

## **FINANCIAL MAIL**

### **Diamonds & Dogs**

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#### **Diamond - Capitec**

Capitec is proving to be the klipspringer of the financial services sector, showing astonishing sure-footedness as it hops up the slope to earnings nirvana. While many a grander institution worldwide has been caught out in the game of pass-the-toxic-parcel, Capitec has stuck to a simple model that it knows well, and at which it is excelling. Its revolutionary thinking is to offer a low-cost, easy-to-use banking product that suits its clients' needs - a game-changing plan indeed.

Customer numbers are growing a pace and are now at 2,1m; the network will soon reach 400 branches. Most impressive is the health of the loan book, where arrears have dropped from 9,9% a year ago to 7,6%. Capitec doesn't expect any problem in raising loan capital to fund further growth, and all the numbers indicate an institution in the rudest health. Capitec's success is good news for its customer base, which benefits from the low-cost and user-friendly offering it provides. It is certainly not too shabby for shareholders either.

#### **Dog - Bioscience Brands**

For weeks the nostrils of corporate SA are relatively clean - then all of a sudden along come enough dogs for the JSE to consider setting up a rival to Crufts. Despite some stiff competition, best on show goes to Bioscience Brands. It has struggled in the recession and from a number of self-inflicted wounds. There was much restructuring and reorganisation going on as the company got to grips with its acquisitions and the legacy issues of Wellco Health. Then demand evaporated and the company was forced to downsize.

Its Muscle Science brand suffered from supply problems and poor distribution while the Bioharmony brand is expecting much from its tie-up with controversial nutritionist Patrick Holford. This sage of the supplements may not have the medical fraternity entirely convinced by his theories, but his new page-turner, *The 10 secrets of 100% Healthy People*, recommends many a Bioharmony product. The company promises that its brands are well positioned and ready. Now it is time for a spot of delivery.