

AUDITED RESULTS

FOR THE YEAR ENDED
30 SEPTEMBER

2013

TRANSACTION CAPITAL



Transaction Capital

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HEADLINE EARNINGS

▲ 34.6% TO **R545 million**

HEADLINE EARNINGS PER SHARE

▲ 19.8% TO **93.4 cents**

NET ASSET VALUE PER SHARE

▲ 17.5% TO **637.7 cents**

WEIGHTED AVERAGE NUMBER OF SHARES

▲ 12.4% TO **583.6 million**

RETURN ON ASSETS

▲ 15.8% TO **4.4%**RETURN ON EQUITY **17.4%****18.6%** ACHIEVED IN 2012

FINAL DIVIDEND ▲ 33.3%

TO **12 cents per share**DISTRIBUTION OF **200 cents**

PER SHARE UNDER CONSIDERATION

OVERVIEW

In its first full year as a public company, Transaction Capital achieved the strategic, operational and financial objectives envisaged on the listing of the group. In addition, the disposal of Paycorp and Bayport (the latter still subject to approval) has substantially increased tangible net asset value and reduced the range and complexity of risks for stakeholders.

FINANCIAL HIGHLIGHTS

- headline earnings increased 34.6% to R545 million
- weighted average number of shares increased 12.4% to R583.6 million
- headline earnings per share increased 19.8% to 93.4 cents
- net asset value per share increased 17.5% to 637.7 cents
- return on average assets increased 15.8% to 4.4%
- return on average equity of 17.4% was achieved, down from 18.6% in 2012
- continued headline earnings increased 33.7% to R480 million, and continued headline earnings per share grew 19.1% to 82.3 cents, driven by
 - total income increasing 18.3% to R4 593 million
 - non-interest revenue increasing 15.1% to R1 910 million
 - gross loans and advances growing 19.8% to R11 697 million
- final dividend declared per share increased 33.3% to 12 cents per share
- distribution of 200 cents per share under consideration by the board

ENVIRONMENT

Despite decade long interest rate lows, and a continued migration of lower income consumers to middle income segments, the South African consumer economy softened throughout the year as employment and real wage growth slowed, exchange rate related inflation eroded disposable income, labour unrest escalated, and lenders decreased the growth rate of unsecured credit extension to generally over indebted lower and middle income consumers.

The financial services environment remained competitive as participants pursued market share, technological advantage and non-interest and transactional revenues. As predicted at the half year, major lenders reported deteriorating credit metrics and, in keeping with their commitment to regulatory compliance and responsible market conduct, implemented more conservative credit, origination, collection, provision and write-off policies.

Regulatory uncertainty abated slightly as certain policies were announced and the authorities moderated initial positions in response to established lender's lobbying and self-regulation. Poor enforcement by regulators, and unchecked abuse by opportunistic lenders, debt counsellors and other intermediaries, remains a threat to unsophisticated users and compliant operators throughout the financial services sector.

FINANCIAL PERFORMANCE

Transaction Capital's 34.6% growth of headline earnings to R545 million was achieved through a combination of revenue growth and cost containment in all divisions.

Net interest income grew 28.7% to R1 735 million, with a net interest margin of 16.0% unchanged. The reduction in cost of debt due to higher equity levels was neutralised by a lower yield on gross loans and advances, reflective of the stressed South African consumer credit economy.

The group's credit loss ratio increased from 8.8% to 9.6%, due to the increased weighting of unsecured loans and advances within the loan portfolio, which has a higher credit loss ratio associated with these loans. Encouragingly, the credit loss ratio of asset-backed lending declined from the prior year's levels.

Non-interest revenue grew 15.1% to R1 910 million due to the 19.8% growth in gross loans and advances, which drove fee, commission and insurance related income.

The cost-to-income ratio improved from 59.3% to 54.6% as a result of excellent cost control across the group and an increased weighting towards the lower cost-to-income ratio lending operations. Total expenses grew 11.5% to R1 990 million as both assets in the lending divisions and revenue generating activities in the services divisions expanded, with a concomitant investment in human capital and technology.

With a capital adequacy ratio of 41.6%, Transaction Capital is well positioned to take advantage of, and fund growth opportunities. Since the start of the financial year 21 institutions invested more than R5.6 billion of debt capital.

OPERATIONAL HIGHLIGHTS

Asset-backed Lending – SA Taxi and Rand Trust

The division increased headline earnings 22.6% to R163 million from a 16.9% growth in gross loans and advances to R5.9 billion.

SA Taxi is a specialist financier of mini-bus taxis to SMEs. Growth in net interest margin was driven by increased loan sizes due to inflationary increases in the cost price of the new vehicles, and by an improved net interest margin of 11.8% resulting from the reduced cost of debt.

Credit quality improved due to more stringent credit scoring, improved collections and an origination strategy biased increasingly towards premium vehicles, resulting in lower credit losses of 5.4%, compared to 5.6% a year ago. The rate of refinancing repossessed vehicles has slowed as more comprehensive refurbishments were required to ensure the requisite quality. This has resulted in an increase in the number of repossessed vehicles causing the non-performing loan ("NPL") ratio to increase from 31.9% to 36.4%. NPL coverage was concomitantly strengthened from 15.3% to 15.6%, as was provision coverage from 4.9% to 5.7%. Operational efficiencies are accruing from the relocation of SA Taxi's businesses to a single site.

Rand Trust provides receivables discounting and commercial debtor management to SMEs. Rand Trust invested heavily in its distribution channel, marketing mechanisms and client offering to create scale, diversify its client base, increase client's utilisation of available facilities and improve retention of long-term clients. The result was a 56.1% growth in loans and advances and a 33.7% growth in net interest income.

Unsecured Lending – Bayport

Bayport is a provider of unsecured personal loans to middle market consumers. The division increased headline earnings 19.9% to R199 million from a 23.5% growth in gross loans and advances to R5.8 billion.

Vintage curves from the first half of the 2013 financial year revealed a deterioration of credit quality. This triggered a further tightening of lending criteria resulting in lower disbursement levels for the year. Growth in gross loans and advances slowed to 23.5%, compared to 54.6% in 2012, accelerating the seasoning of the book. This, together with the slow-down in the late stage collection process for the year due to the implementation of system improvements, resulted in the adverse movement in the NPL ratio to 35.1%. This was addressed through an improvement in the NPL coverage from 54.3% to 64.2% and the provision coverage from 16.6% to 22.5%.

Bayport will remain conservative in targeting client and employer segments while actively monitoring credit quality, loan size (average at origination: R14 308) and term (average at origination: 47 months).

On 23 October 2013 Transaction Capital announced the sale of its 82.65% interest in Bayport to Bayport Management Limited, subject to various conditions and approvals. The transaction price of R1 330 million was 6.7 times earnings to September 2013, providing a 32.6% IRR excluding gearing benefits. The effective date of the disposal is expected to be before the end of 2013. As the transaction was approved by the board subsequent to the financial year end and not all conditions precedent have been met, Bayport is accounted for as a continuing operation.

Credit Services – MBD Credit Solutions and Principa Decisions

The division increased headline earnings 8.0% to R95 million.

MBD CS collects distressed consumer and commercial debt as agent for credit providers and as principal on acquired book debts. Earnings grew as a result of modest revenue growth enhanced by stringent cost management. Book acquisitions of R118.6 million in the current financial year and acquisitions of R42.6 million late in the last quarter of FY12, necessitated an increase in MBD CS's facilities and personnel in an expanded Johannesburg CBD call centre, and the optimisation of existing collection capacity and strategies. It is expected that the benefits of the investment in purchased book debts together with MBD CS's augmented collections capability will be realised during the 2014 financial year.

Principa Decisions provides credit risk consultancy services and software. A weakening local credit consumer economy has had a negative effect on Principa Decision's traditional revenue generation abilities. The Qarar joint venture with Simah in the Middle East however is now fully operational with strong revenues being earned during the last half of 2013.

Payment Services – Paycorp (Discontinued operation)

Paycorp comprises ATM Solutions, which owns, installs, operates and maintains a fleet of off bank premise ATMs and EFT terminals, and DrawCard, a prepaid card issuer. Earnings grew 8.7% to R50 million.

A combination of the active ATM fleet growing 6.2% to 4 651 machines, continued relocation of underperforming ATMs to better sites, and high network uptime levels, yielded a 24.5% increase in ATM disbursements. Payment based income grew 11.2% suppressed by slightly increased vandalism levels and fee structure pressure from banking partners.

On 6 August 2013 Transaction Capital entered into an agreement to dispose of 100% of Paycorp to a company owned by funds of emerging market private equity firm Actis, with minority ownership by the Paycorp management team. The transaction price of R937 million was 18.7 times earnings to September 2013, providing an 18.2% IRR excluding gearing benefits. All conditions precedent were fulfilled on 31 October 2013 with the effective date of the transaction being 1 November 2013, when the net sale proceeds were received by Transaction Capital. Paycorp is thus accounted for as a non-current asset held for sale in the 2013 financial year, with the impact of this classification contributing an additional R15 million to the discontinued operations headline earnings.

USE OF PROCEEDS

It is the intention of the board to retain a sufficient portion of the proceeds arising from the disposal of Paycorp and Bayport to optimise the equity and debt structures in the continuing subsidiaries, fund organic growth and facilitate an underpin for significant acquisitive activity in the medium term.

Subject to the closure of the Bayport transaction expected by the end of January 2014, and having taken full account of the medium term requirements of the group as described above, it is the further intention of the board to consider declaring a distribution of 200 cents per share, absent any unforeseen capital requirements arising in the interim. This is not a commitment and is intended only to provide shareholders with the board's deliberations on the use of proceeds.

RESTRUCTURE OF THE BOARD AND GROUP OFFICE

Coincident with, and allied to, the expiry of the chief executive's service contract, the board and group office has been restructured and resized to accommodate the requirements of the smaller Transaction Capital group.

Effective 26th November 2013:

- Steven Kark and Cedric Ntumba have tendered their resignations

With effect from the 15th January 2014:

- Christopher Seabrooke will stand down as independent non-executive chairman to become lead independent non-executive director
- Mark Lamberti will resign as chief executive officer to become non-executive chairman of the board
- David Hurwitz will be appointed chief executive officer
- Mark Herskovits will be appointed to the board as chief financial officer
- The nature, chairmanship and membership of the board's sub-committees will be altered to ensure the optimal deployment of director's independence and capabilities
- Jonathan Jawno will stand down as deputy chief executive officer to become an executive director while Michael Mendelowitz and Roberto Rossi will retain their positions as chief investment officer and chief legal officer respectively

All directors' fees or compensation will be altered concomitant with their new responsibilities and all group office functions have either been devolved to subsidiaries or reduced to support the smaller portfolio.

The above changes will position Transaction Capital with a board of 11 directors (six non-executive, five of whom are independent) and a substantially reduced group office, both resized to meet the necessary governance, leadership and affordability requirements, without compromising the strategy espoused at the time of listing.

STRATEGY AND PROSPECTS

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

Subsequent to the disposals mentioned above, Transaction Capital will comprise SA Taxi and Rand Trust in the asset-backed SME finance division and MBD Credit Solutions and Principa in the credit services division. These subsidiaries epitomise the unique characteristics necessary to sustain leadership within their chosen niches and, fuelled by the retained proceeds of the recent disposals, provide a solid platform for the organic and acquisitive growth of earnings and returns.

Notwithstanding the challenging environment, the early 2014 performance of Transaction Capital is in line with the guidance on revenue and profit growth rates provided on listing, albeit off a lower base.

DIVIDEND DECLARATION

In line with the stated dividend policy of 4 to 5 times cover and following the interim dividend of 9 cents per share, the board has declared a final gross cash dividend of 12 cents per share for the six months ended 30 September 2013, to those members recorded in the register of members on the record date, appearing below. The dividend is declared out of income reserves. The company will utilise STC credits to the value of 11.1 cents per share. A dividend withholding tax of 15% will be applicable to the remaining balance of 0.9 cents per share to all shareholders that are not exempt, resulting in a net dividend of 11.865 cents per share. The company will have no remaining STC credits available. The salient features applicable to the final dividend are as follows:

Issued shares as at declaration date	582 581 177
Declaration date	Tuesday, 26 November 2013
Last day to trade cum dividend	Thursday, 12 December 2013
First day to trade ex dividend	Friday, 13 December 2013
Record date	Friday, 20 December 2013
Payment date	Monday, 23 December 2013

Share certificates may not be dematerialised or rematerialised between Friday, 13 December 2013, and Friday, 20 December 2013, both dates inclusive.

On Monday, 23 December 2013, 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 23 December 2013 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, 23 December 2013.

On behalf of the board of directors:

M J Lamberti
Chief executive officer

D M Hurwitz
Chief financial officer

26 November 2013

AUDITOR'S OPINION

The summarised consolidated financial statements of Transaction Capital Limited, contained in the accompanying summarised report, which comprise the summarised consolidated statement of financial position as at 30 September 2013, the summarised consolidated income statement, the summarised consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited annual consolidated financial statements of Transaction Capital Limited for the year ended 30 September 2013. We expressed an unmodified audit opinion on those annual consolidated financial statements in our report dated 26 November 2013. Our auditor's report on the audited annual consolidated financial statements contained an Other Matter paragraph "Other reports required by the Companies Act" (included below).

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements, therefore, is not a substitute for reading the audited annual consolidated financial statements of Transaction Capital Limited.

Directors' responsibility for the summarised consolidated financial statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for summarised reports, set out in the basis for preparation note to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements, and for such internal control as the directors determine is necessary to enable the preparation of the summarised consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The JSE Limited Listings Requirements require summarised reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council also, and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

Auditor's responsibility

Our responsibility is to express an opinion on the summarised consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, Engagements to Report on Summary Financial Statements.

Opinion

In our opinion, the summarised consolidated financial statements derived from the audited annual consolidated financial statements of Transaction Capital Limited for the year ended 30 September 2013 are consistent, in all material respects, with those annual consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for summarised reports, set out in the basis for preparation note to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

Other reports required by the Companies Act

The “other reports required by the Companies Act” paragraph in our audit report dated 26 November 2013 states that as part of our audit of the consolidated financial statements for the year ended 30 September 2013, we have read the Directors’ Report, the Audit Committee’s Report and the Company Secretary’s Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited annual consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited annual consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summarised consolidated financial statements or our opinion thereon.

Other matter

We have not audited future financial performance and expectations by management included in the accompanying summarised consolidated financial statements and accordingly do not express any opinion thereon.

Deloitte & Touche

Per: Lito Nunes

Partner

26 November 2013

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Deloitte Place

The Woodlands

Woodlands Drive

Woodmead

Sandton

Johannesburg

BASIS FOR PREPARATION

The summarised consolidated audited financial statements of the group have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS, 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 of the South African Companies Act, 71 of 2008. The summarised financial statements are presented in accordance with IAS 34 and the Listings Requirements.

The accounting policies and their application are in terms of IFRS and are consistent, in all material respects, with those detailed in Transaction Capital's prior year annual financial statements, except for the adoption of new or revised accounting standards, interpretations and circulars which are described below.

New accounting standards

During the year the group elected to early adopt IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements, IAS 27 (as revised in 2011), Separate Financial Statements, IAS 28 (as revised in 2011), Investments in Associates and Joint Ventures and IFRS 12, Disclosure of Interests in Other Entities. The group believes that adoption of these standards will improve the disclosure of the nature and risks associated with interests in other entities. The major change as a result of the early adoption is the recognition of insurance cell captives as available-for-sale assets at fair value through equity. These standards have been applied retrospectively.

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

SUBSEQUENT EVENTS

The sale of Paycorp became effective on 1 November 2013.

The group announced, on 23 October 2013, its intention to dispose of its interest in Bayport subject to the following remaining material conditions precedent; approval from the Competition Commission and approval from the shareholders of Transaction Capital.

No other events which would have a material impact on either the financial position or operating results of the group have taken place between 30 September 2013 and the date of the release of this report.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2013

	2013 Audited Rm	2012 Audited Rm	Change %
Assets			
Cash and cash equivalents	673	1 101	(38.9)
Tax receivables	64	28	128.6
Trade and other receivables	505	410	23.2
Inventories	85	203	(58.1)
Loans and advances	10 232	8 780	16.5
Purchased book debts	420	347	21.0
Other loans receivable	280	228	22.8
Equity accounted investments	4	–	100.0
Other investments	481	316	52.2
Intangible assets	21	36	(41.7)
Property and equipment	96	308	(68.8)
Goodwill	594	927	(35.9)
Deferred tax assets	107	130	(17.7)
Non-current assets classified as held for sale	769	–	100.0
Total assets	14 331	12 814	11.8
Liabilities			
Bank overdrafts	71	158	(55.1)
Tax payables	2	13	(84.6)
Trade and other payables	386	827	(53.3)
Provisions	2	3	(33.3)
Interest-bearing liabilities	9 601	8 353	14.9
Senior debt	7 470	6 876	8.6
Subordinated debt	2 131	1 477	44.3
Deferred tax liabilities	194	156	24.4
Liabilities directly associated with non-current assets classified as held for sale	180	–	100.0
Total liabilities	10 436	9 510	9.7
Equity			
Ordinary share capital and premium	1 779	1 792	(0.7)
Other reserves	385	268	43.7
Retained earnings	1 551	1 112	39.5
Equity attributable to ordinary equity holders of the parent	3 715	3 172	17.1
Non-controlling interests	180	132	36.4
Total equity	3 895	3 304	17.9
Total equity and liabilities	14 331	12 814	11.8

SUMMARISED CONSOLIDATED INCOME STATEMENT

for the year ended 30 September 2013

	2013 Audited Rm	2012 Audited Rm	Change %
Interest and other similar income	2 683	2 222	20.7
Interest and other similar expense	(948)	(874)	8.5
Net interest income	1 735	1 348	28.7
Impairment of loans and advances	(1 038)	(740)	40.3
Risk adjusted net interest income	697	608	14.6
Non-interest revenue	1 910	1 660	15.1
Operating costs	(1 990)	(1 784)	11.5
Equity accounted earnings	4	-	100.0
Profit before tax	621	484	28.3
Income tax expense	(100)	(96)	4.2
Profit from continuing operations	521	388	34.3
Profit from discontinued operations	65	46	41.3
Profit for the year	586	434	35.0
Attributable to ordinary equity holders of the parent	544	401	35.7
Attributable to non-controlling equity holders	42	33	28.7
Basic earnings per share	93.2	77.3	20.6
Diluted basic earnings per share	93.2	77.3	20.6
Headline and diluted headline earnings per share	93.4	78.0	19.8
Headline and diluted headline earnings per share – continuing operations	82.3	69.1	19.1
Headline and diluted headline earnings per share – discontinued operations	11.1	8.9	24.7

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 September 2013

	2013 Audited Rm	2012 Audited Rm	Change %
Profit for the year	586	434	35.0
Other comprehensive income	122	149	(18.1)
Fair value gains/(losses) arising during the year on cash flow hedge	10	(6)	
Amount removed from other comprehensive income and recognised in profit and loss	-	4	
Fair value gains arising on valuation of available-for-sale investment	115	149	
Deferred tax	(3)	2	
Total comprehensive income for the year	708	583	21.4
Attributable to ordinary equity holders of the parent	659	523	26.0
Attributable to non-controlling equity holders	49	60	(18.3)

SUMMARISED HEADLINE EARNINGS RECONCILIATION

for the year ended 30 September 2013

	2013 Audited Rm	2012 Audited Rm	Change %
Profit attributable to ordinary equity holders of the parent	544	401	35.7
Headline earnings adjustable items added			
Losses on disposal of properties and equipment	-	1	(100.0)
Impairment of assets	-	3	(100.0)
Impairment of goodwill	1	-	100.0
Headline earnings	545	405	34.6

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2013

	Share capital and premium	Other reserves	Retained earnings	Ordinary shareholders equity	Non- controlling interests	Total equity
Balance at 30 September 2011	908	146	731	1 785	91	1 876
Total comprehensive income	-	122	401	523	60	583
Profit for the year	-	-	401	401	33	434
Other comprehensive income for the year	-	122	-	122	27	149
Dividends paid	-	-	-	-	(4)	(4)
Transactions with non- controlling equity holders	-	-	(20)	(20)	(15)	(35)
Issue of shares	913	-	-	913	-	913
Repurchase of shares	(11)	-	-	(11)	-	(11)
Share issue costs	(18)	-	-	(18)	-	(18)
Balance at 30 September 2012	1 792	268	1 112	3 172	132	3 304
Total comprehensive income	-	115	544	659	49	708
Profit for the year	-	-	544	544	42	586
Other comprehensive income for the year	-	115	-	115	7	122
Dividends paid	-	-	(105)	(105)	-	(105)
Transactions with non- controlling equity holders	-	-	-	-	(1)	(1)
Issue of share appreciation rights	-	2	-	2	-	2
Repurchase of shares	(13)	-	-	(13)	-	(13)
Balance at 30 September 2013	1 779	385	1 551	3 715	180	3 895

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 September 2013

	2013 Audited Rm	2012 Audited Rm	Change %
Net cash utilised by operating activities	(31)	(372)	91.7
Net cash utilised by investing activities	(165)	(4)	(4 025.0)
Net cash (utilised)/raised by financing activities	(13)	849	(101.5)
Net increase/(decrease) in cash and cash equivalents	(209)	473	(155.4)
Cash and cash equivalents at beginning of the year	943	470	100.6
Cash and cash equivalents at beginning of the year relating to discontinued operations	(132)	-	(100.0)
Cash and cash equivalents at beginning of the year from continuing operations	811	470	71.5
Cash and cash equivalents at end of year	602	943	(36.2)

SUMMARISED SEGMENT REPORT

	Asset-backed lending		Credit services		Group executive office	
	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm
Summarised income statement for the year ended 30 September 2013						
Net interest income	667	552	(1)	4	20	(17)
Impairment of loans and advances	(281)	(245)	(2)	(1)	-	-
Non-interest revenue	218	191	790	769	15	(25)
Total operating costs	(403)	(333)	(666)	(652)	(2)	6
Equity accounted earnings	-	-	4	-	-	-
Profit before tax	200	165	125	120	33	(36)
Impact of classification to held for sale	-	-	-	-	-	-
Profit from discontinued operations	-	-	-	-	-	-
Headline earnings	163	133	95	88	23	(28)
Total headline earnings	163	133	95	88	23	(28)
Return on average assets (ROA) (%)	2.7	2.5	12.2	12.4		
Return on average equity (ROE) (%)	32.3	39.3	27.3	28.8		
Services: EBITDA			134	125		
Net interest margin (%)	12.3	12.1				
Cost-to-income ratio (%)	45.5	44.8	84.4	84.4		
Average cost of borrowing (%)	10.1	11.2	8.2	8.2		
Credit loss ratio (%)	5.2	5.4				
ATM disbursements (Rb)						
Number of employees	564	555	3 039	2 518	70	56

Group before unsecured lending		Unsecured lending		Group – continuing		Payment services – discontinued		Group	
2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm
686	539	1 049	809	1 735	1 348	-	-	1 735	1 348
(283)	(246)	(755)	(494)	(1 038)	(740)	-	-	(1 038)	(740)
1 023	935	887	724	1 910	1 660	-	-	1 910	1 660
(1 071)	(980)	(919)	(805)	(1 990)	(1 784)	-	-	(1 990)	(1 784)
4	-	-	-	4	-	-	-	4	-
359	249	262	234	621	484	-	-	621	484
-	-	-	-	-	-	15	-	15	-
-	-	-	-	-	-	50	46	50	46
282	193	199	166	480	359	-	-	480	359
282	193	199	166	480	359	65	46	545	405
134	125	4.3	4.6	3.9	3.4	12.3	12.1	4.4	3.8
		17.7	23.2	15.3	16.4	30.3	30.5	17.4	18.6
		19.6	21.2	16.0	16.0	-	-	134	125
		47.5	52.5	54.6	59.3	86.6	86.3	54.6	59.3
		9.9	10.3	10.3	11.0	10.3	9.6	10.3	11.0
		14.1	13.0	9.6	8.8			9.6	8.8
						35.6	28.6		
3 673	3 129	1 326	1 179	4 999	4 308	387	389	5 386	4 697

SUMMARISED SEGMENT REPORT *continued*

	Asset-backed lending		Credit services		Group executive office	
	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm
Summarised statement of financial position at 30 September 2013						
Assets						
Cash and cash equivalents	226	528	32	57	36	92
Loans and advances	5 577	4 801	47	59	-	-
Purchased book debts	-	-	420	347	-	-
Other investments	175	57	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-	769	-
Other assets and receivables	453	388	234	255	300	514
Total assets	6 431	5 774	733	718	1 105	606
Liabilities						
Bank overdrafts	71	137	-	-	-	-
Interest-bearing liabilities	4 398	4 468	151	140	922	449
Senior debt	3 947	4 103	151	140	-	-
Subordinated debt	451	365	-	-	922	449
Group	1 078	410	-	22	(1 295)	(901)
Liabilities directly associated with non-current assets classified as held for sale	-	-	-	-	180	-
Other liabilities and payables	185	267	204	226	71	47
Total liabilities	5 732	5 282	355	388	(122)	(405)
Total equity	699	492	378	330	1 227	1 011
Capital adequacy ratio (%)	31.7	23.0	48.7	47.9		
Provision coverage (%)	5.5	4.7				
Non-performing loan ratio (%)	34.3	30.7				
Non-performing loan coverage (%)	15.9	15.5				
Assets under management (Rb)			25.8	23.2		
Number of collection agents			2 744	1 983		
Number of active ATMs						

* Assets classified as held for sale comprises R418 million of Paycorp assets, R332 million of goodwill related to Paycorp and R19 million increase in assets due to the held for sale depreciation and amortisation reversal required.

** Liabilities held for sale comprise R247 million of Paycorp liabilities, less R67 million of intergroup loans which eliminates on consolidation.

Group before unsecured lending		Unsecured lending		Group – continuing		Payment services – discontinued		Group	
2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm	2013 Audited Rm	2012 Audited Rm
						*			
294	677	379	270	673	947	-	154	673	1 101
5 624	4 860	4 608	3 920	10 232	8 780	-	-	10 232	8 780
420	347	-	-	420	347	-	-	420	347
175	57	305	259	481	316	-	-	481	316
769	-	-	-	769	-	-	-	769	-
987	1 157	770	810	1 756	1 967	-	303	1 756	2 270
8 269	7 098	6 062	5 259	14 331	12 357	-	457	14 331	12 814
						**			
71	137	-	-	71	137	-	21	71	158
5 471	5 057	4 129	3 229	9 601	8 286	-	67	9 601	8 353
4 098	4 243	3 371	2 566	7 470	6 809	-	67	7 470	6 876
1 373	814	758	663	2 131	1 477	-	-	2 131	1 477
(217)	(469)	217	469	-	-	-	-	-	-
180	-	-	-	180	-	-	-	180	-
460	540	125	254	584	794	-	205	584	999
5 965	5 265	4 471	3 952	10 436	9 317	-	293	10 436	9 510
2 304	1 833	1 591	1 307	3 895	3 140	-	164	3 895	3 304
		40.5	43.9	40.1	35.7	53.4	54.0	41.6	35.7
		22.5	16.6	13.9	10.5			13.9	10.5
		35.1	30.6	34.5	30.4			34.5	30.4
		64.2	54.3	40.4	34.4			40.4	34.4
						4 651	4 381		

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 code: ZAE000167391
Tax reference number: 9466/298/15/6

Registered office

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Directors

Christopher Seabrooke (chairman)*, Mark Lamberti (chief executive officer), David Hurwitz (chief financial officer), Jonathan Jawno, Phumzile Langeni*, Michael Mendelowitz, Cedric Ntumba*, Roberto Rossi, Dumisani Tabata*, David Woollam*, Shaun Zagnoev*, Steven Kark** (re-classified as non-executive from 1 November 2013) (*Independent non-executive) (**Non-executive)
Brenda Madumise* (resigned 29 April 2013)

Company secretary

PJ Katzenellenbogen

Auditors

Deloitte & Touche

Sponsor

Deutsche Securities (SA) Proprietary Limited

Transfer secretaries

Computershare Investor Services Proprietary Limited,
70 Marshall Street,
Johannesburg 2001



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