

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

TRANSACTION CAPITAL

PROVISIONAL AUDITED SUMMARISED CONSOLIDATED FINANCIAL RESULTS OF TRANSACTION CAPITAL LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2014

HIGHLIGHTS

- Continuing headline earnings per share up 18% to 57.3 cents
- Continuing headline earnings up 17% to R330 million
- Continuing EBITDA up 18% to R159 million (Services division)
- Continuing gross loans & advances up 14% to R6 737 million
- Non-performing loan ratio improves by 11% to 25.7%
- Credit loss ratio stable at 5.2%
- After the capital distribution of 210 cents per share net asset value per share down 18% to 520.2 cents
- Capital adequacy ratio up 19% to 49.5%
- Total dividend for the year of 16 cents per share. Final dividend of 10 cents per share
- Reduced dividend cover of 3.6 times on continuing headline earnings per share

COMMENTARY

OVERVIEW

During the 2014 financial year Transaction Capital operated a portfolio of assets substantially different from those reported on at the end of the 2013 financial year. The change in portfolio, occasioned by the sale of our unsecured lending and payment services businesses, was a response to emergent opportunities to generate significant returns and realise value for shareholders while reducing the complexity and risk facing the group. Although announced at the 2013 year-end results presentation, the sale of Paycorp Holdings Proprietary Limited ("Paycorp") only became effective on 1 November 2013, and the sale of Bayport Financial Services 2010 Proprietary Limited ("Bayport") on 31 December 2013, with total proceeds of approximately R2.3 billion received during the first four months of 2014. On 17 March 2014 Transaction Capital distributed 210 cents per share or R1.2 billion to shareholders, resulting in an improved and more efficient capital structure but a reduced net asset value, with R1.2 billion of cash still available for acquisitive and organic growth.

Transaction Capital's continuing operations strengthened their leadership positions in their market segments through the delivery of unique value propositions to stakeholders, generating 17% growth in continuing headline earnings.

ENVIRONMENT

South African economic growth was constrained for the entire financial year as employment and real wage growth slowed, elevated inflation eroded disposable income and a series of crippling strikes in various sectors had a wide-spread negative impact. The Monetary Policy Committee increased the repo interest rate by 50 basis points on 30 January 2014 and again by 25 basis points on 18 July 2014. These conditions have placed pressure on the economy as a whole, with both the consumer and the small and medium sized enterprise ("SME") sectors of the economy remaining at risk.

Regulatory uncertainty continues, as evidenced by the process followed by regulators and government in approving the National Credit Amendment Act, which has now been signed by the President with the date of enforcement still to be announced. The lack of enforcement of existing law and regulation constitutes a threat to unsophisticated users and compliant operators within the financial services sector. Regulatory developments are closely monitored and Transaction Capital continues to engage frequently with its regulators, with a view to gaining an early understanding of proposed legislation and appropriately positioning Transaction Capital for change.

This depressed consumer economy does, however, provide Transaction Capital's credit services division with substantial opportunity as its client base displays increased demand for credit risk management and capital solutions. It is also important to note that following the sale of Bayport, Transaction Capital is less exposed to the consumer credit environment and the regulations pertaining thereto.

FINANCIAL PERFORMANCE

Transaction Capital's continuing operations delivered pleasing results in line with expectations, despite challenging market conditions.

Continuing headline earnings grew by 17% from R283 million to R330 million. Net interest income increased by 19% to R814 million, driven by a 14% growth in continuing gross loans and advances to R6 737 million and an increased net interest margin of 13.1%, effected in part by a lower average cost of borrowings of 10.4% from 10.8% the year before. Non-interest revenue increased by 11% to R1 133 million, whilst the cost-to-income ratio remained stable at 62.7% through the restructure of the group executive office and excellent cost containment and efficiencies in all businesses.

In line with the 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 14%, while keeping the Rand value of non-performing loans ("NPLs") stable, thus improving the credit quality of the book. Consequently, the group NPL ratio showed significant improvement from 29.0% to 25.7% 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. Provision coverage over the NPL balance was strengthened from 19.2% to 22.1%. Despite this, the credit loss ratio remained almost flat at 5.2%.

The current and comparative NPL ratio is calculated consistently according to a revised definition, considered to be more appropriate for SA Taxi and adopted during the first half of the 2014 financial year (refer below for detail in this regard).

Following the disposal of Paycorp and Bayport, as well as the capital distribution, Transaction Capital's equity and debt capital position remains strong. The capital adequacy level of 49.5% is particularly robust and Transaction Capital retains sufficient access to the debt capital markets. On 5 June 2014 SA Taxi's Transsec securitisation funding programme was launched on the JSE Limited, with an inaugural issue of R665 million at a cost of funding approximately 200 basis points lower than historic rates. 11 investors participated in the programme including five first time funders to SA Taxi.

OPERATIONAL HIGHLIGHTS

Asset-backed lending - SA Taxi and Rand Trust

The division increased headline earnings by 15% to R188 million, driven mostly by a 14% increase in gross loans and advances.

SA Taxi is an innovative asset-backed lender, focusing predominantly on the financing of independent SMEs mainly in the minibus taxi industry.

The estimated national fleet of 200 000 privately owned minibus taxis remains the primary means of transport for most South African commuters. The replacement of ageing vehicles continues to create robust demand for the services provided by SA Taxi.

SA Taxi's 13% growth in gross loans and advances has contracted slightly as new vehicle origination is now entirely comprised of premium vehicles and credit-lending criteria have been tightened further. The number of entry-level vehicles on book continues to decrease resulting in better credit quality, although the accelerated write-off of these vehicles has resulted in a slight increase in the credit loss ratio from 5.4% to 5.5%, still 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 can be enhanced through the Taximart refurbishment operation, further differentiating SA Taxi from its competitors.

Recent strong collection trends and the tightening of credit-lending criteria have yielded desirable results. This, together with the accelerated write-off of entry-level repossessed stock, has resulted in an improved NPL ratio of 27.7% from 31.0% the year before.

The NPL definition was amended¹ in the first half of the 2014 financial year to take into account the irregularity and cash deposit nature of payments made by taxi owners, thereby better aligning the classification of NPLs with customers that exhibit real risk of impairment. The original and revised definitions have proven to be highly correlated and from the next reporting period only the revised ratio will be reported.

SA Taxi's cost-to-income ratio remains lean at 44.1% resulting from continued operational efficiencies, specifically within the procurement, repair and resale operations of Taximart, one of the largest Toyota repair centres in southern Africa.

The net interest margin of SA Taxi has decreased slightly from 11.8%, but remains at a healthy level of 11.6%, as the construct of the portfolio is weighted more towards lower risk premium vehicles which are accordingly priced at a lower interest rate than the higher risk entry-level vehicles.

Rand Trust is a provider of working capital and commercial debtor management solutions to SMEs.

As reported above, the SME sector of the South African economy remains depressed, providing Rand Trust with opportunity to apply its existing credit and collections expertise, operational capacity, experience and capital to the SME market, who in turn are displaying an increased demand for working capital and commercial debtor management solutions, in order to improve cash flow, better manage credit risk, optimise collections efficiency and ultimately increase profitability.

Although a small part of Transaction Capital's earnings and assets, Rand Trust experienced growth of 33% 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, management is applying the necessary caution to mitigate any resultant credit and operational risk.

Net interest margin has, however, decreased from 21.5% to 19.1% as new lower yielding products have been introduced, aimed at improving the value proposition to clients thereby deepening penetration and extending the client's life cycle with Rand Trust.

Credit services - MBD CS and Principa Decisions

The division increased headline earnings by 9% to R104 million.

MBD CS provides a comprehensive range of structured credit risk management, collection and capital solutions to South Africa's largest credit providers.

Despite the high volume of work available, collections revenue remains subdued in the current consumer credit environment. It is encouraging that better growth was achieved in the second half of the financial year as MBD CS continued to make progress within the municipal sector, achieving strong initial yields, investing capital and gaining further traction within new municipalities.

Credit providers displayed an elevated propensity to realise capital and value through the sale of late stage debtors' books, with high activity levels in the purchase of distressed debt being a feature of the 2014 financial year. MBD CS was an active bidder on most books that came to market albeit at lower prices than in the past, with purchased book debts to the value of R214 million acquired during this financial year. The lead time to see the benefits of acquisitions is not immediate as newly acquired portfolios take time to season depending on the nature of the book and the collections environment. MBD CS currently owns 147 diversified principal book portfolios.

MBD CS has continued to focus on effective cost management resulting in a marginal improvement in the cost-to-income ratio from 84.5% to 84.2%.

Legislation around the changes in the application of the principle of prescription has not yet been enacted. In anticipation thereof, the business has aligned all of its operational procedures to be fully compliant, and the pricing of new purchased book debts reflects the impact of the forthcoming changes. The business continues to evaluate the impact of the changes on the valuation of its existing purchased book debt portfolio but does not expect there to be any material change in this regard.

Principia Decisions is a provider of customer engagement solutions, focusing predominantly on the consumer credit life cycle.

Revenue and earnings remain subdued but not deteriorating in the current consumer credit environment. It is encouraging that the Middle East joint venture, Qarar, and the expansion of its proprietary Smart software product suite continued to contribute to earnings.

Group executive office

The group executive office structure has been simplified, with most group office functions being devolved into subsidiaries or reduced, enabling various cost savings. Total costs in the second half of the financial year have reduced when compared to the first half, and this trend will continue into the 2015 financial year.

1 Old NPL definition: NPLs are those customers that had more than three outstanding contractual installments and who had not made three consecutive qualifying payments in each of the past three months.

New definition: Identifies those customers that have more than three outstanding contractual installments and have made less than a total of three cumulative qualifying payments during the past three months.

STRATEGY

Transaction Capital's business units 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 then enhances the competitive positioning of its business units within their chosen market segments, thereby generating societal and stakeholder value by:

- formulating value accretive and defensible competitive strategies;
- defining, and developing the specialised credit, collection, risk and capital management competencies required for the execution of viable business models, effectively differentiating between actual and perceived risk;
- allocating and investing appropriate equity capital;
- raising high quality, competitive and diversified debt funding;
- deepening penetration within a market segment utilising its distinctive competencies to achieve deep vertical integration of business units across the value chain;
- identifying opportunities in adjacent market segments where distinctive competencies could be leveraged;
- providing oversight through well-defined governance structures, and establishing a strong culture of accountability, ethics and transparency;
- scaling business units to achieve an acceptable risk-adjusted return; and
- designing organisational structures that devolve responsibility to executive leaders with deep experience (beyond the size of assets currently managed) and ability to design and implement strategies effectively and innovatively.

Transaction Capital's strategy is to strengthen its positioning within its chosen market segments, as well as to leverage its competencies to create new positions within identified adjacent market segments.

GROUP RESTRUCTURE

The group was restructured following the disposal of Paycorp and Bayport. On 4 March 2014, the board and its sub-committees were reconstituted to support the strategic objectives and accommodate the requirements of the smaller group. Concurrently the group executive office structure was simplified as most group office functions were decentralised to business units or reduced. This enabled the devolution of responsibility and authority to the operating businesses and achieved cost savings.

During the 2015 financial year, the two existing divisions, being asset-backed lending and credit services, will be reconstituted with the purpose of maximising current market positioning.

- Asset-backed lending (comprising SA Taxi):

The asset-backed lending division, led by Terry Kier, operates as an innovative 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.

The division will continue 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 to now include vehicle and spare part procurement, direct vehicle sales, vehicle refurbishment, short-term comprehensive insurance and telematics. These additional competencies are intended to enhance its value proposition to clients thus expanding its competitive presence. During the year the value proposition to clients was enhanced through new product offerings such as SA Taxi Media (advertising in taxis), a stand-alone insurance offering branded Khusela Taxi Insurance, and a successful direct sales programme of new and refurbished vehicles which facilitates product margin and superior credit performance.

In addition, SA Taxi continues to leverage its distinctive competencies to create defensible positions within identified adjacent market segments, financing asset classes such as "bakkies" with 246 deals on book at 30 September 2014.

- Risk services (comprising MBD CS, Principa Decisions and Rand Trust):

The challenging consumer environment provides substantial opportunity for the newly defined risk services division to entrench its market position by augmenting and combining its distinctive competencies across the companies in the division. Many of its clients, being some of South Africa's largest credit providers, are demanding 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.

In bringing together the distinctive competencies of these businesses under one go-to-market strategy, the intention is to enhance and broaden the division's value proposition thereby deepening its client offering and expanding its competitive presence. In addition, the division will leverage its core skill set to access adjacent market segments, such as the public and commercial sectors.

David McAlpin, previously the CEO of Principa, was appointed with effect from 1 October 2014 to the newly created role of CEO of the risk services division, with Charl van der Walt taking employment at the group executive office.

PROSPECTS

Transaction Capital expects sustainable headline earnings growth from continuing operations in the medium to long term. This organic growth may be enhanced by acquisitive activity which the group actively continues to seek. These opportunities are expected to ensue within the existing divisions, where our distinctive competencies can be leveraged. Following the reorganisation of the group, Transaction Capital's solid platform together with significant cash on hand and access to funding, positions it well to pursue organic and acquisitive growth opportunities with a view to render sustainable risk adjusted returns to shareholders.

APPOINTMENT OF COMPANY SECRETARY

After more than eight years of service Peter Katzenellenbogen has retired as company secretary. During this time Peter has fulfilled the role of both group chief financial officer and thereafter company secretary, and has contributed immensely to building Transaction Capital. The board wishes to acknowledge the vast contribution that Peter has made to the company, and thank him for his years of committed service.

The board is pleased to announce that Ronen Goldstein has been appointed company secretary with effect from 1 December 2014.

DIVIDEND POLICY

The dividend policy has been amended to a reduced cover ratio of 3 to 4 times (previously 4 to 5 times). This change has been implemented as the group is now more evenly balanced between services and lending businesses, resulting in more moderate capital requirements and allowing for a higher sustainable dividend.

DIVIDEND DECLARATION

Following the interim dividend of 6 (2013: 9) cents per share, the board has declared a final gross cash dividend of 10 (2013: 12) cents per share for the six months ended 30 September 2014, 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 company has no remaining STC credits available. The salient features applicable to the final dividend are as follows:

Issued shares as at declaration date (including 2 642 883 treasury shares)	572 272 130
Declaration date	Tuesday 25 November 2014
Last day to trade cum dividend	Thursday 11 December 2014
First day to trade ex dividend	Friday 12 December 2014
Record date	Friday 19 December 2014
Payment date	Monday 22 December 2014

Share certificates may not be dematerialised or rematerialised between Friday, 12 December 2014 and Friday, 19 December 2014, both dates inclusive.

On Monday, 22 December 2014 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 22 December 2014 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, 22 December 2014.

AUDITOR'S OPINION

Deloitte & Touche have audited the provisional summarised consolidated financial statements and issued an unmodified audit opinion thereon. A copy of this report is available for inspection at the registered office of the company.

These provisional summarised consolidated financial statements have been derived from the group audited financial statements and are consistent in all material respects with the annual financial statements. The group's external auditors have issued their unmodified opinion on the group's financial statements for the year ended 30 September 2014. The audit was performed in accordance with International Standards on Auditing. A copy of the external report is available for inspection at the company's registered office. Any reference to future financial performance and operational information included in this announcement has not been audited or reported on by the group's external auditors.

The auditor's report does not necessarily cover all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work they should obtain a copy of the report together with the accompanying financial information from the registered office of the company.

BASIS FOR PREPARATION

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

The accounting policies applied in the preparation of the consolidated financial statements from which the summary financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

These summarised financial results have been prepared under the supervision of M D Herskovits CA(SA), chief financial officer.

SUBSEQUENT EVENTS

No events which would have a material impact on either the financial position or operating results of the group have taken place between 30 September 2014 and the date of the release of this report.

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

25 November 2014

Summarised consolidated statement of financial position
at 30 September 2014

	2014 Audited Rm	2013 Audited Rm	Change %
Assets			
Cash and cash equivalents	1 345	673	100
Tax receivables	17	64	(73)
Trade and other receivables	493	505	(2)
Inventories	4	85	(95)
Loans and advances	6 386	10 232	(38)
Purchased book debts	552	420	31
Other loans receivable	293	280	5
Equity accounted investments	7	4	75
Other investments	238	481	(51)
Intangible assets	19	21	(10)
Property and equipment	51	96	(47)
Goodwill	192	594	(68)
Deferred tax assets	93	107	(13)
Non-current assets classified as held for sale	-	769	(100)
Total assets	9 690	14 331	(32)
Liabilities			
Bank overdrafts	101	71	42
Tax payables	2	2	-
Trade and other payables	242	361	(33)
Provisions	18	27	(33)
Interest-bearing liabilities	6 178	9 601	(36)
Senior debt	4 911	7 470	(34)
Subordinated debt	1 267	2 131	(41)
Deferred tax liabilities	186	194	(4)
Liabilities directly associated with non-current assets classified as held for sale	-	180	(100)
Total liabilities	6 727	10 436	(36)
Equity			
Ordinary share capital and premium	483	1 779	(73)
Reserves	96	385	(75)
Retained earnings	2 384	1 551	54
Equity attributable to ordinary equity holders of the parent	2 963	3 715	(20)
Non-controlling interests	-	180	(100)
Total equity	2 963	3 895	(24)
Total equity and liabilities	9 690	14 331	(32)

Summarised consolidated income statement
for the year ended 30 September 2014

	2014 Audited Rm	2013 Audited Rm	Change %
Interest and other similar income	1 413	1 225	15
Interest and other similar expense	(599)	(539)	11
Net interest income	814	686	19
Impairment of loans and advances	(322)	(283)	14
Risk adjusted net interest income	492	403	22
Non-interest revenue	1 133	1 023	11
Operating costs	(1 220)	(1 071)	14
Non-operating profit	1	-	100
Equity accounted earnings	3	4	(25)
Profit before tax	409	359	14
Income tax expense	(79)	(76)	4
Profit from continuing operations	330	283	17
Profit from discontinued operations	607	303	100
Profit for the year	937	586	60
Attributable to non-controlling equity holders	-	42	(100)
Attributable to ordinary equity holders of the parent	937	544	72
Basic earnings per share	162.7	93.2	75
Diluted basic earnings per share	162.3	93.2	74
Headline earnings per share	61.0	93.4	(35)
Headline earnings per share - continuing operations	57.3	48.5	18
Headline earnings per share - discontinued operations	3.7	44.9	(92)

Summarised consolidated statement of comprehensive income
for the year ended 30 September 2014

	2014 Audited Rm	2013 Audited Rm	Change %
Profit for the year	937	586	60
Other comprehensive income	(48)	122	>(100)
Fair value gains arising on the cash flow hedge during the year	<1	10	(100)
Deferred tax	<1	(3)	(100)
Fair value (losses)/gains arising on valuation of available-for-sale investment	(48)	70	(169)
Other comprehensive income from discontinued operations	-	45	(100)
Total comprehensive income for the year	889	708	26
Attributable to non-controlling equity holders	-	49	(100)
Attributable to ordinary equity holders of the parent	889	659	35

Summarised headline earnings reconciliation
for the year ended 30 September 2014

	2014 Audited Rm	2013 Audited Rm	Change %
Profit attributable to ordinary equity holders of the parent	937	544	72
Headline earnings adjustable items added			
Profit on sale of subsidiary companies net of de-grouping tax payable	(586)	-	(100)
Impairment of goodwill	-	1	(100)
Tax on headline earnings adjustments	-	-	-
Headline earnings	351	545	(36)
Less: Headline earnings from discontinued operations	(21)	(262)	(92)
Headline earnings from continuing operations	330	283	17

Summarised consolidated statement of changes in equity
for the year ended 30 September 2014

	Share capital and premium	Other reserves	Retained earnings	Ordinary shareholders equity	Non- controlling interests	Total equity
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
Total comprehensive income	-	(48)	937	889	-	889
Profit for the year	-	-	937	937	-	937
Other comprehensive income for the year	-	(48)	-	(48)	-	(48)
Dividends paid	-	-	(104)	(104)	-	(104)
Grant of share appreciation rights	-	12	-	12	-	12
Repurchase of treasury shares	(15)	-	-	(15)	-	(15)
Repurchase of shares	(72)	-	-	(72)	-	(72)
Capital distribution	(1 209)	-	-	(1 209)	-	(1 209)
Disposal of subsidiary companies	-	(253)	-	(253)	(180)	(433)
Balance at 30 September 2014	483	96	2 384	2 963	-	2 963

Summarised consolidated statement of cash flows
for the year ended 30 September 2014

	2014 Audited Rm	2013 Audited Rm	Change %
Net cash utilised by operating activities	(68)	(172)	60
Net cash generated/(utilised) by investing activities	2 385	(133)	>100
Net cash utilised by financing activities	(1 296)	(13)	>(100)
Net increase/(decrease) in cash and cash equivalents	1 021	(318)	>100
Cash and cash equivalents at the beginning of the year	671	943	(29)
Less: Cash and cash equivalents at the beginning of the year relating to discontinued operations	(448)	(402)	11
Cash and cash equivalents at the beginning of the year from continuing operations	223	541	(59)
Cash and cash equivalents at the end of the year relating to continuing operations	1 244	223	458

Summarised segment report

	Asset-backed lending		Credit services		Group executive office		Group - continuing		Discontinued operations		Group	
	2014 Audited Rm	2013 Audited Rm	2014 Audited Rm	2013 Audited Rm	2014 Audited Rm	2013 Audited Rm	2014 Audited Rm	2013 Audited Rm	2014 Audited Rm	2013 Audited Rm	2014 Audited Rm	2013 Audited Rm
Condensed income statement for the year ended 30 September 2014												
Net interest income	741	667	(10)	(1)	83	20	814	686	-	-	814	686
Impairment of loans and advances	(320)	(281)	(2)	(2)	-	-	(322)	(283)	-	-	(322)	(283)
Non-interest revenue	250	218	861	790	22	15	1 133	1 023	-	-	1 133	1 023
Total operating costs	(455)	(403)	(713)	(666)	(52)	(2)	(1 220)	(1 071)	-	-	(1 220)	(1 071)
Non-operating profit	-	-	1	-	-	-	1	-	-	-	1	-
Equity accounted earnings	-	-	3	4	-	-	3	4	-	-	3	4
Profit before tax	216	201	140	125	53	33	409	359	-	-	409	359
Impact of classification to held for sale	-	-	-	-	-	-	-	-	11	15	11	15
Headline earnings from discontinued operations attributable to equity holders of the parent	-	-	-	-	-	-	-	-	10	247	10	247
Headline earnings - continuing operations	188	163	104	95	38	25	330	283	-	-	330	283
Total headline earnings	188	163	104	95	38	25	330	283	21	262	351	545
Condensed statement of financial position at 30 September 2014												
Assets												
Cash and cash equivalents	254	226	39	32	1 052	36	1 345	294	-	379	1 345	673
Loans and advances	6 351	5 577	35	47	-	-	6 386	5 624	-	4 608	6 386	10 232
Purchased book debts	-	-	552	420	-	-	552	420	-	-	552	420
Other investments	238	175	-	-	-	-	238	175	-	306	238	481
Non-current assets classified as held for sale	-	-	-	-	-	769	-	769	-	-	-	769
Other assets and receivables	551	453	259	234	359	300	1 169	987	-	769	1 169	1 756
Total assets	7 394	6 431	885	733	1 411	1 105	9 690	8 269	-	6 062	9 690	14 331
Liabilities												
Bank overdrafts	100	71	1	-	-	-	101	71	-	-	101	71
Interest-bearing liabilities	5 115	4 398	177	151	886	922	6 178	5 471	-	4 130	6 178	9 601
Group	915	1 078	45	-	(960)	(1 295)	-	(217)	-	217	-	-
Liabilities directly associated with non-current assets classified as held for sale	-	-	-	-	-	180	-	180	-	-	-	180
Other liabilities and payables	201	185	217	204	30	71	448	460	-	124	448	584
Total liabilities	6 331	5 732	440	355	(44)	(122)	6 727	5 965	-	4 471	6 727	10 436
Total equity	1 063	699	445	378	1 455	1 227	2 963	2 304	-	1 591	2 963	3 895

ADMINISTRATION

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ISIN code: ZAE000167391

Tax reference number: 9466/298/15/6

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Directors

Christopher Seabrooke (chairman)*, David Hurwitz (chief executive officer), Mark Herskovits (chief financial officer), Jonathan Jawno, Michael Mendelowitz, Phumzile Langeni*, Dumisani Tabata*, David Woollam*, Shaun Zagoev*, Roberto Rossi**

(*Independent non-executive) (**Non-executive)

Company secretary

Peter Katzenellenbogen

Auditors

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