

The National Credit Regulator
127 – 15th Road
Randjespark
MIDRAND
South Africa

16 September 2011

PER EMAIL

Re: Mercantile Bank Limited - Credit Provider Number: NCRCP 19
IMPLEMENTATION REPORT ON APPROVED LANGUAGE POLICY PROPOSAL FOR 2
YEAR REVIEW

1. Mercantile Bank Limited (MBL), as a registered credit provider previously proposed in terms of the requirements of *Section 63 (2) (a) of the NCA*, to have
 - (i) **ENGLISH** and
 - (ii) **AFRIKAANS**as the two official languages, for use throughout the Republic, in which NCA documents have been made available to MBL consumers.

Our proposal of languages remains the same.

Accordingly Mercantile Bank therefore provides such NCA documents in one official language chosen from either English or Afrikaans.

2. MBL's choice of language was qualified by the following considerations as contained in Section 63 (1) of the NCA which remain the same:
 - 2.1 regional circumstances
 - 2.2 usage and needs and preferences of the population
 - 2.3 practicality & expense

142 West Street, Sandown, 2196. P O Box 782699, Sandton, 2146. Tel: 011-302-0300 Fax: 011-302-0700
(<http://www.mercantile.co.za>)

Directors: J A S De A Campos* [Chairman], D J Brown [Chief Executive Officer], G P De Kock, L Hyne, A T Ikalafeng, K R Kumbier [Executive], J P M Lopes [Executive]*, T H Njikizana**. Company Secretary: A de Villiers
[* Portuguese] [** Zimbabwean]

Mercantile Bank Limited Reg. No. 1965/006706/06. An Authorised Financial Services and Credit Provider. NCRCP19



2.1 Regional Circumstances

In order to establish the regional circumstances both of the credit provider and the consumer and the usage of official languages in this context, cognisance has been given to the following factors:

2.1.1 *The number of points of presence of the credit provider in each district of the Republic and an estimate of the number of consumers currently served by the provider in each point of presence:*

MBL currently still only has the following 15 points of presence in South Africa and the demographics of our clients have not materially changed:

BRANCH	NUMBER OF CLIENTS
GAUTENG	
Boksburg	1752
Bruma	2490
Comaro Crossing	3115
Germiston	1544
Hatfield	874
Horizon	867
Pretoria West	1187
Sandton	1787
Strijdom Park	591
Troyeville	1451
Vanderbijlpark	1532
WESTERN CAPE	
Cape Town	986
Tygerberg	774
KZN	
Durban	1000
FREE STATE	
Welkom	902

2.1.2 *The identification of the dominant languages ordinarily utilised by the general population in each magisterial district of the Republic.*

The predominant language usage in the Provinces that MBL conducts business in, remains unchanged.



2.2. Usage and needs and preferences of the population

Usage has been interpreted to mean the official languages utilised / preferred by the consumers served by MBL at each point of presence:

Language Preferences of MBL Clients remain materially unchanged.

English and Afrikaans thus remain the two predominant official languages preferred by the consumers served by MBL. In addition, taking into account our target market, the preferred languages are predominantly English and Afrikaans. Further an analysis of the above statistics reveals the following:

- (i) In Gauteng the predominant official languages used by MBL consumers are English & Afrikaans, as well as an un-official language, being Portuguese.
- (ii) In the Western Cape the predominant official languages used by MBL consumers are English & Afrikaans.
- (iii) In KZN the predominant official languages used by MBL consumers are English & Afrikaans, and;
- (iv) In the Free State the predominant official languages used by MBL consumers are English & Afrikaans.

2.3. Practicality and Expense

With regard to practicality and expense the breakdown of the languages spoken by MBL staff in each remain unchanged.

Thus, as previously submitted, the official languages that the majority of MBL staff in each province are able to converse in, are English & Afrikaans. Accordingly it would not be practical to introduce documents in languages that the staff are unable to conduct business in. Further it would be financially wasteful and totally inexpedient to translate credit documents into languages that we only have a marginal client base in.

Further factors that have influenced MBL's decision to select English and Afrikaans as the official languages in which we made make NCA documents available to consumers is that English is the language of international commerce. English and Afrikaans are the *de facto* court languages in South Africa. MBL is a niche bank servicing the specialised market of SME Banking and as such the preferred language of our consumers remains English. Further, since the implementation of our language policy options, we have not received any requests from any of our clients for the documentation to be made available in any of the other official languages.



Accordingly MBL submits that the National Credit Regulator accept it's updated proposal in that English and Afrikaans remain as the two official languages in which NCA documents will be made available to consumers.

Yours faithfully

A handwritten signature in black ink, appearing to read 'H. Stoffberg', written in a cursive style.

Heidi Stoffberg

Head: Compliance Management