



### TOTAL INCOME R2 504 million

↑ **21.8%** (2012: R2 055 million)

### NON-INTEREST REVENUE R1 182 million

↑ **15.8%** (2012: R1 021 million)

### GROSS LOANS AND ADVANCES R10 785 million

↑ **27.3%** (2012: R8 471 million)

### HEADLINE EARNINGS R233 million

↑ **36.3%** (2012: R171 million)

### WEIGHTED AVERAGE NUMBER OF SHARES 583.8 million

↑ **23.3%** (2012: 473.4 million)

### HEADLINE EARNINGS PER SHARE 39.9 cents

↑ **10.5%** (2012: 36.1 cents)

### NET ASSET VALUE PER SHARE 527.6 cents

↑ **30.1%** (2012: 405.5 cents)

### RETURN ON EQUITY 15.6%

↓ **20.4%** (2012: 19.6%)

### MAIDEN INTERIM DIVIDEND PER SHARE

↑ **9 cents** (2012: 0 cents)

	1H13 Unaudited Rm	1H12 Reviewed Rm	Change %	FY12 Audited Rm
<b>Consolidated income statement</b>				
Interest and other similar income	1 322	1 034	27.9	2 224
Interest and other similar expense	(471)	(443)	6.3	(883)
<b>Net interest income</b>	<b>851</b>	<b>591</b>	<b>44.0</b>	<b>1 341</b>
Impairment of loans and advances	(492)	(337)	46.0	(740)
<b>Risk-adjusted net interest income</b>	<b>359</b>	<b>254</b>	<b>41.3</b>	<b>601</b>
Non-interest revenue	1 182	1 021	15.8	2 126
Operating costs	(1 236)	(1 035)	19.4	(2 181)
<b>Profit before tax</b>	<b>305</b>	<b>240</b>	<b>27.1</b>	<b>546</b>
Income tax expense	(54)	(56)	(3.6)	(112)
<b>Profit for the period</b>	<b>251</b>	<b>184</b>	<b>36.4</b>	<b>434</b>
Attributable to non-controlling equity holders	18	13	38.5	33
Attributable to ordinary shareholders	233	171	36.3	401
Basic earnings per share from continuing operations	39.9	36.1	10.5	77.2
Diluted basic earnings per share from continuing operations	39.9	38.0	5.0	77.2
Headline earnings per share from continuing operations	39.9	36.1	10.5	78.0
Normalised headline earnings per share	39.9	38.0	5.0	81.6

	1H13 Unaudited Rm	1H12 Reviewed Rm	Change %	FY12 Audited Rm
<b>Consolidated statement of comprehensive income</b>				
<b>Profit for the period</b>	<b>251</b>	<b>184</b>	<b>36.4</b>	<b>434</b>
<b>Other comprehensive income</b>	<b>3</b>	<b>-</b>	<b>100.0</b>	<b>-</b>
<b>Movement in cash flow hedging reserve</b>	<b>29</b>	<b>-</b>	<b>100.0</b>	<b>(6)</b>
Fair value gains/(losses) arising during the period	(18)	-	(100.0)	4
Amount removed from other comprehensive income and recognised in the profit and loss	(8)	-	(100.0)	2
Deferred tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>254</b>	<b>184</b>	<b>38.0</b>	<b>434</b>
Attributable to non-controlling equity holders	18	13	38.5	33
Attributable to ordinary shareholders	236	171	38.0	401

	1H13 Unaudited Rm	1H12 Reviewed Rm	Change %	FY12 Audited Rm
<b>Headline earnings reconciliation</b>				
<b>Group profit attributable to ordinary shareholders</b>	<b>233</b>	<b>171</b>	<b>36.3</b>	<b>401</b>
<b>Headline earnings adjustable items (deducted)/added</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
Losses on disposal of properties and equipment	-	-	-	2
Impairment of goodwill	-	-	-	3
Tax on headline earnings adjustments	-	-	-	(1)
<b>Headline earnings from continuing operations</b>	<b>233</b>	<b>171</b>	<b>36.3</b>	<b>405</b>
Listing costs	-	9	(100.0)	19
<b>Normalised headline earnings</b>	<b>233</b>	<b>180</b>	<b>29.4</b>	<b>424</b>

	1H13 Unaudited Rm	1H12 Reviewed Rm	Change %	FY12 Audited Rm
<b>Condensed segment report</b>				
<b>Condensed income statement</b>				
Net interest income	318	259	525	356
Impairment of loans and advances	(128)	(122)	(362)	(215)
Non-interest revenue	92	89	450	337
Total operating costs	(193)	(151)	(502)	(380)
<b>Profit before tax</b>	<b>89</b>	<b>75</b>	<b>111</b>	<b>98</b>
Headline earnings	68	58	89	69
Services: EBITDA	-	-	-	-
Net interest margin (%)	12.2	11.9	20.6	20.9
Cost-to-income (%)	47.1	43.4	51.5	54.8
Number of employees	572	511	1 221	1 085

	1H13 Unaudited Rm	1H12 Reviewed Rm	1H13 Unaudited Rm	1H12 Reviewed Rm	1H13 Unaudited Rm	1H12 Reviewed Rm	1H13 Unaudited Rm	1H12 Reviewed Rm	1H13 Unaudited Rm	1H12 Reviewed Rm
<b>Condensed statement of financial position</b>										
<b>Assets</b>										
Cash and cash equivalents	483	476	553	230	25	66	131	98	68	68
Loans and advances	5 104	4 370	4 439	3 274	51	68	-	-	5	9 594
Purchased book debts	-	-	-	-	420	318	-	-	-	420
Other assets and receivables	491	518	796	805	299	210	340	288	609	604
<b>Total assets</b>	<b>6 078</b>	<b>5 364</b>	<b>5 788</b>	<b>4 309</b>	<b>795</b>	<b>662</b>	<b>471</b>	<b>386</b>	<b>677</b>	<b>13 809</b>
<b>Liabilities</b>										
Bank overdrafts	100	162	-	-	4	-	45	18	84	233
Interest-bearing liabilities	4 579	4 459	4 165	2 963	185	139	79	80	450	9 458
Senior debt	4 078	4 043	3 378	2 408	185	137	79	80	-	7 720
Subordinated debt	501	416	787	555	-	2	-	-	450	1 738
Group	630	208	217	473	61	19	-	-	(908)	(700)
Other liabilities and payables	281	177	252	224	194	188	177	131	30	934
<b>Total liabilities</b>	<b>5 590</b>	<b>5 006</b>	<b>4 634</b>	<b>3 660</b>	<b>444</b>	<b>346</b>	<b>301</b>	<b>229</b>	<b>(344)</b>	<b>10 625</b>
<b>Total equity</b>	<b>488</b>	<b>358</b>	<b>1 154</b>	<b>649</b>	<b>351</b>	<b>316</b>	<b>170</b>	<b>157</b>	<b>1 021</b>	<b>3 184</b>
Return on average assets (ROA) (%)	2.4	2.3	4.0	4.2	11.7	11.2	14.2	15.1	3.9	3.5
Return on average equity (ROE) (%)	29.6	25.3	17.0	27.4	25.5	26.4	34.4	37.8	15.6	19.6
Capital adequacy ratio (%)	28.0	19.1	35.7	33.9	48.8	50.3	50.0	54.7	34.4	30.0
Average cost of borrowings (%)	10.1	11.0	10.5	11.9	7.1	12.5	9.9	9.0	10.6	11.1
Credit loss ratio (%)	4.9	5.6	14.2	12.6	-	-	-	-	9.5	8.6
Provision coverage (%)	4.9	4.1	17.9	14.7	-	-	-	-	11.5	8.9
Non-performing loan ratio (%)	32.4	28.3	30.6	28.2	-	-	-	-	31.3	28.0
Non-performing loan coverage (%)	15.2	14.4	58.6	52.0	-	-	-	-	36.6	31.8
Assets under management (Rb)	-	-	-	-	23.7	21.8	-	-	-	-
Number of collection agents	-	-	-	-	2 547	2 159	-	-	-	-
ATM disbursements (Rb)	-	-	-	-	-	-	17.4	14.1	-	-
Number of ATMs	-	-	-	-	-	-	4 522	4 179	-	-

	Share capital and premium Rm	Cash flow hedging reserve Rm	Retained earnings Rm	Ordinary shareholders' equity Rm	Non-controlling interests Rm	Total equity Rm
<b>Balance at 31 March 2012</b>	1 159	(3)	882	2 038	67	2 106
Total comprehensive income	-	-	230	230	20	250
<b>Profit for the period</b>	-	-	230	230	20	250
Issue of shares	653	-	-	653	-	653
Repurchase of shares	(2)	-	-	(2)	-	(3)
Share issue costs	(18)	-	-	(18)	-	(18)
<b>Balance at 30 September 2012</b>	1 792	(3)	1 112	2 901	87	2 988
Total comprehensive income	-	3	233	236	18	254
<b>Profit for the period</b>	-	3	233	233	18	251
Other comprehensive income for the period	-	-	-	-	3	3
Dividends paid	-	-	(53)	(53)	-	(53)
Repurchase of shares	(5)	-	-	(5)	-	(5)
<b>Balance at 31 March 2013</b>	<b>1 787</b>	<b>-</b>	<b>1 292</b>	<b>3 079</b>	<b>105</b>	<b>3 184</b>

### Basis for preparation

The financial results of the group for six months ended 31 March 2013 are unaudited and have been prepared in accordance with International Financial Reporting Standards ("IFRS") and contains the information required by IAS 34: Interim Financial Reporting, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

The accounting policies and their application are consistent, in all material respects, with those detailed in Transaction Capital's prior year annual financial statements, except for the adoption on 1 October 2012 of new and amended statements and interpretations of International Financial Reporting Standards with effective dates beginning on or after 1 October 2012.

The adoption of the new and amended statements of International Financial Reporting Standards, interpretations of statements of International Financial Reporting Standards had no material effect on the group's financial results.

Cash and cash equivalents of R152 million (1H12) and R43 million (FY12) in the services division, and corresponding trade and other payables were offset in line with IFRS. This relates to cash receipts from customers and payments made on their behalf.

These condensed financial results have been prepared under the supervision of D M Hurwitz, Chief financial officer.

### Subsequent events

No events have taken place between 31 March 2013 and the date of the release of this report, which would have a material impact on either the financial position or operating results of the group.

### Administration

Transaction Capital Limited  
Registration number: 2002/031730/06 (Incorporated in the Republic of South Africa) ("Transaction Capital" or "the company" or "the group")  
JSE share code: TCP • ISIN: ZAE000167391 • Taxation registration number: 9466/298/15/6  
Registered office: Sandhavan Office Park, 14 Pongola Crescent, Eastgate Ext.17, Sandton, 2199, PO Box 41888, Craighall, 2024, Republic of South Africa. Tel: +27 (0)11 531 5485. Fax: +27 (0)11 262 3713  
Directors: Christopher Seabrooke (Chairman), Mark Lamberti (Chief executive officer), David Hurwitz (Chief financial officer), Jonathan Jawno, Steven Kark, Phumzile Langeni, Michael Mendelowitz, Cedric Numba, Roberto Rossi, Dumisani Tabata, David Wooliam, Shaun Zagnoev (\*\*Independent non-executive) (\*\*Non-executive), Brenda Madumise (resigned 29 April 2013). • Company secretary: P J Katzenellenbogen • Auditors: Deloitte & Touche • Sponsor: Deutsche Securities SA Proprietary Limited  
Transfer secretaries: Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001

	1H13 Unaudited Rm	1H12 Reviewed Rm	Change %	FY12 Audited Rm
<b>Consolidated statement of financial position</b>				
<b>Assets</b>				
Cash and cash equivalents	1 260	938	34.3	1 101
Tax receivables	30	47	(36.2)	28
Trade and other receivables	624	555	12.4	410
Inventories	170	172	(1.2)	203
Loans and advances	9 594	7 717	24.3	8 780
Purchased book debts	420	318	32.1	347
Other loans receivable	291	225	29.3	228
Other investments	1	28	(96.4)	-
Intangible assets	34	38	(10.5)	36
Property and equipment	331	292	13.4	308
Goodwill	927	930	(0.3)	927
Deferred tax assets	127	138	(8.0)	130
<b>Total assets</b>	<b>13 809</b>	<b>11 398</b>	<b>21.2</b>	<b>12 498</b>
<b>Liabilities</b>				
Bank overdrafts	233	180	29.4	158
Tax payables	22	74	(70.3)	13
Trade and other payables	748	560	33.6	827
Provisions	6	4	50.0	3
Interest-bearing liabilities	9 458	8 351	13.3	8 353
Senior debt	7 720	6 668	15.8	6 676
Subordinated debt	1 738	1 683	3.3	1 477
Deferred tax liabilities	158	123	28.5	156
<b>Total liabilities</b>	<b>10 625</b>	<b>9 292</b>	<b>14.3</b>	<b>9 510</b>
<b>Equity</b>				
Ordinary share capital and premium	1 787	1 159	54.1	1 792
Reserves	-	(3)	(100.0)	(3)
Retained earnings	1 292	883	46.4	1 112
<b>Equity attributable to ordinary equity holders of the parent</b>	<b>3 079</b>	<b>2 039</b>	<b>51.0</b>	<b>2 901</b>
Non-controlling interests	105	67	56.7	87
<b>Total equity</b>	<b>3 184</b>	<b>2 106</b>	<b>51.2</b>	<b>2 988</b>
<b>Total equity and liabilities</b>	<b>13 809</b>	<b>11 398</b>	<b>21.2</b>	<b>12 498</b>

	1H13 Unaudited Rm	1H12 Reviewed Rm	Change %	FY12 Audited Rm
<b>Condensed consolidated statement of cash flows</b>				
Net cash (utilised)/generated by operating activities	233	(83)	(380.7)	(243)
Net cash utilised by investing activities	(144)	(89)	61.8	(133)
Net cash raised/(utilised) by financing activities	(5)	460	(101.1)	849
<b>Net increase in cash and cash equivalents</b>	<b>84</b>	<b>288</b>	<b>(70.8)</b>	<b>473</b>
Cash and cash equivalents at beginning of the period	943	470	100.6	470
<b>Cash and cash equivalents at end of the period</b>	<b>1 027</b>	<b>758</b>	<b>35.5</b>	<b>943</b>

### Overview

In the six months ended 31 March 2013, Transaction Capital moved closer to its strategic, operating and organisational objectives, culminating in a financial result in line with expectations for the first half of its first full year as a public company.

The results reflect the impact of approximately R870 million of new equity issued in two private placements during February 2012 and on the JSE listing of the company in June 2012:

- total income increased by 21.8% to R2 504 million;
- non-interest revenue increased by 15.8% to R1 182 million;
- gross loans and advances grew 27.3% to R10 785 million;
- headline earnings increased by 36.3% to R233 million;
- weighted average number of shares increased by 23.3% to 583.8 million shares;
- headline earnings per share increased by 10.5% to 39.9 cents;
- net asset value per share increased by 30.1% to 527.6 cents;
- return on average assets increased by 11.4% to 3.9%; and
- return on average equity of 15.6% was achieved, down from 19.6% in the prior year's first half.

An interim dividend of 9 cents per share was declared.