MEDIA RELEASE

TRANSACTION CAPITAL CONSUMER CREDIT REHABILITATION INDEX (CCRI)

CCRI index measures the financial rehabilitation prospects of consumers currently in default.

- ***Rehabilitation outlook advances marginally by 0.3% in Q4 2017 vs Q4 2016***
- ***Slight sequential improvement of 1% from Q3 2017 to Q4 2017***
- ***Mpumalanga and the Free State provinces continue to show deteriorating prospects***

05 March 2018 - Transaction Capital Risk Services (TCRS), the technology-led, data-driven provider of credit management solutions in South Africa and Australia, and wholly owned subsidiary of Transaction Capital, today released its third Consumer Credit Rehabilitation Index (CCRI) for Q4 2017.

The CCRI is empirically based, sampling over five million consumers in credit default from TCRS' proprietary database. The index measures consumer credit rehabilitation prospects scientifically, using an algorithm that estimates their propensity to repay debt and therefore make positive progress towards financial rehabilitation.

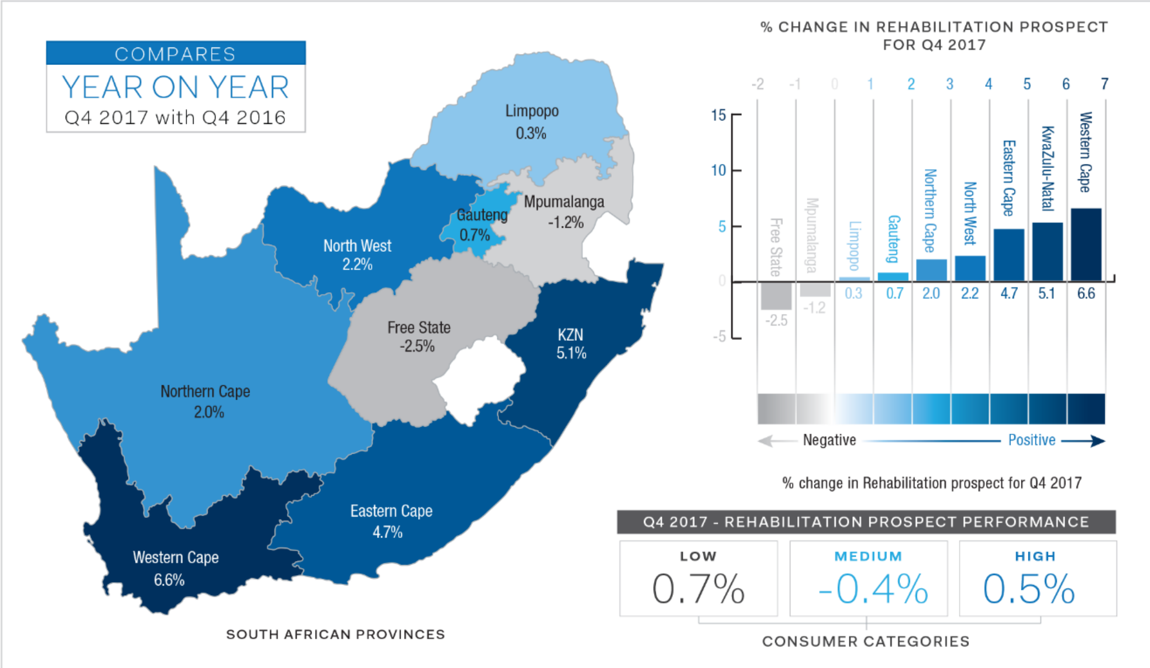
The national rehabilitation prospects of South African consumers already in a default position improved marginally by 0.3% in Q4 2017 compared to Q4 2016. The sequential quarterly outlook from Q3 to Q4 2017 also showed a slight improvement of 1%. The Free State and Mpumalanga provinces continued to record notable deterioration in rehabilitation prospects of -2.5% and -1.2% respectively in Q4 2017 compared to Q4 2016. In contrast, coastal provinces recorded positive shifts with the Western Cape improving the most.

Commenting on the latest CCRI, David Hurwitz, CEO of Transaction Capital, said:

"Overall, Consumers' ability to repay debts remained under pressure in Q4 2017 against a backdrop of stagnant employment, escalating costs of household essentials and stubbornly high levels of household debt to income. Whilst it is positive that the latest CCRI shows marginal improvements, this is off a low base and is not yet meaningful. Only a sequence of consistent quarterly improvements would indicate a real change in the consumer outlook.

"Although the interest rate cut in July 2017 and lower inflation may improve the debt servicing ability of households moderately, the tight fiscus and relentless budget deficit has led to increases in consumer taxes which could put further strain on consumers. We will continue to monitor consumers' rehabilitation prospects and ultimately believe that a gradual deleveraging of the consumer will prevail."

CONSUMER CREDIT REHABILITATION INDEX Q4 2017



At the end of 2017, there were some 25.08 million credit-active consumers according to Credit Bureau Monitor and 9.87 million consumers had impaired records.

The CCRI is an important measure of consumers with impaired records as it provides a clear indication of their rehabilitation prospects. Credit rehabilitation is a crucial element in growing an inclusive economy, as it allows consumers to become economically active again through access to conventional finance. At the same time, it allows lenders to maintain strong balance sheets and to continue extending credit at affordable interest rates.

The CCRI analyses periodical changes in consumers' credit health levels across three rehabilitation prospect categories (Low, Medium and High) for all nine South African provinces. These categories represent the anticipated ability of consumers to improve their creditworthiness status. CCRI is informed by the collection of accounts receivable across the credit lifecycle, including early stage rehabilitation, late stage collections and legal recoveries, using both call centre and legal collections.

ENDS

For more information contact Transaction Capital:
www.transactioncapital.co.za
+27 (0) 11 049 6700
Investor Relations
Issued by: Transaction Capital Limited