

TRANSACTION  
CAPITAL

**RESULTS**

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FOR THE HALF YEAR ENDED 31 MARCH

**2015**



Transaction Capital

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# RESULTS PRESENTATION

FOR THE HALF YEAR ENDED 31 MARCH

2015



Transaction Capital



# INTERIM RESULTS

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



## NOTES

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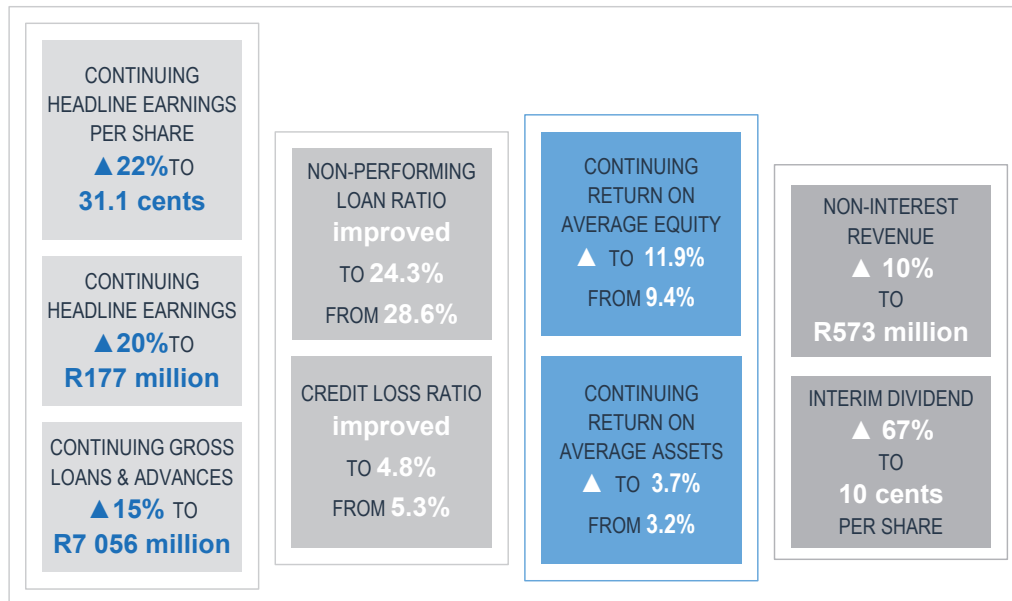
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# HIGHLIGHTS

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

FINANCIAL HIGHLIGHTS



NOTES

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

## NOTES

### ENVIRONMENT

#### 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

## NOTES

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# 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



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



Provider of working capital & commercial debtor management solutions to SMEs

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



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

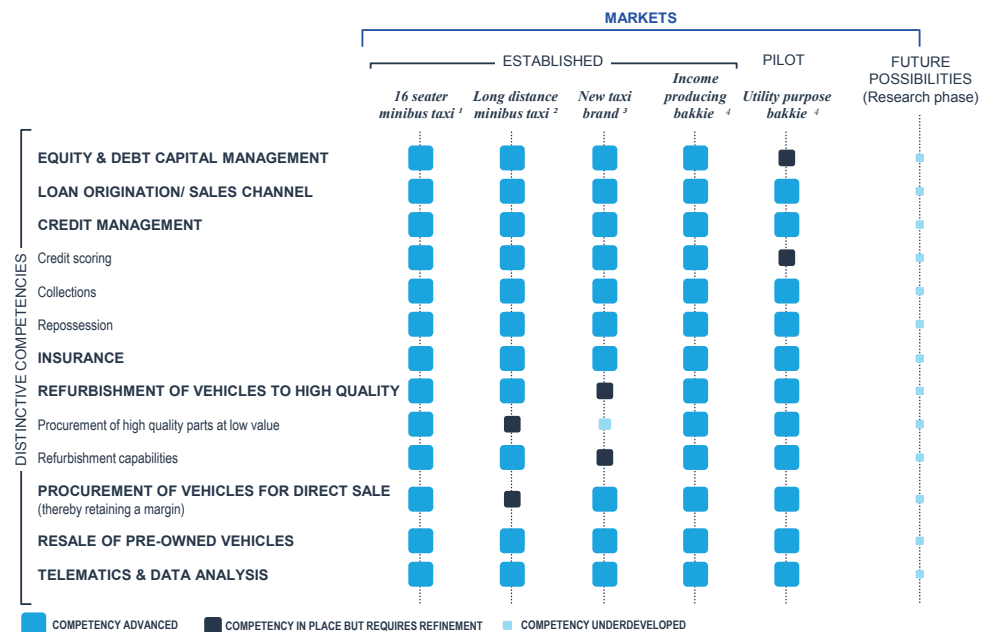


Provider of customer engagement solutions, focusing predominantly on the consumer credit lifecycle

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

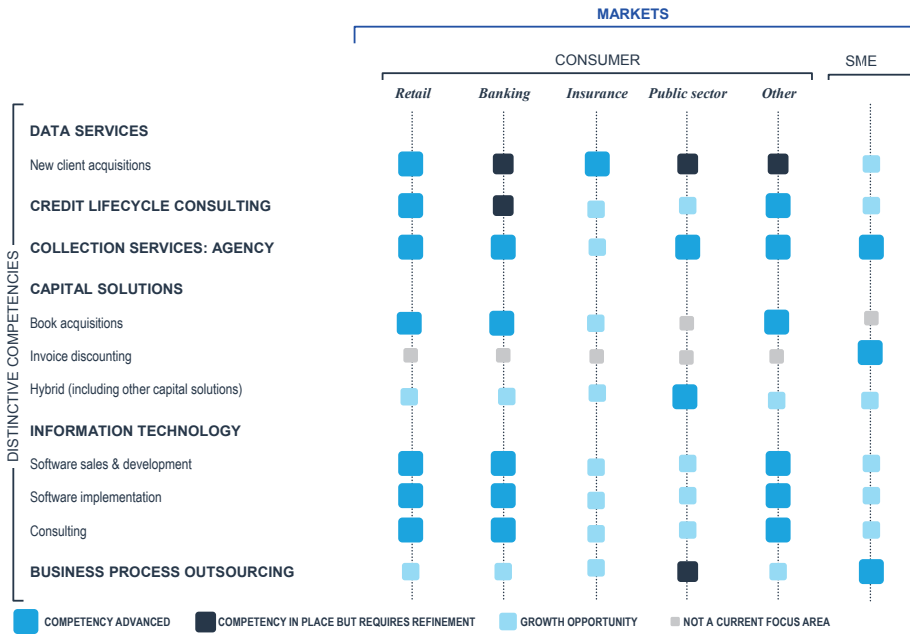
## NOTES

## ASSET-BACKED LENDING *distinctive competencies*



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

RISK SERVICES *distinctive competencies*



NOTES

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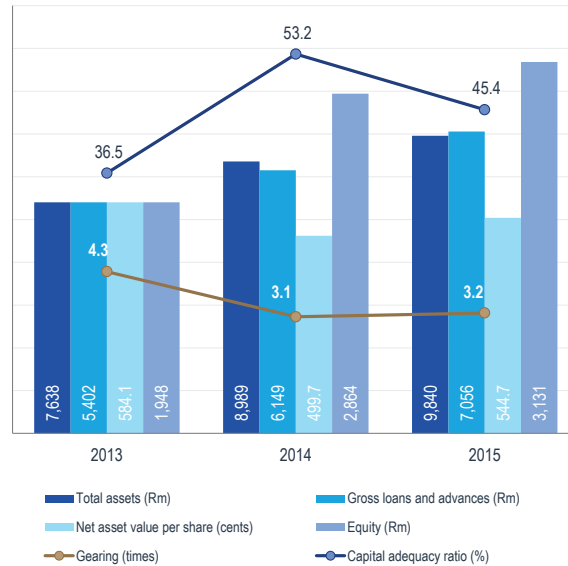


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# FINANCIAL REVIEW

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

## FINANCIAL POSITION - GROUP

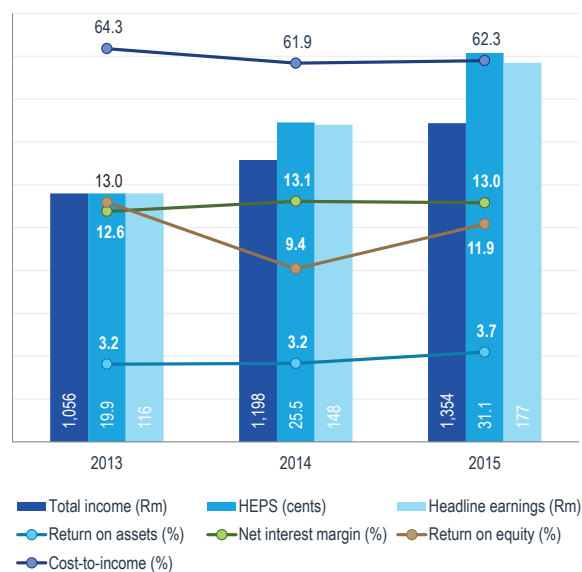


- Solid growth of gross loans & advances from R6.1bn to R7.1bn (▲15%)
  - Origination strategies targeting improved credit quality, new product lines including bakkie & Nissan minibus
  - Notable growth in Rand Trust of 37%
- Equity R3.1bn (▲9%)
  - Earnings growth less dividends paid
- NAV per share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

## NOTES

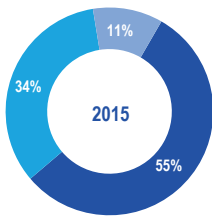
## FINANCIAL PERFORMANCE - GROUP



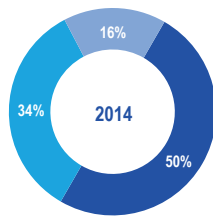
- HEPS from continuing operations ▲22% from 25.5 cps to 31.1 cps
  - Organic in nature
- Headline earnings from continuing operations ▲20% from R148m to R177m
  - Growth in gross loans & advances (▲15%)
  - Stable net interest margin around 13.0%
  - Cost-to-income ▲ marginally to 62.3%
    - Continued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



■ Asset-backed lending  
■ Risk services  
■ GEO

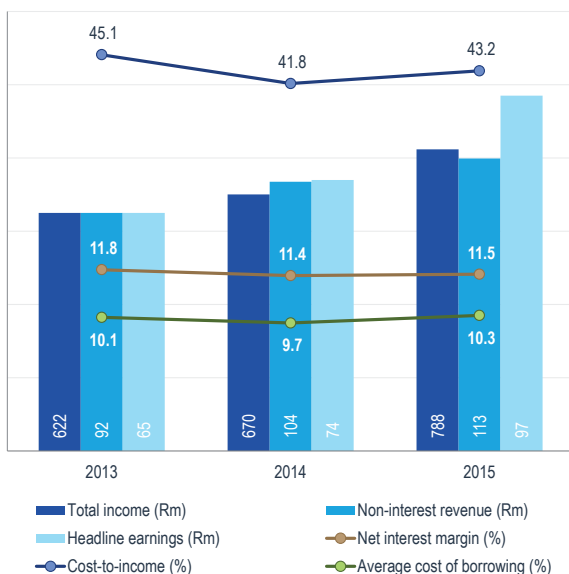


■ Asset-backed lending  
■ Risk services  
■ GEO

- 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

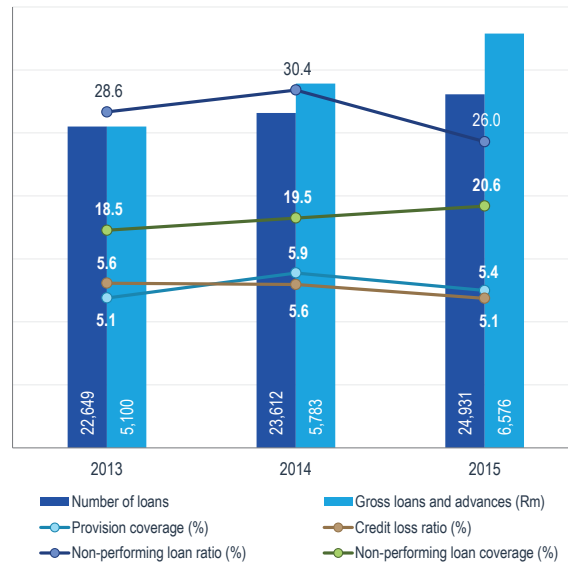
NOTES

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

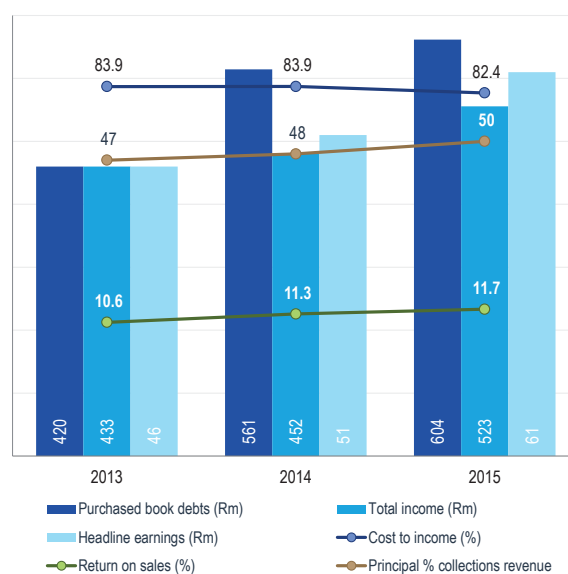
## ASSET-BACKED LENDING – CREDIT



- 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%

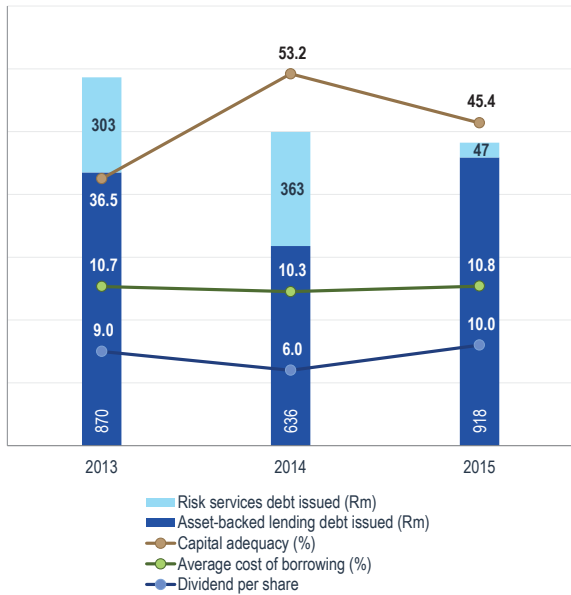
## NOTES

## 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

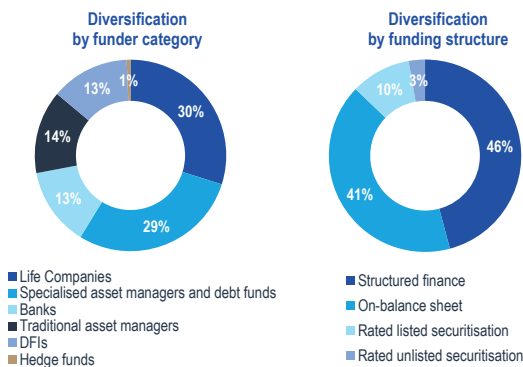
CAPITAL MANAGEMENT



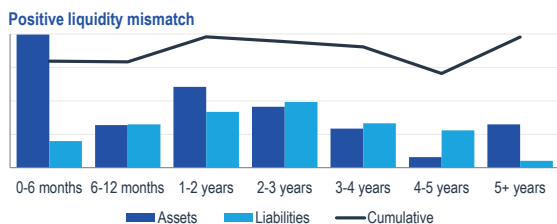
- Uninterrupted access to debt capital markets
- 7 institutions invested R965m of debt capital
  - Asset-backed lending: R918m
  - Credit services: R47m
- New debt investors:
  - 2 new to group
  - 2 new to asset classes
- Debt environment still challenging post recent corporate defaults in the market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

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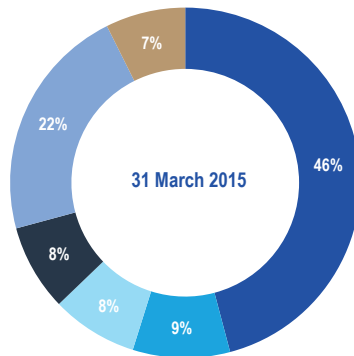
FUNDING PHILOSOPHY



- 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



- Directors of Transaction Capital and its subsidiaries and their associates
- Old Mutual Investment Group South Africa Proprietary Limited
- Ethos Private Equity
- Allan Gray
- Remaining institutional shareholders
- Retail investors

- 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%

## NOTES

**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

## NOTES

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



**UNAUDITED FINANCIAL RESULTS**  
FOR THE HALF YEAR ENDED 31 MARCH **2015**



Transaction Capital

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# HIGHLIGHTS

■ CONTINUING HEADLINE EARNINGS PER SHARE  
**UP 22% TO 31.1 CENTS**

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■ CONTINUING HEADLINE EARNINGS **UP 20%**  
TO **R177 MILLION**

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■ CONTINUING RETURN ON AVERAGE EQUITY  
**UP TO 11.9%** FROM 9.4%

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■ CONTINUING RETURN ON AVERAGE ASSETS  
**UP TO 3.7%** FROM 3.2%

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■ CONTINUING GROSS LOANS AND ADVANCES **UP 15%**  
TO **R7 056 MILLION**

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■ NON-PERFORMING LOAN RATIO **IMPROVED**  
TO **24.3%** FROM 28.6%

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■ CREDIT LOSS RATIO **IMPROVED TO 4.8%** FROM 5.3%

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■ NON-INTEREST REVENUE **UP 10% TO R573 MILLION**

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■ INTERIM DIVIDEND **UP 67% TO 10 CENTS** PER SHARE

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## COMMENTARY

### OVERVIEW

During the first half of the 2015 financial year, Transaction Capital reconstituted its divisions to support its strategic objectives. The reconstituted portfolio consists of two divisions of scale, being asset-backed lending and risk services, both with leading market positions. Transaction Capital is pleased with the current composition of its portfolio and the defensive positioning of its divisions, which enables it to prosper despite South Africa's challenging macro-and socio-economic context.

It is thus gratifying that Transaction Capital has made strong progress towards its strategic, operational and financial objectives in the first half of the 2015 financial year. Transaction Capital has performed ahead of expectations, achieving continuing earnings per share growth of 22%, whilst also reporting an improvement in all credit metrics.

### OPERATING ENVIRONMENT

South Africa's economic growth remains constrained, exacerbated by factors such as the under supply of electricity, increased electricity costs and little or no improvement in employment levels or real wage growth. Encouragingly, interest rates have remained stable and the reduced fuel price has eased financial pressure on businesses and consumers, including those in the small-to-medium enterprise (SME) sectors. The full effect of this benefit may be short-lived given the recent fuel price increases and inflationary currency weakness. The combined effect of these conditions results in pressure on the economy as a whole, with both the consumer and the SME sectors of the South African economy remaining vulnerable.

This depressed consumer economy does, however, provide Transaction Capital's risk services division with substantial opportunity to take advantage of its strong market position and reputation, as its client base displays increased demand for structured and complex credit risk management and capital solutions to better manage credit and operational risks, reduce costs, simplify processes, raise capital and improve working capital cash flow. Furthermore, the replacement of the aging national minibus taxi fleet continues to create a robust demand for the finance and vehicles provided by SA Taxi. In addition, commuters' use of minibus taxis has remained consistent while the reduced fuel price benefit is captured within the minibus taxi industry itself, providing SA Taxi's customers with additional disposable income. While both the asset-backed lending and risk services divisions perform better in a positive economic environment, they are also highly defensive businesses which are still able to thrive under difficult conditions as is evidenced by the improving half year financial performance.

The regulatory environment has stabilised somewhat. Legislation containing amendments to the National Credit Act has now been enacted and all of the group's business processes are aligned for the changes.

### FINANCIAL PERFORMANCE

Transaction Capital's continuing operations delivered pleasing results ahead of expectations, despite challenging market conditions.

Headline earnings grew by 20% from R148 million to R177 million. Net interest income increased by 13% to R448 million, driven by a 15% growth in gross loans and advances to R7 056 million although offset in part by a higher average cost of borrowing of 10.8% from 10.3% the year before. Non-interest revenue increased by 10% to R573 million, mostly driven by MBD's improved agency and principal book collections. The cost-to-income ratio has remained stable at 62.3% (61.9% for the comparative period).

In line with Transaction Capital's strategy to grow gross loans and advances in the mid-teens while focusing on credit quality, the group achieved gross loans and advances growth of 15%, while reducing the Rand value of non-performing loans (NPLs), thus improving the credit quality of loans and advances. Consequently, the group NPL ratio showed significant improvement reducing from 28.6% to 24.3% as a result of effective collection strategies, stricter credit origination criteria and a decrease in repossessed stock held via the accelerated write-off of entry-level stock.

Return on average equity increased by 27% from 9.4% last year to 11.9% in the current period driven by the increase in earnings, efficient capital deployment, as well as the improved capital structure following the capital distribution of R1.2 billion in March 2014.

Transaction Capital's equity and debt capital position remains robust with a capital adequacy level of 45.4% and uninterrupted access to the debt capital markets.

### OPERATIONAL HIGHLIGHTS AND PROSPECTS

#### ASSET-BACKED LENDING – SA TAXI

**The asset-backed lending division operates as 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 other unconventional adjacent markets or asset classes.**

The division increased headline earnings by 34% to R99 million from R74 million in the prior year, by way of a 14% increase in gross loans and advances, a 3% increase in the impairment expense due to the improved credit quality of its loans and advances and a continuing diversification of its revenue streams.

SA Taxi's growth in gross loans and advances has stabilised at 14% as new vehicle origination is now entirely comprised of premium vehicles with credit-lending criteria remaining conservative. The exposure to entry-level vehicles continues to decrease resulting in improving credit quality for the remaining portfolio.

The credit loss ratio has improved by 9% from 5.6% to 5.1%, again well within SA Taxi's 6% upper tolerance level. Recovery rates remain stable at approximately 70%, owing to the nature of the loan which is secured by an asset of value which is enhanced through the Taximart refurbishment operation, further differentiating SA Taxi from its competitors. The efficiency of the procurement, repair and resale operations of Taximart (now one of the largest Toyota repair centres in Southern Africa) assists in maintaining these low levels of ultimate credit loss.

Continued strong collection trends, together with the accelerated write-off of entry-level repossessed stock and the improved quality of repossessed vehicles produced by Taximart, has resulted in an improved NPL ratio of 26.0% from 30.4% at 31 March 2014.

The net interest margin has remained stable at a healthy level of 11.5%, while the cost of borrowing increased slightly from 9.7% to 10.3% due to the recent focus on raising offshore funding which is priced more expensively.

Although not in the period under review, SA Taxi returned to the local debt capital markets during April 2015 via a second issuance of credit rated debt instruments by the asset-backed note programme of Transsec (RF) Limited. The targeted R528 million of capital was successfully placed on a private basis at a weighted average cost of funding of 285 basis points (bps) above 3 month JIBAR. While being moderately more expensive than the June 2014 Transsec (RF) Limited issuance, the rate is still approximately 150bps lower than SA Taxi's average cost of funding. Despite the challenging local debt capital market environment, the favourable terms of this transaction constitute, in part, an acknowledgement by our local institutional debt investors of the significant strides made by SA Taxi in enhancing its unique business model.

The division continues to entrench its dominant market position encompassing the entire value chain within the minibus taxi industry. This is achieved by augmenting its distinctive competencies well beyond credit assessment, collections and capital mobilisation and management. SA Taxi continues to uplift, diversify and enhance its revenue via the procurement and direct sales of new vehicles, the re-sale of refurbished vehicles and vehicle tracking services. Another key component of the value chain from which SA Taxi benefits is its short-term insurance business which continues to grow both its financed and non-financed policy portfolios.

SA Taxi is also using its expertise to create defensible positions within identified adjacent market segments, financing asset classes such as bakkies utilised by SMEs as income producing assets. Loans and advances in this regard have grown to R81.2 million, with debt capital as well as equity now financing this portfolio. In addition to this product line, Transaction Capital has allocated R50 million towards SA Taxi's introduction of a pilot project to fund bakkies utilised by consumers for utility purposes.

SA Taxi's cost-to-income ratio has increased slightly from 41.8% for the comparative period, but remains lean at 43.2%, mainly due to the investment into SA Taxi's short-term insurance business.

The lower effective tax rate is sustainable in the long term due to the receipt of post-tax dividend income from the insurance cell captive.

## **RISK SERVICES – RAND TRUST, MBD AND PRINCIPA**

**The newly established risk services division is a provider of a comprehensive range of structured credit risk management, debtor management, data management, collection, customer engagement, call centre and capital solutions to South Africa's largest credit providers, focusing predominantly on the consumer credit life cycle as well as commercial solutions for SMEs.**

The risk services division will entrench its market position by augmenting and combining its distinctive competencies across the companies in the division. As with the asset-backed lending division, the intention is to enhance and broaden its value proposition thereby deepening its penetration into the market. In addition, the division will leverage its core skill set to access adjacent market segments, such as the public, insurance and commercial sectors.

The reconstitution of this division has yielded the desired results, with headline earnings increasing by 20% to R61 million. Non-interest revenue increased by 14% from R401 million to R457 million as the risk services division continues to make good progress with its existing and new agency clients, with further benefits being realised from historical and recent investments including traditional principal books as well as structured capital transactions, funded with Transaction Capital equity. A continued focus on effective cost management has resulted in an improved cost-to-income ratio of 82.4%.

Despite the challenging consumer environment, MBD achieved strong results in the first half of the current year, following on from the improved earnings growth achieved in the second half of the previous financial year.

The business continues to make progress within the municipal sector, gaining further traction within existing and new municipal clients. Many of these municipal clients display an increased demand for credit risk management and capital solutions to better manage credit and operational risks, reduce costs, simplify processes, improve operational infrastructure, facilitate skills transfer, raise capital and improve working capital cash flow.

## COMMENTARY *continued*

Rand Trust participates in the depressed and hence challenging SME sector of the South African economy. Rand Trust applies its credit and collections expertise, operational capacity, experience and capital to the SME market, which is displaying an increased demand for working capital finance and commercial debtor management solutions.

Rand Trust experienced growth of 37% in gross loans and advances, yielding improved earnings and allowing the business to achieve greater economies of scale. As the business targets larger clients in an expanded geographic region with new tailor-made product offerings aimed at improving the value proposition to clients and extending the client's life cycle with Rand Trust, management is applying the necessary caution to mitigate any resultant credit and operational risk.

### GROUP EXECUTIVE OFFICE

The group executive office structure has been simplified, with most group office functions being devolved into the businesses or reduced, enabling cost savings. Total costs have reduced significantly compared to prior year. However, earnings have reduced due to lower recoveries being earned from group subsidiaries, following the disposal of Bayport and Paycorp in the first half of the 2014 financial year.

### STRATEGY

Transaction Capital is pleased with the current composition of its portfolio and the defensive positioning of its divisions, which enables it to prosper despite the South Africa's challenging macro-and socio-economic context. Transaction Capital thus remains committed to investing in the organic and acquisitive growth of its asset-backed lending and risk services divisions, to further enhance their scale and entrench their leading market positions. These businesses operate in market segments of the financial services sector perceived to be of higher risk that require distinctive or specialised competencies, and have thus historically been under-served.

Transaction Capital will continue to enhance the competitive positioning of its businesses within their chosen market segments, thereby generating societal and stakeholder value. Transaction Capital's strategy is to augment and refine its distinctive competencies to achieve deep vertical integration within its chosen market segments, as well as to leverage its distinctive competencies to create defensible positions within identified adjacent market segments.

### PROSPECTS

Transaction Capital believes that the current level of performance and growth is sustainable in the medium term. This statement is based on the assumptions set out under the operational highlights given above, and is the sole responsibility of the directors. Against the backdrop of a low growth South African economy with many challenges coupled with asset values which are at historically elevated levels, the attractive risk adjusted returns being achieved organically from Transaction Capital's established businesses with highly defensible market positions has led management to be particularly circumspect in its acquisitive search.

In the interim the group continues to invest significantly in both organic capital deployment opportunities as well as human capital and intellectual property which could further enhance future organic growth prospects.

The financial information on which this prospects statement is based has not been reviewed or reported on by the Group's external auditors.

### DIVIDEND DECLARATION

In line with the stated dividend policy of 3 to 4 times, the board has declared an interim gross cash dividend of 10 cents per share for the six months ended 31 March 2015, 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 from the dividend withholding tax, resulting in a net dividend of 8.50 cents per share. The salient features applicable to the final dividend are as follows:

Issued shares as at declaration date	569 629 247
Declaration date	Tuesday 5 May 2015
Last day to trade cum dividend	Friday 29 May 2015
First day to trade ex dividend	Monday 1 June 2015
Record date	Friday 5 June 2015
Payment date	Monday 8 June 2015

Share certificates may not be dematerialised or rematerialised between Monday, 1 June 2015 and Friday, 5 June 2015, both dates inclusive.

On Monday, 8 June 2015 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 8 June 2015 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, 8 June 2015.

## **BASIS FOR PREPARATION**

The results of the group for the half year ended 31 March 2015 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 Listings Requirements, the going concern principle and the requirements on 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 details 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

**M D Herskovits**  
Chief financial officer

5 May 2015

## UNAUDITED RESULTS

### SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2015

	2015 Unaudited Rm	2014 Unaudited Rm	Change %
<b>Assets</b>			
Cash and cash equivalents	698	1 243	(44)
Tax receivables	14	25	(44)
Trade and other receivables	783	506	55
Inventories	16	1	>100
Loans and advances	6 715	5 820	15
Purchased book debts	604	561	8
Other loans receivable	297	311	(5)
Equity accounted investments	6	7	(14)
Other investments	342	158	>100
Intangible assets	18	15	20
Property and equipment	53	48	10
Goodwill	197	192	3
Deferred tax assets	97	102	(5)
<b>Total assets</b>	<b>9 840</b>	<b>8 989</b>	<b>9</b>
<b>Liabilities</b>			
Bank overdrafts	2	107	(98)
Tax payables	16	12	33
Trade and other payables	244	245	(0)
Provisions	14	15	(7)
Interest-bearing liabilities	6 243	5 556	12
Senior debt	5 118	4 209	22
Subordinated debt	1 125	1 347	(16)
Deferred tax liabilities	190	190	0
<b>Total liabilities</b>	<b>6 709</b>	<b>6 125</b>	<b>10</b>
<b>Equity</b>			
Ordinary share capital and premium	483	505	(4)
Reserves	116	122	(5)
Retained earnings	2 504	2 237	12
<b>Equity attributable to ordinary equity holders of the parent</b>	<b>3 103</b>	<b>2 864</b>	<b>8</b>
Non-controlling interests	28	-	100
Total equity	3 131	2 864	9
<b>Total equity and liabilities</b>	<b>9 840</b>	<b>8 989</b>	<b>9</b>



## SUMMARISED CONSOLIDATED INCOME STATEMENT

for the half year ended 31 March 2015

	2015 Unaudited Rm	2014 Unaudited Rm	Change %
Interest and other similar income	781	675	16
Interest and other similar expense	(333)	(280)	19
<b>Net interest income</b>	<b>448</b>	<b>395</b>	<b>13</b>
Impairment of loans and advances	(165)	(161)	2
<b>Risk adjusted net interest income</b>	<b>283</b>	<b>234</b>	<b>21</b>
Non-interest revenue	573	523	10
Operating costs	(636)	(568)	12
Non-operating profit	2	-	100
Equity accounted earnings	(1)	3	(>100)
<b>Profit before tax</b>	<b>221</b>	<b>192</b>	<b>15</b>
Income tax expense	(42)	(44)	(5)
<b>Profit from continuing operations</b>	<b>179</b>	<b>148</b>	<b>21</b>
Profit from discontinued operations	-	607	(100)
<b>Profit for the period</b>	<b>179</b>	<b>755</b>	<b>(76)</b>
Attributable to non-controlling equity holders	2	-	100
Attributable to ordinary equity holders of the parent	177	755	(77)
Basic earnings per share	31.1	130.3	(76)
Diluted basic earnings per share	30.9	130.3	(76)
Headline earnings per share	31.1	29.1	7
Headline earnings per share – continuing operations	31.1	25.5	22
Headline earnings per share – discontinued operations	-	3.6	(100)

## SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 31 March 2015

	2015 Unaudited Rm	2014 Unaudited Rm	Change %
<b>Profit for the period</b>	<b>179</b>	<b>755</b>	<b>(76)</b>
<b>Other comprehensive income</b>	<b>11</b>	<b>(16)</b>	
Fair value (losses)/gains arising on the cash flow hedge during the period	(3)	1	(>100)
Fair value gains/(losses) arising on valuation of available-for-sale investment	14	(17)	(>100)
<b>Total comprehensive income for the period</b>	<b>190</b>	<b>739</b>	<b>(74)</b>
Attributable to non-controlling equity holders	2	-	100
Attributable to ordinary equity holders of the parent	188	739	(75)

## UNAUDITED RESULTS

### SUMMARISED HEADLINE EARNINGS RECONCILIATION

for the half year ended 31 March 2015

	2015 Unaudited Rm	2014 Unaudited Rm	Change %
<b>Profit attributable to ordinary equity holders of the parent</b>	<b>177</b>	755	(77)
<b>Headline earnings adjustable items added</b>			
Profit on sale of subsidiary companies net of de-grouping tax payable	-	(586)	(100)
<b>Headline earnings</b>	<b>177</b>	169	5
Less: Headline earnings from discontinued operations	-	(21)	(100)
<b>Headline earnings from continuing operations</b>	<b>177</b>	148	20

### SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 March 2015

	Share capital and premium	Other reserves	Retained earnings	Ordinary shareholders equity	Non- controlling interests	Total equity
<b>Balance at 31 March 2014</b>	505	122	2 237	2 864	-	<b>2 864</b>
Total comprehensive income	-	(32)	182	150	-	<b>150</b>
Profit for the period	-	-	182	182	-	<b>182</b>
Other comprehensive income for the period	-	(32)	-	(32)	-	<b>(32)</b>
Dividends paid	-	-	(35)	(35)	-	<b>(35)</b>
Grant of share appreciation rights	-	6	-	6	-	<b>6</b>
Repurchase of treasury shares	(22)	-	-	(22)	-	<b>(22)</b>
<b>Balance at 30 September 2014</b>	483	96	2 384	2 963	-	<b>2 963</b>
Total comprehensive income	-	11	177	188	2	<b>190</b>
Profit for the period	-	-	177	177	2	<b>179</b>
Other comprehensive income for the period	-	11	-	11	-	<b>11</b>
Dividends paid	-	-	(57)	(57)	-	<b>(57)</b>
Transactions with non-controlling equity holders	-	-	-	-	26	<b>26</b>
Grant of share appreciation rights	-	9	-	9	-	<b>9</b>
<b>Balance at 31 March 2015</b>	<b>483</b>	<b>116</b>	<b>2 504</b>	<b>3 103</b>	<b>28</b>	<b>3 131</b>

## SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 March 2015

	2015 Unaudited Rm	2014 Unaudited Rm	Change %
Net cash utilised by operating activities	(539)	(124)	(>100)
Net cash (utilised)/generated by investing activities	(9)	2 312	(>100)
Net cash utilised by financing activities	-	(1 274)	>100
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(548)</b>	914	(>100)
Cash and cash equivalents at the beginning of the period	1 244	671	85
Less: Cash and cash equivalents at the beginning of the period relating to discontinued operations	-	(449)	>100
Cash and cash equivalents at the beginning of the period from continuing operations	1 244	222	>100
<b>Cash and cash equivalents at the end of the period relating to continuing operations</b>	<b>696</b>	1 136	(39)

**SUMMARISED SEGMENT REPORT**

	Asset-backed lending		Risk services		Group executive office	
	2015 Unaudited Rm	2014 Unaudited Rm	2015 Unaudited Rm	2014 Unaudited Rm	2015 Unaudited Rm	2014 Unaudited Rm
<b>Condensed income statement for the half year ended 31 March 2015</b>						
Net interest income	368	322	32	27	48	46
Impairment of loans and advances	(163)	(158)	(2)	(3)	-	-
Non-interest revenue	113	104	457	401	3	18
Operating costs	(208)	(177)	(403)	(359)	(25)	(32)
Non-operating profit	-	-	2	-	-	-
Equity accounted earnings	-	-	(1)	3	-	-
<b>Profit before tax</b>	<b>110</b>	<b>91</b>	<b>85</b>	<b>69</b>	<b>26</b>	<b>32</b>
Impact of classification to held for sale	-	-	-	-	-	-
Headline earnings from discontinued operations attributable to equity holders of the parent	-	-	-	-	-	-
Headline earnings attributable to equity holders of the parent – continuing operations	97	74	61	51	19	23
Total headline earnings attributable to equity holders of the parent	97	74	61	51	19	23
<b>Condensed statement of financial position at 31 March 2015</b>						
<b>Assets</b>						
Cash and cash equivalents	258	134	72	62	368	1 047
Loans and advances	6 256	5 471	459	349	-	-
Purchased book debts	-	-	604	561	-	-
Other investments	342	158	-	-	-	-
Other assets and receivables	973	536	340	294	168	377
<b>Total assets</b>	<b>7 829</b>	<b>6 299</b>	<b>1 475</b>	<b>1 266</b>	<b>536</b>	<b>1 424</b>
<b>Liabilities</b>						
Bank overdrafts	-	100	2	7	-	-
Interest-bearing liabilities	5 109	4 194	432	439	702	923
Group loans	1 103	853	279	137	(1 382)	(990)
Other liabilities and payables	204	192	231	237	29	33
<b>Total liabilities</b>	<b>6 416</b>	<b>5 339</b>	<b>944</b>	<b>820</b>	<b>(651)</b>	<b>(34)</b>
<b>Total equity</b>	<b>1 413</b>	<b>960</b>	<b>531</b>	<b>446</b>	<b>1 187</b>	<b>1 458</b>

Group – continuing		Discontinued operations		Group	
2015 Unaudited Rm	2014 Unaudited Rm	2015 Unaudited Rm	2014 Unaudited Rm	2015 Unaudited Rm	2014 Unaudited Rm
448	395	–	–	448	395
(165)	(161)	–	–	(165)	(161)
573	523	–	–	573	523
(636)	(568)	–	–	(636)	(568)
2	–	–	–	2	–
(1)	3	–	–	(1)	3
221	192	–	–	221	192
–	–	–	11	–	11
–	–	–	10	–	10
177	148	–	–	177	148
177	148	–	21	177	169
698	1 243	–	–	698	1 243
6 715	5 820	–	–	6 715	5 820
604	561	–	–	604	561
342	158	–	–	342	158
1 481	1 207	–	–	1 481	1 207
9 840	8 989	–	–	9 840	8 989
2	107	–	–	2	107
6 243	5 556	–	–	6 243	5 556
–	–	–	–	–	–
464	462	–	–	464	462
6 709	6 125	–	–	6 709	6 125
3 131	2 864	–	–	3 131	2 864



# **GROUP DATA SHEET**

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



Transaction Capital

**TRANSACTION CAPITAL DATA SHEET**

at 31 March 2015

		Half year ended 31 March			Movement		Year ended
		2015	2014	2013	2015	2014	Sep 2014
<b>TRANSACTION CAPITAL GROUP</b>							
<b>Consolidated income statement*</b>							
Interest and other similar income	Rm	<b>781</b>	675	586	<b>16%</b>	15%	1 413
Interest and other similar expense	Rm	<b>(333)</b>	(280)	(256)	<b>19%</b>	9%	(599)
Net interest income	Rm	<b>448</b>	395	330	<b>13%</b>	20%	814
Impairment of loans and advances	Rm	<b>(165)</b>	(161)	(130)	<b>2%</b>	24%	(322)
Risk-adjusted net interest income	Rm	<b>283</b>	234	200	<b>21%</b>	17%	492
Non-interest revenue	Rm	<b>573</b>	523	470	<b>10%</b>	11%	1 133
Total operating costs	Rm	<b>(636)</b>	(568)	(515)	<b>12%</b>	10%	(1 220)
Employee expenses	Rm	<b>(327)</b>	(283)	(264)	<b>16%</b>	7%	(641)
Cashing, transaction, processing and bank charges	Rm	<b>(16)</b>	(12)	(8)	<b>33%</b>	50%	(23)
Cost of sale of goods	Rm	<b>(12)</b>	(10)	(5)	<b>20%</b>	100%	(20)
Communication	Rm	<b>(30)</b>	(34)	(39)	<b>(12%)</b>	(13%)	(68)
Depreciation and amortisation	Rm	<b>(10)</b>	(10)	(10)	<b>0%</b>	0%	(17)
Consulting, professional, legal and audit	Rm	<b>(22)</b>	(20)	(23)	<b>10%</b>	(13%)	(40)
Commission expense	Rm	<b>(12)</b>	(12)	(16)	<b>0%</b>	(25%)	(22)
Rentals	Rm	<b>(20)</b>	(18)	(15)	<b>11%</b>	20%	(35)
VAT apportionment disallowed	Rm	<b>(14)</b>	(16)	(16)	<b>(13%)</b>	0%	(25)
Information technology	Rm	<b>(12)</b>	(12)	(10)	<b>0%</b>	20%	(24)
Other	Rm	<b>(161)</b>	(141)	(109)	<b>14%</b>	29%	(305)
Operating income	Rm	<b>220</b>	189	155	<b>16%</b>	22%	405
Non-operating profit	Rm	<b>2</b>	–	1	<b>100%</b>	(100%)	1
Equity accounted earnings	Rm	<b>(1)</b>	3	–	<b>(133%)</b>	100%	3
Profit before tax	Rm	<b>221</b>	192	156	<b>15%</b>	23%	409
Income tax expense	Rm	<b>(42)</b>	(44)	(40)	<b>(5%)</b>	10%	(79)
Profit from continuing operations	Rm	<b>179</b>	148	116	<b>21%</b>	28%	330
Profit from discontinued operations	Rm	<b>–</b>	607	135	<b>(100%)</b>	350%	607
Profit for the period	Rm	<b>179</b>	755	251	<b>(77%)</b>	201%	937
Profit for the period from continuing operations attributable to:							
Ordinary equity holders of the parent	Rm	<b>177</b>	148	116	<b>20%</b>	28%	330
Non-controlling equity holders	Rm	<b>2</b>	–	–	<b>100%</b>	n/a	–
Profit for the period from discontinued operations attributable to:							
Ordinary equity holders of the parent	Rm	<b>–</b>	607	117	<b>(100%)</b>	419%	607
Non-controlling equity holders	Rm	<b>–</b>	–	18	<b>n/a</b>	(100%)	–

\* All Transaction Capital group income statement numbers have been re-presented to show continuing operations.



		Half year ended 31 March			Movement		Year ended
		2015	2014	2013	2015	2014	Sep 2014
<b>TRANSACTION CAPITAL GROUP continued</b>							
<b>Headline earnings</b>							
Profit attributable to ordinary equity holders	Rm	177	755	233	(77%)	224%	937
Adjustments for:							
Profit on sale of subsidiary companies	Rm	–	(659)	–	(100%)	100%	(659)
De-grouping tax payable on sale of subsidiary	Rm	–	73	–	(100%)	100%	73
Headline earnings	Rm	177	169	233	5%	(27%)	351
Adjustment for:							
Headline earnings from discontinued operations	Rm	–	(21)	(117)	(100%)	(82%)	(21)
Headline earnings from continuing operations	Rm	177	148	116	20%	28%	330
Number of shares	m	569.6	573.1	583.6	(1%)	(2%)	569.6
Weighted average number of shares in issue	m	569.6	579.4	583.8	(2%)	(1%)	575.9
<b>Consolidated statement of financial position</b>							
<b>Assets</b>							
Loans and advances	Rm	6 715	5 820	9 594	15%	(39%)	6 386
Purchased book debts	Rm	604	561	420	8%	34%	552
Property and equipment	Rm	53	48	331	10%	(85%)	51
Inventories	Rm	16	1	170	1 500%	(99%)	4
Goodwill	Rm	197	192	927	3%	(79%)	192
Intangible assets	Rm	18	15	34	20%	(56%)	19
Cash and cash equivalents	Rm	698	1 243	1 260	(44%)	(1%)	1 345
Other investments	Rm	342	158	382	116%	(59%)	238
Other assets	Rm	1 197	951	1 072	26%	(11%)	903
Total assets	Rm	9 840	8 989	14 190	9%	(37%)	9 690
<b>Liabilities</b>							
Interest-bearing liabilities	Rm	6 243	5 556	9 458	12%	(41%)	6 178
Senior debt	Rm	5 118	4 209	7 720	22%	(45%)	4 911
Subordinated debt	Rm	1 125	1 347	1 738	(16%)	(22%)	1 267
Bank overdrafts	Rm	2	107	233	(98%)	(54%)	101
Other liabilities	Rm	464	462	934	0%	(51%)	448
Total liabilities	Rm	6 709	6 125	10 625	10%	(42%)	6 727

**TRANSACTION CAPITAL DATA SHEET** *continued*

at 31 March 2015

	Half year ended 31 March			Movement		Year ended	
	2015	2014	2013	2015	2014	Sep 2014	
<b>TRANSACTION CAPITAL GROUP continued</b>							
<b>Consolidated statement of financial position continued</b>							
<b>Equity</b>							
Equity attributable to ordinary equity holders of the parent	Rm	3 103	2 864	3 409	8%	(16%)	2 963
Non-controlling interest	Rm	28	–	156	100%	(100%)	–
Total equity	Rm	3 131	2 864	3 565	9%	(20%)	2 963
Total equity and liabilities	Rm	9 840	8 989	14 190	9%	(37%)	9 690
<b>Shareholder statistics</b>							
Basic earnings per share from continuing operations	cents	31.1	25.5	19.9	22%	28%	57.3
Headline earnings per share from continuing operations	cents	31.1	25.5	19.9	22%	28%	57.3
Net asset value per share	cents	544.7	499.7	584.2	9%	(14%)	520.2
Tangible net asset value per share	cents	507.0	463.6	419.5	9%	11%	483.1
Interim dividend per share	cents	10.0	6.0	9.0	67%	(33%)	6.0
Final dividend per share	cents	–	–	–	n/a	n/a	10.0
<b>Capital adequacy ratio</b>							
Equity	Rm	3 131	2 864	3 565	9%	(20%)	2 963
Subordinated debt capital	Rm	1 125	1 347	1 738	(16%)	(22%)	1 267
Total capital	Rm	4 256	4 211	5 303	1%	(21%)	4 230
Less: Goodwill	Rm	(197)	(192)	(927)	3%	(79%)	(192)
Total capital less goodwill	Rm	4 059	4 019	4 376	1%	(8%)	4 038
Total assets less goodwill and cash and cash equivalents	Rm	8 945	7 554	12 003	18%	(37%)	8 153
Capital adequacy ratio	%	45.4	53.2	36.5	(15%)	46%	49.5
Equity	%	32.8	35.4	22.0	(7%)	61%	34.0
Subordinated debt	%	12.6	17.8	14.5	(29%)	23%	15.5

		Half year ended 31 March			Movement		Year ended
		2015	2014	2013	2015	2014	Sep 2014
<b>TRANSACTION CAPITAL GROUP continued</b>							
<b>Performance indicators*</b>							
Gross loans and advances	Rm	<b>7 056</b>	6 149	5 402	<b>15%</b>	14%	6 737
Carrying value of written off book	Rm	<b>32</b>	32	25	<b>0%</b>	28%	32
Impairment provision	Rm	<b>(373)</b>	(361)	(272)	<b>3%</b>	33%	(383)
Provision coverage	%	<b>5.3</b>	5.9	5.0	<b>(10%)</b>	18%	5.7
Non-performing loan ratio	%	<b>24.3</b>	28.6	27.0	<b>(15%)</b>	6%	25.7
Non-performing loan coverage	%	<b>21.8</b>	20.5	18.7	<b>6%</b>	10%	22.1
Non-performing loans	Rm	<b>1 712</b>	1 760	1 457	<b>(3%)</b>	21%	1 731
Capital adequacy ratio	%	<b>45.4</b>	53.2	36.5	<b>(15%)</b>	46%	49.5
Average assets	Rm	<b>9 768</b>	9 232	7 315	<b>6%</b>	26%	9 416
Average tangible assets	Rm	<b>9 474</b>	8 929	7 161	<b>6%</b>	25%	9 109
Average equity	Rm	<b>3 017</b>	3 140	1 778	<b>(4%)</b>	77%	3 038
Average tangible equity	Rm	<b>2 724</b>	2 837	1 624	<b>(4%)</b>	75%	2 730
Average gross loans and advances	Rm	<b>6 882</b>	6 029	5 258	<b>14%</b>	15%	6 220
Average interest-bearing liabilities	Rm	<b>6 180</b>	5 442	4 764	<b>14%</b>	14%	5 742
Total income	Rm	<b>1 354</b>	1 198	1 056	<b>13%</b>	13%	2 546
Net interest margin	%	<b>13.0</b>	13.1	12.6	<b>(1%)</b>	4%	13.1
Credit loss ratio	%	<b>4.8</b>	5.3	4.9	<b>(9%)</b>	8%	5.2
Non-interest revenue as a % of total income	%	<b>42.3</b>	43.7	44.5	<b>(3%)</b>	(2%)	44.5
Cost-to-income ratio	%	<b>62.3</b>	61.9	64.3	<b>1%</b>	(4%)	62.7
Effective tax rate	%	<b>19.0</b>	22.9	25.6	<b>(17%)</b>	(11%)	19.3
Return on average assets (ROA)	%	<b>3.7</b>	3.2	3.2	<b>16%</b>	0%	3.5
Return on average tangible assets (ROTA)	%	<b>3.8</b>	3.3	3.2	<b>15%</b>	3%	3.6
Return on average equity (ROE)	%	<b>11.9</b>	9.4	13.0	<b>27%</b>	(28%)	10.9
Return on average tangible equity (ROTE)	%	<b>13.1</b>	10.4	14.3	<b>26%</b>	(27%)	12.1
Services: EBITDA (MBD and Principa)	Rm	<b>84</b>	74	62	<b>14%</b>	19%	159
Gearing	times	<b>3.2</b>	3.1	4.3	<b>3%</b>	(28%)	3.3
Debt issued	Rm	<b>965</b>	999	1 173	<b>(3%)</b>	(15%)	3 290
Gross yield on average assets	%	<b>27.8</b>	26.0	28.9	<b>7%</b>	(10%)	27.0
Gross yield on average gross loans and advances	%	<b>39.4</b>	39.7	40.2	<b>(1%)</b>	(1%)	40.9
Return on total sales (ROS)	%	<b>13.2</b>	12.4	11.0	<b>6%</b>	13%	13.0
Average cost of borrowing	%	<b>10.8</b>	10.3	10.7	<b>5%</b>	(4%)	10.4
Employees	Number	<b>3 877</b>	3 586	3 535	<b>8%</b>	1%	3 719

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

**TRANSACTION CAPITAL DATA SHEET** *continued*

at 31 March 2015

		Half year ended 31 March			Movement		Year ended
		2015	2014	2013	2015	2014	Sep 2014
<b>ASSET-BACKED LENDING</b>							
<b>Condensed income statement</b>							
Interest and other similar income	Rm	<b>675</b>	566	530	<b>19%</b>	7%	1 183
Interest and other similar expense	Rm	<b>(307)</b>	(244)	(236)	<b>26%</b>	3%	(509)
Net interest income	Rm	<b>368</b>	322	294	<b>14%</b>	10%	674
Impairment of loans and advances	Rm	<b>(163)</b>	(158)	(127)	<b>3%</b>	24%	(318)
Non-interest revenue	Rm	<b>113</b>	104	92	<b>9%</b>	13%	250
Total operating costs	Rm	<b>(208)</b>	(177)	(174)	<b>17%</b>	2%	(407)
Profit before tax	Rm	<b>110</b>	91	85	<b>21%</b>	7%	199
Total income	Rm	<b>788</b>	670	622	<b>18%</b>	8%	1 433
Profit after tax	Rm	<b>99</b>	74	65	<b>34%</b>	14%	176
Headline earnings	Rm	<b>99</b>	74	65	<b>34%</b>	14%	176
Profit and headline earnings for the period attributable to:							
Ordinary equity holders of the parent		<b>97</b>	74	65	<b>31%</b>	14%	176
Non-controlling equity holders		<b>2</b>	-	-	<b>100%</b>	n/a	-
<b>Other information</b>							
Depreciation	Rm	<b>4</b>	4	4	<b>0%</b>	0%	7
Amortisation of intangible assets	Rm	<b>2</b>	1	-	<b>100%</b>	100%	2
<b>Statement of financial position</b>							
<b>Assets</b>							
Cash and cash equivalents	Rm	<b>258</b>	134	463	<b>93%</b>	(71%)	210
Other investments	Rm	<b>342</b>	158	88	<b>116%</b>	80%	238
Inventory		<b>14</b>	-	-	<b>100%</b>	n/a	3
Net loans and advances	Rm	<b>6 256</b>	5 471	4 866	<b>14%</b>	12%	5 908
Property and equipment	Rm	<b>28</b>	28	27	<b>0%</b>	4%	28
Goodwill and intangibles	Rm	<b>71</b>	70	63	<b>1%</b>	11%	72
Goodwill	Rm	<b>60</b>	60	60	<b>0%</b>	0%	60
Intangibles	Rm	<b>11</b>	10	3	<b>10%</b>	233%	12
Other assets	Rm	<b>860</b>	438	385	<b>96%</b>	14%	430
Total assets	Rm	<b>7 829</b>	6 299	5 892	<b>24%</b>	7%	6 889
<b>Liabilities</b>							
Bank overdrafts	Rm	<b>-</b>	100	100	<b>(100%)</b>	0%	100
Interest-bearing liabilities	Rm	<b>5 109</b>	4 194	4 381	<b>22%</b>	(4%)	4 787
Senior debt	Rm	<b>4 759</b>	3 772	3 884	<b>26%</b>	(3%)	4 444
Subordinated debt	Rm	<b>350</b>	422	497	<b>(17%)</b>	(15%)	343
Group	Rm	<b>1 103</b>	853	588	<b>29%</b>	45%	788
Other liabilities	Rm	<b>204</b>	192	273	<b>6%</b>	(30%)	196
Total liabilities	Rm	<b>6 416</b>	5 339	5 342	<b>20%</b>	(0%)	5 871
Segment net assets	Rm	<b>1 413</b>	960	550	<b>47%</b>	75%	1 018

		Half year ended 31 March			Movement		Year ended
		2015	2014	2013	2015	2014	Sep 2014
<b>ASSET-BACKED LENDING continued</b>							
<b>Capital adequacy</b>							
Equity	Rm	1 413	960	550	47%	75%	1 018
Group funding	Rm	1 103	853	588	29%	45%	788
Subordinated debt	Rm	350	422	497	(17%)	(15%)	343
Total capital	Rm	2 866	2 235	1 635	28%	37%	2 149
Less: Goodwill	Rm	(60)	(60)	(60)	0%	0%	(60)
Total capital less goodwill	Rm	2 806	2 175	1 575	29%	38%	2 089
Total assets less goodwill and cash and cash equivalents	Rm	7 511	6 105	5 369	23%	14%	6 619
Capital adequacy ratio	%	37.4	35.6	29.3	5%	22%	31.6
<b>Financial measures</b>							
Net interest margin	%	11.5	11.4	11.8	1%	(3%)	11.6
Cost-to-income ratio	%	43.2	41.8	45.1	3%	(7%)	44.1
Return on average assets (ROA)	%	2.6	2.4	2.4	8%	0%	2.7
Return on average tangible assets (ROTA)	%	2.6	2.4	2.4	8%	0%	2.7
Gross yield on average gross loans and advances	%	24.6	23.7	25.0	4%	(5%)	24.6
Return on average equity (ROE)	%	15.6	16.3	30.0	(4%)	(46%)	18.6
Return on average tangible equity (ROTE)	%	16.8	20.6	34.9	(18%)	(41%)	20.0
Average cost of borrowing	%	10.3	9.7	10.1	6%	(4%)	9.7
Debt issued	Rm	918	636	870	44%	(27%)	2 441
Average assets	Rm	7 562	6 240	5 473	21%	14%	6 506
Average tangible assets	Rm	7 490	6 175	5 411	21%	14%	6 438
Average gross loans and advances	Rm	6 409	5 652	4 976	13%	14%	5 823
Average equity	Rm	1 271	907	434	40%	109%	947
Average tangible equity	Rm	1 199	719	372	67%	93%	879
Average interest-bearing liabilities	Rm	5 993	5 023	4 659	19%	8%	5 238
Employees	Number	569	546	497	4%	10%	560
<b>Operational measures</b>							
<b>Status</b>							
Number of loans	Number	24 931	23 612	22 649	6%	4%	24 346
Gross loans and advances	Rm	6 576	5 783	5 100	14%	13%	6 240
Carrying value of written off book	Rm	32	32	26	0%	23%	32
Impairment provision	Rm	(352)	(344)	(260)	2%	32%	(364)
Loans and advances	Rm	6 256	5 471	4 866	14%	12%	5 908
% Leases/Repossessions (Loans and advances, on value)	%	96/4	93/7	94/6	3%	(1%)	95/5
% Premium/Entry Level (gross loans and advances, on value)	%	89/11	82/18	79/21	8%	4%	84/16
Face value of written off book recognised	Rm	640	620	440	3%	41%	727
Average gross loans and advances	Rm	6 409	5 652	4 387	13%	29%	5 823
<b>Originations</b>							
Number of loans originated	Number	3 102	1 448	6 248	114%	(77%)	6 116
Value of loans originated	Rm	996	432	1 533	131%	(72%)	1 855
% New/existing client (on value)	%	78/22	89/11	81/19	(12%)	10%	75/25
New vehicle originations	Rm	779	648	598	20%	8%	1 400
% Premium/Entry Level (new vehicle disbursements, on value)	%	100/0	97/3	92/8	3%	5%	100/0
Average origination value	R	321 083	268 479	245 378	20%	9%	303 303

**TRANSACTION CAPITAL DATA SHEET** *continued*

at 31 March 2015

	Half year ended 31 March			Movement	Year ended		
	2015	2014	2013	2015	2014	Sep 2014	
<b>ASSET-BACKED LENDING</b> <i>continued</i>							
<b>Operational measures</b> <i>continued</i>							
<b>Credit performance</b>							
Credit loss ratio	%	5.1	5.6	5.6	(9%)	0%	5.5
Provision coverage	%	5.4	5.9	5.1	(8%)	16%	5.8
Non-performing loans	Rm	1 712	1 760	1 457	(3%)	21%	1 731
Non-performing loan ratio	%	26.0	30.4	28.6	(14%)	6%	27.7
Non-performing loan coverage	%	20.6	19.5	18.5	6%	5%	21.0
Impairment provision % repossessions	%	35.5	32.7	32.8	9%	(0%)	34.4
<b>RISK SERVICES</b>							
<b>Condensed income statement</b>							
Interest and other similar income	Rm	66	51	43	29%	19%	111
Interest and other similar expense	Rm	(34)	(24)	(18)	42%	33%	(54)
Net interest income	Rm	32	27	25	19%	8%	57
Impairment of loans and advances	Rm	(2)	(3)	(3)	(33%)	0%	(4)
Non-interest revenue	Rm	457	401	390	14%	3%	861
Total operating costs	Rm	(403)	(359)	(348)	12%	3%	(761)
Equity accounted earnings	Rm	(1)	3	–	(133%)	100%	3
Non-operating profit	Rm	2	–	–	100%	n/a	1
Profit before tax	Rm	85	69	64	23%	8%	157
Total income	Rm	523	452	433	16%	4%	972
Profit after tax	Rm	61	51	46	20%	11%	116
Headline earnings	Rm	61	51	46	20%	11%	116
Services: EBITDA (MBD and Principa)	Rm	83	75	62	11%	21%	159
<b>Other information</b>							
Depreciation	Rm	5	4	5	25%	(20%)	9
Amortisation of intangible assets	Rm	2	–	–	100%	n/a	2
<b>Statement of financial position</b>							
<b>Assets</b>							
Cash and cash equivalents	Rm	72	62	45	16%	38%	83
Loans and advances	Rm	459	349	289	31%	22%	471
Gross loans and advances	Rm	480	367	301	31%	22%	490
Impairment provision	Rm	(21)	(18)	(12)	17%	50%	(19)
Purchased book debts	Rm	604	561	420	8%	34%	552
Property and equipment	Rm	22	20	17	10%	18%	19
Goodwill and intangibles	Rm	83	76	73	9%	4%	78
Goodwill	Rm	76	71	71	7%	0%	71
Intangibles	Rm	7	5	2	40%	150%	7
Other assets	Rm	235	198	225	19%	(12%)	179
Total assets	Rm	1 475	1 266	1 069	17%	18%	1 382

		Half year ended 31 March			Movement		Year ended
		2015	2014	2013	2015	2014	Sep 2014
<b>RISK SERVICES continued</b>							
<b>Statement of financial position continued</b>							
<b>Liabilities</b>							
Bank overdrafts	Rm	2	7	4	(71%)	75%	1
Interest-bearing liabilities	Rm	432	439	383	(2%)	15%	505
Senior debt	Rm	432	437	379	(1%)	15%	505
Subordinated debt	Rm	–	2	4	(100%)	(50%)	–
Group	Rm	279	137	61	104%	125%	173
Other liabilities	Rm	231	237	244	(3%)	(3%)	221
Total liabilities	Rm	944	820	692	15%	18%	900
Segment net assets	Rm	531	446	377	19%	18%	482
<b>Financial measures</b>							
Cost-to-income ratio	%	82.4	83.9	83.9	(2%)	(0%)	82.9
Return on average assets (ROA)	%	8.5	8.3	9.3	2%	(11%)	9.1
Return on average equity (ROE)	%	24.4	24.1	25.4	1%	(5%)	26.5
Capital adequacy ratio	%	55.2	45.3	47.9	22%	(5%)	48.0
Average cost of borrowing	%	9.2	8.2	8.5	12%	(4%)	8.8
Return on sales (ROS)	%	11.7	11.3	10.6	4%	7%	11.9
Debt issued	Rm	47	363	303	(87%)	20%	849
Average assets	Rm	1 450	1 223	989	19%	24%	1 274
Average equity	Rm	500	424	362	18%	17%	438
Average interest bearing liabilities	Rm	737	586	422	26%	39%	614
Employees	Number	3 276	3 001	2 899	9%	4%	3 124
<b>Operational measures</b>							
<b>Rand Trust</b>							
Gross loans and advances	Rm	436	318	242	37%	31%	450
Impairment provision	Rm	(9)	(7)	(4)	29%	75%	(7)
Loans and advances	Rm	427	311	238	37%	31%	443
Average debtor days outstanding	Days	45	42	43	7%	(2%)	44
Employees	Number	106	98	66	8%	48%	95
<b>MBD</b>							
Number of agency clients	Number	73	63	52	16%	21%	68
Number of collection agents	Number	2 795	2 548	1 983	10%	28%	2 695
Call centres	Number	10	9	9	11%	0%	10
Assets under management	Rb	31.7	29.7	23.2	7%	28%	31.7
Agency	Rb	22.0	16.2	13.6	36%	19%	17.9
Principal	Rb	9.7	13.5	9.5	(28%)	42%	13.8
Average book value of purchased book debts	Rm	584	532	314	10%	69%	528
Principal revenue as % of average book value of purchased book debts	%	62.7	52.3	87.6	20%	(40%)	57.9
Agency/Principal collections revenue split	%	50/50	52/48	53/47	(4%)	(2%)	52/48
Employees	Number	3 077	2 834	2 759	9%	3%	2 960
<b>Principa</b>							
Employees	Number	93	69	74	35%	(7%)	69

**TRANSACTION CAPITAL DATA SHEET** *continued*

at 31 March 2015

		Half year ended 31 March			Movement		Year ended
		2015	2014	2013	2015	2014	Sep 2014
<b>GROUP EXECUTIVE OFFICE</b>							
<b>Condensed income statement</b>							
Net interest income	Rm	<b>48</b>	46	11	<b>4%</b>	318%	83
Non-interest revenue	Rm	<b>3</b>	18	(12)	<b>(83%)</b>	(250%)	22
Net operating costs	Rm	<b>(25)</b>	(32)	8	<b>(22%)</b>	(500%)	(52)
Profit before tax	Rm	<b>26</b>	32	7	<b>(19%)</b>	357%	53
Profit after tax	Rm	<b>19</b>	23	5	<b>(17%)</b>	360%	38
Headline earnings	Rm	<b>19</b>	23	5	<b>(17%)</b>	360%	38
<b>Other information</b>							
Depreciation	Rm	<b>-</b>	-	-	<b>n/a</b>	n/a	-
Amortisation of intangible assets	Rm	<b>1</b>	1	1	<b>0%</b>	0%	1
<b>Statement of financial position</b>							
<b>Assets</b>							
Cash and cash equivalents	Rm	<b>368</b>	1 047	68	<b>(65%)</b>	1 440%	1 052
Property and equipment	Rm	<b>3</b>	1	1	<b>200%</b>	0%	4
Goodwill and intangibles	Rm	<b>61</b>	62	352	<b>(2%)</b>	(82%)	-
Goodwill	Rm	<b>61</b>	61	350	<b>0%</b>	(83%)	-
Intangibles	Rm	<b>-</b>	1	2	<b>(100%)</b>	(50%)	-
Other assets	Rm	<b>104</b>	314	256	<b>(67%)</b>	23%	355
Total assets	Rm	<b>536</b>	1 424	677	<b>(62%)</b>	110%	1 411
<b>Liabilities</b>							
Bank overdrafts	Rm	<b>-</b>	-	84	<b>n/a</b>	(100%)	-
Interest-bearing liabilities	Rm	<b>702</b>	923	450	<b>(24%)</b>	105%	886
Group	Rm	<b>(1 382)</b>	(990)	(908)	<b>40%</b>	9%	(960)
Other liabilities	Rm	<b>29</b>	33	30	<b>(12%)</b>	10%	30
Total liabilities	Rm	<b>(651)</b>	(34)	(344)	<b>1 815%</b>	(90%)	(44)
Segment net assets	Rm	<b>1 187</b>	1 458	1 021	<b>(19%)</b>	43%	1 455
Debt issued	Rm	<b>-</b>	-	-	<b>n/a</b>	n/a	-
Employees	Number	<b>32</b>	39	67	<b>(18%)</b>	(42%)	35



		Half year ended 31 March			Movement		Year ended
		2015	2014	2013	2015	2014	Sep 2014
<b>ENVIRONMENT</b>							
Estimated minibus taxi market	Vehicles	<b>200 000</b>	200 000	200 000	<b>0%</b>	0%	200 000
Estimated minibus taxi market – financed	Vehicles	<b>65 000</b>	65 000	60 000	<b>0%</b>	17%	65 000
Consumers with impaired records NCR	%	<b>44.9</b>	48.1	46.8	<b>(7%)</b>	3%	45.0

## FORMULAE AND DEFINITIONS

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 risk services only
EFFECTIVE TAX RATE	Income tax expense expressed as a percentage of profit before tax
ENTRY-LEVEL VEHICLES	Vehicles 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 December 2013, 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

ITEMS	DEFINITIONS
NET ASSET VALUE PER SHARE	Equity attributable to ordinary equity holders of the parent divided by number of ordinary shares in issue
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 2/2013 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 year expressed as a percentage of average total assets
RETURN ON AVERAGE TANGIBLE ASSETS	Profit for the year expressed as a percentage of average tangible assets
RETURN ON AVERAGE EQUITY	Profit for the year 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 year attributable to ordinary equity holders of the parent expressed as a percentage of average tangible equity attributable to ordinary equity holders of the parent
RETURN ON SALES	Profit for the year expressed as a percentage of interest income plus non-interest revenue
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 year increased by shares issued during the year, weighted on a time basis for the year during which they have participated in the income of the group excluding treasury shares





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