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

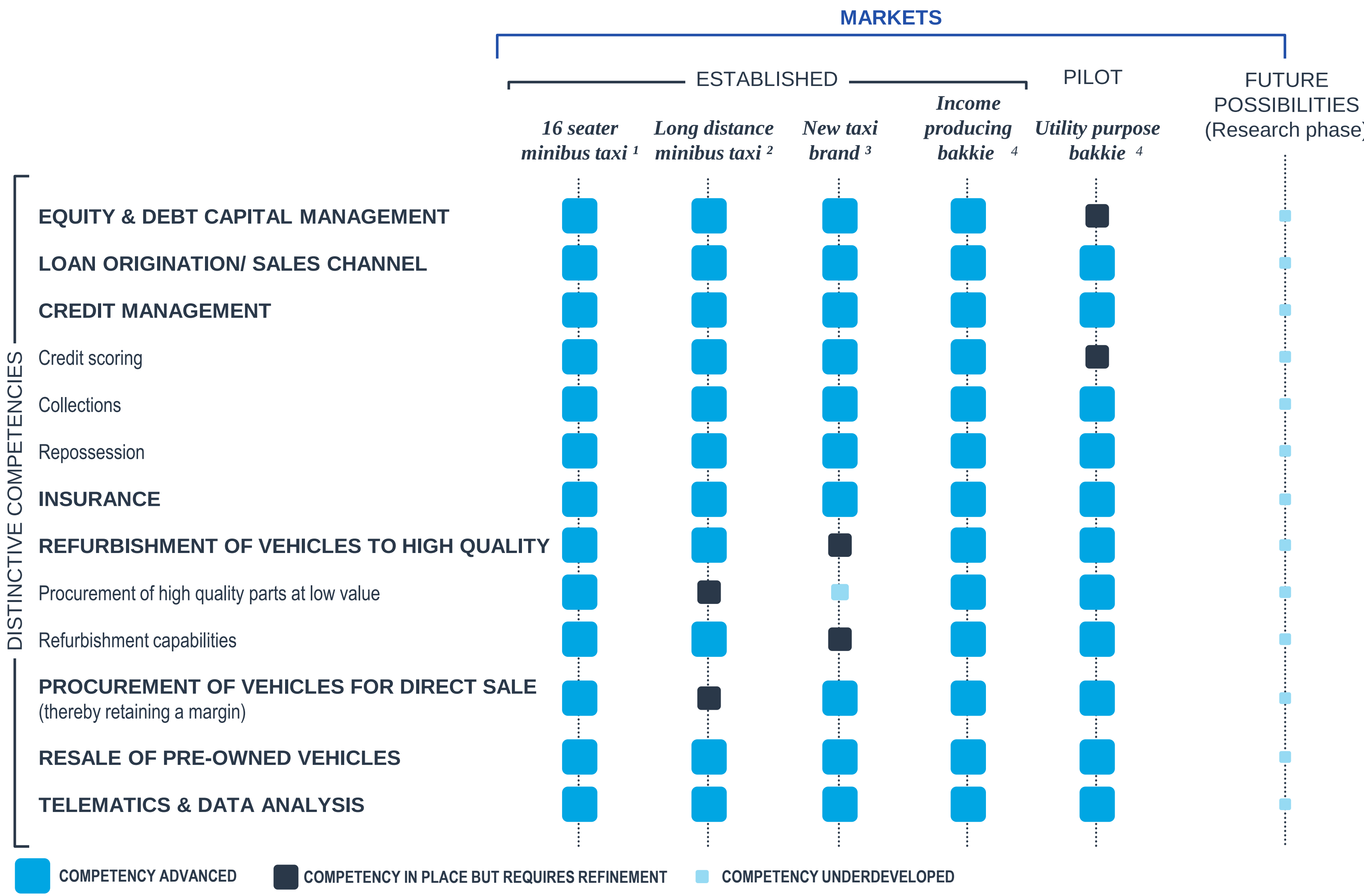
CEO: David McAlpin (53),
BCom, MBA, ACMA
Group/subsidiary tenure: 7 years

Principa
profitable decisions

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

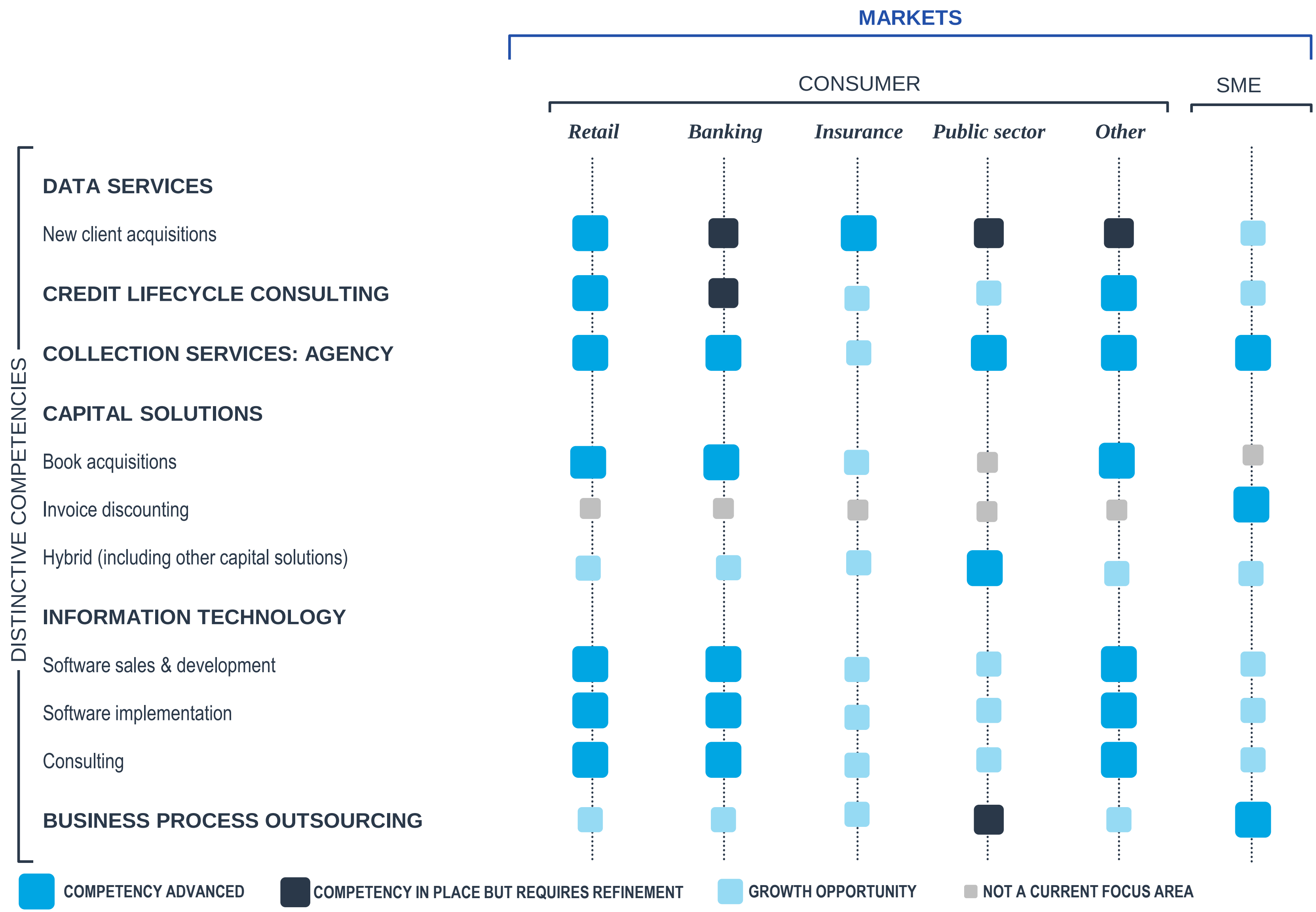
CEO: Ian Read (49),
UK Finance House Diploma
Group/subsidiary tenure: 9 years

ASSET-BACKED LENDING *distinctive competencies*



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

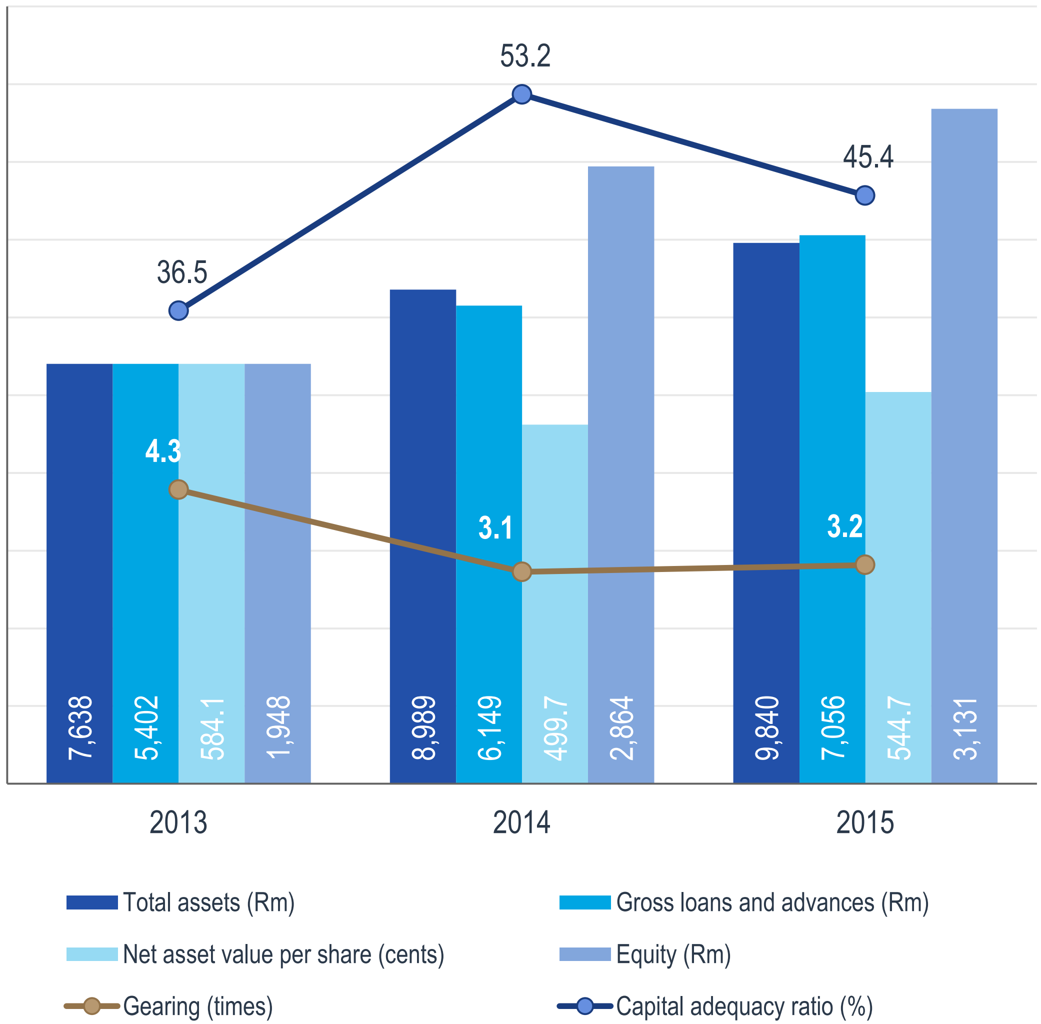
RISK SERVICES *distinctive competencies*



FINANCIAL REVIEW

INTERIM RESULTS FOR THE HALF YEAR ENDED 31 MARCH 2015

FINANCIAL POSITION - GROUP

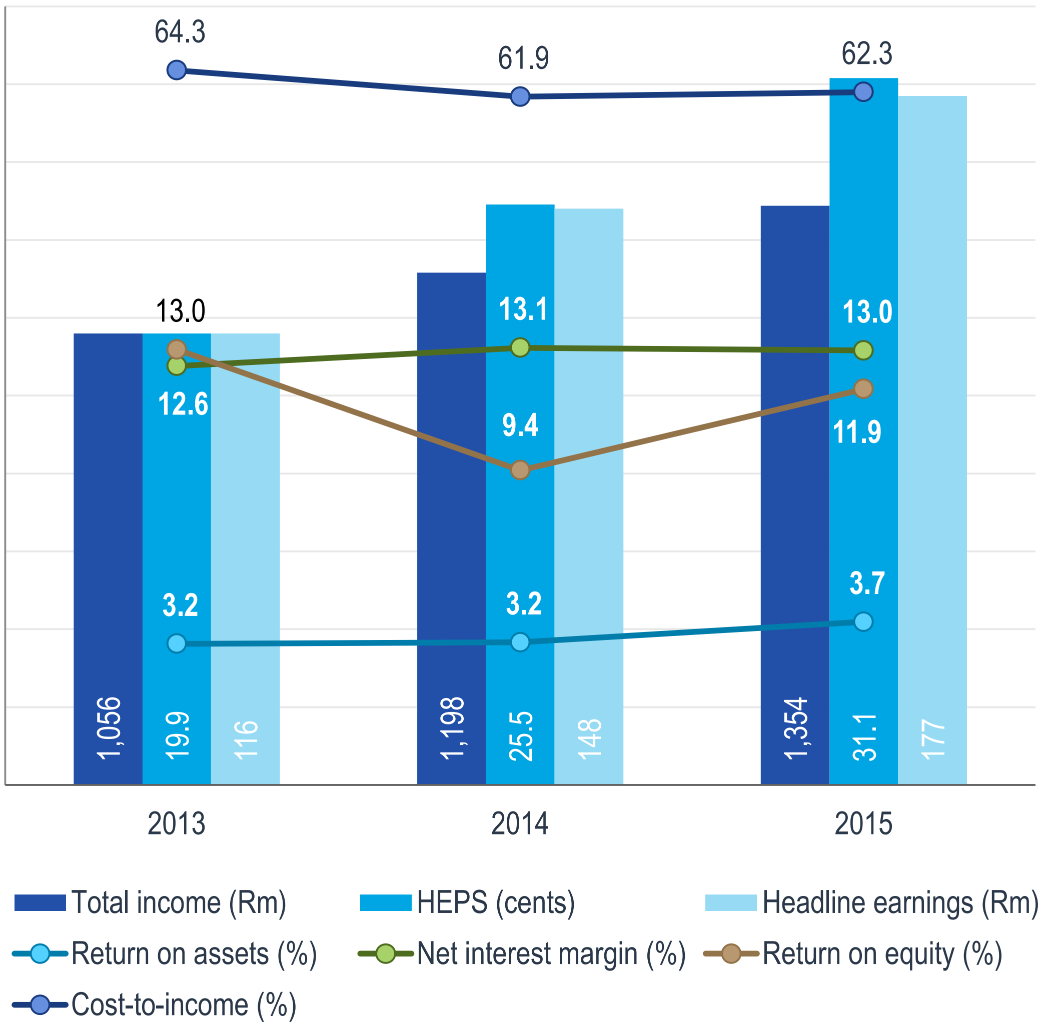


- Solid growth of gross loans & advances from R6.1bn to R7.1bn (▲15%)
  - Origination strategies targeting improved credit quality, new product lines including bakkie & Nissan minibus
  - Notable growth in Rand Trust of 37%
- Equity R3.1bn (▲9%)
  - Earnings growth less dividends paid
- NAV per share 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

Transaction Capital

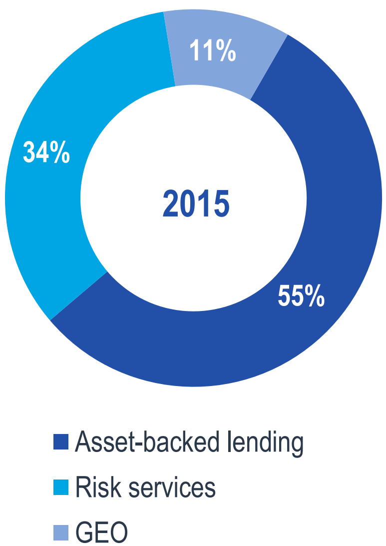
FINANCIAL PERFORMANCE - GROUP

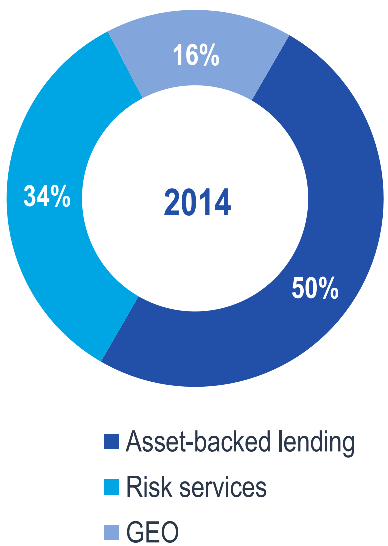


- HEPS from continuing operations ▲22% from 25.5 cps to 31.1 cps
  - Organic in nature
- Headline earnings from continuing operations ▲20% from R148m to R177m
  - Growth in gross loans & advances (▲15%)
  - Stable net interest margin around 13.0%
  - Cost-to-income ▲ marginally to 62.3%
    - Continued 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

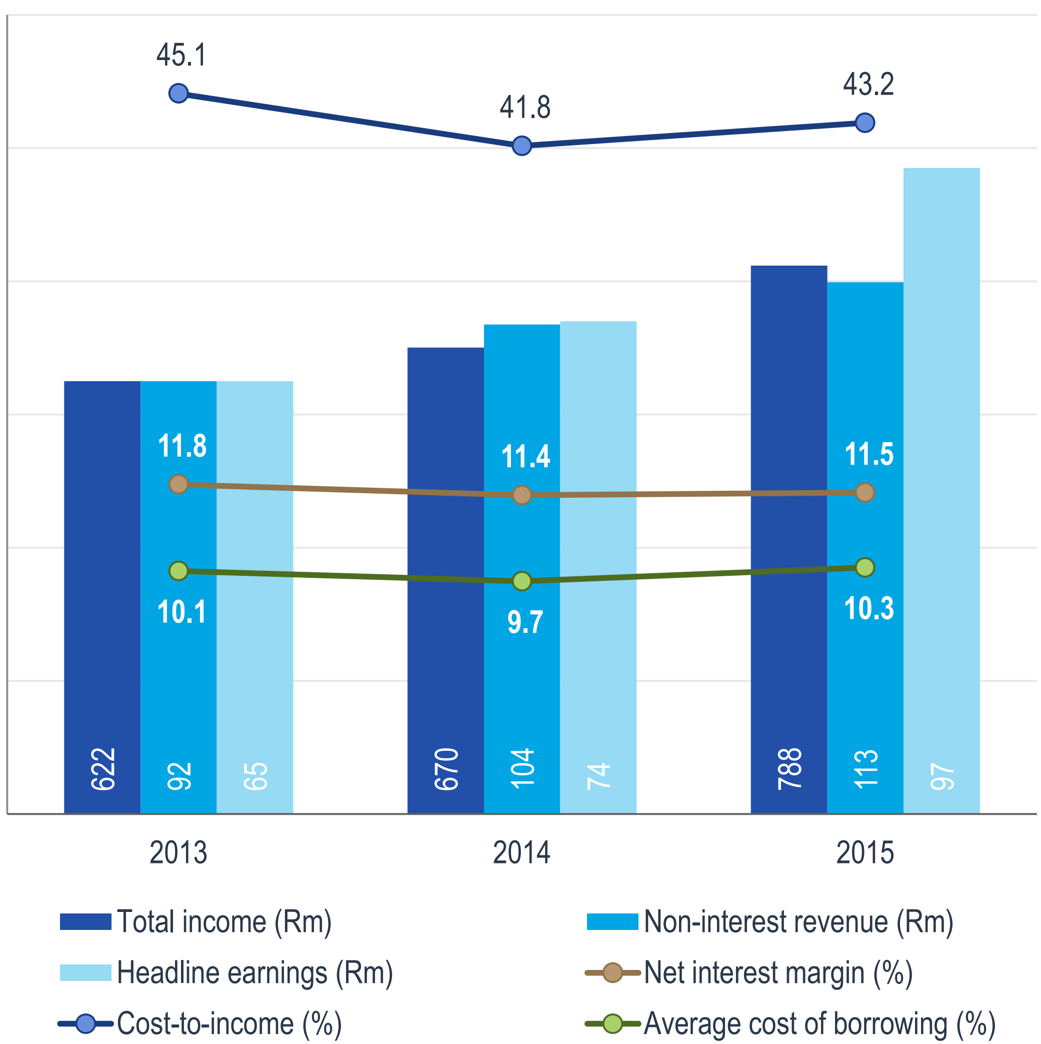
Headline earnings	Rm			Growth		Contribution		
	2015	2014	2013	2015	2014	2015	2014	2013
Asset-backed lending	97	74	65	31%	14%	55%	50%	56%
Risk services	61	51	46	20%	11%	34%	34%	40%
GEO	19	23	5	-17%	>100%	11%	16%	4%
Group	**177**	**148**	**116**	**20%**	**28%**	**100%**	**100%**	**100%**
Cents per share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

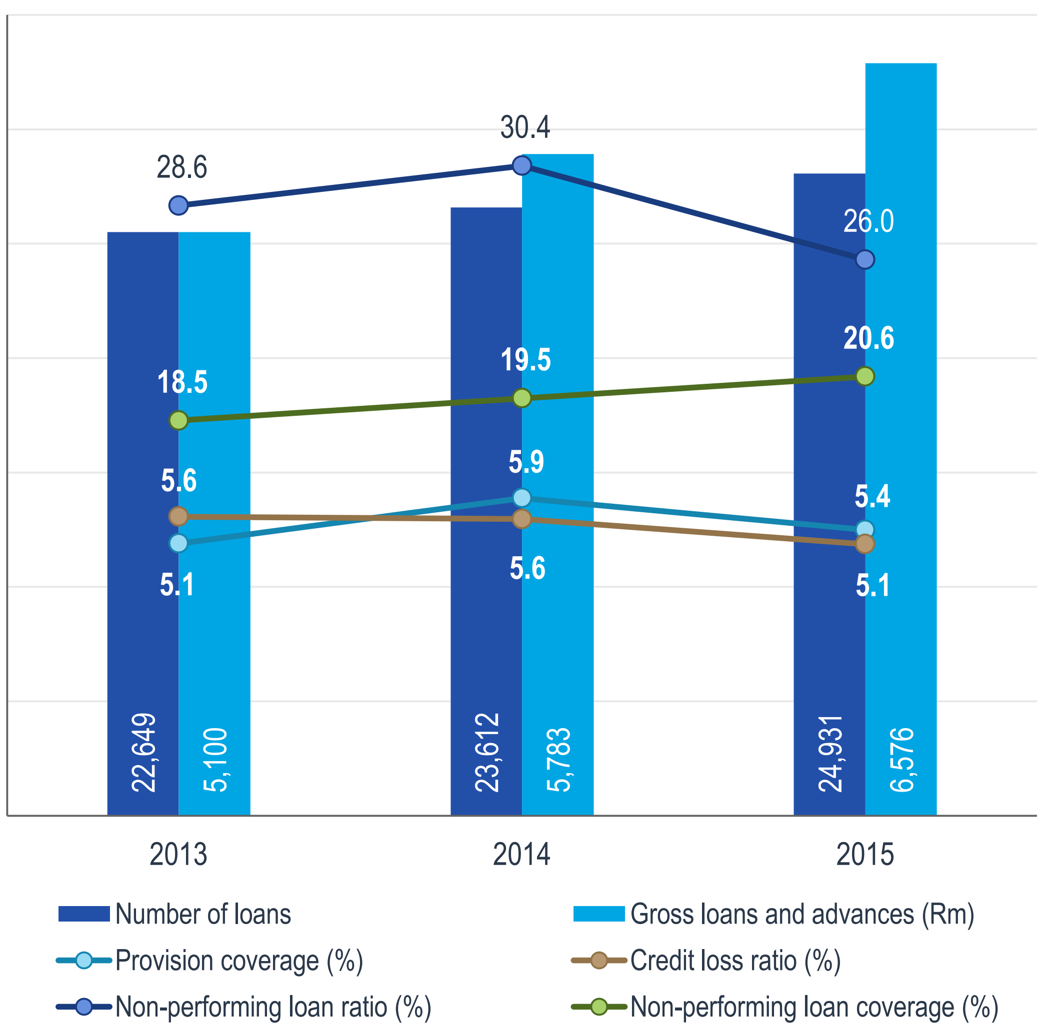
ASSET-BACKED LENDING – PERFORMANCE



- 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

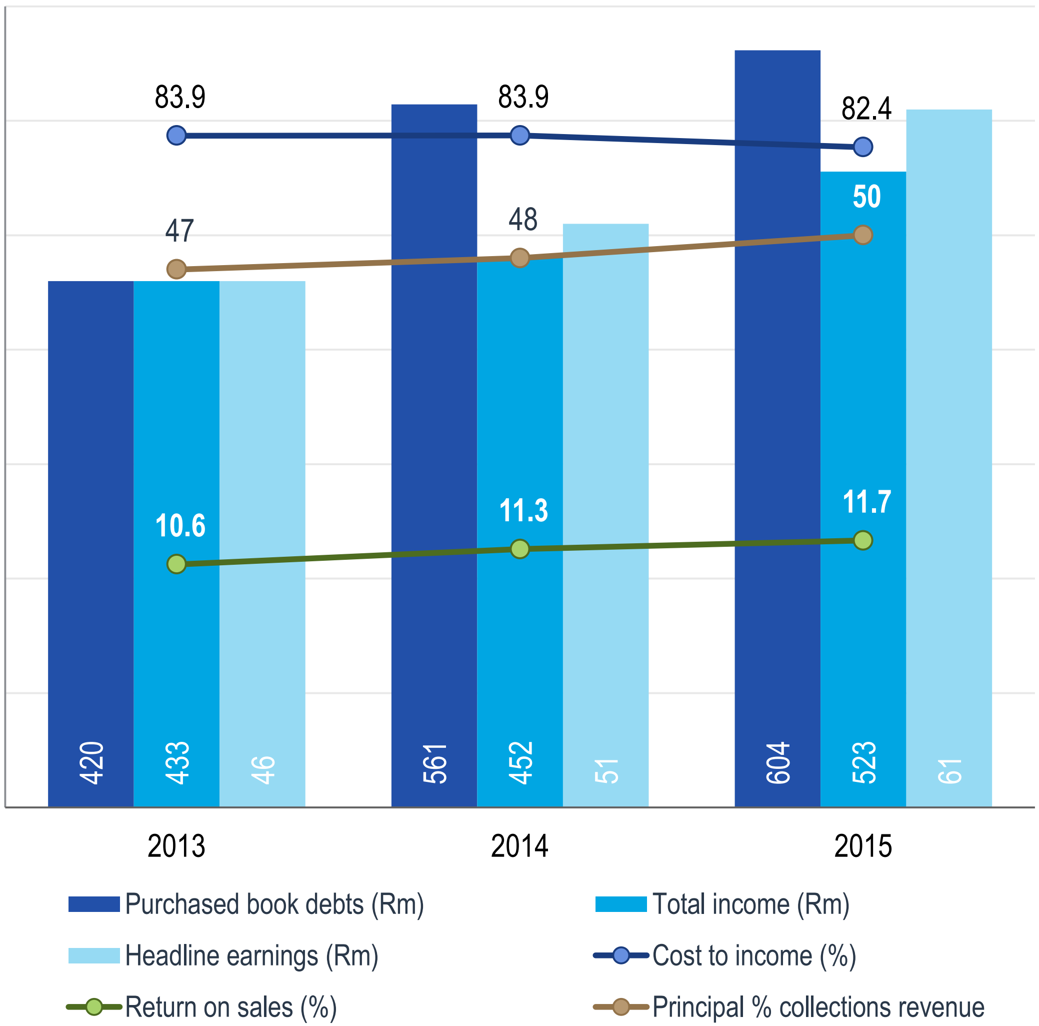
Transaction Capital

ASSET-BACKED LENDING – CREDIT



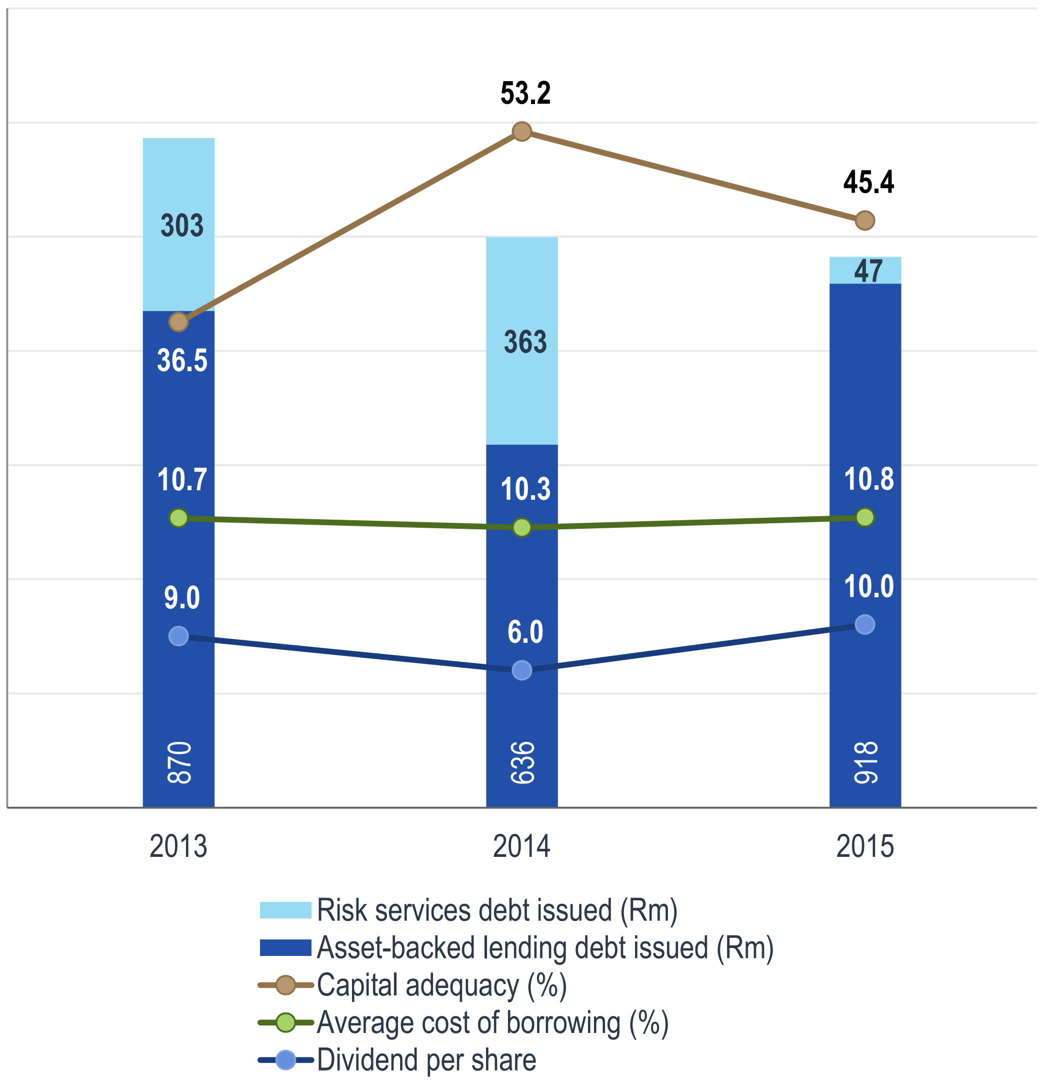
- Gross loans & advances ▲14% to R6.6bn
  - Number of loans ▲6%
  - Exclusive focus on premium vehicles
  - Write-offs of discontinued entry-level vehicles accelerated
  - Increased bakkie & Nissan minibus taxi originations
- Non-performing loan ratio ▼ from 30.4% to 26.0%
  - Reduction in repo fleet, 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

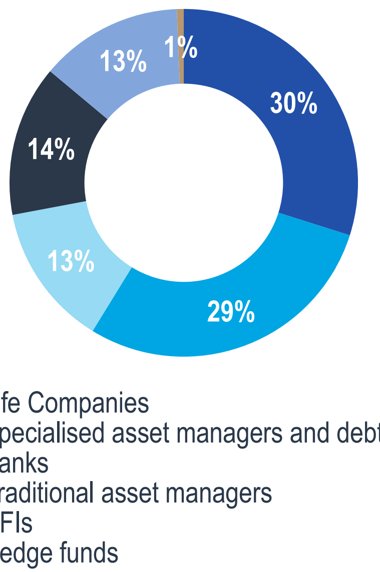
CAPITAL MANAGEMENT



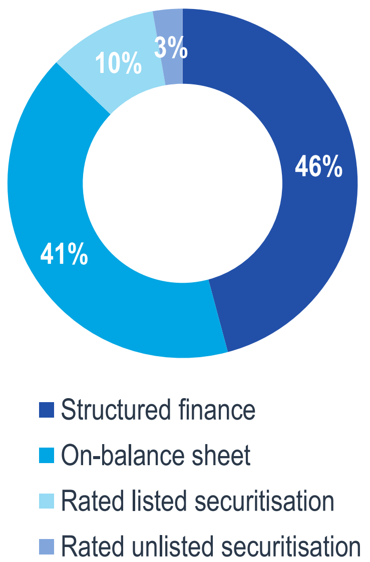
- Uninterrupted access to debt capital markets
- 7 institutions invested R965m of debt capital
  - Asset-backed lending: R918m
  - Credit services: R47m
- New debt investors:
  - 2 new to group
  - 2 new to asset classes
- Debt environment still challenging post recent corporate defaults in the market
- 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

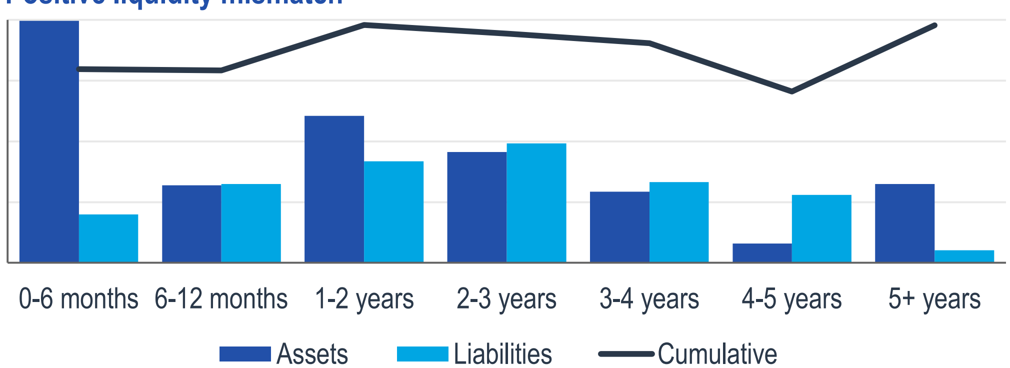
Diversification by funder category



Diversification by funding structure

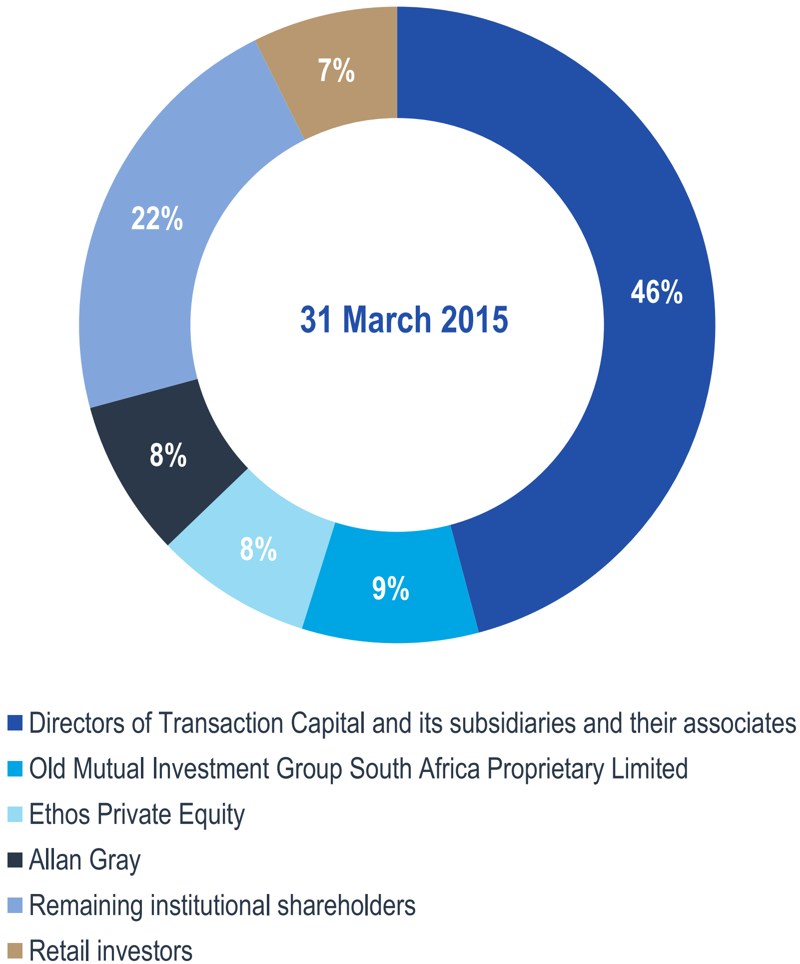


Positive liquidity mismatch



- 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**