ▼ from 30.4% to 26.0%
  - Reduction in repo fleet, particularly legacy entry-level vehicles
  - Focused collections performance
  - Lower risk origination
  - Entry level vehicles now 11% of portfolio down from 18%
- NPL coverage ▲ to 20.6%
  - Results from the significant▼ in NPL ratio
- Credit loss ratio ▼ from 5.6% to 5.1%
  - High quality output & stable volume of reconditioned vehicles from Taximart
  - Comfortably under tolerance level of 6%

RISK SERVICES – RAND TRUST, MBD, PRINCIPA



- Headline earnings ▲ 20% to R61m
  - High growth in MBD & Rand Trust
  - ▼ Cost-to-income ratio to 82.4%
    - Stringent cost management at MBD
    - Economies of scale at Rand Trust
- Agency revenue ▲20% to R180m
  - More work from existing clients and addition of new clients
- Purchased book debts ▲8% to R604m
  - R109m acquired
  - Includes phase two of public sector capital deployment initiated in FY2014 which is performing well
  - Overall principal revenue ▲ 32%
- Rand Trust
  - Doubled headline earnings
    - Gross loans & advances ▲37%
    - ▼ Cost-to-income ratio on economies of scale
    - Strong new client origination offset weaker existing client growth

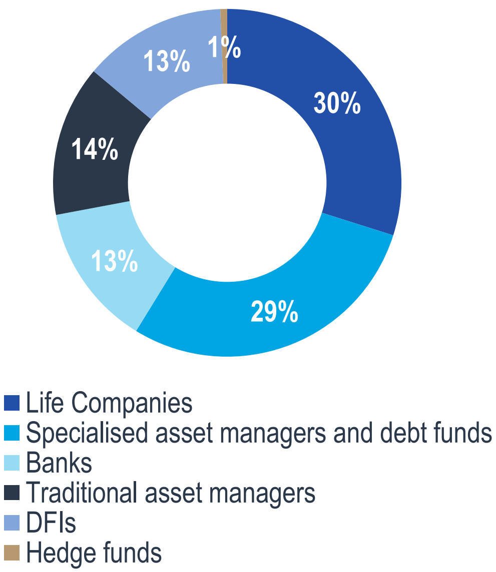
CAPITAL MANAGEMENT



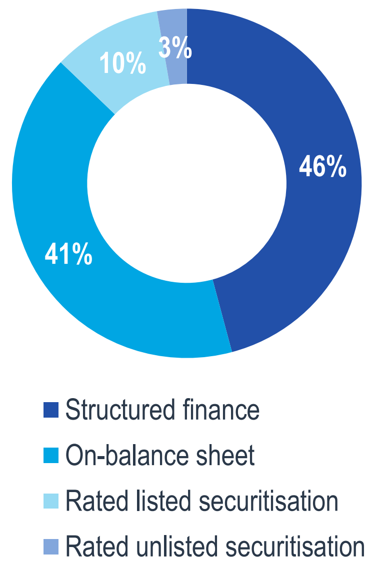
- Uninterrupted access to debt capital markets
- 7 institutions invested R965m of debt capital
  - Asset-backed lending: R918m
  - Credit services: R47m
- New debt investors:
  - 2 new to group
  - 2 new to asset classes
- Debt environment still challenging post recent corporate defaults in the market
- Successful fundraising in the private markets, albeit at moderately higher pricing levels
- Cost of borrowing ▲ from 10.3% to 10.8%
- Capital adequacy ▼ to 45.4%
  - Early settled R150m of subordinated debt
  - ▲Operating assets
- Interim dividend ▲ 67% to 10 cps
  - Remains within coverage ratio of 3 to 4 times
- No external shares repurchased

FUNDING PHILOSOPHY

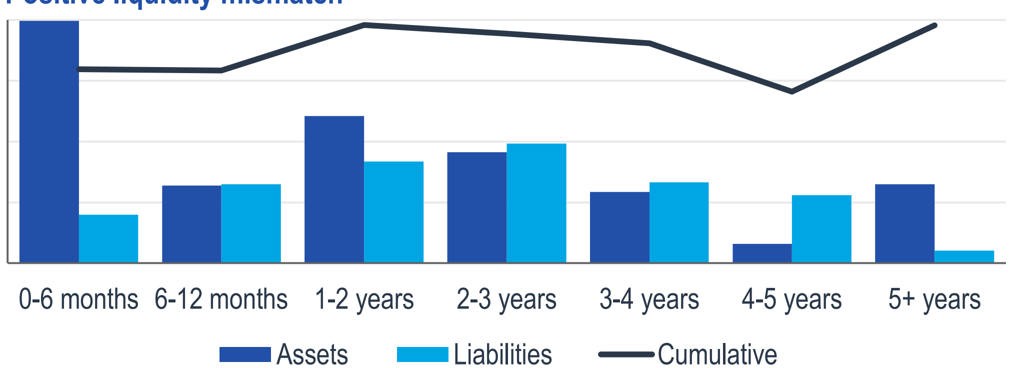
Diversification by funder category



Diversification by funding structure

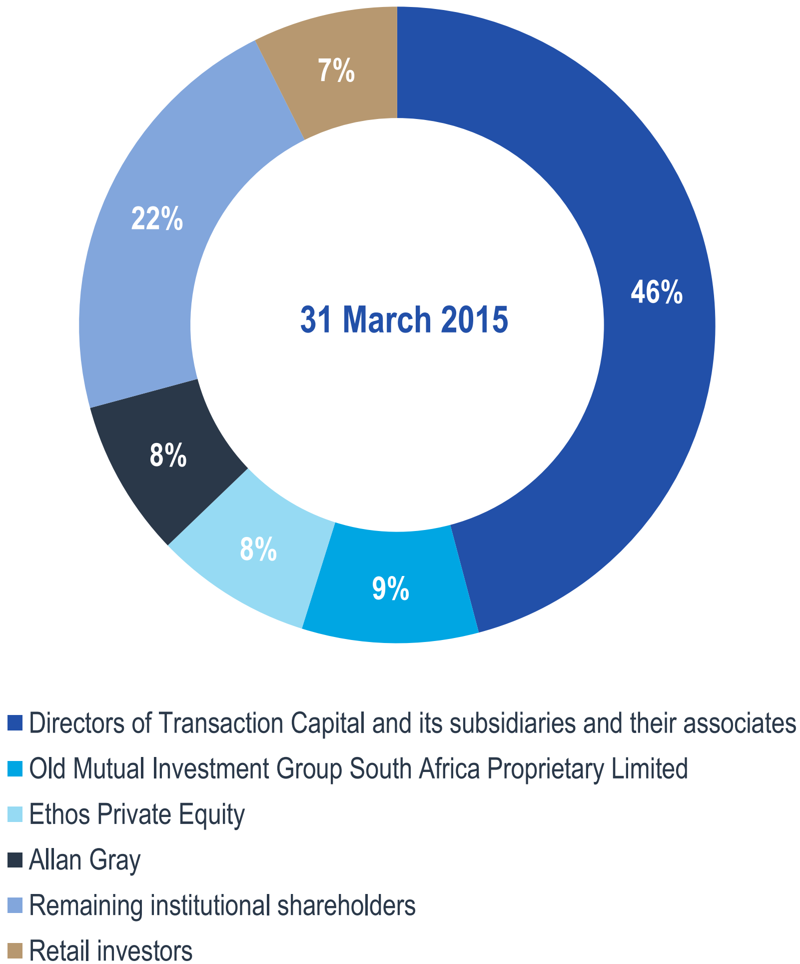


Positive liquidity mismatch



- 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

SHAREHOLDING



- No change in the free float percentage of 54%
- Percentage held by institutional investors stable with a marginal reallocation between institutional shareholders
- Percentage held by retail investors stable at 7%

CONCLUSION

INTERIM RESULTS FOR THE HALF YEAR ENDED 31 MARCH 2015

CONCLUSION

- Strong organic risk adjusted returns, sustainable over the medium term
  - Reconstituted operating divisions
  - Established businesses with experienced & skilled management teams
  - Platforms to develop new products & expand into new markets
  - Continue to reinvest significantly in organic capital deployment opportunities
  - Defensive businesses that thrive despite low growth & challenging South African economy
  - Uninterrupted access to debt capital
- The acquisition search continues
  - Well positioned to identify, implement, fund & complete significant acquisitive activity
  - Sound M&A experience & track record
  - Expected within existing divisions
  - Asset values at historically elevated levels
  - Thus, management to be circumspect in its acquisitive search

QUESTIONS

INTERIM RESULTS FOR THE HALF YEAR ENDED 31 MARCH 2015