



IMPERIAL BANK

9 October 2009

**The Manager: Registrations
National Credit Regulator
P.O. Box 209
Halfway House
1685**

**Attention: Mr Ramabaka Abel Tshimole
Fax no: 011 554 2778**

**RE: IMPERIAL BANK LIMITED (“IBL”) - FRESH LANGUAGE PROPOSAL, INCLUDING
SUBSIDIARIES AND DIVISIONS:
The Motor Finance Corporation (Pty) Ltd (“MFC”) - NCRCP63
NRB Risk Solutions Limited (“NRB”) – NCRCP261
Professional Finance Division**

We refer to your latest communication on the subject (letters dated 16 July (IBL), 27 July (MFC) and 25 August 2009 (NRB)), as well as the meeting held at your offices on the 14th of August 2009 at which we provided explanations and verbal representations regarding the business model, strategies and operations of the various divisions and subsidiaries of Imperial Bank Limited, within the South African banking environment.

We confirm that the IBL group is committed to comply with the spirit of the NCA and will embrace the language requirements through its business entities. We further confirm the recent telephonic discussion between our Mr Sharm Siphali, and your Ms Gwen Moloj, who had agreed that IBL will submit one language proposal, which incorporates its subsidiaries (MFC and NRB).

Accordingly the Bank's fresh language proposal comprises of the following:

1. MFC

1.1 Almost 90% of the business of MFC falls within the NCA regulated business.

1.1.1 A comprehensive language proposal for MFC has been developed, per attached “Annexure A”.

1.1.2 The MFC proposal sets out the types of the consumer documents which will first be translated into plain English and thereafter into all of the eleven (11) official languages. The anticipated timeframes within which the interpreted documents will become available for implementation is also provided.

2. Professional Finance Division

- 2.1 As mentioned during our discussions at the meeting held in your offices, the Professional Finance division is a business unit which is dedicated to servicing clients from the organized professions (previously only restricted to the medical profession). These clients must have a minimum tertiary education and should be sufficiently experienced so that they can hardly be referred to as your "average consumer".
- 2.1.1 In putting together the proposal regarding the language requirements of its clientele, a recent internal client survey was undertaken by the Professional Finance Division on its current and repeat clientele, the results of which revealed that the majority of them preferred all their documents in English, whilst the minority preferred having the availability of Afrikaans in some of the documents.
- 2.1.2 In this regard, we indicated to you that the lending criteria within this division was far more stringent in that the client not only had to be a tertiary graduate, but also be part of a registered professional body and show a history of experience in business within the chosen profession.
- 2.1.3 Hence, the criteria for our Professional Finance clients is far higher than your normal entry level professional and it is for this reason we indicated to you that we treated them as falling in the high net worth or private client category.
- 2.1.4 Given this fresh language proposal by MFC, we confirm that the Bank would be able to leverage the use and benefit of such translated documents in any of its other business units, especially the Professional Finance Division.

3. NRB

- 3.1 This entity is largely involved in the rental finance and collections business. Insofar as the collections business is concerned, we confirm having indicated to you that this area of the business had been sold to an external third party, and that no new business was being undertaken by NRB, except for the run down of the existing business.
- 3.1.1 In response to your letter dated 25th August 2009 and further email communication requesting the auditors to confirm that NRB was no longer acquiring new business, the letter from Deloitte was forwarded to your offices on 18th August 2009 (a copy of Deloitte's letter dated 17th August 2009 is attached herewith for your ease of reference, marked Annexure "C").
- 3.1.2 Insofar as the existing book is concerned, whilst all the current documents are in the English language, NRB will have access to leverage any or all documents in respect of other languages from MFC, in order to satisfy all the necessary language requirements, if and where applicable.

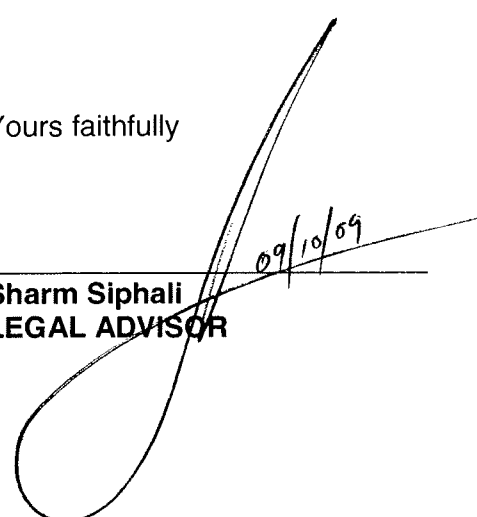
With regard to the actual documentation to be translated, in summary form, as well as the timing of such implementation, we provide herewith an amended overall IBL fresh language proposal for your attention, per attached "Annexure B".

In addition, we would like to inform you that the bank's shareholding is currently under discussion, with Nedbank proposing to acquire the 49% shareholding of Imperial Holdings Limited in IBL.

Accordingly, we trust that given the above factors, as well as our informative meeting held on the 14th of August 2009, followed by telephonic discussions, that you would re-consider and give due recognition to the Bank's Fresh Language proposal and its attempts to comply with the provisions of the NCA.

Should you have any queries, kindly contact Sharm Siphali (Legal Advisor) at Tel: 011 275 3222, or Fax: 011 275 4270 or Johan Breedts (Compliance Officer) at Tel: 011 275 3226 or Fax: 011 275 3976.

Yours faithfully


09/10/09

Sharm Siphali
LEGAL ADVISOR

ANNEXURE "A" – The Motor Finance Corporation (Pty) Ltd Language Proposal

Due to our target market, the following consumer documents will be interpreted into and available in all 11 official languages. The documents will be presented in the language of preferences as well as in a plain English version document.

The current English version of documentation will be reviewed to be made available in plain English where-after the translation will be done in the other languages mentioned below.

All our documents will be entered on a log for annual regular review.

CONCERN DOCUMENTS TO BE SUMMARISED / TRANSLATED	DETAILS	ACTION PLAN	COMPLETION DATE
Business Sales Process			
Pre Agreement Quote	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati	Review of documents in English before translation I.T. to incorporate system change	June 2010
Cost of Credit	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati	Review of documents in English before translation I.T. to incorporate system change	June 2010
Summary of the Conditions of the Lease and Installment Sale Agreement is available but not in automated format.	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati	Review of documents in English before translation I.T. to incorporate system change	June 2010
Language preference	Internal system to record language preference of new contracts: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati	System change to incorporate recording of language preference	June 2010
Changes to the agreement Section 116,117,120	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati		June 2010
Consumer Insurance Disclosure & Warranties (Section 106)			
Client Services			
Statements (Section 108,109, 110, 111, 113)	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati		June 2010
Re-instatement of account	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati		June 2010

Substitution of Goods	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati		June 2010
Call Centre System	Functionality to change language preference of client: 11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati		June 2010
Internal Company staff directory to facilitate Language Communication Preference	People's directory carries language proficiencies of staff – Call Centre route calls to person in language of client's preference (not as they speak). Functionality expanded to Collections and Legal Departments		June 2010
Collections			
Section 97: Demand to client to disclose where about of assets	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati		June 2010
Section 123: Notification of termination of agreement	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati		June 2010
Section 86(10): Notice of withdrawal from debt review application	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati		June 2010
Release note: release of vehicle from the store to the client	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati		June 2010
Legal department			
Notification of estimated value 127(2) with copy valuation	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati		June 2010

Notification After sale and Demand on Short fall Sec 127 (5)b	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati		June 2010
Letter of Demand Sec 129 inside	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati		June 2010
Cancellation of agreement Sec 127 (1) & section 129	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati		June 2010
Cancellation of request to cancel agreement 127(3) re-instatement of account	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati		June 2010
Total amount outstanding notification due and payable and not to be reinstated	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati		June 2010
Cancellation in terms of Section 123	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati		June 2010
Final Demand	11 official languages: English, Afrikaans, Sepedi, Sesotho, Setswana, Tsivenda, Xitsonga, Zulu, Ndebele, Xhosa, Siswati		June 2010
Marketing Department			
Consumer education ("MFC Kids" Cartoon) To promote the education of the client, to disclose all elements of the contract and inform the client of his rights in terms of the act.	In 4 languages: English, Afrikaans, Nguni languages (Zulu, Ndebele, Siswati, Xhosa), and Sotho Languages (Sepedi, Sesotho, Setswana)		June 2010
Marketing & advertising purposes	To use various languages where applicable.		June 2010

ANNEXURE "B" – Imperial Bank Limited Fresh Language Proposal

CONCERN DOCUMENTS TO BE SUMMARISED/TRANSLATED	PROPOSED TIMEFRAME FOR IMPLEMENTATION
1. Sale Process	
1.1 Pre-agreement and quotation (S92(1) and (2)); 1.2 If specifically requested by client, decline letter and credit bureau details (S62(1)) 1.3 Disclosure in respect of Insurance (S106(5)(b), Form 21) 1.4 Credit refusal letter accompanied by details of credit bureaux if refused on scoring (section 62(2)) 1.5 Application form	June 2010
1.6 Explanatory memorandum for agreements and Alterations, amendments and changes to credit agreements if applicable (S116 and S117, Reg 30 and 31)	June 2010
2. Account Administration and Maintenance:	
2.1 Statement of Account (S108 and S109, Form 26) 2.2 Statement of Settlement Amount (S113) 2.3 Notice of change in interest rate – fixed and variable / fee / charge / payment frequency (section 104(2) and (3) read together with section 120)	June 2010
2.4 Statement of Amount (S110 – may be communicated telephonically) 2.5 Notice of change of address (S96) 2.6 Explanatory Notice regarding Dispute entries in accounts (S111(2)) 2.7 Explanatory memoranda for alternations to the agreement (in certain circumstances) (Section 116 and 117)	June 2010
3. Collections Process:	
3.1 Notice of Charge to other Accounts (S124, Form 27)	
3.2 Notice of Default in credit agreement (S129)	June 2010
3.3 Letter to client regarding submission of prescribed adverse credit information to Credit Bureau (S72(1)(a))	
3.4 Notice of Termination of Debt review (S86(10))	June 2010
4. Termination Process:	
4.1 Notice of Termination of Credit facility (S123(3)(b))	June 2010
4.2 Termination (other products) (section 123(2) and Chapter 6 – Part C)	June 2010

FINDINGS

Our findings are reported as follows:

- Signed directors' meeting minutes were inspected.
- The minutes of directors' meeting minutes inspected revealed that the decision to not acquire any more business was approved on 17 June 2008.
- The relevant download from the PICK system for NRB, excluding EasiWheels, as at 31 December 2008 was inspected.
- The download inspected revealed that there has been no new business acquired by NRB from 17 June 2008 to 31 December 2008.

Had we performed additional procedures or had we performed an audit or review of the financial information in accordance with International Standards of Auditing, other matters may have come to our attention that would have been reported to you.

This report relates only to the matter specified above, and does not extend to the financial statements of NRB or any of its subsidiaries taken as a whole.

Our report is provided solely for your use in making a submission to the NCR. No party other than those to whom this report is addressed may rely on this report for any purpose whatsoever.

Deloitte & Touche, its partners, directors, employees and agents shall not be liable to NRB or any of its shareholders or subsidiaries in respect of any claim whatsoever, whether in contract, delict or otherwise, for any loss, damages, costs or expenses directly or indirectly incurred as a result of services provided in connection with this engagement.

The image shows a handwritten signature in black ink that reads "DELOITTE & TOUCHE". The signature is written in a stylized, cursive-like font.

Deloitte & Touche

Per: Lito Nunes
Partner

17 August 2009

