

GROUP PROFILE



Transaction Capital owns businesses that operate in highly specialised and underserved segments of the South African and Australian financial services market.

Transaction Capital's two market-leading divisions, led by entrepreneurial and experienced management teams, represent a diversified and scalable financial services platform, underpinned by a mature governance framework. The divisions leverage their proprietary data and technology to create value for their customers.



A vertically integrated platform incorporating vehicle procurement, retail, finance, insurance, repossession and refurbishment capabilities. Combined with its proprietary data, these competencies enable the division to provide asset-backed developmental credit and bespoke taxi insurance, and sell suitable vehicle models and allied services to taxi operators.

See the SA Taxi review from page 34 to 43.



A technology-led, data-driven provider of customer management solutions in South Africa and Australia. The division's scalable and bespoke fintech platform improves its clients' ability to originate, manage and collect from their customers.

See the Transaction Capital Risk Services (TCRS) review from page 44 to 53.

To **sustainably create value for its shareholders** over time, Transaction Capital's activities include:

DRIVING STRATEGY, GROWTH AND PERFORMANCE

- Strengthen the leading market positions and scale of its divisions by enhancing and refining its specialist capabilities to achieve deeper vertical integration in current market segments, and apply these capabilities to new complementary market segments.

DELIVERING A STRONG PIPELINE OF FUNDING

- Due to its ability to manage the credit risk associated with its chosen market segments to a level acceptable to funders, Transaction Capital continues to enjoy uninterrupted access to local and international funding pools. Thus, Transaction Capital is able to serve as a conduit between local and international funders and small- and medium-sized enterprises (SMEs).

MANAGING THE ADEQUACY AND DEPLOYMENT OF CAPITAL

- Judiciously invest equity capital, conservatively leveraged with local and international debt, into accurately assessed asset classes to achieve superior risk-adjusted returns.

OVERSEEING MANAGEMENT OF CREDIT, INVESTMENT AND REGULATORY RISK

- Leverage its specialist capabilities to manage credit risk that arises due to the nature of its chosen market segments, and to manage investment risk when allocating capital.
- Manage uncertainty and the cost of compliance due to the constant evolution of financial services regulations, which requires awareness of, preparation for, and participation in legislative developments.

ENSURING HIGH-CALIBRE TALENT TO DRIVE A HIGH-PERFORMANCE CULTURE

- Transaction Capital's ability to differentiate itself through intellectual capital is a function of its people, who the group motivates, engages, develops and rewards to foster innovation, cultivate leadership and sustain a high-performance culture.

OUTCOMES

POSITIONED DELIBERATELY IN RELATION TO DEMOGRAPHIC AND SOCIO-ECONOMIC REALITIES, TRANSACTION CAPITAL'S DIVISIONS DELIVER BOTH **COMMERCIAL RETURNS** AND **SOCIAL BENEFITS**.

The defensive nature of Transaction Capital's business enables **consistent and resilient earnings growth** over time, generating superior returns.



HEADLINE EARNINGS COMPOUND ANNUAL GROWTH RATE (CAGR) SINCE LISTING



2017 CORE HEADLINE EARNINGS R577 MILLION



2017 CORE HEADLINE EARNINGS PER SHARE 96.4 CENTS



2017 TOTAL DIVIDEND PER SHARE 40.0 CENTS

MARKET CAPITALISATION AT 30 SEPTEMBER 2017 R9.3 BILLION

Core financial results and ratios exclude once-off acquisition costs of R22 million incurred during the year.

Growth rates compare 2017 to 2016.

Transaction Capital's focus on under-served market segments creates **broader stakeholder value** and positions the group as **socially relevant**. See pages 34 and 44 for the societal relevance of its divisions.

SA TAXI
R2.9 BILLION
LOANS ORIGINATED,
CREATING 7 480
SMEs IN 2017

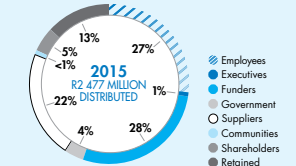
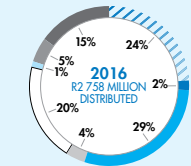
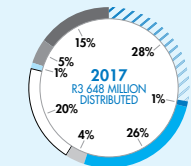
TCRS CONTRIBUTES TO THE EFFICIENCY AND EFFECTIVENESS OF NATIONAL CREDIT SYSTEMS

4 095
TOTAL EMPLOYEES

SA TAXI
12 HOURS
TRAINING PER EMPLOYEE

TCRS
78 HOURS
TRAINING PER EMPLOYEE

VALUE DISTRIBUTED TO STAKEHOLDERS



Transaction Capital's divisions occupy **leading market positions** due to their specialist focus on under-served market segments.

See pages 36 and 46 for the market context in which its divisions operate.

1 IN 3
of the national financed minibus taxi fleet is financed and insured by SA Taxi

1ST OR 2ND
ranking by clients in 89% of Transaction Capital Recoveries' 231 mandates