

# Trading update

for the third quarter ended  
30 June 2010

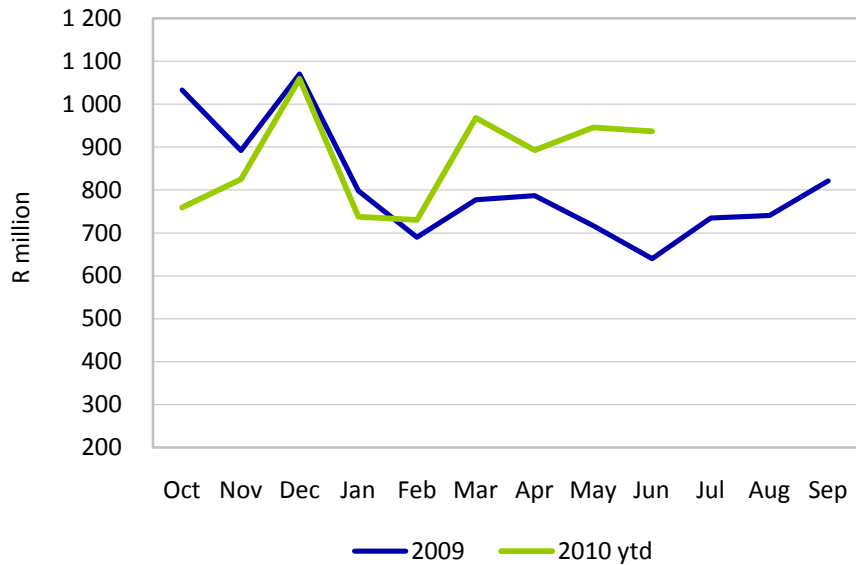




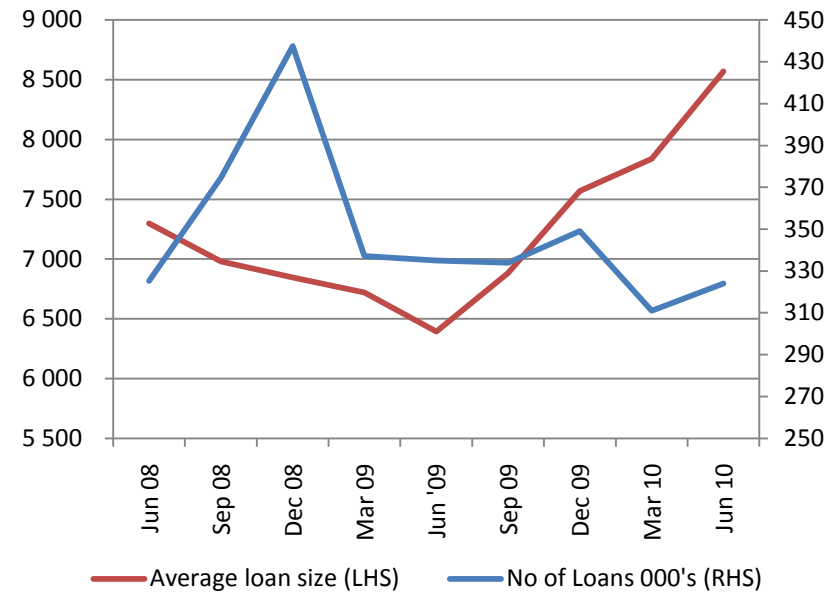
# Sales of new loans

- Quarterly sales increase of 29%, year-to-date sales up 6%
- Branch reinvigoration program yielding results
- Product enhancements well received
- Some World Cup benefit evident

Sales of new loans

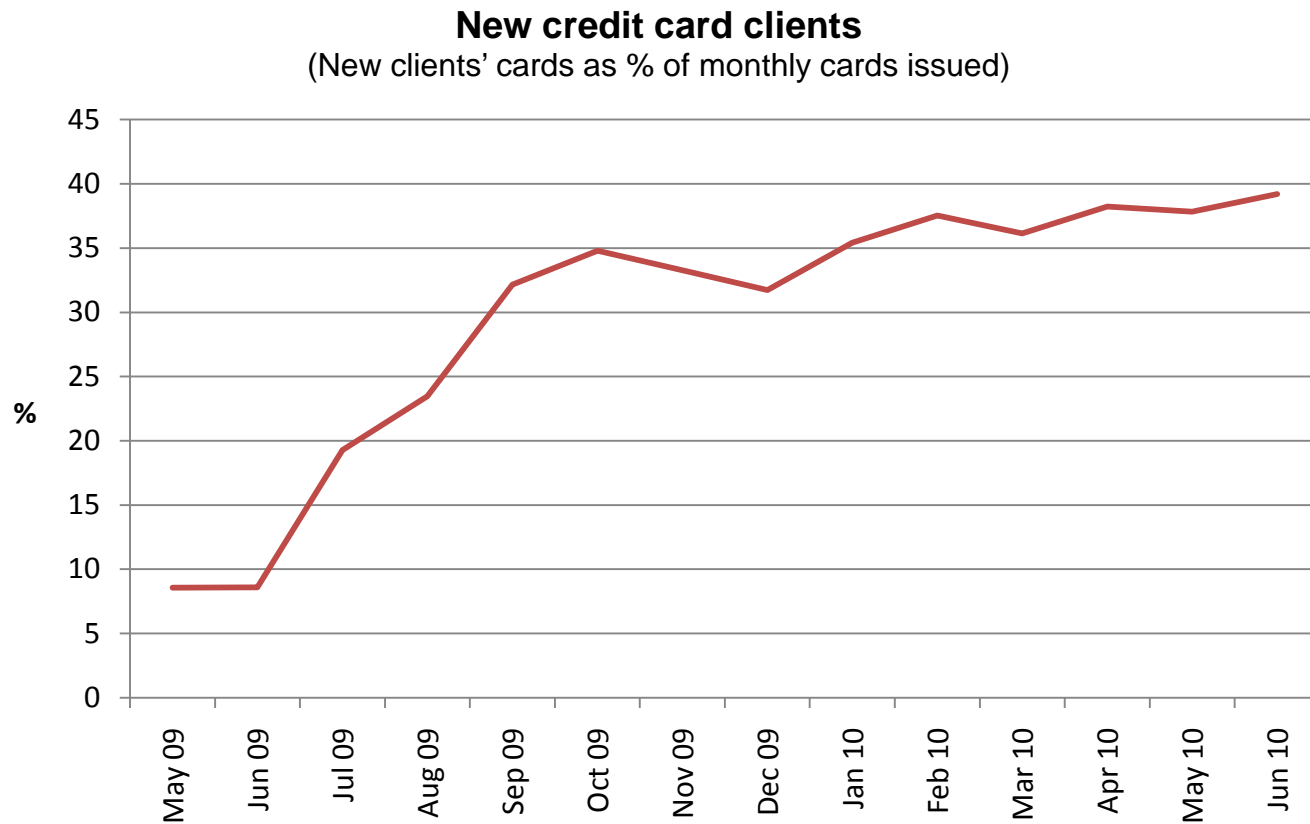


Quarterly sales of new loans



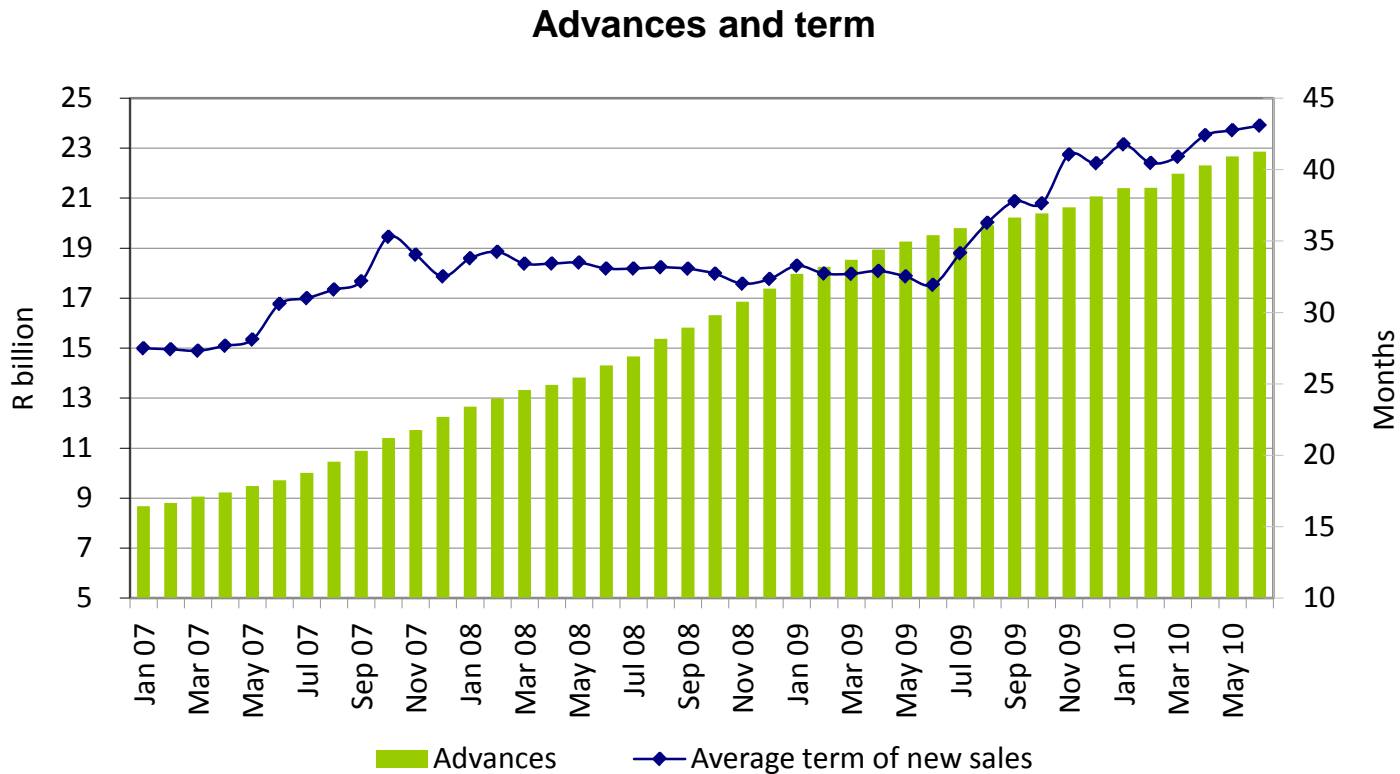
# Sales improvements

- Ratio of new to repeat clients improving, most evident in credit card product
- Cross-selling opportunities into Ellerines client base



# Advances

- Year-to-date advances growth of 13%, annualised growth of 17% to R23 billion
- Growth in the quarter a function of higher sales, moderated by increased write-offs

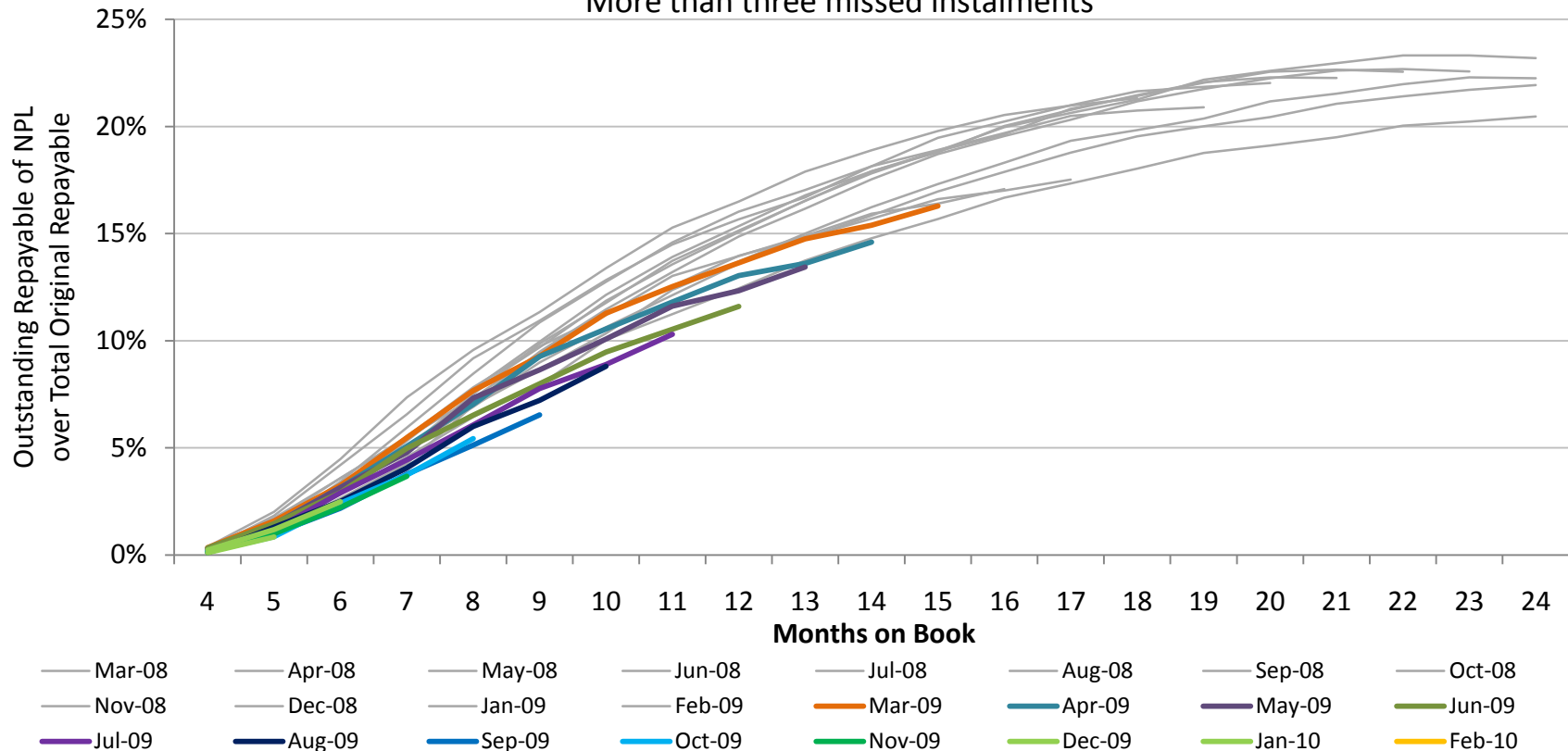


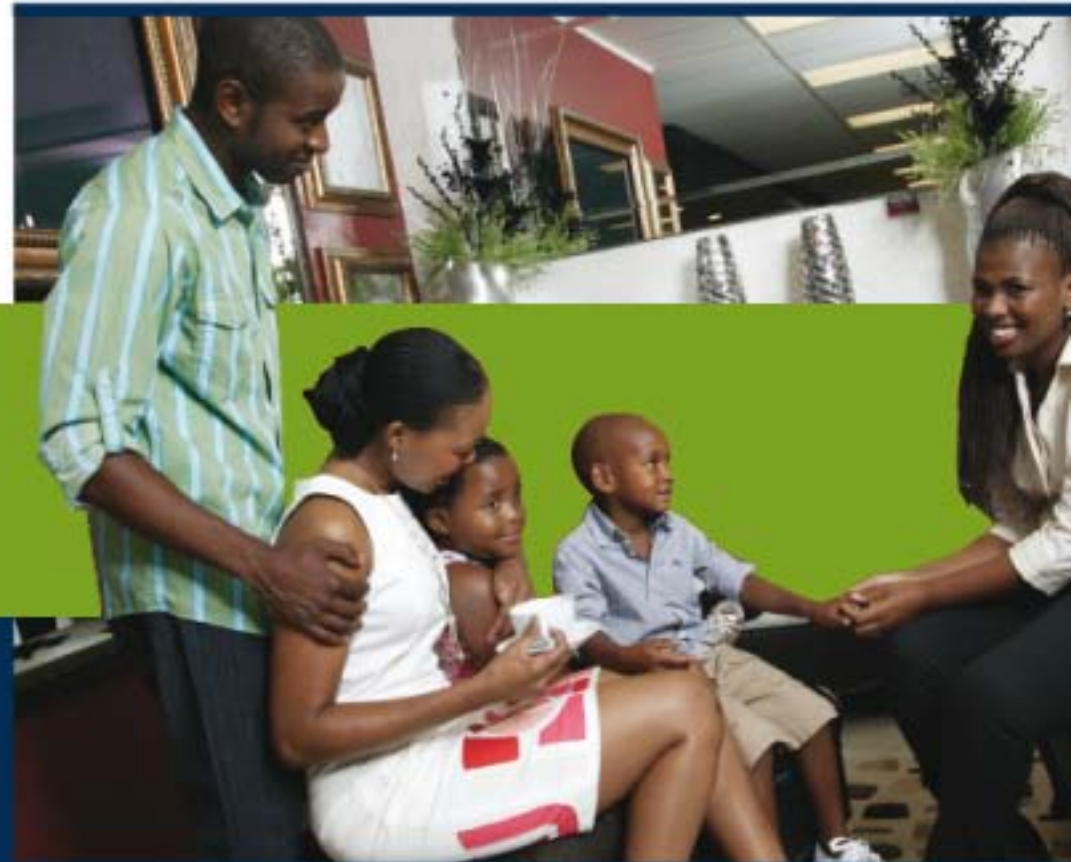
# Asset quality

- Recent vintages tracking at the bottom of historic underwriting range
- NPL ratio declining modestly

## VINTAGE GRAPH - African Bank

More than three missed instalments

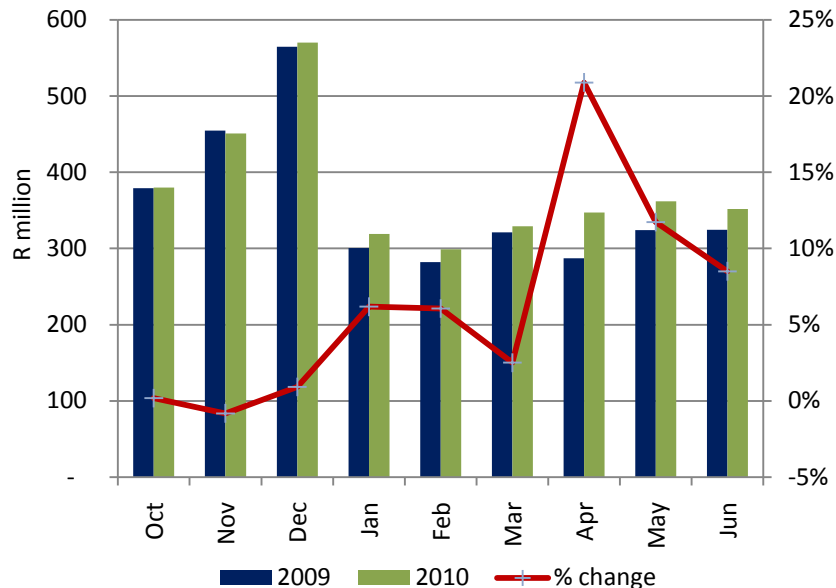




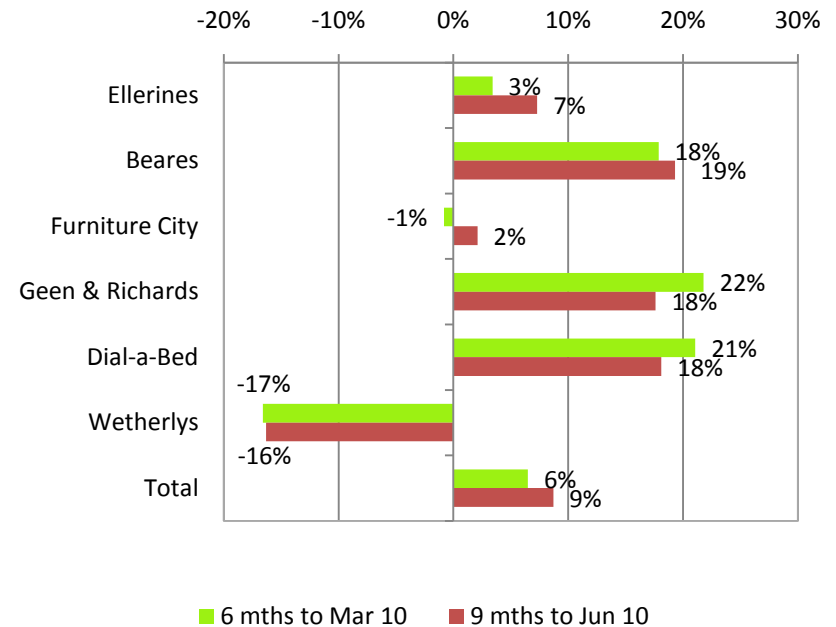
# Merchandise sales

- Merchandise sales up 13% for quarter (16% on comparable basis), 5% for 9 months (comparable sales up 9%)
- Credit sales mix steady
- Gross margins firmer

Monthly sales comparison



Comparable sales growth

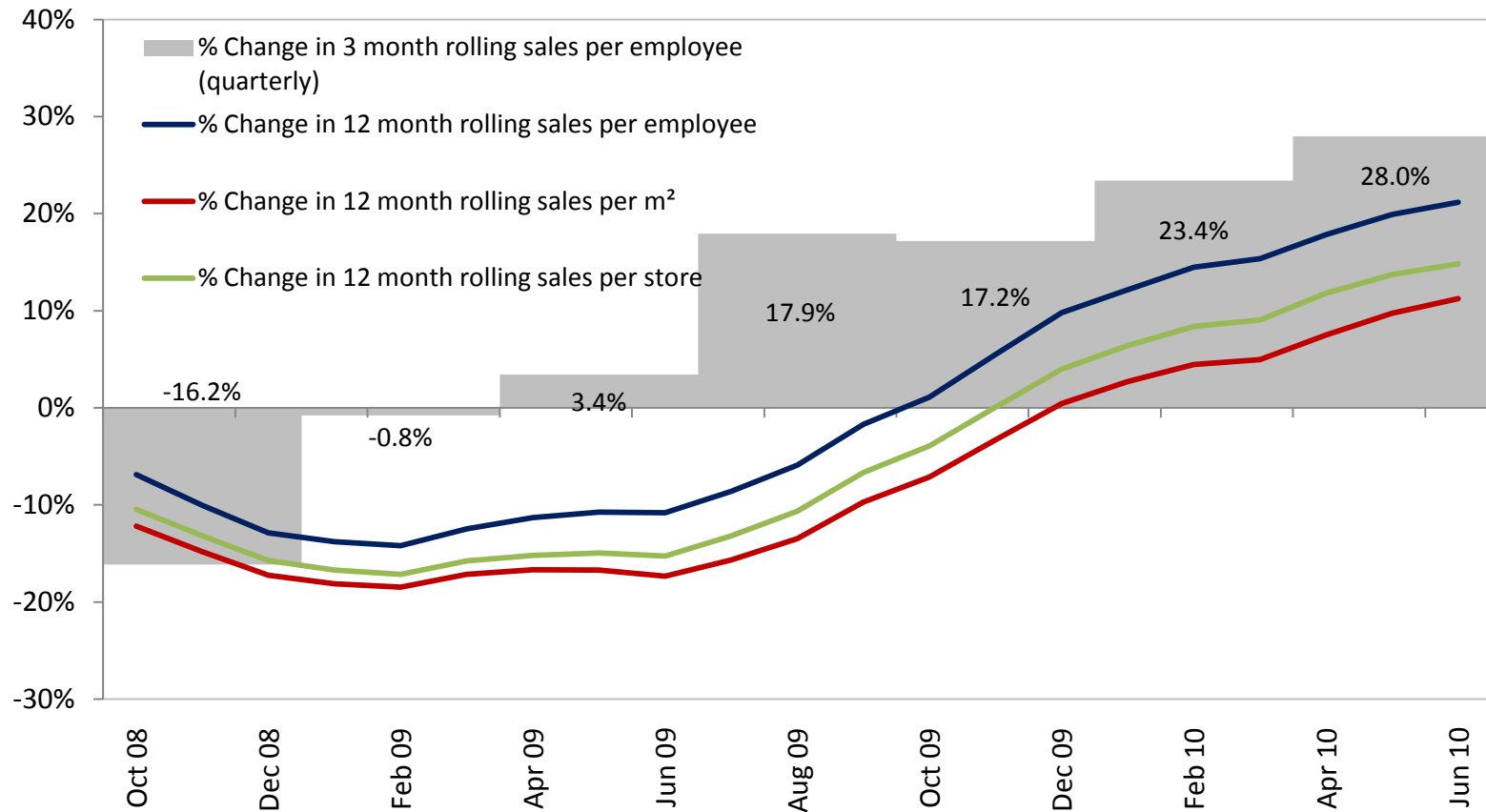




# Efficiencies

- Productivity dials continue to improve

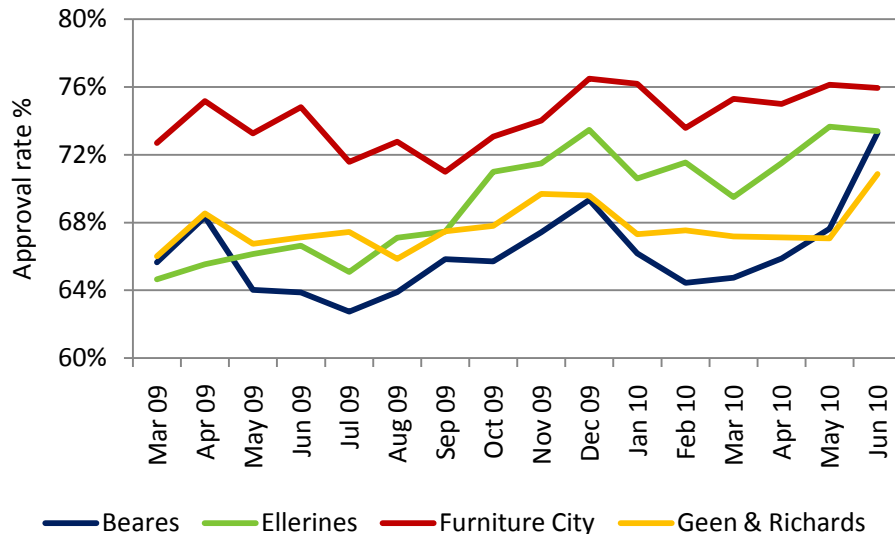
## Productivity variances



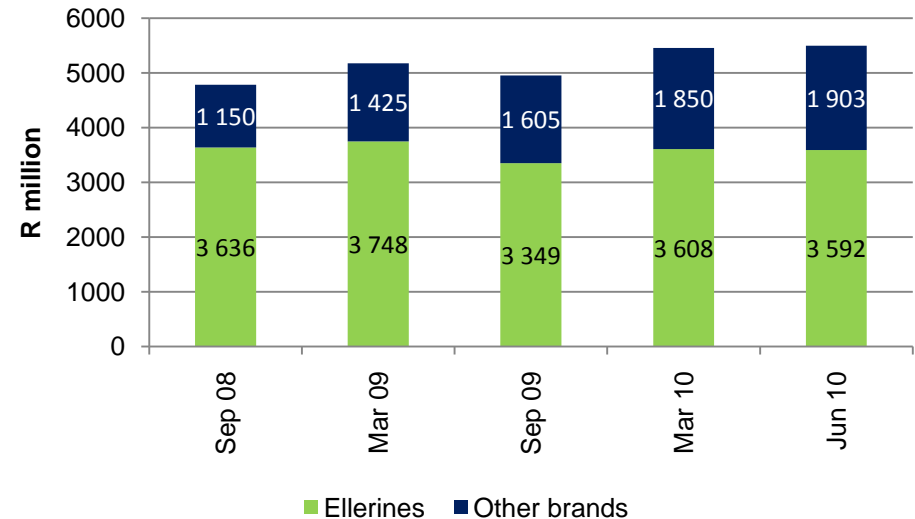
# Advances

- Advances growth of 11% for nine months, 15% annualised
- Approval rates and average deals size continue to improve on new credit platform
- Portfolio becoming more balanced across brands – higher income brands growing in greater proportion
- Interest suspension and in duplum limitations still affecting yields, but impact slowly reducing

Approval rate by brand



Advances

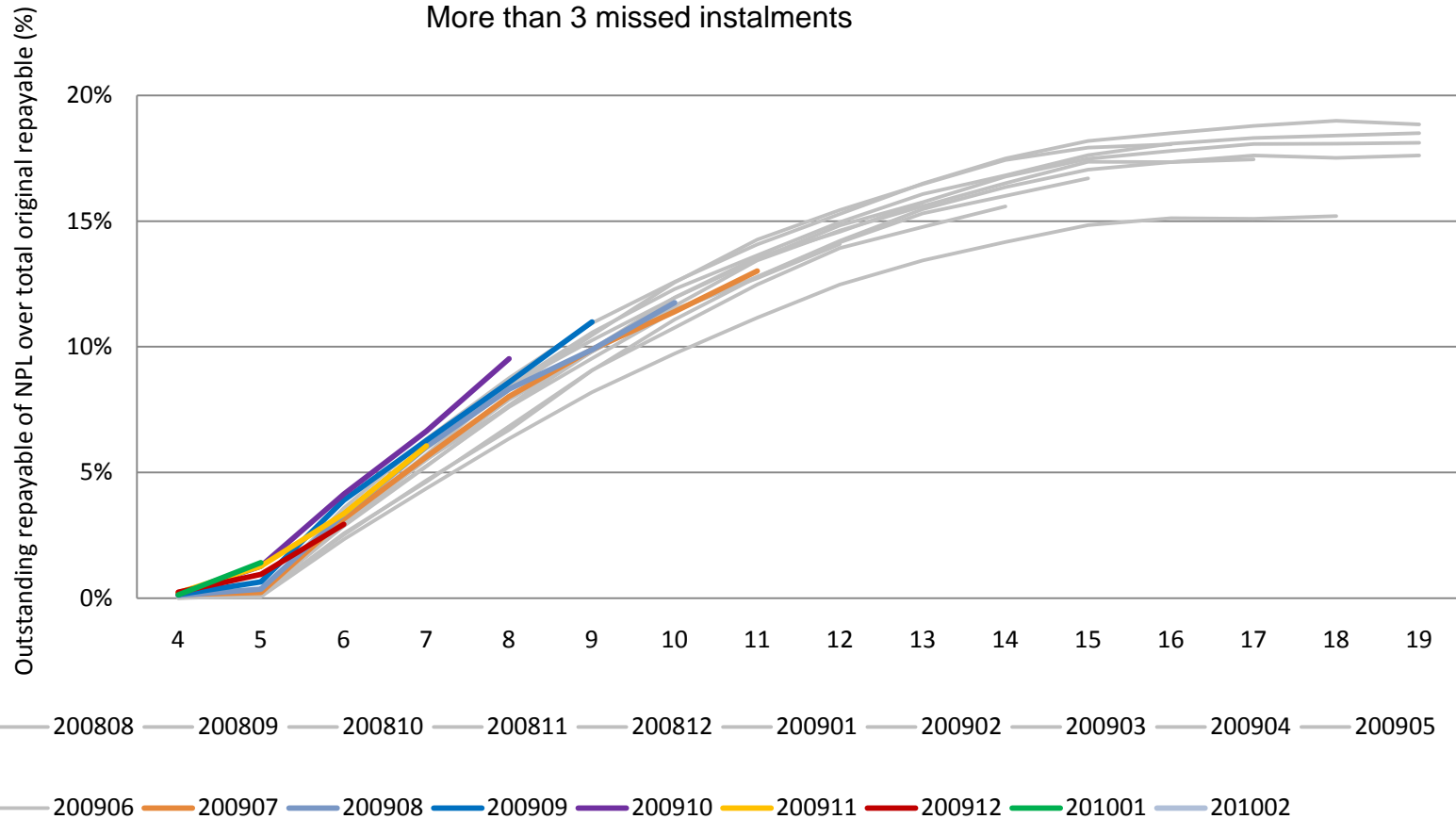


# Asset quality

- Asset quality steady with slightly higher risk appetite

## Vintage graph - Ellerines

More than 3 missed instalments





# Strategic focus areas

- Cost reduction programmes
- Branch reinvigoration at African Bank
- Focus on improving cost of funding
- Financial services integration
- New value propositions
- Client acquisition strategies
- Benefits from Ellerines' integration

Immediate impact

Longer-term impact

## Outlook

- Muted conditions expected for the last quarter
- Benefits of improving trends only in 2011