

To :	The National Credit Regulator
From :	Mercantile Bank Limited Credit Provider Number: NCRCP 19
Date :	06 August 2007
Subject :	Submission to the National Credit Regulator, in terms of Section 63 (2) (a) of the National Credit Act No 34 of 2005 [“the NCA”]

1. Mercantile Bank Limited (MBL), as a registered credit provider hereby proposes 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 will be made available to MBL consumers.

Accordingly Mercantile Bank will therefore provide such documents in one official language chosen from either English or Afrikaans that the consumer reads or understands, to the extent that it is reasonable, having regard to the circumstances more fully described below.

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

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 has the following 15 points of presence in South Africa:

BRANCH	NUMBER OF CLIENTS
GAUTENG	
Boksburg	2150
Bruma	2453
Comaro Crossing	2769
Germiston	1640
Hatfield	918
Horizon	739
Pretoria West	1001
Sandton	2222
Strijdom Park	628
Troyville	1749
Vanderbijlpark	1321
WESTERN CAPE	
Cape Town	1129
Tygerberg	870
KZN	
Durban	968
FREE STATE	
Welkom	726

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, is:

	English	Afrikaans	Zulu	Sotho	Xhosa ¹
Gauteng	16.1%	20.5%	18.4%		
Western Cape	20%	62.2%			15.3%
KZN	13.6%	1.5%	80.9%		2.3%
Free State		11.9%		64.4%	

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 Preference of MBL Clients:

		Afrikaans	English only	Xhosa / Sotho	Zulu	Portuguese & English
1	Gauteng	7.8 %	38.9 %	2 %	1.7 %	53.6 %
i	Boksburg	10 %	50%	0 %	0 %	40 %
ii	Bruma	1 %	16 %	2 %	2 %	80 %
iii	Comaro Crossing	5 %	10 %	3 %	2 %	80 %
iv	Germiston	20 %	20 %	5 %	5 %	50 %

¹ Retrieved from Statistics SA www.statssa.co.za

v	Hatfield	2 %	68 %	0 %	0 %	30 %
vi	Horizon	20 %	20 %	0 %	0 %	60 %
vii	Pretoria West	5 %	34 %	1 %	0 %	60 %
viii	Sandton	5 %	85 %	5 %	0 %	5 %
ix	Strijdom Park	10 %	50 %	5 %	5 %	30 %
x	Troyville	0 %	15 %	0 %	5 %	80 %
xi	Vanderbijlpark	8%	60 %	2 %	0 %	30 %
2.	Western Cape	10.5 %	61.5 %	0.5 %	0 %	27.5 %
i	Cape Town City	1 %	73 %	0 %	0 %	26 %
ii	Tygerberg	20 %	50 %	1 %	0 %	29 %
3.	KZN	10 %	45 %	0 %	5 %	40 %
i	Durban	10 %	45 %	0 %	5 %	40 %
4.	Free State	20 %	18 %	1 %	1 %	60 %
i	Welkom	20 %	18 %	1 %	1 %	60 %
	Consolidated Averages	9.1 %	40 %	1.7 %	1.6 %	47 %

Thus it can be seen that English and Afrikaans are 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 following breakdown of the languages spoken by MBL staff in each Province is submitted:

Demographics of MBL staff

	English	Afrikaans	Zulu / Xhosa/ Sotho	Portuguese
Gauteng	100 %	62 %	5 %	50 %
Western Cape	100 %	50 %	0 %	14 %
KZN	100 %	60 %	0 %	20 %
Free State	100 %	71 %	0 %	14 %

Thus it can be seen that the official languages that the majority of MBL staff in each province are able to converse in, is 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 will 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 is English.

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